

# Sedex Members Ethical Trade Audit Report

Version 7



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## Audit content

**(1)** A SMETA audit was conducted which included some or all of labour standards, health and safety, environment and business ethics. The SMETA minimum requirements were applied and the SMETA auditor manual was followed. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA methodology are stated (with reasons for deviation) in the SMETA declaration.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the code areas below.

### 2-pillar audits include:

- Labour standards:
  - 0. Enabling accurate assessment
  - 1. Employment is freely chosen
    - 1.A. Responsible recruitment and entitlement to work
  - 2. Freedom of association and right to collective bargaining are respected
  - 4. Child labour shall not be used
  - 5. Legal wages are paid
    - 5.A. Living wages are paid
  - 6. Working hours are not excessive
  - 7. No discrimination is practiced
  - 8. Regular employment is provided
    - 8.A. Sub-contracting and homeworkers are used responsibly
  - 9. No harsh or inhumane treatment is allowed
- Health and safety:
  - 3. Working conditions are safe and hygienic
- Environment:
  - 10.A. Environment 2-pillar

### 4-pillar audits include, in addition to the above:

- Environment:
  - 10.B. Environment 4-pillar
- Business ethics:
  - 10.C. Business ethics

**(2)** Where appropriate, non-compliances or non-conformances were raised where either local law or the base code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.

**(3)** Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

# Audit details

## Site details

<b>Sedex site reference</b>	ZS421271094	<b>Site name</b>	AE ATA (HK) Ltd
<b>Business name</b>	AE ATA (HK) Ltd	<b>Site address</b>	303-304, Building B, Shenzhen Qianwan Hard-Tech Industrial Park, Nanchang Community, Xixiang Sub-District, Bao'an District, 深圳市宝安区西乡街道南昌社区深圳前湾硬科技产业园B栋303、304 Shenzhen CN 518101

## Audit details

<b>Sedex company reference</b>	ZC421131183	<b>Auditor company name</b>	BUREAU VERITAS CPS - ASIA
<b>Audit company address</b>	7th Floor. Octa Tower. 8 Lam Chak Street, Kowloon Bay, Kowloon, HONG KONG, CN, -		
<b>Date of audit</b>	2026-04-10	<b>Audit conducted by</b>	Jason Chen
<b>Audit pillars</b>	Labour Standards   Health and safety   Environment 4-Pillar   Business ethics		
<b>Time in and out</b>	Day 1	Day 2	
	In 13:30	In	09:35
	Out 17:30	Out	18:00

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<b>Audit type</b>	Full initial
<b>Was the audit announced?</b>	Semi announced
<b>Was the Sedex SAQ available for review?</b>	Yes
<b>Who signed and agreed CAPR?</b>	Ms. Jiang, Ai-hong / Supervisor
<b>Any conflicting information SAQ/Pre-Audit Info</b>	No
<b>Is further information available?</b>	No

## Audit attendance

	Senior management	Worker representative	Union representative
<b>A: Present at the opening meeting?</b>	Yes	Yes	No
<b>B: Present at the audit?</b>	Yes	Yes	No
<b>C: Present at the closing meeting?</b>	Yes	Yes	No
<b>Reason for absence at the opening meeting</b>	There is no union at the site.		
<b>Reason for absence during the audit</b>	There is no union at the site.		
<b>Reason for absence at the closing meeting</b>	There is no union at the site.		

# SMETA declaration

## Auditor team

### SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

### Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

The semi-announced window of this audit is from April 7, 2026 to May 7, 2026.

This audit includes elements beyond the scope of a Social Compliance Audit as defined by the APSCA Competency Framework. The association of the auditor's APSCA number with this report is limited to those elements outlined in the APSCA Competency Framework. APSCA makes no representations with respect to the auditor's competency to professionally evaluate compliance with any other audit elements.

### Lead auditor

Jason Chen

### APSCA Number

21701144

### Additional auditor

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## Auditor team

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<b>Date of declaration</b>	2026-04-11
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## Site representation

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<b>Declaration</b>	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
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<b>Full name</b>	Ms. Jiang, Ai-hong
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<b>Title</b>	Supervisor
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<b>Date of declaration</b>	2026-04-11
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## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law	NC <a href="#">ZAF601389148</a>
	3.O Implement an appropriate electrical safet...	Local law	NC <a href="#">ZAF601389147</a>
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law	NC <a href="#">ZAF601389145</a>
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC <a href="#">ZAF601389146</a>


# Management systems

	Policies and procedures	Resources	Communication and training	Monitoring
1. Employment is freely chosen				
1.A. Responsible recruitment and entitlement to work				
2. Freedom of association and right to collective bargaining are respected				
3. Working conditions are safe and hygienic				
4. Child labour shall not be used				
5. Legal wages are paid				
6. Working hours are not excessive				
7. No discrimination is practiced				
8. Regular employment is provided				

 Not addressed

















 Fundamental improvements required


 Some improvements recommended


 Robust management systems


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	Policies and procedures	Resources	Communication and training	Monitoring
8.A. Sub-contracting and homeworkers are used responsibly				
9. No harsh or inhumane treatment is allowed				
10.A. Environment 2-Pillar				
10.C. Business ethics				

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

# Site details

## Company and site details

<b>Sedex company reference</b>	ZC421131183	
<b>Sedex site reference</b>	ZS421271094	
<b>Company name</b>	AE ATA (HK) Ltd	
<b>Business ownership type</b>	GOODS	
<b>Site name</b>	AE ATA (HK) Ltd	
<b>Site name in local language</b>	深圳艾艺艾迪艾科技有限公司	
<b>GPS location</b>	<b>GPS address</b>	303-304, Building B, Shenzhen Qianwan Hard-Tech Industrial Park, Nanchang Community, Xixiang Sub-District, Bao'an District, Shenzhen, Guangdong, China
	<b>Coordinates</b>	Latitude: N 22° 35' 50" Longitude: E 113° 49' 48" The site was established on February 16, 2022 on business license. The factory occupied part of the 3rd floor of one 8-storey production building, no dormitory or canteen service was provided for employees, the total construction area was approx. 2,412 square meters. The factory had a total of 40 employees, including 2 management, 2 supervisors or team leaders, 9 administrative staffs, and 27 workers, 16 male and 24 female employees. The youngest employee in the factory was 19 years old.

[← Management systems](#)

[Worker analysis →](#)

## Company and site details

**Is the worksite in a remote location, far from habitation?**

Yes

Factory located in an industrial park, 5 km away from Xixiang Sub-district.

**Site contact**

**Contact name**

Ms. Jiang, Ai-hong

**Job title**

Supervisor

**Phone number**

0755-82131103

**Email**

jiang.aihong@ae-ata.com

**Applicable business and other legally required business license numbers and documents**

1. Business license number: 91440300MA5H7D208L. Valid from February 16, 2022 to long term.
2. Fire acceptance check issued on February 4, 2021.
3. Legal construction safety documents issued on May 26, 2006.

## Site activities

<b>Site function</b>	Factory Processing/Manufacturer	
<b>Site activities</b>	<b>Primary</b>	Manufacture of other electronic and electric wires and cables
	<b>Secondary</b>	
	<b>Other</b>	
<b>Product type</b>	Cable, Battery electrical system analyser.	
<b>Process overview</b>	<p>Products produced: Cable, Battery electrical system analyser.</p> <p>Main operations: Cutting, Assembly, Soldering, Injection, Testing, Packing.</p> <p>Production lines: 4</p> <p>Main equipment used: Molding machines, Peeling machines, Drying machines, Testing machines, etc.</p>	
<b>What level of mechanization best describes the work at this site?</b>	Fair mechanisation / manual Labour	

## Site scope

<b>Is the audited site a physically continuous area?</b>	<p>No</p> <p>The factory occupied part of the 3F of one 8-storey production building; the rest parts or floors of the production building were occupied by other factories. Lease contract was provided for review. According to factory tour and interview, it was noted they had separate management system; no worker transaction issue was noted. They were manufacturing different products. Therefore, only the auditee factory was included into audit scope.</p>
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[Worker analysis →](#)

## Site scope

<b>Building 1</b>	<b>Last construction works on site</b>	2006
	<b>If building is shared, provide details</b>	The factory occupied part of the 3F of one 8-storey production building; the rest parts or floors of the production building were occupied by other factories.
	<b>Number of floors</b>	8
	<b>Description of floor activities</b>	1F-2F: Occupied by other factories 3F: Part of 3/F occupied by auditee and used as office, warehouse, Cutting, Assembly, Soldering, Injection, Testing, Packing workshop, the rest parts of 3/F was occupied by another factory. 4F-8F: Occupied by other factories

Is there any difference between the site scope of the audit and the Sedex site profile? No

Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site? No

Is any activity conducted onsite not included within the scope of the audit? No

## Worker accommodation and transport

Are there any site-provided worker accommodation buildings? No

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## Worker accommodation and transport

<b>Does the site organise worker transport to the worksite?</b>	Not provided
	No transport was provided, which was not mandated by law. The workers arrange transport themselves.

## Work patterns

<b>Approximate workers on site per month (% of peak)</b>	<b>January</b>	90-100%	<b>February</b>	80-90%
	<b>March</b>	90-100%	<b>April</b>	90-100%
	<b>May</b>	90-100%	<b>June</b>	90-100%
	<b>July</b>	90-100%	<b>August</b>	90-100%
	<b>September</b>	90-100%	<b>October</b>	90-100%
	<b>November</b>	90-100%	<b>December</b>	90-100%

<b>Is there any night shift work at the site?</b>	No
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## Site assessments

<b>Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?</b>	No
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<b>Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?</b>	No
	No, the site has not assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.

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[Worker analysis →](#)

## Site assessments

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<b>Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?</b>	No
	No Human Rights Impact Assessment (HRIA) had been conducted within the last three years at this site.

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[Worker analysis →](#)

# Worker analysis

Gender disaggregated data available      Men and women

## Worker totals

	Men	Women	Other	Total
Number of workers	9 (33.3%)	18 (66.7%)	- -	27 (100%)

## Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	9 (33.3%)	18 (66.7%)	- -	27 (100%)
Temporary or fixed term employees	0 -	0 -	- -	0 (0%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

\* % of total workforce

[← Site details](#)

[Worker interviews →](#)

## Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	9 (34.6%)	17 (65.4%)	- -	26 (96.3%)
International migrant workers	0 -	0 -	- -	0 (0%)
<b>Total migrant workers</b>	<b>9 (34.6%)</b>	<b>17 (65.4%)</b>	<b>- -</b>	<b>26 (96.3%)</b>

\* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from  
 Hunan, Hubei, Jiangxi Province of P. R. China

## Workers by age

	Men	Women	Other	Total
18 - 24 years old	0 (0%)	2 (100%)	- -	2 (7.4%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

\* % of total workforce

Is the worker analysis data relevant for peak season and current to the audit? No

Describe how this may vary during peak periods No obvious peak season in the facility.

Please list the nationalities of all workers, with the three most common nationalities listed first Chinese

### Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Chinese	33%	67%	-	100%

### Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 -	0 -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 -	0 -	- -	0 (0%)
Workers paid hourly / daily rate	9 (33.3%)	18 (66.7%)	- -	27 (100%)
Salaried workers	0 -	0 -	- -	0 (0%)

\* % of total workforce

[← Worker analysis](#)

[Worker interviews →](#)

## Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	9 (33.3%)	18 (66.7%)	- -	27 (100%)
Other	0 -	0 -	- -	0 (0%)

\* % of total workforce

If other payment cycle entered, please provide details      N/A No other payment cycle

## People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	1 (50%)	1 (50%)	- -	2
Supervisors or team leaders	1 (50%)	1 (50%)	- -	2
Administrative staff	5 (55.6%)	4 (44.4%)	- -	9

[← Worker analysis](#)

[Worker interviews →](#)

# Worker interview summary

Gender disaggregated data available      Men and women

Which methods of worker engagement were used?      Individual interviews  
Group interviews

## Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

Was the interview sample representative of all types of nationality and employment types of workers?      Yes

Was the interview sample representative of the gender composition of the workforce?      Yes

Number and size of group interviews      1 group x 5 employees per group

Did workers understand the purpose of the audit?      Yes

Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers?      Yes

**Was there any indication that workers had been 'coached' in how they should respond to questions?**

No

**What was the general attitude of the workers towards their workplace?**

Favorable

## Attitude of workers

**In which areas did workers raise significant concerns or complaints?**

Other (provide details)

No compliant was raised

**What did the workers like the most about working at this site?**

Diversity  
Freedom of movement  
Hours worked, rest days or breaks

### Additional comments

Confidential private interview was conducted with 14 (4 extra interviewees for Environment and Business Ethics) employees from various sections in a private room. In general, sampled workers' attitude to the factory and management was favourable. Information gathered from sampled employees was mostly consistent with the documents that the factory had provided. No compliant was raised during employee interview.

Apart from the 10 workers interviewed listed in the worker analysis table, another 2 employees were interviewed for business ethics and 2 employees for environment as this is a 4-pillar audit.

**Attitude of workers' committee/union representatives**

The attitudes of worker committee to factory management were favorable. They were satisfied with the working condition and working hours. No negative information was raised.

## Attitude of workers

### Attitude of managers

At the opening meeting, auditor explained the audit scope and the audit standard to the factory representative. Factory tour, document review, interviews of management members and workers were conducted as scheduled. A full audit was finished under the co-operation with the factory representatives. During the factory tour, auditor was allowed to access the whole factory area. Factory management also allowed auditors to select the samples, review documents, and interview production workers in a private and confidential manner. The management was positive towards the audit & audit process. No negative attitude was noted.

## Workers interviewed by type

	Total
Permanent workers	10
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
<b>Total number of workers interviewed</b>	<b>10</b>

## Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	3	2	-	5

## Workers interviewed by group/individual

Workers interviewed individually	2	3	-	5
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[← Worker analysis](#)

[Measuring workplace impact →](#)

## Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	5	4	-	9
International migrant workers interviewed	0	0	-	0
<b>Total migrant workers interviewed</b>	<b>5</b>	<b>4</b>	<b>-</b>	<b>9</b>

# Measuring workplace impact

Gender disaggregated data available      Men and women

## Annual worker turnover (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	2.0%	4.0%	-	6.0%
Last full calendar year (2025)	2.0%	3.0%	-	5.0%
Previous full calendar year (2024)	2.0%	3.0%	-	5.0%

\* Number of workers leaving in last 12 months as a % of average total number of workers on site over the year.

## Rate of absenteeism (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	3.0%	4.0%	-	7.0%
Last full calendar year (2025)	2.0%	4.0%	-	6.0%
Previous full calendar year (2024)	2.0%	3.0%	-	5.0%

Number of days lost through job absence in the year, calculated as: (Number of days lost through job absence in the year) / [(Number of employees on 1st day of the year + Number of employees on the last day of the year) / 2] \* (Number of available workdays in the year).

Are accidents recorded?      Yes

Factory provided accident records for review.

[← Worker interviews](#)

[Code area 0 →](#)

### Annual number of work related accidents and injuries (per 100 workers)\*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

\* Calculated as (number of work related accidents and injuries \* 100) / number of total workers.

### Lost day work cases (per 100 workers)\*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

\* Calculated as (number of lost days due to work accidents and work related injuries \* 100) / number of total workers.

### Percentage of workers that work on average more than 48 total hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%

[← Worker interviews](#)

[Code area 0 →](#)

### Percentage of workers that work on average more than 48 total hours in a given week

Previous full calendar year (2024)	0.0%	0.0%	-	0.0%
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### Percentage of workers that work on average more than 60 total hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

# 0. Enabling accurate assessment

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>	<p>Current systems:</p> <p>Based on a review of documents, management interviews, and individual employee interviews, the auditor was allowed to conduct and complete the audit without obstruction. Full access was granted to all requested documents, interviewees, and the production, warehouse, and office areas. Moreover, the factory provided the auditor with genuine and authentic records. No bribes or threats were encountered, nor was there any attempt to induce the auditor to act dishonestly. The factory also provided an accurate site description and a SEDEX site profile as declared during the audit.</p> <p>Accurate information was verified through the factory profile, written human rights policy, training records for the human rights policy, etc. Ms. Jiang, Ai-hong / Supervisor was assigned responsibility for overall compliance performance. A human rights policy statement was approved by senior management, and sufficient training was conducted on a regular basis.</p> <p>Evidence examined to validate this code section:</p> <ul style="list-style-type: none"> <li>Management interview</li> <li>Worker interview</li> <li>Document review               <ul style="list-style-type: none"> <li>- Written human rights policy</li> <li>- SAQ</li> </ul> </li> </ul>		

0. Enabling accurate assessment

## Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment? No

Did any workers selected by the auditor decline to be interviewed? No

Were any external stakeholders such as consultants, customer representatives, industry experts etc. present during the audit? No

# 1. Employment is freely chosen

## Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Robust Management Systems

**Monitor the effectiveness of procedures to meet policy and workplace requirements** Robust Management Systems

## Management systems

### Explanation for management systems grades

#### Policies & Procedures:

The site has established a formal, written policy prohibiting forced labor, human trafficking, debt bondage, and other forms of modern slavery. These policies are aligned with applicable legal requirements as well as international standards, such as the ILO Conventions and the ETI Base Code. Clear procedures are in place to identify and prevent forced labor risks during the recruitment process, ensuring that employment relationships are based on free and informed choice. Contracts with suppliers explicitly prohibit the use of forced labor practices and require compliance with applicable labor standards. Defined policies guarantee workers' rights to freely resign from employment in accordance with legal requirements and protect their freedom of movement without restriction or penalty.

The factory has also established a CSR management manual, which includes the freely chosen employment policy. An employment management procedure ensures that all employment is freely chosen. Responsibilities and processes to implement policies and procedures are clearly defined.

The factory has established a documentation management procedure to update related documentation according to changing requirements or situations, ensuring sustainable compliance with employment workplace requirements now and over time.

#### Resources:

The HR supervisor is responsible for implementing and overseeing the prevention of forced labor within the facility. Sufficient resources, including personnel, budget, and tools, are allocated to support proper recruitment processes, risk assessments, and compliance monitoring activities.

The site carries out due diligence checks on suppliers to ensure alignment with forced labor prevention requirements, and clear accountability mechanisms are established to address any identified risks. Workers are provided with access to a formal grievance mechanism that allows them to confidentially report concerns related to forced labor.

The HR supervisor possesses the necessary skills and seniority to manage employment workplace requirements. A backup procedure is in place: when the HR supervisor is absent, the backup is trained and authorized to ensure the policies and procedures continue to operate effectively.

## Management systems

An internal audit and management review are conducted annually to ensure the demonstrable effectiveness of the management structure and sustainable compliance over time.

### Communication & Training:

Regular training is provided to HR personnel, managers, and workers on forced labor risks and workers' rights. All workers are clearly informed of their employment terms, including conditions of work and their right to leave employment freely without restriction or penalty.

Training materials are provided in appropriate languages and tailored to workforce literacy levels. Sessions include real-life examples to help workers recognize and identify potential forced labor risks. Suppliers also receive training on responsible recruitment practices and the prevention of forced labor risks.

The factory has established a training procedure and annual training plan, including assessment and refresher training. Training records are well maintained, and training effectiveness is verified through examinations and questionnaires, ensuring all workers understand the content.

### Monitoring:

Regular internal audits and risk assessments are conducted to identify potential indicators of forced labor. The site maintains detailed records on recruitment processes, employment contracts, wages, and worker grievances to support effective monitoring and traceability.

Worker interviews and anonymous surveys are carried out to assess actual working conditions and detect any hidden risks. The site reviews and updates its monitoring processes regularly, incorporating lessons learned from past findings.

Monthly and annual targets are established to ensure ongoing compliance with employment requirements. The HR supervisor monitors these targets; if any are not met, root cause analysis is performed and corrective and preventive actions are implemented to avoid recurrence.

Internal audits and management reviews are conducted annually to monitor policies and procedures. Adjustments are made as necessary to ensure continued effectiveness, maintaining sufficient management of employment workplace

## Management systems

requirements over time.

As a result, the management system was robust.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

### Systems and evidence examined to validate this code section

Current systems:

Based on the review of documents, management interviews, and individual employee interviews, no forced, bonded, or involuntary prison labor was identified. All sampled employees were not required to lodge “deposits” or surrender their identity cards and were free to leave or resign with reasonable notice. The factory did not retain any original documents such as ID cards, educational certificates, etc.

Evidence examined to validate this code section:

- Management interview
- Worker interview
- Document review
  - Contracts
  - Personnel files
  - Security guard checklist
  - Wage and hour records
  - Resignation / Termination records
  - Factory rules
  - Employee handbook
  - Disciplinary records
  - Contracts for security guards

1. Employment is freely chosen

## Data points

If required under local law, is there a published 'modern slavery' or similar statement? Not Applicable

Does the site utilise any workers who are prisoners? No

Does the site use the labour of persons required to work under any government scheme? No

# 1.A. Responsible recruitment and entitlement to work

## Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Robust Management Systems

**Monitor the effectiveness of procedures to meet policy and workplace requirements** Robust Management Systems

## Management systems

### Explanation for management systems grades

#### Policies & Procedures:

The site has established a formalized written policy covering responsible recruitment and entitlement to work. Documented procedures are in place to verify the legal right to work for all workers, including both direct employees and third-party workers (if needed), prior to hiring. The site complies with local laws and has implemented a process for checking the authenticity of identity and employment documents to prevent illegal or fraudulent practices.

Suppliers are contractually required to verify the legal status of their workers and ensure compliance with applicable labor regulations. The site enforces a zero-tolerance policy against charging recruitment fees to workers and strictly prohibits misleading job advertisements or practices that could result in exploitation.

The factory has established a recruitment management procedure to ensure that recruitment is responsible and that workers have entitlement to work. Policies and procedures are appropriate for the factory context, and responsibilities and processes to implement them are clearly defined.

A documentation management procedure is in place to update related policies and procedures according to changing requirements or situations, ensuring sustainable compliance with workplace requirements in this base code area over time.

#### Resources:

The HR supervisor is responsible for overseeing recruitment practices and ensuring compliance with legal work entitlement requirements. Adequate resources, including personnel, budget, and tools, are allocated to support document screening, identity verification, and the performance of random sampling checks.

Where labor providers are engaged, due diligence processes are implemented, including documented service agreements and regular compliance checks, to ensure all recruitment activities meet legal and ethical standards.

The HR supervisor possesses the necessary skills and seniority to manage employment workplace requirements. A backup procedure is in place: when the HR supervisor is absent, the backup is trained and authorized to ensure the policies and procedures continue to operate effectively.

Internal audits and management reviews are conducted annually to ensure

[← Code area 1](#)

[Code area 2 →](#)

## Management systems

demonstrable effectiveness of the management structure and sustainable compliance over time.

### Communication & Training:

Regular training programs are conducted for HR personnel, managers, and labor providers on legal and responsible recruitment practices and entitlement to work requirements. Workers are clearly informed about their employment conditions, wages, and rights before entering employment to ensure transparency and informed consent.

The factory has established training procedures and an annual training plan, including assessment and refresher training. Training materials are provided and updated as needed. Training records are well maintained, and training effectiveness is verified through examinations and questionnaires, ensuring all relevant staff understand the knowledge and can apply it in practice.

### Monitoring:

Regular audits and compliance checks are carried out on both direct employees and, where applicable, agency workers to ensure adherence to legal recruitment and entitlement to work requirements. Worker interviews and document audits are used to assess compliance and identify potential areas for improvement.

Monthly and annual targets on responsible recruitment and entitlement to work are established, with the HR supervisor responsible for monitoring. If any target is not met, root cause analysis is conducted, and corrective and preventive actions are implemented to avoid recurrence.

Internal audits and management reviews are conducted annually to monitor policies and procedures. Adjustments are made as necessary to ensure continued effectiveness. These monitoring methods ensure sufficient ongoing management of workplace requirements in this base code area.

As a result, the management system was robust.

## Summary of findings

[← Code area 1](#)

[Code area 2 →](#)

Code area	Workplace requirement	Area of NC	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>	<p>Current systems:</p> <p>Based on the review of documents, and interviews with management and individual employees, factory management reviewed original photographic identification to verify that all workers had the legal right to work. The factory had established a policy and procedure for recruitment and verification of workers' legal entitlement to work. A factory manager was appointed to oversee recruitment and entitlement processes. Training on recruitment and legal work entitlement was provided to workers upon entry and on a periodic basis.</p> <p>Based on on-site verification, no agency staff or foreign workers were employed by the factory. All workers were Chinese nationals and hired by factory directly. No labor providers or recruitment partners were used. No on-site subcontractors were noted. Some employees were migrant workers from provinces outside Guangdong. All workers possessed the proper legal documentation and had the right to work in the region. No recruitment fees or related costs were noted.</p> <p>Evidence examined to validate this code section:</p> <ul style="list-style-type: none"> <li>Management interview</li> <li>Worker interview</li> <li>Document review               <ul style="list-style-type: none"> <li>- Procedure about workers' legal rights</li> <li>- Procedure about recruitment</li> </ul> </li> </ul>		

## 1.A. Responsible recruitment and entitlement to work

### Data points

#### Labour hire

Does the site use labour providers and/or formal, temporary, seasonal or guest worker programmes? Workers are recruited, selected, and hired directly by our company

How do the labour providers recruit and hire workers? N/A - Recruitment providers not used

Where labour providers were used to recruit, what was the highest number of tiers identified in a workers recruitment journey? 0

Are there any subcontracted workers (excluding dispatched labour) on site? No

Were all non-employee (e.g. agency or subcontracted) workers included within the scope of this audit for the purpose of document review and (if onsite on date of audit) interview? Not Applicable

Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review? Not Applicable

#### Migrant workers

Do any workers migrate across international borders to work at this site? No

[← Code area 1.A](#)

[Code area 2 →](#)

Percentage of workers that are migrant 96%

Do any workers migrate from other states, provinces or regions within the country to work at this site? Yes

List the sending states/provinces/regions Hunan, Hubei, Jiangxi Province of P. R. China

### Recruitment fees

Have any workers who started at this site in the last 12 months (new workers) paid any recruitment fees or associated costs, such as visas or travel, which have not been fully repaid? No - all new workers were recruited locally by the site

Select 1 to 3 sending countries/regions of new workers, who have paid any recruitment fees and associated costs. Record fees and costs in the following tables. China

### New workers totals

	China
Number of workers	18

### Recruitment fees

	China
Payments made in exchange for work	-

[← Code area 1.A](#)

[Code area 2 →](#)

## Recruitment fees

Recruitment services which are not optional	-
---	---

Other or uncategorised	✓
------------------------	---

## Related costs

China

Medical costs	-
---------------	---

Insurance costs	-
-----------------	---

Skills and qualification tests	-
--------------------------------	---

Training and orientation	-
--------------------------	---

Equipment costs	-
-----------------	---

Travel costs	-
--------------	---

Accommodation costs	-
---------------------	---

Administrative costs	-
----------------------	---

Other or uncategorised	✓
------------------------	---

## Illegitimate costs

China

## Illegitimate costs

Payments made to illegitimate actors involved in the recruitment process -

Payments made to illegitimate actors during the course of employment -

Other or uncategorised ✓

## Was any worker in this group in debt as a result of these costs?

China

Yes - to a recruiter -

Yes - to the audited site -

Yes - to a third party -

No - could not verify ✓

## Highest total costs incurred

China

Currency CNY

Highest total costs incurred 0.0

[← Code area 1.A](#)

[Code area 2 →](#)

**Additional comments**

Based on the audit verification, the site adopts a direct recruitment model. All new workers are local Chinese employees from various provinces, and no international migrant workers are employed at the site. Through management interviews, review of recruitment documents, and individual worker interviews, it was confirmed that no recruitment fees or associated costs (such as medical exams, travel, or administrative costs) were borne by the workers. The site covers all necessary recruitment expenses in advance. Consequently, the highest total cost incurred by any individual worker is recorded as 0, and no debt indicators were identified.

## 2. Freedom of association and right to collective bargaining are respected

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems

## Management systems

### Explanation for management systems grades

#### Policies & Procedures:

The site has established a formal policy recognizing workers' rights to freedom of association and collective bargaining, aligned with applicable legal requirements and international standards, including ILO Conventions. Workers are informed of their right to join or form trade unions and worker committees without fear of retaliation or discrimination. Clear procedures are in place to ensure that worker representatives are freely elected and can operate independently without management interference.

Currently, there is no union at the site, but worker representatives have been freely elected, and election records are available. Worker representatives hold meetings once per quarter, and meeting records are maintained. In addition, the site has established a documentation management procedure to ensure policies and procedures are updated according to regulatory or contextual changes, enabling sustainable compliance over time.

#### Resources:

The site has assigned personnel responsible for overseeing compliance with freedom of association and collective bargaining rights. Worker representatives are provided adequate time and facilities to perform their duties effectively. Designated resources are allocated to support regular communication and engagement with worker committees. Worker representatives also receive training to understand their responsibilities in representing the workforce.

The assigned manager has the necessary skills and seniority to manage workplace requirements. A backup procedure is in place: one trained and authorized backup person is designated to ensure continuity when the responsible manager is absent. In addition, the factory conducts an internal audit and management review once a year to ensure the management structure is effective and sustainable over time.

#### Communication & Training:

Workers receive regular training on their rights to join or form trade unions, engage in collective bargaining, and elect worker representatives. Management, HR personnel, and supervisors are trained on handling interactions with unions and worker representatives appropriately, without retaliation or discrimination. Structured communication channels are maintained through regular meetings and updates with worker representatives. Training is accessible to all workers, including those employed through third-party labor providers (if any).

## Management systems

The factory has established training procedures and an annual training plan, which include assessments and refresher training. Training on freedom of association and collective bargaining is conducted once a year for all relevant workers, including managers and supervisors. Training materials are provided and updated when necessary, with records well maintained. Effectiveness is verified through examinations and questionnaires, showing that most workers understand the knowledge.

However, interviews revealed that not all employees fully understood the training content, some interviewed employees demonstrated limited understanding of the worker representative mechanism, although most were aware of the channel.

Monitoring:

The site regularly reviews its policies and practices to ensure compliance with workers' rights to freedom of association. A structured grievance mechanism is in place for workers to report concerns without fear of retaliation. Worker interviews and anonymous surveys are conducted to assess workplace conditions, and records of committee meetings and management responses are well maintained to ensure transparency.

The factory has also set monthly and yearly targets on freedom of association and collective bargaining compliance. The responsible manager monitors these targets, analyzes root causes if goals are unmet, and takes corrective and preventive actions. The manager also tracks whether all worker complaints are resolved and follows up on unresolved cases.

In addition, an internal audit and management review are conducted annually to evaluate policies and procedures. If results indicate necessary changes, the factory updates processes to maintain effectiveness. These monitoring methods ensure sustainable compliance and effective management of this base code area.

As a result, the management system of policies & procedures, resources, and monitoring is robust. However, communication & training need some improvement.

## Summary of findings

[← Code area 1.A](#)

[Code area 3 →](#)

Code area	Workplace requirement	Area of NC	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>	<p>Current systems: The site established a policy on freedom of association and collective bargaining. Based on interviews with factory management and workers, it was noted that no union had been established in the factory. However, a worker committee was in place. Workers were able to freely raise their concerns through the suggestion box or by speaking with their team leader. The worker representatives were supported by the management and were not discriminated by others. They conducted meetings on a regular basis.</p> <p>Evidence examined to validate this code section: Management interview Worker interview Document review</p> <ul style="list-style-type: none"> <li>- Factory policy</li> <li>- Minutes from meetings and elections</li> <li>- Notices</li> <li>- Status of worker committees</li> <li>- Pay slips</li> <li>- Suggestion boxes and other means to gather workers' feedback</li> <li>- Personal files</li> </ul>		

## 2. Freedom of association and right to collective bargaining are respected

### Data points

Are trade unions allowed by law in the national context?	Yes
Are there any registered trade unions in the workplace?	No
Are they active?	
Does the employer recognise the trade union?	Not Applicable
Are there alternative worker representative bodies in place?	Yes, worker committee
Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)?	Yes
Are the worker representatives freely elected by the workforce as a whole?	Yes
Does union/worker committee membership reflect the gender composition of the workforce?	Yes
Does the membership reflect the nationality composition of the workforce?	Yes

[← Code area 2](#)

[Code area 3 →](#)

Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years? No

### 3. Working conditions are safe and hygienic

#### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

## Management systems

### Explanation for management systems grades

#### Policies & Procedures:

The site has formalized policies to ensure safe and hygienic working conditions. These policies include clear measures for accident prevention, emergency preparedness, proper use of personal protective equipment (PPE), and regular risk assessments.

Documented procedures are in place to identify, prevent, and mitigate workplace hazards. Legal safety regulations are fully incorporated into the company's policies to ensure compliance with applicable laws.

Specific procedures have been established for managing hazardous substances, fire safety, first aid, and emergency evacuations to minimize risks and protect worker health and safety.

The factory also established an EHS team and documentation management procedures for updating related documents in response to changing requirements or situations, ensuring that policies and procedures remain effective and sustainable over time.

#### Resources:

A qualified EHS supervisor is assigned to oversee workplace safety and hygiene, with sufficient skills and seniority to manage compliance requirements. First-aid kits, PPE, firefighting equipment, and emergency exits are available and regularly maintained. Risk assessments are conducted regularly, with corresponding safety measures implemented.

The factory has also established a backup procedure to ensure continuity in management responsibilities. The EHS supervisor has a trained backup authorized to implement procedures when the supervisor is absent. However, it was noted that the backup failed to identify EHS issues effectively.

The site ensures that sufficiently trained first-aid personnel and safety officers are available across all shifts. Internal audits and management reviews are conducted annually to evaluate the effectiveness of the safety management structure. Despite these efforts, the budget allocated for health and safety improvements remains limited, leading to partial gaps in compliance with legal and international standards.

#### Communication & Training:

## Management systems

All workers receive regular health and safety (H&S) training before being exposed to workplace risks. Training covers fire safety, PPE usage, first aid, chemical handling, and emergency procedures. EHS training is conducted at least once per year for relevant workers, managers, and supervisors.

Training procedures and yearly training plans are in place, including assessments and refresher sessions. Training materials are provided, and content is updated as necessary. Records are properly maintained.

The H&S committee actively promotes workplace safety and communicates issues to management. However, the H&S committee exists but is not fully functional.

Monitoring:

The site regularly conducts internal audits and risk assessments to ensure workplace safety. Incident reports and accident logs are maintained and analyzed to support preventive measures. Corrective actions are implemented based on findings from inspections and worker feedback.

The factory has set both monthly and yearly EHS targets. The EHS supervisor is responsible for monitoring these targets, analyzing root causes of any gaps, and taking corrective and preventive actions. Worker complaints related to EHS are tracked to ensure resolution.

The H&S committee monitors workplace conditions and reports risks to management. A grievance mechanism exists for workers to raise safety concerns without fear of retaliation. However, monitoring is insufficient, and compliance enforcement is weak, resulting in systemic risks across the site. E.g. no warning sign marked on switch box, employees did not wear PPEs properly.

As a result, the management system of policies & procedures is robust. However, resources, communication & training need some improvement. The monitoring need fundamental improvement.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law	NC <a href="#">ZAF601389148</a>
	3.O Implement an appropriate electrical safet...	Local law	NC <a href="#">ZAF601389147</a>

[← Code area 2](#)

[Code area 4 →](#)

**Systems and evidence examined to validate this code section**

Current systems:

Through the factory tour, the following observations were made:

- A health and safety committee comprising both management and workers was established in the factory.
- A comprehensive risk assessment was conducted.
- Sufficient emergency exits were available in all workshops.
- Adequate fire safety equipment was provided throughout the workshops.
- Evacuation plans were posted on the work floors, indicating escape routes and the locations of fire extinguishers.
- All firefighting equipment was inspected periodically.
- First aid kits with sufficient supplies were available.
- Workstations were well-ventilated and well-lit.
- A comfortable temperature was maintained throughout the work areas.
- Drinkable water and toilet facilities were available in the workshops.
- Workers received regular and documented health and safety training.
- Special equipment was properly maintained.
- Qualified operators were assigned for special equipment and operations.
- Chemicals are managed through control of their entire lifecycle—from procurement, storage, and use to disposal. Labeling, training, and emergency preparedness measures are implemented to prevent accidents and protect worker health and the environment.

Remarks:

1. The exact date(s) of all fire drill (s) conducted in the scope of the audit: June 25, 2025, and December 10, 2025.
2. A legally compliant construction safety document was provided for review.

Evidence examined to validate this code section:

Factory tour

Management interview

Worker interview

Document review

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Government licenses and checks on air quality and noise level
- Fire Protection Acceptance Check & Building structure safety certificate
- Trained first aider register
- Accident reports

- Potable water testing certificates
  - Risk assessment
  - H&S committee minutes
  - PPE issuance list
  - Official inspection and permits
  - Permits/certificates for special operations
-

# Findings: non-compliances

ZAF601389148

Non-compliance

Due 2026-05-17

## Code area

3 Working conditions are safe and hygienic

## Status

Open\*

## Workplace requirement

3.H Where identified as necessary to reduce residual risk, provide (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE).

## Time given to resolve

30 days

## Issue title

278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate

## Verification method

Desktop audit

## Description

It was noted that 2 of 5 employees in the soldering workshop who were in contact with soldering dust were not wearing activated carbon masks provided by factory management.

## Area of non-compliance/non-conformance

Local law

审核员发现生产楼焊锡车间2/5名接触焊锡烟尘的员工没有佩戴工厂提供的活性炭口罩。

## Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that necessary personal protective equipment is provided to relevant employees and measures are taken to ensure that employees use such personal protective equipment appropriately.

建议工厂为相关的员工提供必要的个人防护用品，并确保他们正确佩戴。

## Local law reference

In accordance with Article 45 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.

根据《中华人民共和国安全生产法》第45条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。

## Evidence

[← Code area 3](#)

[Code area 4 →](#)



[NC Employee did not wear PPEs propely.jpg](#)



\* PDF generated at 10:16 (UTC) on 17 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601389147

**Non-compliance**

Due 2026-05-17

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

3.O Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.

**Time given to resolve**

30 days

**Issue title**

227 - Unmarked/incorrect labels/signage/instructions for electrics

**Verification method**

Desktop audit

**Description**

It was noted that no warning signs were marked on 3 out of 10 switch boxes in the material warehouse.

**Area of non-compliance/non-conformance**

Local law

审核员发现物料仓库3/10个开关盒没有张贴警示标志。

**Corrective and preventative actions**

It is recommended that management adopt practices and controls to ensure that all electricity devices and circuits in the factory are marked to avoid electric shock.

建议工厂对整个工厂的开关盒张贴警示标志。

[← Code area 3](#)

[Code area 4 →](#)

### Local law reference

In accordance with Article 2-7 of Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen. 6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock.

根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7，当心触电警示标志应安装在有可能发生触电危险的电器设备和线路，如：配电室、开关等。6.2 标志牌的材质：安全标志牌应采用坚固耐用的材料制作，一般不宜使用遇水变形、变质或易燃的材料。有触电危险的作业场所应使用绝缘材料。

### Evidence



[NC No warning sign marked.jpg](#)



\* PDF generated at 10:16 (UTC) on 17 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

### 3. Working conditions are safe and hygienic

## Data points

Is someone within the company responsible for health and safety?	Yes, qualified safety officer
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Some workers handled chemicals (e.g. printing inks, etc.) in the factory.
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable No added floors in the factory.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No

[← Code area 3](#)

[Code area 4 →](#)

Does the site have a structural engineer evaluation? Yes

[← Code area 3](#)

[Code area 4 →](#)

## 4. Child labour shall not be used

### Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Robust Management Systems

**Monitor the effectiveness of procedures to meet policy and workplace requirements** Robust Management Systems

## Management systems

### Explanation for management systems grades

#### Policies & Procedures:

The site has a formalized policy prohibiting child labour and protecting young workers, specifically those aged 16 and above. These policies are aligned with ILO Conventions, national laws, and SMETA requirements.

Clear hiring procedures are in place to verify the age of all workers, including the review of personal identification during recruitment. In the event that child labour is detected, the site follows a structured remediation policy to address the situation appropriately. Young workers aged 16 to 18, if employed, are only assigned age-appropriate and non-hazardous work to ensure their safety and well-being.

The factory has established a documentation management procedure to update related policies and procedures according to changing requirements or situations, ensuring sustainable compliance with workplace requirements in this base code area over time. Responsibilities and processes to implement these policies and procedures are clearly defined.

The factory encourages all employees' children to complete schooling up to university or vocational education. Current observations confirmed that there is no child labour in the factory.

#### Resources:

The HR supervisor is responsible for overseeing age verification and child labour prevention. Detailed records are maintained to verify the age of all workers.

Adequate resources are provided to ensure the protection of young workers, including safe working conditions. Where third-party labour providers are engaged, the site performs regular due diligence to ensure compliance with child labour policies. Financial and logistical support is available to remediate any identified child labour cases.

The designated HR supervisor possesses the necessary skills and seniority to manage workplace requirements effectively. A backup procedure is in place: the backup supervisor is trained and authorized to maintain policy and procedure operations in the supervisor's absence.

An internal audit and management review are conducted annually to ensure the demonstrable effectiveness of the management structure and sustainable compliance

[← Code area 3](#)

[Code area 5 →](#)

## Management systems

over time.

### Communication & Training:

All HR staff, including hiring personnel, receive training on child labour laws and age verification procedures. Workers and supervisors are trained on the protections for young workers and the assignment of non-hazardous jobs.

The site effectively communicates child labour policies to all employees, including third-party workers if any. There is a structured process to communicate and remediate issues if a child labour case is identified.

The factory has established a training procedure and annual training plan, including assessment and refresher training. Training materials are provided and updated as needed. Training records are well kept, and training effectiveness is verified through examinations and questionnaires, ensuring all workers understand the knowledge.

### Monitoring:

The site regularly audits hiring records and worker identification documents to prevent child labour. Worker interviews are conducted to ensure that no underage workers are employed.

If child labour is detected, corrective actions are implemented immediately. The site tracks and monitors young workers aged 16 to 18, if any, to ensure compliance with age-appropriate work restrictions.

Monthly and annual targets are established to ensure no child labour is used, with the HR supervisor responsible for monitoring. If any targets are not met, root cause analysis is performed, and corrective and preventive actions are implemented to avoid recurrence.

Internal audits and management reviews are conducted annually to monitor policies and procedures. Policies and processes are updated as necessary to ensure continued effectiveness. These monitoring methods ensure sufficient management of child labour requirements on an ongoing basis.

As a result, the management system was robust.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

[← Code area 3](#)

[Code area 5 →](#)

**Systems and evidence examined to validate this code section**

Current systems:

Based on the review of personnel files and interviews with employees, it was noted that all sampled employees were over the age of 16 at the time of hire. In accordance with factory policy, procedures had been established to screen out underage applicants, and individuals under the age of 16 were strictly prohibited from being recruited.

The factory had established a clear policy prohibiting the employment or use of child labor under the age of 16.

During recruitment, the factory verified original ID cards of all workers and retained photocopies in their personnel files.

Each personnel file included a recent photograph and age documentation in the form of a photocopied national identification card, which listed the employee's name, household address, and date of birth.

Remedial measures for child labor have been established, once child labor is detected, immediate and strict actions will be taken to remedy the situation in accordance with the procedures and applicable laws.

Evidence examined to validate this code section:

- Factory tour
- Management interview
- Worker interview
- Document review
  - Latest list of employees
  - Personnel files
  - ID copy
  - Records of any health checks
  - Recruitment procedures
  - Child labor policy and procedure included No child labor policy
  - Child labor remediation procedure
  - Procedure on protecting young workers

#### 4. Child labour shall not be used

## Data points

Percentage of workers that are age 24 or younger	7%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	19
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

[← Code area 4](#)

[Code area 5 →](#)

## 5. Legal wages are paid

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Fundamental Improvements Required
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

## Management systems

### Explanation for management systems grades

#### Policies and Procedures:

The site has formal wage policies to ensure that all workers, including non-directly employed workers, are paid at least the legal minimum wage. Policies explicitly prohibit illegal wage deductions, delayed payments, or unpaid work.

Procedures define clear payment schedules to ensure that workers receive wages on time and in full. Written wage policies cover all aspects, including overtime, bonuses, deductions, and benefits.

There is a process to ensure compliance with wage-related legal requirements. The factory maintains documentation management procedures to update policies according to changing requirements or situations, ensuring sustainable compliance over time.

#### Resources:

The HR supervisor is responsible for overseeing wage compliance for all workers. Detailed payroll records are maintained, including wage payments, deductions, overtime, and bonuses.

If third-party labour providers are used, the site conducts regular due diligence to verify that:

- (1) Workers are being paid correctly.
- (2) All payments comply with legal and contractual obligations.

Workers have access to a system for reporting wage issues without fear of retaliation. Internal audits and management reviews are conducted annually to ensure sustainable compliance.

However, limited resources are allocated to ensure compliance with social insurance payments and worker benefits, the HR supervisor did not have enough resources to be responsible for these issues, such as not having the resources to increase the social insurance coverage step by step.

#### Communication and Training:

All workers receive written wage information before employment, including basic wage, overtime rates, deductions, benefits, and payment schedule. Any wage changes are clearly communicated in a language workers understand.

## Management systems

HR and payroll staff are trained on wage regulations and compliance procedures. Workers are informed of their rights to fair pay, benefits, and how to report wage issues. Training records are maintained and updated regularly. However, some employees have low awareness per employee interview, some employees were unwilling to purchase five types of social insurance.

Monitoring:

The site conducts regular audits of payroll records to verify compliance with legal minimum wages, overtime payments, deductions, and benefits. Random wage verifications are conducted to ensure workers receive full pay. Social insurance and insurance payments are also checked for compliance.

Any wage-related issues identified are promptly corrected. The HR supervisor monitors monthly and yearly payroll compliance targets and reports to senior management. Continuous improvement processes are implemented to strengthen fair remuneration practices.

But due to insufficient monitoring of social insurance, it was noted that not all eligible employees were provided with social insurance.

As a result, the management system of policies and procedures was robust. However, communication & training need some improvement. Resources and monitoring need fundamental improvement.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law	NC <a href="#">ZAF601389145</a>

[← Code area 4](#)

[Code area 5.A →](#)

**Systems and evidence examined to validate this code section**

Current systems:

The auditor reviewed the payroll records of 10 samples from October 2025, 10 samples from December 2025, and 10 samples from March 2026. Per payroll registers and employees & management interview, employees' wages were calculated by hourly rate and paid in cash on every 7th of next month.

It was noted that sampled employees were paid at least CNY 14.48 since March 1, 2025, which was in compliance with the local minimum wage of CNY 2520/month or CNY 14.48/hour since March 1, 2025.

All sampled employees were paid 150% of regular wages for overtime worked on weekdays, 200% of regular wages for overtime worked on the weekend and no overtime on holidays was noted.

According to the social insurance payment receipt provided by factory management, it was noted that 24 out of 40 employees were provided with pension, unemployment, medical, accident and maternity insurance in April 2026. Remark: Factory provided commercial accident insurance for all employees, valid from December 2, 2025, to December 1, 2026.

Evidence examined to validate this code section:

- Management interview
- Worker interview
- Document review
  - Local and national laws
  - Wages and benefits policy
  - Local legal minimum wage documents
  - Payroll records
  - Leave records
  - Social insurance and payment receipts from the local labour department
  - Labor contracts
  - Resignation records
  - Hours records and any overtime premiums

# Findings: non-compliances

ZAF601389145

Non-compliance

Due 2026-06-16

## Code area

5 Legal wages are paid

## Status

Open\*

## Workplace requirement

5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.

## Time given to resolve

60 days

## Issue title

423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic

## Verification method

Follow up audit

## Description

It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that 24 out of 40 employees were provided with pension, unemployment, medical, accident and maternity insurance in April 2026.

## Area of non-compliance/non-conformance

Local law

Remark: Factory provided commercial accident insurance for all employees, valid from December 2, 2025, to December 1, 2026.

审核员发现工厂的社会保险覆盖不足。根据厂方提供的2026年4月的社会保险缴费单据显示工厂为24/40名员工提供了养老、失业、医疗、工伤和生育保险。

此外，工厂为全部员工提供了商业意外保险，有效期从2025年12月2日至2026年12月1日。

## Corrective and preventative actions

It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.

建议工厂为所有员工提供法律要求的社会保险福利。

[← Code area 5](#)

[Code area 5.A →](#)

**Local law reference**

In accordance with Article 73 of the Labor Law of the People’s Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity.

The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.

In accordance with Article 33 of Social Insurance Law of the People's Republic of China (2018 Amendment), employees shall participate in work-related injury insurance, and the employer shall pay the work-related injury insurance premium. Employees shall not pay the work-related injury insurance premium.

根据《中华人民共和国劳动法》第73条：劳动者在下列情形下，依法享受社会保险待遇：(一)退休；(二)患病、负伤；(三)因工伤残或者患职业病；(四)失业；(五)生育。劳动者死亡后，其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。

根据《中华人民共和国社会保险法》第33条，职工应当参加工伤保险，由用人单位缴纳工伤保险费，职工不缴纳工伤保险费。

**Evidence**



[NC Social insurance coverage was insufficient.jpg](#)

\* PDF generated at 10:16 (UTC) on 17 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

## 5. Legal wages are paid

### Data points

What is the basic wage paid to workers?	<p>Wages meet a living wage</p> <p>The legal minimum wage</p> <p>Wages are based on job skills and experience</p>
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	<p>Does not use digital payments (give details)</p> <p>Wages were paid in cash to workers.</p>
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None
Where the site has undertaken a Living Wage gap analysis against a credible Benchmark which Benchmark have they used?	Anker Reference Value Methodology

### Worker remuneration

Which benefits are provided to permanent or full-time workers that are not provided to temporary or part-time workers?	Not applicable
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### Summary information

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly
Is actual wage data available on site for any of these options?	Monthly

[← Code area 5](#)

[Code area 5.A →](#)

<b>Maximum legal working hours</b>	<b>Max hours per day</b>	8.0
	<b>Max hours per week</b>	40.0
	<b>Max hours per month</b>	Non applicable
<b>Actual required working hours</b>	<b>Required hours per day</b>	8.0
	<b>Required hours per week</b>	40.0
	<b>Required hours per month</b>	184.0
<b>Maximum legal overtime hours</b>	<b>Max hours per day</b>	3.0
	<b>Max hours per week</b>	Non applicable
	<b>Max hours per month</b>	36.0
<b>Actual overtime hours</b>	<b>Max hours per day</b>	2.0
	<b>Max hours per week</b>	18.0
	<b>Max hours per month</b>	58.0
<b>Minimum legal wage</b>	<b>Min per hour</b>	14.48
	<b>Min per day</b>	Non applicable
	<b>Min per week</b>	Non applicable
	<b>Min per month</b>	2520.0
<b>Actual minimum wage</b>	<b>Actual per hour</b>	14.48
	<b>Actual per day</b>	Non applicable
	<b>Actual per week</b>	Non applicable
	<b>Actual per month</b>	2520.0

<b>Minimum legal overtime wage</b>	<b>Min per hour</b>	21.74
	<b>Min per day</b>	Non applicable
	<b>Min per week</b>	Non applicable
	<b>Min per month</b>	Non applicable
<b>Actual minimum overtime wage</b>	<b>Actual per hour</b>	21.74
	<b>Actual per day</b>	Non applicable
	<b>Actual per week</b>	Non applicable
	<b>Actual per month</b>	Non applicable

## Wage analysis

<b>Number of workers' records checked</b>	30
<b>Provide the date and details of the records</b>	10 samples from 1st October to 31st October 2025 10 samples from 1st December to 31st December 2025 10 samples from 1st March to 31st March 2026
<b>Are there different legal minimum/legally recognised CBAs wage grades?</b>	No
<b>For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?</b>	Meets legal minimum
<b>Indicate the breakdown of workforce per earnings</b>	100% of the workforce earned meets the minimum wage.
<b>Are there any bonus schemes used?</b>	Yes  Full attendance allowance, post allowance.

[← Code area 5](#)

[Code area 5.A →](#)

Were accurate records shown at the first request? Yes

Were any inconsistencies found? No

[← Code area 5](#)

[Code area 5.A →](#)

## 5.A. Living wages are paid

### Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>	<p>Current systems:</p> <p>The audited factory reviewed workers' total compensation, including benefits, and compared it with a credible living wage benchmark to calculate the living wage gap. It was noted that workers' total pay met the living wage standard.</p> <p>The wage breakdown for all employees included regular wages, overtime wages, holiday wages, position allowances, full attendance bonuses, etc.</p> <p>The factory's living wage assessment aligned with the ILO's Principles for Living Wage Estimation. All necessary elements (e.g. Basic needs such as food, housing, clothing, transportation, and utilities; Health and education such as health care, education; other essential needs; contingency and savings; family composition &amp; working conditions) were taken into consideration, and an annual review mechanism was in place.</p> <p>Evidence examined to validate this code section:</p> <ul style="list-style-type: none"> <li>Management interview</li> <li>Worker interview</li> <li>Document review <ul style="list-style-type: none"> <li>- Local and national laws</li> <li>- Wages and benefits policy</li> <li>- Local legal minimum wage documents</li> <li>- Payroll records</li> <li>- Social insurance and payment receipts from the local labor department</li> <li>- Hours records and any overtime premiums</li> <li>- Living wage standard and analysis records</li> </ul> </li> </ul>		

## 6. Working hours are not excessive

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Fundamental Improvements Required
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

## Management systems

### Explanation for management systems grades

#### Policies & Procedures:

The site has clear policies ensuring that:

- (1) Regular working hours do not exceed 40 hours per week.
- (2) Total working hours, including overtime, do not exceed 60 hours per week, except in rare exceptional cases.

Policies comply with local labor laws and SMETA standards. Overtime policies specify that overtime is voluntary, compensated at premium rates, and not used to replace regular employment. Rest break policies ensure workers receive proper breaks during and between shifts. Measures are in place to address extreme working conditions, such as high-temperature work environments.

The factory has established documentation management procedures to update policies according to changing requirements or situations, ensuring sustainable compliance with workplace requirements in this base code area over time.

#### Resources:

The HR supervisor is responsible for monitoring and managing compliance with working hour policies.

Attendance and payroll systems are in place to record regular hours, overtime hours, and rest days. Workers are provided with adequate timekeeping mechanisms. Managers and supervisors are trained to ensure compliance with working hour policies.

A backup procedure ensures continuity of responsibilities. The HR supervisor has a trained backup authorized to implement policies and procedures in their absence. Internal audits and management reviews are conducted annually to verify effectiveness and ensure sustainable compliance.

However, the responsible person did not have enough resources to be responsible for these issues, such as HR only having the limited power to organize its workforce capacity effectively to meet the expectations of the delivery order, which resulted in workers' monthly OT hours exceeding local legal requirements.

#### Communication & Training:

Workers receive clear information on:

## Management systems

- (1) Working hour limits.
- (2) Rest breaks.
- (3) Overtime policies, including voluntary nature and premium rates.

HR, payroll teams, and supervisors receive training on legal working hour limits, responsible management and approval of overtime, and ensuring workers take required rest periods.

Training procedures and yearly plans include assessment and refresher training. Training materials are provided and updated as needed. Training records are maintained, and effectiveness is verified through examinations and questionnaires, confirming that all workers understand the content. However, some employees have low awareness per employee interview, most employees were more willing to work more overtime to earn more money even overtime work.

Monitoring:

The site regularly audits working hours and attendance records. Payroll and attendance records are cross-checked to prevent unrecorded overtime, excessive hours, and missing rest days. Workers are interviewed to verify that overtime is voluntary and they are not overworked.

HR supervisor monitors monthly and yearly targets on working hours. If targets are not met, the HR supervisor analyzes root causes and implements corrective and preventive actions.

Internal audits and management reviews are conducted annually to monitor policies and procedures. Any required updates or corrective actions are implemented promptly to ensure effectiveness and sustainable compliance.

The factory management stated that it was difficult to reduce employees' working hours as the factory must make production more efficient to let their clients be satisfied with their production capacity. Factory management represented that they could only take a compromise solution considering reality. The system was not fully effective for solving these findings.

Due to insufficient monitoring on overtime control, it was noted that 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits.

There is a risk of monthly overtime hours exceeding the limit in factories within this

## Management systems

area. Most factories are unable to ensure that the workers' monthly overtime hours are kept within 36 hours.

As a result, the management system of policies & procedures is robust. However, communication & training need some improvement. Resources and monitoring need fundamental improvement.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC <a href="#">ZAF601389146</a>

**Systems and evidence examined to validate this code section**

Current systems:

Factory adopted fingerprint system to record workers' working time. Per factory management interview and employees' interview, the normal working hours were 8 hours per day and 40 hours per week. The factory arranged one shift for all employees, which was from 08:30-12:00, 13:30-18:00. Monday to Friday. Overtime was voluntary. Auditor reviewed the time records of 10 samples from October 2025, 10 samples from December 2025, and 10 samples from March 2026. It was noted that the longest consecutive working days were 6 days. The maximum overtime hour per day was 2 hours, the maximum overtime hours per month was 58 hours and the maximum total working hours per week was 58 hours.

Evidence examined to validate this code section:

Management interview

Worker interview

Document review

- Local and national laws
- Factory policy on working hours
- Time cards
- Computerized time logging system
- Sample pay slips with recorded hours all workers interviewed
- Workers' contracts
- 12 months' hours records to establish highest and lowest hours over all employees
- Quality and production records to cross check hours

# Findings: non-compliances

ZAF601389146

Non-compliance

Due 2026-06-16

## Code area

6 Working hours are not excessive

## Status

Open\*

## Workplace requirement

6.F Ensure that where overtime is used, it is in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment.

## Time given to resolve

60 days

## Issue title

480 - Overtime is not used responsibly (i.e. extent, frequency and level of hours worked by individual workers and/or whole workforce are excessive)

## Verification method

Follow up audit

## Description

It was noted that 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits.

A review of 30 sample population time records (10 samples from October 2025, 10 samples from December 2025 and 10 samples from March 2026) yielded the following:

10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 56 hours) in October 2025, which was not in compliance with the legal requirement;

10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 56 hours) in December 2025, which was not in compliance with the legal requirement;

10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 58 hours) in March 2026, which was not in compliance with the legal requirement.

## Area of non-compliance/non-conformance

Local law

根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。

审核员从厂方提供的工资记录中抽取30个样本(其中从2025年10月抽取10个，从2025年12月抽取10个，从2026年3月抽取10个)，发现共有30名员工加班时间超出了法定标准，具体为：

10/10名员工在2025年10月的加班时间为56小时，超过每月加班时间不能超过36小时的法律规定；

10/10名员工在2025年12月的加班时间为56小时，超过每月加班时间不能超过36小时的法律规定；

10/10名员工在2026年3月的加班时间为58小时，超过每月加班时间不能超过36小时的法律规定。

## Corrective and preventative actions

It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

建议工厂确保员工的加班时间符合法律要求。

[← Code area 6](#)

[Code area 7 →](#)

### Local law reference

In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。

### Evidence

高工打卡扫描表

日期	姓名	工号	打卡时间	打卡地点	打卡状态	打卡次数	打卡时长	打卡备注
2026-04-10	张三	001	08:00	工厂	成功	1	00:00	
2026-04-10	张三	001	18:00	工厂	成功	1	00:00	
2026-04-10	李四	002	08:00	工厂	成功	1	00:00	
2026-04-10	李四	002	18:00	工厂	成功	1	00:00	
2026-04-10	王五	003	08:00	工厂	成功	1	00:00	
2026-04-10	王五	003	18:00	工厂	成功	1	00:00	
2026-04-10	赵六	004	08:00	工厂	成功	1	00:00	
2026-04-10	赵六	004	18:00	工厂	成功	1	00:00	
2026-04-10	孙七	005	08:00	工厂	成功	1	00:00	
2026-04-10	孙七	005	18:00	工厂	成功	1	00:00	
2026-04-10	周八	006	08:00	工厂	成功	1	00:00	
2026-04-10	周八	006	18:00	工厂	成功	1	00:00	
2026-04-10	吴九	007	08:00	工厂	成功	1	00:00	
2026-04-10	吴九	007	18:00	工厂	成功	1	00:00	
2026-04-10	郑十	008	08:00	工厂	成功	1	00:00	
2026-04-10	郑十	008	18:00	工厂	成功	1	00:00	
2026-04-10	陈十一	009	08:00	工厂	成功	1	00:00	
2026-04-10	陈十一	009	18:00	工厂	成功	1	00:00	
2026-04-10	冯十二	010	08:00	工厂	成功	1	00:00	
2026-04-10	冯十二	010	18:00	工厂	成功	1	00:00	
2026-04-10	朱十三	011	08:00	工厂	成功	1	00:00	
2026-04-10	朱十三	011	18:00	工厂	成功	1	00:00	
2026-04-10	李十四	012	08:00	工厂	成功	1	00:00	
2026-04-10	李十四	012	18:00	工厂	成功	1	00:00	
2026-04-10	王十五	013	08:00	工厂	成功	1	00:00	
2026-04-10	王十五	013	18:00	工厂	成功	1	00:00	
2026-04-10	张十六	014	08:00	工厂	成功	1	00:00	
2026-04-10	张十六	014	18:00	工厂	成功	1	00:00	
2026-04-10	李十七	015	08:00	工厂	成功	1	00:00	
2026-04-10	李十七	015	18:00	工厂	成功	1	00:00	
2026-04-10	王十八	016	08:00	工厂	成功	1	00:00	
2026-04-10	王十八	016	18:00	工厂	成功	1	00:00	
2026-04-10	张十九	017	08:00	工厂	成功	1	00:00	
2026-04-10	张十九	017	18:00	工厂	成功	1	00:00	
2026-04-10	李二十	018	08:00	工厂	成功	1	00:00	
2026-04-10	李二十	018	18:00	工厂	成功	1	00:00	
2026-04-10	王二十一	019	08:00	工厂	成功	1	00:00	
2026-04-10	王二十一	019	18:00	工厂	成功	1	00:00	
2026-04-10	张二十二	020	08:00	工厂	成功	1	00:00	
2026-04-10	张二十二	020	18:00	工厂	成功	1	00:00	
2026-04-10	李二十三	021	08:00	工厂	成功	1	00:00	
2026-04-10	李二十三	021	18:00	工厂	成功	1	00:00	
2026-04-10	王二十四	022	08:00	工厂	成功	1	00:00	
2026-04-10	王二十四	022	18:00	工厂	成功	1	00:00	
2026-04-10	张二十五	023	08:00	工厂	成功	1	00:00	
2026-04-10	张二十五	023	18:00	工厂	成功	1	00:00	
2026-04-10	李二十六	024	08:00	工厂	成功	1	00:00	
2026-04-10	李二十六	024	18:00	工厂	成功	1	00:00	
2026-04-10	王二十七	025	08:00	工厂	成功	1	00:00	
2026-04-10	王二十七	025	18:00	工厂	成功	1	00:00	
2026-04-10	张二十八	026	08:00	工厂	成功	1	00:00	
2026-04-10	张二十八	026	18:00	工厂	成功	1	00:00	
2026-04-10	李二十九	027	08:00	工厂	成功	1	00:00	
2026-04-10	李二十九	027	18:00	工厂	成功	1	00:00	
2026-04-10	王三十	028	08:00	工厂	成功	1	00:00	
2026-04-10	王三十	028	18:00	工厂	成功	1	00:00	
2026-04-10	张三十一	029	08:00	工厂	成功	1	00:00	
2026-04-10	张三十一	029	18:00	工厂	成功	1	00:00	
2026-04-10	李三十二	030	08:00	工厂	成功	1	00:00	
2026-04-10	李三十二	030	18:00	工厂	成功	1	00:00	
2026-04-10	王三十三	031	08:00	工厂	成功	1	00:00	
2026-04-10	王三十三	031	18:00	工厂	成功	1	00:00	
2026-04-10	张三十四	032	08:00	工厂	成功	1	00:00	
2026-04-10	张三十四	032	18:00	工厂	成功	1	00:00	
2026-04-10	李三十五	033	08:00	工厂	成功	1	00:00	
2026-04-10	李三十五	033	18:00	工厂	成功	1	00:00	
2026-04-10	王三十六	034	08:00	工厂	成功	1	00:00	
2026-04-10	王三十六	034	18:00	工厂	成功	1	00:00	
2026-04-10	张三十七	035	08:00	工厂	成功	1	00:00	
2026-04-10	张三十七	035	18:00	工厂	成功	1	00:00	
2026-04-10	李三十八	036	08:00	工厂	成功	1	00:00	
2026-04-10	李三十八	036	18:00	工厂	成功	1	00:00	
2026-04-10	王三十九	037	08:00	工厂	成功	1	00:00	
2026-04-10	王三十九	037	18:00	工厂	成功	1	00:00	
2026-04-10	张三十	038	08:00	工厂	成功	1	00:00	
2026-04-10	张三十	038	18:00	工厂	成功	1	00:00	
2026-04-10	李四十	039	08:00	工厂	成功	1	00:00	
2026-04-10	李四十	039	18:00	工厂	成功	1	00:00	
2026-04-10	王四十一	040	08:00	工厂	成功	1	00:00	
2026-04-10	王四十一	040	18:00	工厂	成功	1	00:00	
2026-04-10	张三十二	041	08:00	工厂	成功	1	00:00	
2026-04-10	张三十二	041	18:00	工厂	成功	1	00:00	
2026-04-10	李四十二	042	08:00	工厂	成功	1	00:00	
2026-04-10	李四十二	042	18:00	工厂	成功	1	00:00	
2026-04-10	王四十三	043	08:00	工厂	成功	1	00:00	
2026-04-10	王四十三	043	18:00	工厂	成功	1	00:00	
2026-04-10	张三十四	044	08:00	工厂	成功	1	00:00	
2026-04-10	张三十四	044	18:00	工厂	成功	1	00:00	
2026-04-10	李四十五	045	08:00	工厂	成功	1	00:00	
2026-04-10	李四十五	045	18:00	工厂	成功	1	00:00	
2026-04-10	王四十六	046	08:00	工厂	成功	1	00:00	
2026-04-10	王四十六	046	18:00	工厂	成功	1	00:00	
2026-04-10	张三十七	047	08:00	工厂	成功	1	00:00	
2026-04-10	张三十七	047	18:00	工厂	成功	1	00:00	
2026-04-10	李四十八	048	08:00	工厂	成功	1	00:00	
2026-04-10	李四十八	048	18:00	工厂	成功	1	00:00	
2026-04-10	王四十九	049	08:00	工厂	成功	1	00:00	
2026-04-10	王四十九	049	18:00	工厂	成功	1	00:00	
2026-04-10	张三十	050	08:00	工厂	成功	1	00:00	
2026-04-10	张三十	050	18:00	工厂	成功	1	00:00	



[NC Employee work in excess of the statutory overtime hour limits.jpg](#)

\* PDF generated at 10:16 (UTC) on 17 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

## 6. Working hours are not excessive

### Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	All employees were paid 150% of regular wages for overtime worked on weekdays, 200% of regular wages for overtime worked on the weekend and no overtime on holidays was noted.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	56.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	58.0
Maximum number of days worked without a day off in sample	6

[← Code area 6](#)

[Code area 7 →](#)

## 7. No discrimination is practiced

### Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Some Improvements Recommended

**Monitor the effectiveness of procedures to meet policy and workplace requirements** Robust Management Systems

## Management systems

### Explanation for management systems grades

#### Policies & Procedures:

The site has a clear, documented non-discrimination policy covering:

- (1) Hiring, wages, promotions, training, terminations, and working conditions.
- (2) Race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, employee representative membership, and political affiliation.

Policies prohibit harassment, unfair treatment, and discriminatory workplace behaviors. Recruitment and HR practices are structured to ensure equal access to opportunities. A defined process exists for reporting and addressing discrimination complaints.

The factory has established documentation management procedures for updating policies according to changing requirements or situations, ensuring sustainable compliance with workplace requirements in this base code area over time.

#### Resources:

The HR supervisor is assigned to oversee compliance with non-discrimination policies. Adequate resources, including trained staff, legal support, and reporting tools, are provided to prevent and address discrimination cases.

Recruitment processes are structured to prevent bias in hiring decisions. Support mechanisms, such as counseling or legal assistance, are available for employees to report discrimination-related complaints. A backup procedure ensures continuity of responsibilities; the HR supervisor's trained backup can implement policies and procedures during absence.

Internal audits and management reviews are conducted annually to verify the effectiveness of the management structure and ensure sustainable compliance.

#### Communication & Training:

All workers, HR personnel, and managers receive training on:

- (1) Non-discrimination policies.
- (2) Harassment prevention.
- (3) Fair hiring, promotion, and wage practices.

Gender-sensitive training is provided to ensure awareness of gender-related discrimination. Training records are maintained to track participation and

## Management systems

effectiveness.

The factory conducts training once a year for all relevant workers, including managers and supervisors. Training materials are updated as needed.

However, per employee interview, some workers have limited awareness of their rights regarding discrimination.

Monitoring:

The site regularly audits hiring, wages, promotions, and working conditions to ensure they are free from discrimination. Discrimination complaints are tracked and reviewed to identify patterns and implement corrective actions. Employee demographics and promotion rates are analyzed to detect potential bias or inequalities. Worker interviews are conducted confidentially to assess workplace fairness.

HR supervisor monitors monthly and yearly targets related to non-discrimination. If targets are not met, the HR supervisor analyzes root causes and implements corrective and preventive actions.

Internal audits and management reviews are conducted annually to monitor policies and procedures. Updates or corrective actions are promptly implemented to ensure ongoing effectiveness.

As a result, the management system of policies & procedures, resources, and monitoring is robust. However, communication & training need some improvement.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 6](#)

[Code area 8 →](#)

**Systems and evidence examined to validate this code section**

Current systems:

The factory has established an anti-discrimination policy and optimization procedures to provide equal opportunities for individuals of all genders. At the same time, it has implemented an equity-based approach in recruitment, training, development, and promotion processes. This policy is inclusive of all employees. The factory has assessed the barriers faced by individuals of different genders and intersectional groups, and has developed specific strategies to ensure fair access to opportunities and career progression. Employees have not reported any unfair treatment.

In terms of training and development, the initiative focuses on offering equal access to growth resources for all employees, supporting their professional advancement. The promotion mechanism prioritizes transparency and fairness, ensuring that gender does not hinder compensation, training, career progression, or any other opportunity. The grievance mechanisms are accessible to all employees, regardless of race, caste, national origin, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation. No pregnancy or HIV/AIDS tests are required.

The facility has implemented equity-based practices to ensure that vulnerable workers are not only treated equally but are also provided with the necessary support. For pregnant workers and nursing mothers, the facility reassigns tasks when needed to reduce physical strain and ensure safety. Additionally, nursing mothers have access to a dedicated lactation room, and pregnant workers receive additional rest breaks during the workday.

Evidence examined:

Management interview

Worker interview

Document review

- The hiring, compensation, access to training, promotion, termination or retirement policies
- Anti-discrimination policy, gender equity policy and social accountability manual
- Risk assessments undertaken
- Training records on discrimination and for identified relevant staff
- Recruitment records
- Job adverts
- Records of terminations
- Wage records
- Training records for all workers
- Written policy and procedures on gender equity
- Action plan on gender equity

7. No discrimination is practiced

## Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)? 10%

Representation of women in managerial roles (ratio of women workers to women managers) 5%

Representation of women in supervisory roles (ratio of women workers to women supervisors) 5%

Three most common nationalities in managerial and supervisory roles Chinese

## 8. Regular employment is provided

### Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Robust Management Systems

**Monitor the effectiveness of procedures to meet policy and workplace requirements** Robust Management Systems

## Management systems

### Explanation for management systems grades

#### Policies & Procedures:

Employers provide written contracts or binding agreements specifying employment terms, including wages, working hours, job descriptions, notice periods, and benefits. Contracts are provided in a language that workers understand, and each worker receives a copy. Any changes to contracts are communicated and agreed upon in writing.

Policies and procedures ensure regular employment is provided, and workers are not misclassified as temporary, irregular, or subcontracted to avoid legal obligations. Clear guidelines for dismissals, terminations, or redundancies are established and aligned with legal and contractual requirements.

The factory has established documentation management procedures for updating related documents according to changing requirements or situations, ensuring sustainable compliance with workplace requirements over time.

#### Resources:

The HR supervisor is responsible for ensuring that employment contracts comply with legal and contractual requirements. Adequate personnel are allocated to maintain payroll systems and records, ensuring all workers are compensated according to their contracts.

Resources are provided to address any grievances or disputes related to employment contracts, including termination and redundancy processes. The HR supervisor's trained backup ensures continuity of responsibilities in their absence. Compliance with labor laws regarding regular employment is strictly maintained.

Internal audits and management reviews are conducted annually to verify the effectiveness of the management structure and ensure sustainable compliance.

#### Communication & Training:

Workers are informed of their employment rights, including contract terms, pay, working hours, and job expectations. HR personnel and managers receive training to ensure understanding of employment laws and the importance of providing regular, legally compliant employment.

Clear communication is maintained regarding contract terms and employment

## Management systems

changes. Workers understand their rights and responsibilities, and grievance mechanisms are communicated to ensure employees feel comfortable raising concerns about their employment status.

The factory conducts training once a year for all relevant workers, including managers and supervisors. Training materials are updated as needed, and records of training are well maintained to verify effectiveness.

Monitoring:

The site regularly audits employment contracts, payroll records, and worker status to ensure compliance with employment laws. Worker interviews and feedback are used to assess whether employees receive regular, legally compliant employment.

The HR supervisor monitors monthly and yearly targets related to regular employment. If targets are not met, the HR supervisor analyzes the root causes and implements corrective and preventive actions.

Internal audits and management reviews are conducted annually. Necessary updates or corrective actions are promptly implemented to ensure ongoing effectiveness. These monitoring methods ensure sufficient management of workplace requirements in this base code area on an ongoing basis.

As a result, the management system was robust.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

**Systems and evidence examined to validate this code section**

Current systems:

Work was performed based on recognized employment relationships established in accordance with national laws and practices.

The factory signed labor contracts with all workers to formalize employment relationships and clearly define the rights and obligations of both parties. According to worker interviews, each employee received a copy of the signed contract.

Evidence examined to validate this code section:

Management interview

Worker interview

Document review

- Contracts
- Personnel files
- Hiring and termination records

## 8. Regular employment is provided

### Data points

Percentage of workers that are permanently or temporarily employed	100.0%
Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment	0.0%
Percentage of workers employed as apprentices, trainees or interns	0.0%

## 8.A. Sub-contracting and homeworkers are used responsibly

### Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Robust Management Systems

**Monitor the effectiveness of procedures to meet policy and workplace requirements** Robust Management Systems

## Management systems

### Explanation for management systems grades

#### Policies & Procedures:

The factory has established formal policies and procedures prohibiting unauthorized sub-contracting and the use of homeworkers. These policies are appropriate for the factory context, with clearly defined responsibilities and processes for implementation. A documentation management procedure is in place to update related documents according to changing requirements or situations. Therefore, policies and procedures ensure sustainable compliance with workplace requirements in this base code area both currently and over time.

#### Resources:

The HR supervisor is designated to oversee this base code area and has the necessary skills and seniority to manage workplace requirements. A backup procedure ensures management responsibilities remain effective under changing circumstances. The HR supervisor has one well-trained backup authorized to maintain proper operation in the supervisor's absence. Additionally, the factory conducts internal audits and management reviews annually to ensure the management structure achieves sustainable compliance over time.

#### Communication & Training:

The factory has established a training procedure and annual training plan, including assessment and refresher sessions. Training on prohibiting unauthorized sub-contracting and homeworkers is conducted once a year for all relevant personnel, including managers and supervisors. Training materials are provided and updated as needed. Records are well-maintained, and training effectiveness is verified through examinations and questionnaires, demonstrating that all workers understand the requirements. Training and communication are therefore effective.

#### Monitoring:

The factory has established monthly and yearly targets for no unauthorized sub-contracting and no homeworkers. The HR supervisor is responsible for monitoring these targets. If any target is not met, the root cause is analyzed, and corrective and preventive actions are implemented to avoid recurrence. Internal audits and management reviews are conducted annually to monitor policies and procedures, and adjustments are made as needed to maintain effectiveness. These monitoring methods ensure sufficient management of workplace requirements in this base code area on an ongoing basis.

[← Code area 8](#)

[Code area 9 →](#)

## Management systems

As a result, the management system was robust.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>	<p>Current systems:</p> <p>Based on the factory tour, it was observed that the factory maintained a complete set of production processes, which was also verified through the production process overview provided by the factory.</p> <p>The auditor reviewed material in-and-out records and found no indication of subcontracting.</p> <p>Management confirmed that no subcontractors would be used without prior approval from the client.</p> <p>According to the factory tour, employee interviews, and document review, all production activities were conducted onsite, and no homeworking was identified.</p> <p>Evidence examined to validate this code section:</p> <ul style="list-style-type: none"> <li>Factory Tour</li> <li>Management interview</li> <li>Worker interview</li> <li>Document Review <ul style="list-style-type: none"> <li>- Quality records</li> <li>- Production records</li> <li>- Goods in and out records</li> <li>- Manpower planning</li> <li>- Sub-contractor management procedure</li> </ul> </li> </ul>		

## 8.A. Sub-contracting and homeworkers are used responsibly

### Data points

Are homeworkers employed directly or engaged through an agent? Not applicable

Gender disaggregated data available

#### Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No  
Supplier did not buy products and services from suppliers that use homeworkers

#### Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No  
N/A – There is no subcontracting used by the site.

[← Code area 8.A](#)

[Code area 9 →](#)

Are any sub-contractors used?

No

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[← Code area 8.A](#)

[Code area 9 →](#)

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Audit company:  
**BUREAU VERITAS CPS - ASIA**

Audit reference:  
**ZAA600197146**

Start Date:  
**2026-04-10**

End Date:  
**2026-04-11**

## 9. No harsh or inhumane treatment is allowed

### Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Some Improvements Recommended

**Monitor the effectiveness of procedures to meet policy and workplace requirements** Robust Management Systems

## Management systems

### Explanation for management systems grades

#### Policies & Procedures:

The factory has established a clear, written policy and procedures prohibiting all forms of harsh or inhumane treatment. This includes physical, psychological, and sexual harassment, gender-based violence, and other discriminatory practices. Unacceptable behaviors such as verbal abuse, bullying, assault, or any form of psychological or physical harm are clearly defined. Disciplinary actions for violations are outlined, along with a fair process for addressing complaints and incidents. The policies comply with local laws and include provisions for confidential reporting without retaliation.

#### Resources:

The HR supervisor is designated to oversee the implementation of the anti-harassment policy. Adequate resources, including trained personnel, supervisory support, and reporting mechanisms, are provided to ensure effective management. A backup is trained and authorized to maintain continuity when the HR supervisor is absent. Grievance mechanisms are in place for confidential reporting, and records of complaints, investigations, and corrective actions are maintained. Annual internal audits and management reviews are conducted to verify ongoing effectiveness.

#### Communication & Training:

Regular training is provided annually to all relevant workers, including HR staff, supervisors, and managers, on the anti-harassment policy and prevention of inhumane treatment. Training covers identification, reporting, and handling of psychological, physical, and sexual abuse, as well as workers' rights and grievance procedures. Training materials are provided and updated as needed, and training effectiveness is verified through assessments and questionnaires. However, the training did not take into account any considerations related to local culture.

#### Monitoring:

Monthly and yearly targets are established for preventing harsh or inhumane treatment, monitored by the HR supervisor. Regular audits, worker interviews, and anonymous grievance mechanisms are used to assess compliance and identify risks. Any violations or gaps are investigated, and corrective actions are promptly implemented to prevent recurrence. Annual internal audits and management reviews ensure the sustainability and effectiveness of the management system.

## Management systems

As a result, the management system of policies & procedures, resources, and monitoring is robust. However, communication & training need some improvement.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

### Systems and evidence examined to validate this code section

Current systems:  
Based on document review and private interviews with employees, no instances of harassment or physical abuse were identified in the factory. The factory had established a written policy prohibiting harassment, abuse, and corporal punishment. The policy clearly stated that managers and security personnel were not allowed to harass or abuse employees, and that any incidents could be reported directly to management or anonymously through suggestion boxes. The factory has established a formal policy prohibiting the use of fines or any other monetary penalties as a form of disciplinary action. Based on document reviews and employee interviews, there is no evidence that any employees have been subjected to fines or financial penalties.

Evidence examined to validate this code section:

- Worker interview
- Management interview
- Document review
  - Policy review
  - Policy on harassment and abuse prevention and internal grievance procedures
  - Training records
  - Personnel files and disciplinary notes
  - Minutes from grievance hearing

9. No harsh or inhumane treatment is allowed

## Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process
	The grievance process is available to all workers
	The grievance process is available to members of the local community
What type of grievance mechanism(s) are available?	Suggestion box
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

## 10.A. Environment 2-Pillar

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems

## Management systems

### Explanation for management systems grades

#### Policies and Procedures:

The site has clear, documented policies ensuring awareness of environmental laws at local, regional, and national levels. Environmental management systems (EMS) are in place that meet local, regional, and national legal requirements. Clear processes are defined for staying updated on changes to environmental regulations and ensuring compliance. The site maintains records of relevant permits and documentation related to the use of resources (e.g., water, energy) and waste disposal. The policy ensures compliance with clients' environmental standards and includes specific action plans to address gaps in environmental performance. Environmental aspects related to the site's operations (e.g., resource use and waste management) are monitored and managed to ensure compliance with applicable legal and client requirements.

#### Resources:

Dedicated resources (e.g., EHS supervisor and team) are available to manage environmental issues and compliance. Staff are allocated to monitor and update compliance with environmental laws and regulations. Adequate financial and technical resources are provided for environmental management and to ensure continuous compliance with legal and client standards. The site ensures that sufficient resources are available to manage environmental aspects, including monitoring resource consumption and maintaining relevant documentation.

#### Communication and Training:

Regular communication is maintained between management, staff, and clients regarding environmental issues, laws, and standards. Training programs on environmental laws and compliance are regularly provided to all employees, especially those involved in resource management. Employees receive training on environmental protection, waste management, and compliance with applicable environmental laws and company policies. The company communicates clearly with clients to ensure alignment with their environmental requirements and ensures employees are aware of these. However, communication about environmental policies or legal changes is limited and not regularly updated.

#### Monitoring:

Regular environmental audits are conducted to ensure compliance with local, regional, and national environmental laws. Monitoring systems are in place to track resource use (e.g., water, energy), waste disposal, and compliance with environmental

## Management systems

standards. Client requirements for environmental management are regularly assessed and integrated into the company's operational practices. Environmental performance and compliance with applicable legal and client requirements are periodically reviewed and verified.

As a result, the management system of policies & procedures, resources, and monitoring is robust. However, communication & training need some improvement.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

### Systems and evidence examined to validate this code section

Current systems:

The factory provided the report of environmental impacts for environmental impacts related to the construction of the facility, and the registration receipt of the environment impact assessment report for review.

The factory had obtained a certificate from the local environmental administration bureau, demonstrating compliance with local regulations. An environmental policy and related procedures to ensure adherence to applicable environmental laws were established by the factory.

The facility developed an environmental policy and conducted regular environmental risk assessments. It also carried out an aspect/impact assessment to identify the environmental impacts of its production activities. A designated person was assigned to monitor the facility's environmental performance.

Evidence examined to validate this code section:

Factory tour

Management interview

Document review

- All legally required environmental documents

- Environmental policy

## 10.A. Environment 2–Pillar

### Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?

No

Does the site have any valid environmental or energy management certificates?

Legally environmental certificates were obtained. No energy management certificate was required.

Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?

No

Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?

No

[← Code area 10.A](#)

[Code area 10.B →](#)

## 10.B. Environment 4-Pillar

### Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>	<p>Current systems:</p> <p>The environmental policy and procedures were established to identify and manage environmental impacts. An environmental emergency response protocol was in place. A designated manager was assigned to oversee environmental matters, including monitoring and improving environmental protection efforts.</p> <p>The factory set environmental targets to promote more sustainable resource use. It continuously monitored water and energy consumption and had implemented policies and plans to reduce usage.</p> <p>Evidence examined to validate this code section:</p> <ul style="list-style-type: none"> <li>Factory tour</li> <li>Management interview</li> <li>Document review               <ul style="list-style-type: none"> <li>- The environmental policy and procedure</li> <li>- Water and electricity saving policy</li> <li>- Environmental training records</li> <li>- Environment management appointment document</li> <li>- Environmental target plan</li> </ul> </li> </ul>		

## 10.B. Environment 4-Pillar

### Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Responsible use and management of water Sustainable material sourcing Circular economy and resource efficiency
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes  A policy was established for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.
Does the site have reduction targets in place to manage climate related risks?	Yes, to increase low-carbon energy consumption or production
Are any of these science-based targets?	No, but we anticipate setting one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes  Water consumption and discharge: The site has set the reduction target by 5% in the 2 years (2026-2028) Energy: The site has set the reduction target by 5% in the 2 years (2026-2028)
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Yes  A policy was established for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.

### Usage/discharge analysis

[← Code area 10.B](#)

[Code area 10.C →](#)

	Last full calendar year (2025)	Previous full calendar year (2024)
Total electricity consumption from non-renewable sources (kWh)	200,352	181,564
Total electricity consumption from renewable sources (kWh)	Data not available	Data not available
Sources of renewable energy used	None	None
Types of renewable energy used	Other (provide details)	Other (provide details)
	None	None
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	None	None
Has the site completed any carbon footprint analysis?	No	No
Water sources	Local water authority	Local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	498	447
Water discharged	Local water treatment plant	Local water treatment plant
Water volume discharged (m3)	448	403
Water volume recycled (m3)	0	0
Total waste produced (mt)	3	2.5

[← Code area 10.B](#)

[Code area 10.C →](#)

Total hazardous waste produced (mt)	0.3	0.2
Waste to recycling (mt)	3	2.5
Waste to landfill (mt)	0	0
Waste to other (mt)	0	0
Total product produced (mt)	5,122	4,750

## 10.C. Business ethics

### Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Robust Management Systems

**Monitor the effectiveness of procedures to meet policy and workplace requirements** Robust Management Systems

[← Code area 10.B](#)

## Management systems

### Explanation for management systems grades

#### Policies and Procedures:

The factory established policy and procedure on business ethics.

The policies and procedures were appropriate for the factory context. Responsibilities and processes to implement policies and procedures were clear.

The factory established documentation management procedure for updating related documentation according to changing requirements or situations. So, the policies and procedures were in sustainable compliance with the workplace requirements in the base code area now and over time.

#### Resources:

The factory designated manager to be responsible for this base code area, the manager had the necessary skills and had the seniority to manage the workplace requirements.

The factory established the backup procedure to ensure the management structure and responsibilities were reactive to changing circumstances. The manager had one backup who was well trained, when the manager was absent, the backup had the authorization to ensure the policies and procedures were in good running conditions.

Moreover, the factory conducted an internal audit and management review once a year to ensure that demonstrable effectiveness of the management structure to achieve compliance sustainably over time.

#### Communication and Training:

The factory established the training procedure and yearly training plan, which included assessment and refresher training.

The factory conducts training on business ethics once a year for all relevant workers, including managers and supervisors.

Training materials were provided, and the training content was updated according to need and the procedure.

The training records were well kept. The factory verified the training effectiveness through examination and questionnaire, the verification results showed that all

[← Code area 10.B](#)

## Management systems

workers understand the knowledge. So, the training and communication were effective.

Monitoring:

The factory established monthly targets and yearly targets on business ethics. The manager was responsible for monitoring the targets. If any target did not meet, the manager would analyze the root cause and take corrective and preventive actions to avoid recurrence.

Moreover, the factory conducted internal audit and management review once a year to monitor policies and procedures, if the monitoring results required it or changes to policies and processes were made, the factory would take actions to ensure its effectiveness.

These monitoring methods ensured sufficient management of the workplace requirements in this base code area on an ongoing basis.

As a result, the management system was robust.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

[← Code area 10.B](#)

**Systems and evidence examined to validate this code section**

## Current systems:

The factory had established a procedure to promote ethical business conduct. A senior management representative was assigned responsibility for the implementation and maintenance of this policy. Common unethical behaviors such as corruption, extortion, and bribery were clearly identified, and the factory demonstrated zero tolerance toward such practices.

Training on ethical business practices was provided to employees, particularly those in sensitive positions such as purchasing and sales. Reporting channels for unethical business conduct were established to allow employees to report concerns confidentially.

## Evidence examined to validate this code section:

Factory tour

Management interview

Document review

- Business ethics policy and procedure
- Responsible management appointment letter
- Ethics risk assessment records
- Grievance procedure
- Training records

[← Code area 10.B](#)

10.C. Business ethics

## Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?

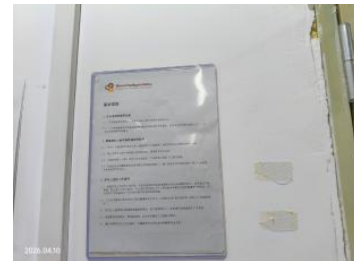
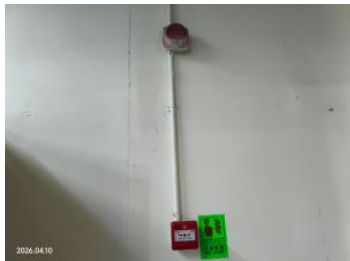
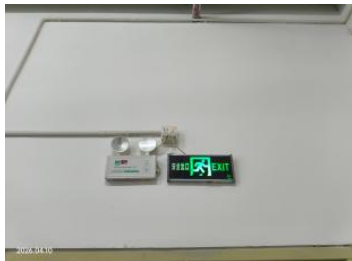
No

Provide any certified anti-bribery management systems for the site

No such certificate.

[← Code area 10.C](#)

# Attachments



[Exit sign & Emergency light.jpg](#)



[Fire alarm.jpg](#)



[Chemical storage area.jpg](#)



[ETI code posted.jpg](#)



[Evacuation plan.jpg](#)



[Fire hydrant.jpg](#)



[Suggestion box.jpg](#)



[Fire extinguishers.jpg](#)



[Drinking water supplied.jpg](#)



[Time recording system.jpg](#)



[Factory name.jpg](#)



[Toilet.jpg](#)



[Factory address.jpg](#)



[Testing workshop.jpg](#)

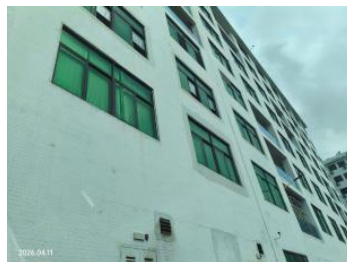


[Factory gate.jpg](#)



[First aid kit.jpg](#)





[Eye washing facility.jpg](#)



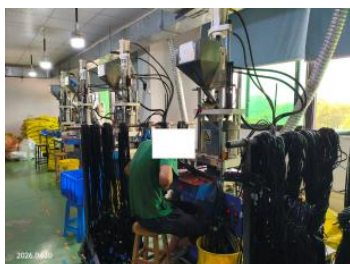
[Assembly workshop.jpg](#)



[Production building.jpg](#)



[Soldering workshop.jpg](#)



[Inspection workshop.jpg](#)



[Injection workshop.jpg](#)



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