

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

Sedex site reference	ZS1000083366	Site name	Guangdong Fuchen Packaging Products Co Ltd
Business name	Guangdong Fuchen Packaging Products Co Ltd	Site address	511500 Fuchen Technology Building, No. 4, Guangxin Street, Guangqing Industrial Park, Guangqing Special Economic Cooperation Zone, Shijiao Town, Qingcheng District, Qingyuan City 清远市清城区石角镇广清经济特别合作区广清产业园广新街4号富晨科技大厦, Qingyuan, CN

Audit details

Sedex company reference	ZC202518013	Auditor company name	Intertek Shenzhen
Audit company address	1F, Bldg. 3, Yuanzheng Science and Technology Industrial Park,, No. 4012, Wuhe Ave. North, Bantian Street, Longgang District,, Shenzhen, CN, 518107		
Date of audit	2025-08-13	Audit conducted by	Matt Luo
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

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Time in and out	Day 1		Day 2	
	In	09:30	In	09:30
	Out	17:30	Out	13:30
Audit type	Full initial			
Was the audit announced?	Announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	Mr. Chen Chanfa / Manager			
Any conflicting information SAQ/Pre-Audit Info	No			
Is further information available?	No			

Audit attendance

	Senior management	Worker representative	Union representative
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
Reason for absence at the opening meeting	No union in the facility.		
Reason for absence during the audit	No union in the facility.		

Reason for absence at the closing meeting No union in the facility.

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) None

Lead auditor	Matt Luo	APSCA Number	21700711
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Additional auditor

Date of declaration	2025-08-14
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Site representation

Declaration	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.
Full name	Mr. Chen Chanfa
Title	Manager
Date of declaration	2025-08-14

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 Base code	NC ZAF601062031
	3.N Maintain a log of all hazardous substance...	Local law Base code	NC ZAF601062032
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601062033
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601062034

Management systems

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

[← Summary of findings](#)

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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

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Site details

Company and site details

Sedex company reference	ZC202518013	
Sedex site reference	ZS1000083366	
Company name	Guangdong Fuchen Packaging Products Co Ltd	
Business ownership type	GOODS	
Site name	Guangdong Fuchen Packaging Products Co Ltd	
Site name in local language	广东富晨包装制品有限公司	
GPS location	GPS address	Fuchen Technology Building, No. 4, Guangxin Street, Guangqing Industrial Park, Guangqing Special Economic Cooperation Zone, Shijiao Town, Qingcheng District, Qingyuan City, Guangdong Province, China (中国广东省清远市清城区石角镇广清经济特别合作区广清产业园广新街4号富晨科技大厦)
	Coordinates	Latitude: No information provided by the facility. Longitude: No information provided by the facility.
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Mr. Chan Chanfa
	Job title	Manager
	Phone number	13926168625
	Email	1015392898@qq.com

[← Management systems](#)

[Worker analysis →](#)

Company and site details

Applicable business and other legally required business license numbers and documents	Business License Number: 91441802MAE7YEJH2Q Valid date from 10th December 2024 to long term The audited facility started operation since January 2025, there was no information such as annual worker turnover, rate of absenteeism, annual number of work related accidents and injuries, Lost day work cases, percentage of workers that work on average more than 48 total hours in a given week, percentage of workers that work on average more than 60 total hours in a given week and usage/discharge analysis of 2023 and 2024.
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[← Management systems](#)

[Worker analysis →](#)

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	Primary	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard
	Secondary	
	Other	
Product type	Paper products	
Process overview	The main product manufactured by the facility are paper products The main production processes were listed as follows: Printing, surface treatment, cutting, box making, hand work, inspection and packing. The main machine list of the facility was as following: cutting machines, printing machines, folding machines and etc.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	20000m ²	

[← Site details](#)

[Worker analysis →](#)

Site scope

Building 1	Last construction works on site	2024
	If building is shared, provide details	No
	Number of floors	10
	Description of floor activities	1/F Printing and cutting 2/F Surface treatment 3/F Warehouse and office 4/F Warehouse 5/F Leave unused 6/F Box making 7/F Box making 8/F Hand work 9/F Office 10/F Warehouse

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

[← Site details](#)

[Worker analysis →](#)

Worker accommodation and transport

Does the site organise worker transport to the worksite?	Not provided
	The facility did not provide transport to the employees.

Work patterns

Approximate workers on site per month (% of peak)	January	90-95%	February	90-95%
	March	95-100%	April	95-100%
	May	95-100%	June	95-100%
	July	95-100%	August	95-100%
	September	0-25%	October	0-25%
	November	0-25%	December	0-25%

Is there any night shift work at the site?	No
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Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	No
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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?	No
	The facility did not conduct assess 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

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	No Human Rights Impact Assessment (HRIA) was not conducted by the facility within the last three years.
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Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	49 (69%)	22 (31%)	- -	71 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	49 (69%)	22 (31%)	- -	71 (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	30 (71.4%)	12 (28.6%)	- -	42 (59.2%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	30 (71.4%)	12 (28.6%)	- -	42 (59.2%)

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from

Guangxi, Sichuan and Hubei.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	2 (66.7%)	1 (33.3%)	- -	3 (4.2%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Worker analysis](#)

[Worker interviews →](#)

Is the worker analysis data relevant for peak season and current to the audit?

No

Describe how this may vary during peak periods

N/A, the peak season was not obvious 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	69%	31%	-	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	49 (69%)	22 (31%)	- -	71 (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	49 (69%)	22 (31%)	- -	71 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details N/A

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	3 (75%)	1 (25%)	- -	4
Supervisors or team leaders	1 (50%)	1 (50%)	- -	2
Administrative staff	11 (68.8%)	5 (31.3%)	- -	16

[← 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 of 5 employees

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

[← Worker analysis](#)

[Measuring workplace impact →](#)

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 complaint was reported by interviewees.

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

Equal opportunities
Freedom of movement

Additional comments

10 employees were randomly selected for interview including 5 male employees and 5 female employees; they were interviewed as 5 employees in 1 group and the balance of 5 employees were interviewed individually. The employees were assured of confidentiality, and they spoke freely of their views of the facility. Through employees' interviews, it was noted that all employees were satisfied with the facility and no negative information was raised. They were able to make suggestions to their managers, supervisors and team leaders through suggestion box, phone calls, phone messages, emails, wechat, etc., and sometimes they had seen these suggestions used. Also, they were able to complain directly to their supervisors. In addition, auditor had randomly interviewed one management, who was familiar with facility social compliance policy include the environment and business ethics policy. All interviewed employees were familiar and satisfactory with the facility's ethics management and facility environment and no negative information was raised.

Attitude of workers' committee/union representatives

The worker committee representatives were satisfied with working condition and management system and no negative information was raised.

Attitude of workers

Attitude of managers

The management was cooperative throughout the process of the audit. All requested documents were provided in a timely manner, all necessary areas were allowed access for tour, and a private room was arranged for employees' interview. Mr. Chan Chanfa / Manager was responsible for implementing legal and code standards, and he was in charge of the independent and internal audits. The facility managements were interested in the audit process and were able to discuss the found issues in open and honest manner. In the closing meeting, the management appeared receptive to the current findings and did not raise any negative feedback.

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
Total number of workers interviewed	10

Workers interviewed by group/individual

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

[← Worker analysis](#)

[Measuring workplace impact →](#)

Workers interviewed by group/individual

Workers interviewed individually	2	3	-	5
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Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	2	2	-	4
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	2	2	-	4

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	3.0%	4.0%	-	7.0%
Last full calendar year (2024)	-	-	-	-
Previous full calendar year (2023)	-	-	-	-

* 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)	2.0%	4.0%	-	6.0%
Last full calendar year (2024)	-	-	-	-
Previous full calendar year (2023)	-	-	-	-

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

According to accident management procedure, all accidents will be investigated and recorded. As per management interview, no accident happened in the last 12 months, only small cases such as finger cut were occurred in the audited facility.

[← 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 (2024)	-	-	-	-
Previous full calendar year (2023)	-	-	-	-

* 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 (2024)	-	-	-	-
Previous full calendar year (2023)	-	-	-	-

* 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 (2024)	-	-	-	-

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

Previous full calendar year (2023)	-	-	-	-
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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 (2024)	-	-	-	-
Previous full calendar year (2023)	-	-	-	-

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current Systems: 1. The facility allowed the auditor to conduct and complete the audit without obstruction to all requested documents, interviewees and all the buildings in the facility. Provide the auditor with genuine and authentic records. 2. The facility did not offer bribes to or threaten the auditor, nor in any way induce the auditor to be dishonest. 3. The facility provided an accurate site description and Sedex site profile declared prior to or during the audit. 4. The facility maintained a written human rights policy statement that is approved at the most senior level, communicated to all personnel, and trained to relevant personnel. Evidence examined: 1. Policy on human rights. 2. Social compliance policy and procedures. 3. Appointment letter for compliance responsible persons. 4. Ethic policy and procedures. 5. SAQ records. 6. Training records for employees. 7. Written social compliance commitments from Suppliers and social compliance assessment reports for its suppliers. 8. Internal audit and management review record. 9. Management interview and employees' interview.		

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

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	Some Improvements Recommended
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

1. The facility has a written policy and procedure in place that explicitly prohibits the use of forced labor, bonded and prison labor which meets all Workplace Requirements in this code area. This policy serves as a guiding principle for all employment practices within the facility. The facility firmly opposes any form of forced labor, bonded labor or involuntary labor, and is committed to ensuring that all employees participate in work on a voluntary, equal and informed basis. The policy explicitly prohibits restricting employees' rights to freely choose through means such as threats, deception, withholding of documents or wages. This facility's documents expressly state that whenever relevant laws and regulations are revised or the social environment changes, it will promptly update its policies and procedures to address new circumstances and ensure ongoing compliance. So the grading for policy and procedures is robust.
2. The facility appointed Mr. Chen Chanfa / Manager to be responsible for communicating, deploying, and monitoring the practices of effectively prohibiting involuntary or forced labour. He was aware of the responsibilities. He had the necessary skills and seniority to manage this issue. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended.
3. The facility had provided training related to labor policies and employee rights to employees, the facility incorporates relevant training into its operations to ensure employees are aware of their rights and the prohibition against forced, bonded, and prison labor. Such training would contribute to a culture of compliance and awareness within the facility. So the grading for communication and training is robust.
4. The facility does not withhold employees' ID cards, allowing them to retain personal identification and freedom of movement. The facility does not require employees to make any payments for work-related resources such as tools, uniforms, personal protective equipment (PPE), or training and the facility effectively monitored the facility recruitment process in accordance with the policies and procedures. The facility conducted the annual internal audit to monitor compliance with the policies and procedures regarding the freely chosen employment, and the results were reviewed and acted upon by management. The freely chosen employment requirements were implemented and controlled effectively. This robust system ensures sustainable compliance with all Workplace Requirement in this code area now and overtime. So the grading for monitoring is 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: The employees were employed on a voluntary basis and free to leave the facility or resigning. The facility did not withhold any employees' ID cards. The facility did not limit the employees' freedom or lock any exit of the facility during working time. The facility did not require any payment for work tools, uniforms, PPE, training, etc. There was no any hint that the facility used prison labour. The facility has a written policy of prohibiting forced, bonded and prison labor. The policy states that the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; the facility prohibits forced, bonded or involuntary prison labour; and employees are free to leave their employer after reasonable notice, etc. Security guards stated that they must not prevent employees from leaving the premises outside of working hours. Evidence examined: Personnel files and Employment contracts Resignation records Facility rules Employee handbook Management and employee interview Facility tour indicated no sign of employees being forced, bonded or involuntary.		

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	Some Improvements Recommended
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	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The facility has well-documented policies and procedures regarding work and immigration rights, and these policies are strictly adhered to. This policy stipulates that the facility only hires individuals with legal work rights, ensuring compliance with local labor laws and regulations. This policy also firmly opposes any form of forced labor, bonded labor, human trafficking, discriminatory recruitment, or violations of employees' fundamental rights, and is committed to providing a safe, fair, and dignified working environment for all employees. The policy further stipulates that the following core principles must be adhered to in recruitment: "fairness and non discrimination, transparency and the right to be informed, prohibition of fees and deposits, age verification, and voluntary employment". This facility's documents expressly state that whenever relevant laws and regulations are revised or the social environment changes, it will promptly update its policies and procedures to address new circumstances and ensure ongoing compliance. So the grading for policy and procedures is robust.
2. The facility assigned Mr. Chen Chanfa / Manager to responsible for implement the procedure of freely recruitment and entitlement to work and he was aware the responsibilities. He had necessary skills and seniority to manage this issue. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended.
3. The facility provided training related to entitlement to work, immigration policies, or recruitment practices into its onboarding and ongoing education programs for employees and management. The facility would ensure all stakeholders are aware of the facility's policies and the importance of adhering to legal requirements for employment. So the grading for communication and training is robust.
4. The facility monitored the effectiveness of freely recruitment and entitlement to work procedure through internal audit and management review, the facility had taken actions where results require it or changes to policies and processes are made. Responsibilities for monitoring and targets or key performance indicators are defined and utilized. And the facility had taken actions where results require it or changes to policies and processes are made. Responsibilities for monitoring and targets or key performance indicators are defined and utilized. However, the effectiveness of the responsible recruitment and entitlement training is not monitored. So, the grading for monitoring is some improvements recommended.

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:

1. Through documents review, facility management representation and employee interview, it was noted that all employees in the facility were directly hired and permanent employees.
2. There was a total of 93 employees including 4 management employee (3 males and 1 female), 2 supervisors or team leaders (1 male and 1 female), 16 administrative staff (11 males and 5 females) and 71 workers (49 males and 22 females) working in the audited facility at present. There were 33 employees from Guangdong province and the other 60 employees were migrant employees from Guangxi, Sichuan and Hubei. The facility has conducted a thorough investigation into the recruitment costs for all new hired employees and all migrant employees. There was no any fee would be charged (include the physical examination fee) for any employees.
3. All employees had the proper legal rights to work in this region. All of them were recruited directly by the facility and no labour provider was involved in the facility's recruitment processes. And the facility had established the procedure that if they hire employees through the labour provider, they would require that the labour provider could not charge any fee for the employee.
4. There were new employees hired in the reviewed period. No agency employee or foreign employee was used by the facility. The facility has conducted a thorough investigation into the recruitment costs for all new hired employees and all migrant employees. There was no any fee would be charged for any employees.
5. There was no recruitment fees or related costs are paid by employees. And the facility had established the procedure that they would not charge any fee for the employee during the recruitment.
6. The facility had a well-documented policy regarding entitlement to work and immigration, the facility monitored the effectiveness of freely recruitment and entitlement to work procedure through internal audit and management review, the facility had taken actions where results require it or changes to policies and processes are made.

Evidence examined:

1. Policy on human rights.
2. Social compliance policy and procedures.
3. Hiring procedure.
4. Personnel files.
5. Labor contacts of employees.
6. Employee handbook.
7. Resignation records.
8. Management and employees' interview.

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
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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
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[← Code area 1.A](#)

[Code area 2 →](#)

Percentage of workers that are migrant 0%

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 Guangxi, Sichuan and Hubei.

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process? Not Applicable

Were recruitment fees or costs identified during worker interviews? No

Through employees' interview, they were not asked to pay any recruitment fees or costs during recruitment and employment process.

[← Code area 1.A](#)

[Code area 2 →](#)

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	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	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The facility has a clear policy and procedure in place to recognize and respect the fundamental rights of employees to exercise their lawful right to freedom of association. This policy includes all relevant requirements in the code area. The policy firmly supports employees' rights to freely form, join trade unions or labor organizations, and respects their legitimate rights and interests maintained through collective bargaining. It prohibits any form of interference, threat or retaliation, ensuring that employees are not discriminated against or obstructed when exercising their rights. This facility's documents expressly state that whenever relevant laws and regulations are revised or the social environment changes, it will promptly update its policies and procedures to address new circumstances and ensure ongoing compliance. So the grading for policy and procedures is robust.
2. Mr. Chen Chanfa / Manager is assigned responsibility for implementation alongside an operations manager. He had necessary skills and seniority to manage this issue. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended.
3. The facility communicated its policies and practices pertaining to freedom of association to all employees through comprehensive training programs. This included new employee orientation training, where employees were introduced to their rights and responsibilities related to freedom of association, as well as refresh training for existing employees to keep them informed and engaged. However, the interviewed employees are aware of the role of employee representatives but they are not well understand how to raise suggestion. So, the grading for communication and training is some improvements recommended.
4. The facility provided multiple avenues for employees to freely communicate issues related to working conditions, wages and benefits, and freedom of association directly to management. This included regular meetings with top management, where employees could voice their concerns and suggestions, as well as a suggestion box where employees could submit their documented issues anonymously. There was no union but one worker committee at the facility to facilitate communication and address concerns. The facility monitored the effectiveness of freedom of association procedure through internal audit and management review, the facility had taken actions where results require it or changes to policies and processes are made. Responsibilities for monitoring and targets or key performance indicators are defined and utilized. However, the effectiveness of the freedom of association and right to collective bargaining training is not monitored. So, the grading for monitoring is some improvements recommended.

[← Code area 1.A](#)

[Code area 3 →](#)

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: The facility has a written policy of freedom of association and right to collective bargaining. The policy states that the employees are free to form or join workers' organisation and enjoy the right to collective bargaining, and nobody will be treated differently if they are members of workers' organisation, etc. The facility has a written policy about suggestions and appeals, which stated that the employees were able to make suggestions/appeals to their managers, supervisors and team leaders through suggestion box, phone calls, phone messages, emails and QQ etc. There was no union but one employee committee with 2 employee representatives in the facility. The response records for employees' suggestions and appeals were available for review. Evidence examined: Policy of freedom of association and right to collective bargaining Policy about suggestions and appeals. Response records for employees' suggestions and appeals Interviews with management and employees.		

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 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
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

[← Code area 2](#)

[Code area 3 →](#)

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	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

Management systems

Explanation for management systems grades

1. A Health and Safety (H&S) policy and procedure were established and implemented in the facility, outlining the commitment to maintaining a safe and healthy work environment for all employees. A written Health and Safety management procedure was also in place, detailing the processes and procedures to be followed to ensure compliance with the requirements of the code area. So the grading for policy and procedures is robust.
2. An H&S committee was formed in the facility, with an appointed person responsible for addressing the facility's health and safety issues. The appointment letter was made available for review. The management of work safety in the facility possessed a qualification certificate in safety production knowledge and management skill, ensuring they were equipped to handle safety-related matters effectively. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended.
3. The facility conducted fire drills twice per year to ensure preparedness in case of an emergency. The facility provides employees with training related to health and safety, such as fire safety, machine safety, and employee safety, which the facility incorporates into its operations to ensure employees are aware of their safety concerns. Regular meetings were held between the H&S committee (workers) and the Health and Safety Officer, with minutes of meetings showing that each point discussed was acted upon. Also, the facility had established the procedure and method to monitor the training effect such as employee's training questionnaire. So the grading for communication and training is robust.
4. The facility general manager supervised the production health and safety, and the department leaders were responsible for the specific implementation. The health and safety committee which consisted of members from different departments carried out comprehensive inspections periodically or irregularly and conducted the meeting regularly to talk about the health and safety topics. The facility manager and the department leaders cooperated and participated to ensure the health and safety of the production site. The facility conducted the risk assessment regularly to consider the prevailing knowledge of the industry and of any specific hazards. The facility took adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work. The facility would take appropriate and preventative action to stop a recurrence of the same or similar problem. Two health and safety findings were found in this audit: No MSDS for some chemicals and some employees did not wear the provided PPE. These findings were systemic case which could cause certain risk such as occupational disease and health and

[← Code area 2](#)

[Code area 4 →](#)

Management systems

safety issues for the employees. Gaps in monitoring of procedures that did not ensure sufficient management of workplace requirements on an ongoing basis. The facility neglected of these healthy and safety potential risks may have an impact on the health and safety of the workshop. So the grading for monitoring was fundamental improvements recommended.

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 Base code	NC ZAF601062031
	3.N Maintain a log of all hazardous substance...	Local law Base code	NC ZAF601062032

Systems and evidence examined to validate this code section

Current systems:

1. General Health and Safety management

Written Health and Safety Policy and Health and Safety Manual were available. Minutes of meetings showed that there were monthly meetings between the H&S committee (workers) and the H&S supervisor, and each point was acted on. Potable water was freely available in all areas. Sufficient clean toilets segregated by gender were available at all times to employees. Ventilation, temperature and lighting were adequate for the workplaces. Accident reports were available.

2. Fire Safety

In production and building, there were at least 2 exits from each work area. Fire-fighting equipment monthly inspection records were available. Evacuation routes were unblocked. "No smoking signs" were available throughout the facility. Evacuation maps were posted at each floor and understood by all employees interviewed. Fire drills were organised and recorded every 6 months of production building. Fire hydrants had been installed at production building.

3. Electrical safety

All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards. There was competent electrician at the site and their training certificates were available for review.

4. Chemical safety

Employees exposed to chemicals such as ethyl alcohol and paint confirmed that they had been trained on chemical safety but some chemicals without MSDS.

5. Medical services

There were adequate first aid kits in each production area and they were well stocked. There were 2 first aiders and they had been trained at a local hospital.

Evidence examined:

Health and safety policy and manual
Appointment document for the Health and Safety Supervisor
Health and safety committee minutes
Toilet cleaning records
Temperature recording sheets
Registration certificate, testing report
Accident reports
Electrician certificate
Fire equipment monthly maintenance and inspection records
Fire drill records

Fire inspection records and report of construction completion acceptance
Electrical equipment maintenance and inspection records
Health and safety training records
Onsite observation
Management and employee interview

Findings: non-compliances

ZAF601062031

Non-compliance

Due 2025-09-19

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

Employees did not properly wear PPE (Personal Protective Equipment). During facility tour, auditor found that 2 out of 10 employees working in the hand work workshop located at 8/F of one 10-storey production building engaged with chemical but did not wear the rubber gloves which were provided by facility.

Area of non-compliance/non-conformance

Local law

Base code

员工未按要求佩戴劳动防护用品。在现场巡查时，审核员发现在一栋十层厂房八楼的手工车间有10名员工作业时接触化学品，但是其中2名员工没有佩戴企业提供的橡胶手套。

Corrective and preventative actions

It is recommended that the facility should supervise and train the employees on properly wearing PPE.

Local law reference

In accordance with Law of the PRC on Work Safety Article 45, Production and business entities shall provide their employees with work protection gears that are up to national standards or industrial specifications, and they shall give instruction to their employees and see to it that they wear or use these gears in accordance with the rules for their use.

Evidence

[← Code area 3](#)

[Code area 4 →](#)



NC-Employee did not wear
the provided PPE.JPG

* PDF generated at 06:34 (UTC) on 20 Aug 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601062032		Non-compliance	Due 2025-10-19
Code area		Status	
3 Working conditions are safe and hygienic		Open*	
Workplace requirement		Time given to resolve	
3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.		60 days	
Issue title		Verification method	
230 - No material safety data sheet (MSDS) obtained/available		Desktop audit	
Description		Area of non-compliance/non-conformance	
MSDS were not available for hazardous chemicals. During facility tour, auditor found that the facility used chemical such as ink in the printing workshop located at 1/F of one 10-storey production building. However, no MSDS (Material Safety Data Sheet) was provided in these areas.		Local law	
危险化学品场所没有MSDS。在现场巡查时，审核员发现企业在一栋十层生产楼的一二楼印刷车间使用油墨，但该场所没有相应危险化学品的MSDS（物质安全技术资料表）。		Base code	
Corrective and preventative actions			
It is recommended that the facility should ensure MSDS is available for hazardous chemical in the workplace.			

Local law reference

In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.

* PDF generated at 06:34 (UTC) on 20 Aug 2025. [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, senior manager or business owner 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 Chemical such as ink was used in the workshop.
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?	Workers organise their own transport
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable No such case noted during on site observation and document review.
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

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	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	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The facility has a clear policy and procedure in place to clearly state that all workers must present their ID cards as proof of age during the recruitment process. This policy ensures compliance with the regulation prohibiting the employment of individuals under the age of 16. Procedures for the protection of adolescent employees have been developed, outlining measures to safeguard the rights and well-being of young workers, further strengthening the commitment not to employ child labor. There is no child labor in the facility, but a child labor remediation procedure has been formulated, indicating preparedness to address any potential issues promptly and effectively and the Remediation Procedure outlines processes and responsibilities, including financial, for undertaking, remediation. The direct or indirect employment of child labor in any business activities and the supply chain is firmly prohibited. The policy requires the facility to implement a strict age-verification mechanism, a transparent recruitment process, and systematic supervision to ensure that all employees reach the legal working age and protect minors from economic exploitation. This facility's documents expressly state that whenever relevant laws and regulations are revised or the social environment changes, it will promptly update its policies and procedures to address new circumstances and ensure ongoing compliance. So the grading for policy and procedures is robust.
2. The facility assigned Mr. Chen Chanfa / Manager to responsible for implementation the procedure of prohibition of using child labor. He was aware the responsibilities. He had necessary skills and seniority to manage this issue. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended
3. The facility provided effective training and communication on prohibition of using child labor procedure to all relevant workers, including managers and supervisors. Training content was updated according to need. However, the interviewed employees are unsure of the details of the remediation process. So, the grading for communication and training is some improvements recommended.
4. The facility's monitoring mechanisms included interviewing the job seekers, regular reviews of personnel files, specifically checking the age documentation (ID card copies) to ensure no underage employees were employed. The facility conducted internal audits and management reviews regularly every year to ensure no issue occurred in this code area. Responsibilities for monitoring and targets or key performance indicators were defined and utilized. The facility conducted the internal social compliance audit once per year, which covered the subjects of child labor, juvenile worker and pregnant worker etc., and the results were reviewed and acted

[← Code area 3](#)

[Code area 5 →](#)

Management systems

upon by management. However, the effectiveness of the child labourer training is not monitored. So, the grading for monitoring is some improvements recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: The facility had established policy/procedure on prohibition of child labour. Once employees had joined their original ID's were copied and given back to them whilst copies only were kept in their personnel file. Checks of all employees' files showed that the youngest employee present was age 23 years old. There was no child labour was hired. Evidence examined: Personnel files of all employees Updated employee roster Recruitment policy/procedure Management and employee interview.		

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	4%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	23
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	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

1. The facility has established and implemented a comprehensive wage & benefit policy and procedure along with controlling procedures. This policy outlines the minimum wage standards, overtime compensation rates, and other employee benefits. The policy ensures that no monetary fines are used as disciplinary measures and prohibits any illegal deductions from employee wages. The policy ensured to pay workers a sufficient wage. So the grading for policy and procedures is robust.
2. The facility's finance and HR are responsible for ensuring that all employees are paid at least the local minimum wage standard and provides additional benefits like social security, annual leave, and maternity leave to eligible employees. The facility is responsible for communicating the wage & benefit policy and controlling procedures to all employees through regular trainings. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended
3. Regular training is conducted to inform workers about the wage & benefit policy, including the minimum wage standards, overtime compensation rates, and other benefits. This training makes sure that employees have a clear understanding of their employment conditions and rights related to wages and benefits. However, no role-specific training (e.g., for supervisors vs. HR), leading to personnel misunderstanding recording standards and this would affect the management to carry out these standards such as document keeping and internal review. So, the grading for communication and training is some improvements recommended.
4. The facility effectively monitors the implementation of the procedures to ensure continuous compliance. These procedures are regularly reviewed and updated on-site to ensure that they continue to achieve the expected results and maintain continuous consistency as the standards change. A salary fairness survey is conducted every six months to analyze the salary gaps between genders and positions and make rectifications. The Finance Department, in conjunction with the Human Resources Department, checks the payroll and attendance records every month to ensure consistency among the mentioned records. Randomly select 5% of employees for interviews regarding their salary satisfaction, record and follow up on any disputes. Monitor legal updates, revise the salary framework, and adjust it according to inflation rates and industry standards to ensure competitiveness and compliance. But the facility did not strictly monitor the number of employees enrolled in social security and systemic insufficient social insurance participated finding was found during this audit which affected the welfare of employees and was not compliance with the local law, so the grading for monitoring is Fundamental Improvements Required.

[← Code area 4](#)

[Code area 5.A →](#)

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 Base code	NC ZAF601062033
Systems and evidence examined to validate this code section	Current systems: The local minimum wage standard was set at RMB 1620 per month as equivalent to RMB 9.31 (1620/21.75/8) per hour since 1st December 2021 and RMB 1750 per month as equivalent to RMB 10.06 (1750/21.75/8) per hour since 1st March 2024. All employees' wages were calculated by hourly. The minimum wage paid by the facility was RMB 14.37 per hour based on provided payroll records. Overtime wages were paid at legal premium rate. All employees were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid. Benefits such as paid annual leave were given to all employees and child-bearing leave to appropriate female employees but insufficient social insurance participated. All employees were paid on or before the 30th of each month after previous wage calculation period by cash and each employee was given a pay slip and signed for their wages. Evidence examined: Wages and benefits policy Local legal minimum wage documents The facility started operation since January 2025. In this initial audit, payrolls for the period from January 2025 to June 2025 and attendance records for the period from 1st January 2025 to 14th August 2025 (audit day) were provided for review. Production records such as daily production records, etc. were also reviewed. Leave records. Resignation records Social insurance and payment receipts from the local labour department Labour contracts for all employees Management and employee interview		

Findings: non-compliances

ZAF601062033

Non-compliance

Due 2025-10-19

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

Insufficient social insurance participated. Total 93 employees hired by the facility, included 4 retirees hired to work and 6 new hired employees in July 2025. Thus total 83 employees were eligibility for social insurance in July 2025. Based on the social insurance records of July 2025, auditor found that 18 employees (22%) had participated in basic endowment insurance, unemployment insurance, injury insurance, basic medical insurance and maternity insurance, and other employees did not participate in social insurance.

Remark: 1) The facility provided commercial insurance to all employees, the effected period from 13th January 2025 to 12th January 2026. 2) No temporary employee and dispatch employee in the facility.

社会保险参保不足。企业共有93名员工，其中含4名退休返聘人员，2025年7月共有6名新聘用员工。因此，在2025年7月，共有83名员工有资格参加社会保险。基于企业2025年7月社保记录，审核员发现有18名员工(22%)参加了基本养老保险，失业保险，工伤保险，医疗保险和生育保险，其他员工没有参加社会保险。

备注:1) 企业为全部员工提供商业意外险，有效期从2025年1月13至2026年1月12日。2) 企业没有临时工和劳务派遣工。

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that the facility should ensure all employees participate in social insurance according to the Law.

[← Code area 5](#)

[Code area 5.A →](#)

Local law reference

In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

Evidence



[NC-Insufficient social insurance participated.jpg](#)

* PDF generated at 06:34 (UTC) on 20 Aug 2025. [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?	Wages meet a living wage Other (provide details) The minimum wage paid by the facility was RMB 14.37 per hour based on provided payroll records.
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Does not use digital payments (give details) All employees were paid by cash.
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

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

Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	168.0
Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	2.0
	Max hours per week	20.0
	Max hours per month	60.0
Minimum legal wage	Min per hour	10.06
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	1750.0
Actual minimum wage	Actual per hour	14.37
	Actual per day	114.94
	Actual per week	574.71
	Actual per month	2500.0

Minimum legal overtime wage	Min per hour	15.09
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	21.55
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples from June 2025 (current month) 10 samples from March 2025 (random month) 10 samples from January 2025 (random month)
Are there different legal minimum/legally recognised CBAs wage grades?	No
For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?	Above legal minimum
Indicate the breakdown of workforce per earnings	100% of workforce earning above the legal minimum wage for the standard working hours.
Are there any bonus schemes used?	Yes Bonus between RMB 1400-8200 found in the sample months.

[← Code area 5](#)

[Code area 5.A →](#)

Were accurate records shown at the first request? Yes

Were any inconsistencies found? No

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: 1. Living wage policy and controlling procedure were established and implemented. 2. The facility calculated living wage and did local basic needs wage investigation. 3. The facility reviewed workers' total pay including benefits and compared it with a credible 'living wage' to calculate a 'living wage gap' and understand what proportion of the workforce has a gap. 4. Anker methodology is used for Living Wage calculation by the facility and the facility put in place a wage improvement plan. Evidence examined: 1. Wages and benefits management procedure. 2. Local minimum wage standard document. 3. Payroll and attendance records. 4. Management and employees' interview. 5. Living Wage calculation form. 6. Assessment report about workers' total pay. 7. Wage improvement plan.		

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	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

1. The facility has formulated and implemented a voluntary overtime policy, working hours policy and control procedures. It is committed to safeguarding the physical and mental health of employees and achieving a work-life balance through scientific and humanized working hours management. Any form of forced overtime, excessive working hours or violations of the rights to rest and leave are prohibited. Through transparent management and systematic supervision, the legality and rationality of the working hours arrangement are ensured. This policy includes setting legal upper limits for working hours, making overtime voluntary, and prohibiting night shifts or excessive working hours for special groups such as pregnant women, underage workers, and disabled employees. This facility's documents expressly state that whenever relevant laws and regulations are revised or the social environment changes, it will promptly update its policies and procedures to address new circumstances and ensure ongoing compliance. So the grading for policy and procedures is robust.
2. The facility utilizes finger print attendance system for timekeeping, ensuring accurate tracking of working hours and overtime. HR Manager is responsible for enforcing the policies and ensuring compliance through regular reviews and interviews with employees. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended
3. Regular training is conducted to communicate the voluntary overtime and working time policies to workers, ensuring they understand their rights and responsibilities regarding working hours and overtime. But the interviewed employees do not recognize the policy of overtime control procedures, there is low aware of it amongst employees interviewed about the overtime control procedures. So, the grading for communication and training is some improvements recommended.
4. The facility conducted monitoring for the working hour system in general. Attendance records were maintained and reviewed regularly to ensure compliance with the working time policy. Time in and time out were recorded accordingly. To ensure overtime was voluntary, the department leaders must apply for overtime and obtain the approval if their departments need work overtime. A variety of production and other records were cross-checked for consistency, and no inconsistency about working time was noted. The facility had conducted the internal audit and management review to monitor the working hours, and the results were reviewed and acted upon by management. However, because gaps in monitoring of procedures that did not ensure sufficient management of Workplace Requirements on an ongoing

Management systems

basis, the systemic major non-compliance finding such as excessive overtime hours finding was noted. The normalization of overtime would easily render systems such as attendance tracking and approval procedures ineffective. It not only undermines the foundation of "overtime in accordance with rules" but also shakes employees' trust in the fairness of the system. Therefore, the grading for monitoring is Fundamental Improvements Required.

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 Base code	NC ZAF601062034

Systems and evidence examined to validate this code section

Current systems:
Working time policy and controlling procedure were established and implemented in the facility. Overtime was voluntary.
Finger print attendance record system was used for time keeping.
Attendance hours were completed which could calculate wages. According to provided attendance records and employee interview, basic working hours were 8 hours per day and 40 hours per week. According to provided attendance records, total overtime was more than 36 hours per month (max in sample 60 hours/month) and records show that employees have at least 1 day off per week. No more than 3 hours overtime per day was observed. (max in 2 hours / day). In sampled months, the max weekly overtime working hours were 20 hours per week.

Evidence examined:
Facility policy on working hours
Finger print attendance record
Employees contracts
The facility started operation since January 2025. In this initial audit, payrolls for the period from January 2025 to June 2025 and attendance records for the period from 1st January 2025 to 14th August 2025 (audit day) were provided for review.
All employees were paid on or before the 30th of each month after previous wage calculation period by cash and each employee was given a pay slip and signed for their wages.

Findings: non-compliances

ZAF601062034

Non-compliance

Due 2025-10-19

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

Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 10 out of 10 randomly selected employees were 56 hours in June 2025 (current month), the monthly overtime hours of 10 out of 10 randomly selected employees were 58 hours in March 2025 (random month) and the monthly overtime hours of 10 out of 10 randomly selected employees were 60 hours in January 2025 (random month).

Area of non-compliance/non-conformance

Local law

Base code

加班时间超过法规要求。通过文件审核，审核员发现在抽取的2025年6月份（当前月）的考勤中，10名随机抽取的员工中10人的月加班时间为56小时；2025年3月份（随机月）的考勤中，10名随机抽取的员工中10人的月加班时间为58小时；2025年1月份（随机月）的考勤中，10名随机抽取的员工中10人的月加班时间为60小时。

Corrective and preventative actions

It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month.

Local law reference

In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Evidence

[← Code area 6](#)

[Code area 7 →](#)

[NC-Excessive overtime hours.png](#)



* PDF generated at 06:34 (UTC) on 20 Aug 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

[← Code area 6](#)

[Code area 7 →](#)

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?	Not applicable. The facility paid 150% and 200% of the normal wages for the extended hours on normal working day and rest days, and there was no overtime work on statutory holidays.
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?	60.0
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	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	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The facility has established an anti-discrimination policy and procedure, outlining the organization's commitment to fostering a work environment free from discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union or workers' organization membership, or political affiliation. So the grading for policy and procedures is robust.
2. The facility appointed Mr. Chen Chanfa / Manager to responsible for implementing and enforcing the anti discrimination policy and procedure. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended.
3. Regular training on anti-discrimination are provided to employees to ensure that they understand the policy and their responsibilities in creating and maintaining a non-discriminatory work environment. However, there is low aware of it amongst employees interviewed about anti-discrimination procedures. So, the grading for communication and training is some improvements recommended.
4. The facility had implemented effective monitoring measures to ensure compliance with the anti-discrimination policy. There was the dedicated and adequate equity approach regarding recruitment, training, development and promotion processes. The equal approaches included the equal hiring policy, the diverse hiring channels and the standardized screening process for job applicants; adequate and equal training resource and diverse training methods; clear and equal promotion standards and enough promotion chances, and equal project participation opportunities; providing work feedback and instructions for the workers regularly, etc. The facility would take action or make changes to policies and procedures if necessary. The facility had an internal grievance process for the workers to report any discrimination cases. The facility conducted the internal social compliance audit once per year, which covered the subjects of anti-discrimination policy and procedure, and the results were reviewed and acted upon by management. The anti-discrimination policy and procedure were implemented and controlled effectively. However, the effectiveness of the no discrimination training is not monitored. So, the grading for monitoring is some improvements recommended.

Summary of findings

[← Code area 6](#)

[Code area 8 →](#)

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: The facility had anti-discrimination policy and procedure; The regular trainings on anti-discrimination were provided to the employees; As informed by interviewed employees, most employees spoke highly of the facility owner. No employee was required to do the examination of the hepatitis B virus and HIV. No female employee was required to do the examination of pregnant test. The ratio of female workers to male workers in the factory is 31% / 69%. The facility explained that since most of the operation is printing and cutting labor, it is more suitable for male workers. There is no discrimination in the recruitment process of the facility. Male and female workers can also apply for positions in all departments of the facility, both female and male employees were distributed in all types of work. There was no evidence of sexual harassment. No discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union or workers' organisation membership or political affiliation was found in the facility. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases. The facility had established the transparent recruitment and promotion systems based on competence and performance, eliminating bias and developed fair compensation standards to ensure equal pay for equal work, and regularly review pay gaps. Also, the facility had established the procedure that all employees would be treated fairly regardless of their race, gender, religion, etc. The facility had established procedures to protect pregnant female employees, arrange appropriate work and ensure adequate rest. After they return to work, the facility will re-arrange their work based on the actual situation. Evidence examined: Anti-discrimination policy and procedure Regular training records on anti-discrimination Hiring and termination procedure, leave application records and employee handbook Payrolls Attendance records Termination records Management and employee interview		

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)?	20%
Representation of women in managerial roles (ratio of women workers to women managers)	4%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	4%
Three most common nationalities in managerial and supervisory roles	All managerial and supervisors were 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	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	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The facility has a policy and procedure of signing labor contracts with all employees to ensure that the terms and conditions specified in the contracts comply with local laws. The policies and requirements for recruitment and employment practices ensure the legality, transparency, and fairness of the entire employment process. The policy requires the facility to eradicate any form of illegal employment (such as forced labor, child labor, contract fraud, etc.), safeguarding the basic rights of employees, and through systematic management and continuous improvement, becoming an industry benchmark for responsible employers. This policy includes voluntary employment and contract compliance. This facility's documents expressly state that whenever relevant laws and regulations are revised or the social environment changes, it will promptly update its policies and procedures to address new circumstances and ensure ongoing compliance. So the grading for policy and procedures is robust.
2. The facility appoints Mr. Chen Chanfa / Manager to responsible for recruiting all employees directly, without relying on labor agencies. Additionally, by not using temporary employees, apprenticeship schemes, or home employees, the facility ensures that all processes are finished within the facility, and there is no outsourcing of labor. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended
3. The facility provides necessary training to ensure that all employees understand their rights and responsibilities under the labor contracts, as well as the facility's policies regarding recruitment and employment practices. However, there is low aware of it amongst employees interviewed about their rights and responsibilities under the labor contracts. So, the grading for communication and training is some improvements recommended.
4. The facility ensures compliance with laws and policies by monitoring employment practices. It directly hires employees, avoiding agencies, temps, or home workers, and has clear processes for workforce management. In-house processes and no homeworking streamline monitoring and reinforce compliance. The facility conducted internal audit and management audit regularly and preventive & correction actions would be taken for any identified gaps and the sustainable compliance. However, the effectiveness of the regular employment training is not monitored. So, the grading for monitoring is some improvements recommended.

Summary of findings

[← Code area 7](#)

[Code area 8.A →](#)

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: The facility signed labor contracts with all employees and the terms and conditions stated in the contracts complied with local laws. All employees received copies of the contracts of employment. All employees were recruited by the facility directly. No labour agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditor. No subcontractor was used by the facility. No home-working existed in the facility. Evidence examined: The hiring and termination procedure Personal files including a copy of employee's contract Payroll records were provided for review. Management and employee interview		

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	Some Improvements Recommended
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

1. The facility has formulated a clear policy and procedure stipulating that subcontractors shall not be used unless it has been previously agreed upon with the main client. If subcontractors are used, the policy requires the facility to the responsible use of subcontractors and homeworkers in the supply chain, ensuring that they enjoy equal rights and dignity as regular employees. The policy requires the facility to prohibit evading labor responsibilities through the subcontracting or homeworker model and require all partners to follow the principles of transparency, fairness, and safety, and to eliminate exploitation, discrimination, or forced labor. This facility's documents expressly state that whenever relevant laws and regulations are revised or the social environment changes, it will promptly update its policies and procedures to address new circumstances and ensure ongoing compliance. So the grading for policy and procedures is robust.
2. The facility takes responsibility for completing all processes within its own premises, without relying on outside processes or subcontracting. The facility appointed Mr. Chen Chanfa / Manager to responsible for the requirement of subcontracting and homeworkers. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended
3. The facility had provided training related to subcontracting or in-house processes to all employees to ensure they understand the policy on subcontracting and are equipped to handle all processes efficiently within the facility. So the grading for communication and training is robust.
4. The facility has mechanisms in place to monitor its adherence to the policy on subcontracting. Labor Indicator, target and objective tracking log was established to ensure each objective and target was on track. The facility conducted internal audit and management audit regularly and preventive & correction actions would be taken for any identified gaps and the sustainable compliance. An adequate and effective ongoing two-way communication process with workers, internal and external parties, was established to obtain feedback on operational practices and conditions and to foster continuous improvement. Additionally, by completing all processes in-house, the facility simplifies monitoring efforts and can maintain a higher level of control over the quality and timeliness of its work. So, the grading for monitoring is robust.

Summary of findings

[← Code area 8](#)

[Code area 9 →](#)

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client. All processes were finished within the facility. There were no outside processes or subcontracting used by the facility. No home-working was used by this facility. Evidence examined: Policy on sub-contracting Reviewing of the production records such as materials in/out records. Facility tour Management and employee interview		

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
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Number of workers	-	-	-	-
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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
No home-working existed in the facility and their suppliers.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No
The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.
All processes were finished within the facility.

[← Code area 8.A](#)

[Code area 9 →](#)

Are any sub-contractors used? No

[← Code area 8.A](#)

[Code area 9 →](#)

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	Some Improvements Recommended
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

1. The facility has formulated an anti-severe and anti-inhumane treatment policy and a grievance policy and control procedure, which clearly outline the prohibition of physical abuse, threats of physical abuse, sexual harassment or other forms of harassment, verbal abuse, the grievance policy, and other forms of intimidation. Any form of harassment, violence, or abuse is firmly eliminated. It ensures that the identity of whistleblowers and the details of cases are kept strictly confidential, and only necessary personnel are informed. Those who violate this will be held accountable for disclosing the secrets. Retaliation against whistleblowers and witnesses is regarded as a serious disciplinary violation, which may lead to dismissal or legal proceedings at the maximum. It is committed to creating a safe, respectful, and inclusive working environment, ensuring that all employees (including full-time, part-time, dispatched workers, interns, and visitors) are protected from physical, psychological, or verbal harm, and adopt a zero-tolerance attitude towards violations. This facility's documents expressly state that whenever relevant laws and regulations are revised or the social environment changes, it will promptly update its policies and procedures to address new circumstances and ensure ongoing compliance. So the grading for policy and procedures is robust.

2. The facility appoints Mr. Chen Chanfa / Manager responsible for implementing and enforcing the anti-harsh or anti-inhumane treatment policy, ensuring that all employees are aware of and comply with its provisions. The facility has also established a disciplinary procedure for addressing employee misbehavior, demonstrating its commitment to maintaining a safe and respectful work environment. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended

3. Regular training is conducted to communicate the anti-harsh or anti-inhumane treatment policy and disciplinary procedure to employees. This training made sure that all employees are fully informed of their rights and responsibilities under the policy and understand the consequences of violating it. Also, special case base on the facility's actual situation training and communication had been provided to relevant workers, including managers and supervisors. So, the grading for communication and training is robust.

4. The facility monitored compliance with the anti-harsh or anti-inhumane treatment policy. The facility had implemented a formal process for employees to report grievances (concerns, complaints, or problems) without fear of retaliation. The grievance mechanism was legitimate, accessible, predictable, equitable, transparent, rights-compatible, continuously improving and based on engagement and dialogue.

[← Code area 8.A](#)

[Code area 10.A →](#)

Management systems

The facility conducted the internal social compliance audit once per year, which covered the subject of no harsh or inhumane treatment requirements, and the results were reviewed and acted upon by management. The requirements of no harsh or inhumane treatment were implemented and controlled effectively. The monitoring ensured sufficient management of workplace requirements on an ongoing basis. This robust system ensures sustainable compliance with all Workplace Requirement in this code area. So, the grading for monitoring is 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:

The facility established anti-harsh or anti-inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

The facility established a disciplinary procedure for employees' misbehaviour. The anti-harsh or anti-inhumane treatment policy and disciplinary procedure were communicated to the employees through regular trainings. Employee interview confirmed that employees were aware of anti-harsh or anti-inhumane treatment policy and disciplinary procedure. There is an internal process for grievance, where employees can report any grievances (harassment, bullying, discrimination etc.) and any received complaint will be handled by management.

The grievance mechanisms were legitimate, accessible and equitable. All above information was confirmed by interviewed employees.

Evidence examined:

Anti-harsh or anti-inhumane treatment policy and disciplinary procedure
Training records regarding anti-harsh or anti-inhumane treatment policy and disciplinary procedure
Internal grievance procedure
Facility tour
Management and employee interview

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?	Grievance reporting mechanism such as suggestion box, union representative or direct talk to management was established for reporting any violations of labour standards and H & S.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

[← Code area 9](#)

[Code area 10.A →](#)

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	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	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The facility has a written environmental policy and control procedure. This policy requires reducing the carbon footprint, making efficient use of resources, and protecting the ecosystem, minimizing the negative environmental impacts of its operations, and promoting the joint participation of the supply chain, customers, and the community in the green transformation to contribute to achieving global climate goals. Appropriate and effective programs have been formulated, including setting objectives and targets for identifying, managing, and reducing the impacts of various waste and recycling policies. The environmental policy of the facility requires that stakeholders must strictly comply with laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Air Pollution Prevention and Control Law. This facility's documents expressly state that whenever relevant laws and regulations are revised or the social environment changes, it will promptly update its policies and procedures to address new circumstances and ensure ongoing compliance. So the grading for policy and procedures is robust.
2. The facility appoints Mr. Chen Chanfa / Manager responsible for maintaining a system that identifies and addresses any gaps between its clients' environmental standards and the environmental impact of its own operations. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended.
3. The facility provided effective training and communication on environmental policy and an environmental management system to all relevant workers, including managers and supervisors. Training content was updated according to need. However, the facility had established the recycling policies but one random selected management was not aware of recycling policies clearly. So, the grading for communication and training is some improvements recommended.
4. The facility ongoing monitoring and evaluation of the substances used and their impact on the environment, as well as communication with clients and regulatory authorities to ensure compliance. The environmental performance of department managers is linked to their bonuses. The Environmental Management Team conducts a comprehensive assessment of the environmental protection policy every year, analyzes the implementation effectiveness of the policy and the internal and external environmental changes, and determines whether an update is needed. The internal audit department conducts an internal audit of the implementation of the environmental protection policy every six months, checking the progress of each department in achieving environmental goals, the implementation of measures, the integrity of relevant records, etc. After the audit, an audit report is issued, rectification

[← Code area 9](#)

[Code area 10.B →](#)

Management systems

suggestions are put forward for the discovered problems, and the implementation of rectification is tracked. However, the effectiveness of the environment training is not monitored. So, the grading for monitoring is some improvements recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: Mr. Chen Chanfa / Manager was responsible for the environmental management system in the facility. The facility management maintained all of legally required environmental documents in place and provided for review. The facility had written environmental policy and an environmental management system was in place. All materials including waste have been properly classified, handled and stored in the facility. All hazardous waste generated in the facility was transferred to one qualified collector. An adequate and effective program was in place, including objectives and targets to identify, manage and reduce the impact of all types of waste. The facility conducted a risk assessment to evaluate the significant environmental impacts of its sites and processes and was aware of the significant environmental impact of its site and its processes. The annual monitoring report for waste air and water showed the pollutant discharging is compliance with environmental law. The facility has not been subjected to (or pending) any fines/prosecutions for noncompliance of environmental regulations. Based on observation on site, wastes were classified and collected on site. Based on employees' interviews, they were trained in environmental protection. Evidence examined: Environmental policy Site tour Interview with management and employee		

[← Code area 9](#)

[Code area 10.B →](#)

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?	The facility did not obtain such certificate.
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?	Yes The facility conducted the risk assessment in 2025 including implementation of protect workers form the impact of climate change.

[← 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		
Systems and evidence examined to validate this code section	Current systems: Mr. Chen Chanfa / Manager was responsible for the environmental management system in the facility. The facility management maintained all of legally required environmental documents in place and provided for review. The facility had written environmental policy and an environmental management system was in place. All materials including waste have been properly classified, handled and stored in the facility. All hazardous waste generated in the facility was transferred to one qualified collector. An adequate and effective program was in place, including objectives and targets to identify, manage and reduce the impact of all types of waste. The facility conducted a risk assessment to evaluate the significant environmental impacts of its sites and processes and was aware of the significant environmental impact of its site and its processes. The annual monitoring report for waste air and water showed the pollutant discharging is compliance with environmental law. The facility has not been subjected to (or pending) any fines/prosecutions for noncompliance of environmental regulations. Based on observation on site, wastes were classified and collected on site. Based on employees' interviews, they were trained in environmental protection. Evidence examined: Environmental policy Site tour Interview with management and employee		

[← Code area 10.A](#)

[Code area 10.C →](#)

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?	Packaging optimization Prioritising local suppliers
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The facility had established the system 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, other climate-related target
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 The facility had set up targets for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions. For instance, reducing water and electricity consumption by 2% each year.
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?	Not Applicable

Usage/discharge analysis

[← Code area 10.B](#)

[Code area 10.C →](#)

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	Data not available	Data not available
Total electricity consumption from renewable sources (kWh)	Data not available	Data not available
Sources of renewable energy used	Data not available	Data not available
Types of renewable energy used	Data not available	Data not available
Total natural gas consumption (kWh)	Data not available	Data not available
Usage of other purchased fuels	Data not available	Data not available
Has the site completed any carbon footprint analysis?	No	No
Water sources	Data not available	Data not available
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	Data not available	Data not available
Water discharged	Data not available	Data not available
Water volume discharged (m3)	Data not available	Data not available
Water volume recycled (m3)	Data not available	Data not available
Total waste produced (mt)	Data not available	Data not available
Total hazardous waste produced (mt)	Data not available	Data not available

[← Code area 10.B](#)

[Code area 10.C →](#)

Waste to recycling (mt)	Data not available	Data not available
Waste to landfill (mt)	Data not available	Data not available
Waste to other (mt)	Data not available	Data not available
Total product produced (mt)	Data not available	Data not available

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	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	Some Improvements Recommended

[← Code area 10.B](#)

Management systems

Explanation for management systems grades

1. The facility had a clear policy and procedure in place for promoting ethical behavior, specifically encouraging employees to declare conflicts of interest and outlining procedures to safeguard those who refuse to engage in unethical practices such as bribery or facilitation payments. So the grading for policy and procedures is robust.
2. The facility assigned Mr. Chen Chanfa / Manager to responsible for implementation the business integrity policy and he was aware of the responsibilities. He had necessary skills and seniority to manage this issue. However, the facility did not appoint a replacement for the responsibility of Mr. Chen Chanfa / Manager when he was absent (such as being on leave or on business). So the grading for resources is some improvements recommended
3. The facility provided effective training and communicated the business integrity policy to all relevant workers, including managers and supervisors. Training content was updated according to need. However, there is low aware of it amongst employees interviewed. So, the grading for communication and training is some improvements recommended.
4. The facility had a transparent system in place for confidentially reporting and dealing with unethical Business Practices without fear of reprisals towards the reporter. There was no identified risk that employees who refuse to participate in bribery, facilitation payments or who have declared conflicts of interest are not supported by the business or suffer demotion, penalty or other adverse consequences even if this action may result in the enterprise losing business. The facility encouraged all employees and employees of suppliers to report suspected violations of business conduct. The facility set confidential reporting channels including grievance box, hot line and any reporting channel can be available for workers at any time and hotline were available for employees of suppliers to confidentially report any misconduct. However, the effectiveness of the business ethics training is not monitored. So, the grading for monitoring is some improvements recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

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

Current systems:

The company manual contained the details of Business Ethics, which were also published on the public board.

Based on management interview, the facility was familiar with national regulations/laws concerning business integrity standards.

Business integrity policy was established and communicated to all employees by company manual, employee manual and induction training and regular training. Mr. Chen Chanfa / Manager was appointed responsible for business integrity.

The facility had a transparent system in place for confidentially reporting and dealing with unethical Business Practices without fear of reprisals towards the reporter.

The employees had their induction training on business ethics when they first started their job. They had their regular training on business ethics yearly.

The HR department determined all job roles categorised by section; through this, employee was identified the level of risk and the HR department provided ethical training to the staff whose job roles carried a higher level of risk in the area of ethical Business Practice.

Evidence examined:

- Employee manual
- The company business ethics policy
- Law, regulations and client requirements list
- Confidential agreement
- Business ethics training records
- Employees' interview
- Management interview

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 certified system but the facility has a Business Ethics Policy and the policy was communicated and applied internally and externally.

[← Code area 10.C](#)

Attachments



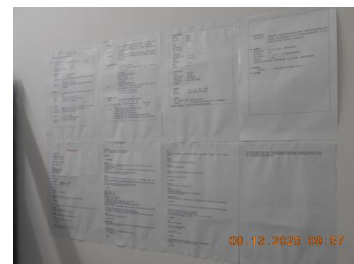
[Toilet.JPG](#)



[Posted evacuation plan.JPG](#)



[Waste gas facility.JPG](#)



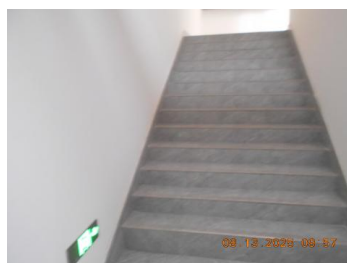
[Posted MSDS.JPG](#)



[Suggestion box.JPG](#)



[Surface treatment.JPG](#)



[Evacuation stair.JPG](#)



[Fire alarm button.JPG](#)



[Personal locker.JPG](#)



[Cargo lift.JPG](#)



[Fire extinguisher.JPG](#)



[PPE sign.JPG](#)



[Electrical box.JPG](#)



[No smoking sign.JPG](#)



[Printing.JPG](#)



[hazard waste warehouse.JPG](#)



[Fire sprinklers and smoke detectors.JPG](#)



[Hydrant.JPG](#)



[Box making.JPG](#)



[Packing.JPG](#)



[Employee with PPE.JPG](#)



[Drinking water.JPG](#)



[Exit sign and emergency light.JPG](#)



[Emergency assembly point.JPG](#)



[Chemical warehouse.JPG](#)



[First aid kit.JPG](#)



[Eye wash facility testing.JPG](#)



[Evacuation route.JPG](#)



[Evacuation sign.JPG](#)



[Lighting fire alarm.JPG](#)



[Fire-fighting equipment inspection.JPG](#)



[Finished product warehouse.JPG](#)





[Material warehouse.JPG](#)



[Facility name.JPG](#)



[Production building.JPG](#)



[Facility gate.JPG](#)



[Canteen.JPG](#)



[Chemical storage.JPG](#)



[Attendance system.JPG](#)



[Cutting.JPG](#)



[Hand work.JPG](#)



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