

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	ZS419753193	Site name	Global Art Gifts Co Ltd
Business name	Global Art Gifts Co Ltd	Site address	博罗县石湾镇湖山科技园A栋二楼 2F, Building A, 1st District,Hushan Tech Park, Shiwan Town, Boluo County 惠州市 CN 516127

Audit details

Sedex company reference	ZC419702979	Auditor company name	LRQA
Audit company address	16th Floor, Cambridge House, Taikoo Place, 979 King’s Road Quarry Bay, Hong Kong SAR, HK, HK		
Date of audit	2026-08-10	Audit conducted by	Jerry Chen
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		
Time in and out	Day 1		
	In	09:04	
	Out	16:09	
Audit type	Periodic		
Was the audit announced?	Unannounced		

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Was the Sedex SAQ available for review? Yes

Who signed and agreed CAPR? Mr. Gao / Facility 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)

Nil

Lead auditor

Jerry Chen

APSCA Number

21701220

Additional auditor

Gavin Huang

APSCA Number

21702020

Date of declaration

2026-08-10

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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. Gao
Title	Facility Manager
Date of declaration	2026-08-10

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law	NC ZAF601551145
	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601558628
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601551143
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601551144
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601558627

Management systems

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

[← 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	ZC419702979	
Sedex site reference	ZS419753193	
Company name	Global Art Gifts Co Ltd	
Business ownership type	GOODS	
Site name	Global Art Gifts Co Ltd	
Site name in local language	惠州众沐工艺礼品有限公司	
GPS location	GPS address	博罗县石湾镇湖山科技园A栋二楼, 2F, Building A, 1st District,Hushan Tech Park, Shiwan Town, Boluo County
	Coordinates	Latitude: 23.0395200, Longitude: 114.4530500
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Mr. Gao
	Job title	Facility Manager
	Phone number	18927391080
	Email	ryan@globalartgifts.com

[← Management systems](#)

[Worker analysis →](#)

Company and site details

Applicable business and other legally required business license numbers and documents

1. Business license number: 91441322MA4WEC9H9E Valid from April 13, 2017 to long term
2. Construction Safety Approval for the building number: Nil. Date of issue: October 16, 2009 and valid till to the long term.
3. Fire Safety Approval / Registration for the building number: Nil. Date of issue: April 23, 2014 and valid till to the long term.

[← Management systems](#)

[Worker analysis →](#)

Site activities

Site function	Finished Product Supplier	
Site activities	Primary	Manufacture of other fabricated metal products n.e.c.
	Secondary	
	Other	
Product type	Hardware crafts	
Process overview	The main production processes included: CNC, casting, coloring, assembly, inspection and packing. There were 2 production lines in the facility and the main equipment used: casting, coloring, oven machines 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?	No The factory only occupied 2F and half of the 1F of 1 block of 5-storey production building. No dormitory, kitchen or canteen was provided for employees. The total areas were around 3400 square meters. (Remark: Other floors of the 5-storey production building were occupied by other facility.)
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[← Site details](#)

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Site scope

Building 1	Last construction works on site	2009
	If building is shared, provide details	Half of the first floor was used by another facility named "Huizhou Junfeng Industrial Co., Ltd.". The third floor was used by another facility named "Huizhou Lilong Industrial Co., Ltd.". The fourth floor was rented by another facility named "Huizhou Pingsheng Group Co., Ltd.". The fifth floor was rented by another facility named "Huizhou Dehui Electronic Business Co., Ltd.". All the other factories have individual owners / business licenses, and did not share production equipment, no management and workers would have exchanged each other with the audited facility.
	Number of floors	5
	Description of floor activities	1F: CNC, casting sections 2F: coloring, assembly, inspection and packing sections, office, 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	

[← Site details](#)

[Worker analysis →](#)

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	No
Does the site organise worker transport to the worksite?	Not provided The transportation was not provided by the facility to workers to the worksite and it is not a legal requirement for this.

Work patterns

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

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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[← Site details](#)

[Worker analysis →](#)

Site assessments

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?	Yes The facility has conducted those negative impacts assessments each year in their internal audit. No negative impacts were applicable for this facility on human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community in the past.
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Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	Yes The facility has established and implemented Human Rights Impact Assessment system and conducted the HRIA once per year in their internal audit.
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[← Site details](#)

[Worker analysis →](#)

Worker analysis

Gender disaggregated data available

Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	24 (64.9%)	13 (35.1%)	- -	37 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	24 (64.9%)	13 (35.1%)	- -	37 (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	21 (65.6%)	11 (34.4%)	- -	32 (86.5%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	21 (65.6%)	11 (34.4%)	- -	32 (86.5%)

* % of total workforce

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

The ethnic background of all management and production workers was mainland Chinese, 86% workers were migrated from other provinces of Hunan, Guangxi and etc. All workers were recruited directly by the facility.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	0 -	0 -	- -	0 (0%)
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 There was no obvious peak or non-peak production month 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	65%	35%	-	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	24 (64.9%)	13 (35.1%)	- -	37 (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	24 (64.9%)	13 (35.1%)	- -	37 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details Nil

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	1 (100%)	0 (0%)	- -	1
Supervisors or team leaders	1 (100%)	0 (0%)	- -	1
Administrative staff	2 (100%)	0 (0%)	- -	2

[← 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 workers each

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)

Workers did not raise any significant concerns or complaints.

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

Freedom of movement
Grievance mechanisms
Overtime

Additional comments

11 workers (4 females, 7 males) including 1 EHS related worker were selected from different departments. Of the 11 workers interviewed, 6 workers were interviewed individually and 5 workers were interviewed in 1 group in an effort to make them more comfortable. All workers were interviewed in the factory workshops and meeting room. The information obtained from those workers was consistent with the documents provided by the factory management. Their overtime wages were paid at 1.5X, 2X & 3X as per local law requirements, and they were all very happy to work in the factory according to their saying. The EHS related worker explained that the EHS management system operated effectively.

Attitude of workers' committee/union representatives

There is no union present at the facility. Worker representatives are aware of the responsibility, and they understand that they are the bridge between management and workers.
The workers' representatives attended the whole assessment process. They were open to the assessor. They stated that they were elected by workers.
Workers could raise suggestions or complaints through workers representative meeting. They would participate in grievance investigations and give a solution.
Worker representatives found no difficulty raising any issue with management and management is responsive on all the issues raised by the workers.

[← Worker analysis](#)

[Measuring workplace impact →](#)

Attitude of workers

Attitude of managers

The site management were cooperative and positive towards the audit and audit process with LRQA staff and provided full access to the whole facility. The facility was found aware of the requirements of a social audit.

Management provided the required documents and records in time, accompanied the assessor team with the site tour and helped select workers for interviews.

Management staff attended the closing meeting and confirmed all the findings and signed the CAPR without any argument. The management was receptive to the findings and was keen to implement all the measures to achieve compliance in their facility.

Workers interviewed by type

	Total
Permanent workers	11
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
Total number of workers interviewed	11

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	4	2	-	6
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Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	5	3	-	8
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	5	3	-	8

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2025)	1.0%	1.0%	-	2.0%
Previous full calendar year (2024)	1.0%	1.0%	-	2.0%

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

Rate of absenteeism (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2025)	1.0%	1.0%	-	2.0%
Previous full calendar year (2024)	1.0%	1.0%	-	2.0%

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

Are accidents recorded? Yes

All accidents would be recorded and maintained for at least 12 months.
However, no accident occurred in the facility during last year.

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

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

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

Lost day work cases (per 100 workers)*

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

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

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

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

[← Worker interviews](#)

[Code area 0 →](#)

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

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

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: The facility has established written policies and procedures to meet the Workplace Requirements of ensuring accurate assessment required by local law, customers' requirements and the Code; let the auditor conduct and complete the audit without obstruction to all requested documents, interviewees and facility tour. Provided with genuine and authentic records for review. Not offering bribes to or threatening, nor in any way to let the auditor be dishonest. Provided an accurate site description and site profile declared prior to or during the audit. Maintained a written human rights policy statement that is approved at the most senior level, communicated to all personnel, and trained to relevant personnel. Mr. Gao / Facility Manager was responsible for implementing the Workplace Requirements for ensuring accurate assessment required and communicating to all employees and their personnel concerned, including their suppliers and customers etc. through email, training, handbooks and postings at the facility. Evidence examined: 1.Business license. 2.Employee Handbook. 3.Business ethic code of conduct. 4.Appointment book of person responsible for implementing standards concerning Enabling accurate assessment. 5.Facility rules. 6.Social compliance management handbook. 7.Training records of the Code, social compliance, human rights. 8.Management and worker interviews. 9.Employee interviews, employees could raise issues regarding accurate assessment by suggestion box confidentially or call the hotline to the management who was responsible for implementing standards of ensuring accurate assessment.		

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?	No
Did any workers selected by the auditor decline to be interviewed?	No
Were any external stakeholders such as consultants, customer representatives, industry experts etc. present during the audit?	No

1. Employment is freely chosen

Management systems

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

Explanation for management systems grades

1) Policies & Procedures:

Grade: Some Improvements Recommended

The factory had established policy and procedure "Forced labor management procedure" in place. The policy indicated no any types of forced labor including human trafficking, debt bondage/ bonded labor or any other form of modern slavery was allowed, the worker can free to leave the factory buildings during non-working hours, all overtime hours were voluntary. The factory would not withhold any of workers' original documents. However, the factory did not regularly review (annually) and update the procedure per the document control procedure, the latest version of this procedure was issued in 2022, auditor raised here as "Some Improvements Recommended".

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "Employment is freely chosen" in the facility. They were familiar with labor laws, regulation and other requirements on "Employment is freely chosen" issues. Human Resource Department staff and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Robust Management Systems

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective. The procedures have been annual formal communication and training on this topic to employees, apartment from posting the policy on the noticeboard. Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure their "Employment is freely chosen".

4) Monitoring:

Grade: Robust Management Systems

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for "Employment is freely chosen".

Internal audits were conducted for this section's management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding "Employment is freely chosen" issue that has been raised in the past 2 years.

Summary of findings

[← Code area 0](#)

[Code area 1.A →](#)

Code area	Workplace requirement	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

The facility has established "Hiring policy" and "Recruitment Management Procedure" in place for ensuring employment is freely chosen and ensure that not seek to profit from forced labour, human trafficking, debt bondage / bonded labour or any other form of modern slavery.

Workers were not controlled through threats, penalties, coercion, physical force, violence, or harsh or inhumane treatment.

All employees can freely leave the workplace, allowing reasonable leave such as for safety or security in hazardous worksites.

Workers' freedom of movement beyond what is reasonable was not restricted by the security guards and facility management.

The surveillance system such as CCTV was not excessive or for the purpose of controlling or intimidating workers.

Not unreasonably prevent workers from communicating with others inside or outside the workplace, deny workers social interaction or otherwise intentionally subject workers to isolation.

Workers' original passports, travel or identity documents or any other valuable items were kept by themselves and not retained by the facility.

Allow workers to resign at the end of their contract or at any time, without paying a fee, and receiving the full wages owed including any holiday pay/benefits, gave a period of notice in line with applicable law or not greater than one-month, whichever period is shorter.

Pay workers according to a regular pay schedule, in line with applicable law and not more than monthly.

Not intentionally place workers in debt. No loans or advances were applied to the worker's benefit, for repayment on mutually agreed and acceptable terms.

Not charging or withholding part of a worker's salary as a deposit or require workers to post bonds or repay government levies.

Not withhold any payments until a worker's term of work is complete (forced savings), delay payments, or implement any other financial scheme that prevents workers from leaving their employment.

Ensuring that workers can achieve the legal minimum wage without breaching applicable laws on working hours, overtime and rest days.

Carry out appropriate due diligence to minimise the risk of workers being placed in a situation of forced labour by third parties.

Ensure no use of any prison labour in site undertakes appropriate due diligence to ensure the workers meet the requirements of the Code.

Mr. Gao / Facility Manager was responsible for ensuring employment is freely chosen.

No deposits, recruitment fees or costs, or any original ID are required to be detained during employment. Resignation is free and wages are paid to resigned workers on time after reasonable notice (usually 30 days in advance). The terms and conditions of employment in the handbook state that the workers are free to leave the workplace

outside of their working hours. No forced, bonded or involuntary prison labor was identified during the audit.

Evidence examined:

- 1.The facility policy to ensure employment is freely chosen was reviewed. The policy includes the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded, or involuntary prison labour; and employees are free to leave their employer after reasonable notice.
- 2.Training of forced, bonded or involuntary prison labour for all employees at the time employee, and re-fresh training was conducted once per year for all employees.
- 3.As per the worker interview, they were free to leave their working stations once their shifts ended, all overtime working were voluntary, and they are not required to pay any 'deposits' or withheld their ID cards.
- 4.Employees' manual, Facility rules.
- 5.Personnel files records.
- 6.Resignation records.
- 7.Management and worker interviews.

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

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

Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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[← Code area 1](#)

[Code area 2 →](#)

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "Responsible recruitment and entitlement to work" in place. This policy was established and filled in the "Recruitment Management Procedure". It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "Responsible recruitment and entitlement to work" in the facility. They were familiar with labor laws, regulation and other requirements on "Responsible recruitment and entitlement to work" issues. Human Resource Department staff and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Robust Management Systems

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective. The procedures have been annual formal communication and training on this topic to employees, apartment from posting the policy on the noticeboard. Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Responsible recruitment and entitlement to work".

4) Monitoring:

Grade: Robust Management Systems

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for "Responsible recruitment and entitlement to work". Internal audits were conducted for this section's management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding "Responsible recruitment and entitlement to work" issue was raised in the past 2 years.

Summary of findings

[← Code area 1](#)

[Code area 2 →](#)

Code area	Workplace requirement	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

The facility has established effective "Hiring policy" and "Recruitment Management Procedure" to ensure responsible recruitment and entitlement to work and meet the labour standards required by local law, customers and the Code.

Retained and provided records are necessary to demonstrate that all workers have the legal right to work.

Ensured that the nature of work, working conditions, living conditions, employment terms, living costs, wages and benefits accurately reflect those communicated to workers during recruitment.

No children and young workers in the facility, however, the facility has also established appropriate requirements and protections for children and young workers within service agreements with employment agencies and recruitment partners if use.

No third-party employment agencies or other recruitment brokers in the facility, however, the facility has also established systems to verify that all workers are recruited legally and fairly, including conducting appropriate due diligence to verify that any third-party employment agencies or other recruitment brokers if use are following ethical practices. And ensure that payment to employment agencies and other recruitment partners is adequate to cover the costs of the recruitment agency if use. Undertaken due diligence to understand the type and value of recruitment fees and related costs of recruitment which workers have paid (legal or otherwise, as defined by the ILO and including travel and visa costs). Where international travel takes place, this must include both departure and destination countries. This due diligence should include interviews or surveys of a sample of workers if uses.

Included provisions within service agreements that hold labour providers or on-site subcontractors if used contractually responsible to ensure no recruitment fees or related costs are incurred or charged to workers and specify the party responsible for reimbursing workers accordingly if they incur fees or costs.

Verified that workers who are found to pay recruitment fees or related costs (legal or otherwise, as defined by the ILO and including travel and visa costs), are fully reimbursed in a timely manner.

Mr. Gao / Facility Manager was responsible for compliance with the employment policies & program and Code implementation; the Code was communicated to all employees through trainings, handbooks and postings at the facility.

1. Facility has not employed any foreign nationals.
2. There are no immigration workers in the facility.
3. No third-party employment agencies or other recruitment brokers used in the facility.
4. The facility hired workers directly, no recruitment fee was required.

Evidence examined:

1. Employees' manual, Facility rules.
2. Personnel files records of employees.

- 3. Training records.
 - 4. Labor contracts.
 - 5. Payroll records.
 - 6. Recruitment fee or related cost if it has.
 - 7. Management and worker interviews.
-

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

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

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

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

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

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

Migrant workers

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

[← Code area 1.A](#)

[Code area 2 →](#)

Percentage of workers that are migrant 86%

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 The ethnic background of all management and production workers was mainland Chinese, 86% workers were migrated from other provinces of Hunan, Guangxi and etc. All workers were recruited directly by the facility.

Recruitment fees

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

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	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) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "Freedom of association and right to collective bargaining are respected" in place. This policy was established and filled in the "Freedom of association and right to collective bargaining are respected management procedure". It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "Freedom of association and right to collective bargaining are respected" in the facility. They were familiar with labor laws, regulation and other requirements on "Freedom of association and right to collective bargaining are respected" issues. Human Resource Department staff and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Robust Management Systems

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective. The procedures have been annual formal communication and training on this topic to employees, apart from posting the policy on the noticeboard. Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Freedom of association and right to collective bargaining are respected".

4) Monitoring:

Grade: Some Improvements Recommended

Regular monitoring was carried out to ensure Freedom of association and right to collective bargaining are respected. Internal audits were conducted for labor management system and corrective actions were implemented to ensure continuous improvement. For free join of labor union, in China, union belong to the local city federation of trade union, workers who want to join or form a labor union should be approved by local federation of trade union, so auditor rated this section as Some Improvements Recommended.

Summary of findings

[← Code area 1.A](#)

[Code area 3 →](#)

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: The facility has established a written policy and procedure on “Freedom of association and right to collective bargaining are respected”, ensuring that all workers have understood their legal rights in relation to trade unions, collective bargaining agreements and worker committees. Not prohibiting, discourage or interfering with workers' rights to join a trade union of their own choosing or other form of worker representation, including worker committees or similar arrangements where the right to freedom of association is restricted under law. It also includes the fair and free selection and election of representatives, and their rights to engage in collective bargaining. They have established and regular method of communication with trade unions or other forms of worker representation. Provided appropriate time and space for workers’ representatives to operate. Ensured all workers are aware of who their representative is, their activities and how they can engage with them. Currently, there is no labor union established in the facility. There was no collective bargain agreement signed in the facility. A worker committee was available with workers representatives; the workers representatives were elected by workers. All employees have the right to join labour union. Worker representatives are not discriminated against and have access to carry out their representative functions in the workplace. The workers could raise any issue or express their concerns through leaders, worker representatives, suggestion boxes etc. There was a relevant written policy / procedure documented in place. The meetings between facility management and workers’ representatives were conducted quarterly. Evidence examined: 1.The policy on freedom of association. 2.Worker representatives’ election records. 3.Worker representatives meeting records. 4.Interview with workers committee members. 5.Management and worker interviews.		

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

Data points

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

[← Code area 2](#)

[Code area 3 →](#)

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

3. Working conditions are safe and hygienic

Management systems

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "Working conditions are safe and hygienic" in place that includes the commitment to improve performance on working conditions and workers' health care, especially for the building safety, fire safety, electrical safety, machine safety, working at height, exposed to (hazardous/non-hazardous) chemical safety handle & disposal and PPE usage etc., and an approach to manage Health and safety issues on relevant stakeholders.

This policy was established and filled in the "Health and Safety Management Procedure". It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff leading the Health and Safety Committee, has been appointed to oversee and implement the "Working conditions are safe and hygienic" policy in the facility. This individual has sufficient authority to ensure that procedures are carried out, and the EHS management team members have been trained by external agencies. The facility management staff arranged an EHS meeting once per quarter with the presence of the Health and Safety Committee and supervisors of each department, worker representatives to address Health and Safety concerns and provide updates. EHS management team members were familiar with labor laws, regulation and other requirements on "Working conditions are safe and hygienic" issues.

3) Communication & Training:

Grade: Fundamental Improvements Required

The Health and Safety policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective.

The procedures have been annual formal communication and training on this topic to employees, apart from posting the policy on the noticeboard. Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Working conditions are safe and hygienic".

The EHS Policy and procedures are communicated to workers annually. The EHS training covers building safety, fire safety, electrical safety, machine safety, working at height, (hazardous/non-hazardous) chemical safety handle & disposal and PPE usage etc.

However, new workers and the workers absent from the annual EHS training did not receive the missed training. In addition, no effective mechanism is in place to ensure

Management systems

the training effectiveness, as it was noted that some workers still reported they did not know of health and safety risks, which was no chemical label during the onsite tour, the facility should enhance the training method or frequency to ensure more effective communication.

4) Monitoring:

Grade: Fundamental Improvements Required

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for "Working conditions are safe and hygienic".

Based on written procedure, internal audits, monitoring of key performance indicators (especially for the high-risk positions related to working at height and hazardous chemicals), accident analysis, are carried out annually.

Internal audits were conducted for this section's management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding "Working conditions are safety and hygienic" issue was raised in the past 2 years. However, there is no evidence to show that corrective actions have been implemented based on internal audit results.

Based on the internal audit report and management review report, minor issues happened occasionally, the facility was working on enhancing the supervision and regular inspection to reduce the health and safety risks. However, health and safety risk was raised during this onsite audit, which was related to no chemical label during the onsite tour.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law	NC ZAF601551145
	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601558628

[← Code area 2](#)

[Code area 4 →](#)

Systems and evidence examined to validate this code section

Current systems:

The facility has established "Health and Safety Management" policy and procedures to ensure "Working conditions are safe and hygienic"

1. General Health and Safety management system in the facility.

- A Senior Factory Manager has been appointed as Health & Safety responsible for health and safety with the appropriate knowledge and authority to effectively implement health and safety systems and processes.
- There was a health and safety committee established including managers and workers' representatives.
- The facility has analyzed the risk of health and safety, made the emergency case action plan such the chemical leakage emergency action plan; conducted risk assessments regarding the potential hazards arising from work. The risk assessment was reviewed whenever processes change and at least annually considering any incidents and findings.
- Minutes of meetings show that there were regular meetings between the Health and Safety committee members and management staff, occupational health and safety topics were included in the regular meeting, and Occupational Health and Safety Measurement Tests were conducted, and sufficient occupational health checks were provided periodically as per local law requirements.
- Adequate controls were taken to prevent accidents and injuries (including long-term injury) to health arising out of, associated with, or occurring in the course of work.
- Orientation and annual refreshing occupational health and safety topics were included in regular training provided to all new and existing workers, prior to exposure to risks and as appropriate for the hazards and levels of risk identified.
- There was a training system in place to measure the effectiveness of health and safety training carried out. Ensure training content is understood/implemented by workers.
- Through factory tours, a safe and hygienic working environment was provided for workers. The production and warehouse area maintained proper temperature, lighting and good ventilation.
- Sufficient clean and secure toilets, wash aeras and worker changing facility were always available to workers. It has adequate hygiene supplies separated by gender or with effective privacy.
- Potable water was easily accessible by workers and clean storage facilities for food and personal belongings were appropriately provided.

2. Fire Safety

- The factory has provided all buildings' fire license, inspection and certificate required by law for review.
- The facility has conducted fire safety inspections by third party annually and performed internal fire safety check monthly.
- Implemented effective processes to manage fire safety including, freely accessible evacuation routes, a fire detection system, firefighting / suppression equipment.

- Fire alarm systems were interconnected and installed with back-up power in the buildings. The factory also would test the fire alarm per month to ensure they are in good condition.
- Sufficient emergency lights were installed and workable at each safety exit.
- All evacuation routes were kept in good condition and without obstacles.
- Sufficient emergency exits were provided, and exits were kept in good condition of unlocked and unobstructed. The adequate emergency exits are for all workshops.
- Sufficient firefighting equipment includes fire hydrants, fire extinguishers were adequate and in good condition, workable, and not blocked. Regular inspection was taken by the facility per month.
- Emergency preparedness and response plans for risks were identified (including natural disasters and other potential emergencies).
- Fire drills covered all workers; all shifts and all areas were conducted in the facility twice per year and once within six months according to the fire drill plans and the latest fire drill records on August 6, 2026 and February 27, 2026 were provided for review.
- Emergency evacuation plans were posted in each emergency exit for all workshops and understood by all interviewed workers.

3. Electrical safety

- An appropriate electrical safety program was conducted to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.
- All parts of electrical equipment including Electric Cabinets and Cables were maintained in good condition such as sockets, plugs, switches, and main fuse boards. The electronic boxes were covered with insulation covers, also marked with warning signs. The electrician inspected the electrical safety per month in the whole factory area.
- No issue was found for Electrical Grounding and Electrical Lighting Rod according to onsite check.
- Qualified electricians were present in the facility, and valid electrician certificates were available for review.

4. Chemical safety

- Chemical inventory list was available. Hazardous chemicals were stored at designated places, and all hazardous chemicals were installed with secondary containers, MSDS was posted at appropriate place.
- Workers in the chemical store area confirmed that they had been trained in correct handling procedures as well as what to do in an emergency.

5. Medical services

- Adequate first aid kits were installed, and sufficient first aid items were provided in each first aid kit.
- Sufficient certificated first aiders in the facility which was sufficient. Certificates were within valid date.
- All accidents and near misses and ensure these are recorded and investigated.

Accident and incident logs are routinely reviewed by appropriate personnel and appropriate corrective and preventative actions are taken.

- The facility has implemented system to ensure workers are safe from risks associated with extreme weather conditions, including heat stress.
- The facility has provided potable water to workers free of charge in the workshop.
- Drinking Water quality testing report was provided.

6. Personal Protective Equipment

- PPEs: Where identified as necessary to reduce residual risk, PPEs were provided (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE).
- Suitable PPEs such as masks and gloves were provided for workers who were exposed to chemicals and dust.
- Related workers were trained in how to use Personal Protective Equipment (PPE).

7. Hazardous substances management

- The facility has established a log for all hazardous substances (e.g. chemicals and pesticides) that were well maintained on site. These are always managed appropriately in line with safety instructions, including storage, use and disposal.
- Hazardous substances (e.g. chemicals and pesticides) are stored with designated areas.

8. Machine/equipment Maintenance:

- All machines were well installed, maintained and used in a safe manner; necessary protection devices were installed.
- The facility has permits for workers to stop working, seek safety or leave the premises, without the threat or fear of retaliation, when they believe hazards in the workplace have placed them in imminent danger.

9. Building Safety:

- The boundary of the facility was physically separated.
- No visible concern for constructure safety according to onsite observation for building safety.
- All buildings' Construction Completion Safety Approval and registration records were provided for review.
- All premises are safe and have valid safety certifications for their current layout and use. If it is currently not possible for a required license or certificate to be obtained, implement inspections by appropriate third parties to ensure building safety.

10. Special equipment

- No Steam Boiler, Generator or Water Booster Pump on site.
- The safety valve and pressure gage were inspected periodically for Air Compressor / Tank.
- Elevator, Forklift and Cranes used in the factory, with valid inspection report and operation license were reviewed.

Evidence examined:

- 1.Fire-fighting equipment inspection and maintenance records.
- 2.Occupational health and safety training.
- 3.Workplace occupational hazards factor testing report.
- 4.License for special operation.
- 5.Registration of special equipment.
- 6.Inspection certificate of special equipment.
- 7.Certificate of special equipment operator.
- 8.Fire drill records.
- 9.First aider certificates.
- 10.Drinking water testing report.
- 11.Health and Safety inspection records.
- 12.Management and worker interviews.

Findings: non-compliances

ZAF601551145

Non-compliance

Due 2025-09-26

Code area

3 Working conditions are safe and hygienic

Status

Closed (2026-08-10)*

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

Periodic audit on August 10, 2026, Closed. It was noted that all workers in the factory had worn PPE such as earplugs properly during working hours.

Area of non-compliance/non-conformance

Local law

Description (carried over)

In accordance with article 45 of Law of PRC on Work Safety article 45. Production and business units must provide employees with labor protection products that comply with national standards or industry standards and supervise and educate employees to wear and use them in accordance with the rules of use. Article 47, the production and business unit shall arrange funds for the provision of labor protection equipment and safety production training.

Intended corrective and preventative actions, based on root cause analysis

N/A

Intended corrective and preventative actions, based on root cause analysis (carried over)

It is recommended that factory should provide appropriate PPE to workers in assembly section. Furthermore, the factory shall provide regular PPE training to workers, conduct regular PPE safety inspection at workplace, and develop and implement a Personal Protective Equipment (PPE) program to protect employees from workplace hazards that may cause bodily injury.

[← Code area 3](#)

[Code area 4 →](#)

Local law reference

Periodic audit on August 20,2025. Verified through factory tour, it was noted that the factory had provided personal protective equipment such as earplugs to its workers who were exposed to noise in coloring section. However, 1 out of 3 workers did not wear PPE during operation.
2025年8月20日定期审核，通过现场参观，在此次审核过程中，审核员发现工厂给上色车间的接触噪声的员工提供了耳塞，但是3名工人中有1名没有佩戴。

Evidence



[NC Corrected-Wearing earplugs.jpg](#)

* PDF generated at 16:12 (UTC) on 13 Aug 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601558628		Non-compliance	Due 2026-09-12
Code area		Status	
3 Working conditions are safe and hygienic		Open*	
Workplace requirement		Time given to resolve	
3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.		30 days	
Issue title		Verification method	
233 - Hazardous substances (e.g. chemicals and pesticides) are stored unlabelled or labelling is incorrect		Desktop audit	
Description		Area of non-compliance/non-conformance	
Periodic audit on August 10, 2026, New. It was noted that no labels were provided for around 10% of chemicals such as thinner in the factory.		Local law	
在此次审核过程中，审核员发现工厂10%的化学品如稀释剂没有标签。		Base code	

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory shall ensure that all chemical containers in the working area are properly labeled with safety precautions. Further the Management should provide proper chemical safety training to workers and conduct regular chemical safety inspection.

Local law reference

In accordance with Regulation for Chemical Usage Safety in Workplace, article 12, the chemicals used by the unit should be labeled, dangerous chemicals should have safety labels, the unit should provide safety data sheet to operator.

Article 14, (1) In case of transferring or loading the chemicals purchased into a new container, it is required to clearly mark the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.

Evidence



[NC-No label for chemical.jpg](#)



* PDF generated at 16:12 (UTC) on 13 Aug 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner
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)?	No
Who organises accommodation for workers?	Not applicable
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 structural additions.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No

[← Code area 3](#)

[Code area 4 →](#)

Does the site have a structural engineer evaluation? Yes

[← Code area 3](#)

[Code area 4 →](#)

4. Child labour shall not be used

Management systems

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

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "Child labour shall not be used" in place. This policy was established and filled in the "Child Labor and Young Worker Management Procedure". It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

The position of the company was clearly stated in the Child Labour Prevention and Remediation Policy which meets all Workplace Requirements in this code area. The Policy makes reference to the Recruitment Procedure, which outlines the key mechanisms in place for preventing underage work and the placement of young workers in unsuitable positions. This procedure includes provision for non-employed (agency) workers. The Remediation Procedure outlines processes and responsibilities, including financial, for undertaking remediation.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "Child labour shall not be used" in the facility. They were familiar with labor laws, regulation and other requirements on "Child labour shall not be used" issues. Human Resource Department staff and worker representatives to address concerns or provide updates; they are named within the Child Labour Prevention and Remediation Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specifics are allocated responsibility to implementing the Recruitment Procedure in named areas, which includes all areas of business. Procedures are in place for interim responsibility in the case of position change or absence.

3) Communication & Training:

Grade: Robust Management Systems

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective.

The procedures have been annual formal communication and training on this topic to employees, apart from posting the policy on the noticeboard.

Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Child labour shall not be used".

Training at site was governed by a training procedure which is the specific responsibility of the Human Resource department. The Child Labour Prevention and Remediation Policy were available and communicated to all employees, and there was general awareness of it amongst staff interviewed.

Training related to the Recruitment Procedures was mandatory for all Human Resource staff to process applications and onboarding. A training matrix utilised by

Management systems

them ensures that there was a very low chance of gaps in this regarding training.

4) Monitoring:

Grade: Robust Management Systems

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for “Child labour shall not be used”.

Internal audits were conducted for this section’s management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding “Child labour shall not be used” issue was raised in the past 2 years.

Responsibilities for monitoring implementation of age-verification are defined by the Recruitment Procedure. The procedure requires that audit of the records kept of this verification is conducted by the Human Resource department, increasing to weekly at times of peak hiring. Records are kept of monitoring activities.

Any identification of misapplication procedures, or concerns about application are escalated for action in the monthly Human Resource department staff meeting. For example, some falsified documents were not identified due to the issue of new national ID cards – this was highlighted by internal monitoring and re-training rolled out for key staff.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 3](#)

[Code area 5 →](#)

Systems and evidence examined to validate this code section

Current systems:

The facility has established a policy and procedure in place to ensure "No Child Labor shall be used" that no worker is under the age of 15 years' old or the local legal requirement if this is higher applied by the facility.

The facility has reviewed original photographic identification to validate that all workers (including non-directly hired workers) are at least 15 years' old or the local legal requirement at the time of employment or require any agency or labour broker if have and assess the system rigorously via sampling on a regular basis; verify all workers' original ID cards at the time of recruitment and keep the photocopies of ID cards in personnel files.

All employees' personal files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of a photocopied national identification card.

The employee roster includes the employee's name, household address and the date of birth.

The facility has established a written policy and process outlining how child labour would be remediated (in line with ILO guidance and local legal requirements where in place) and where applicable, provide remediation and safeguarding of underage workers.

The Recruitment Procedure and related protection policy of young workers were also kept in place.

The facility has also ensured that workers under 18 (but above legal minimum age) only carry out age-appropriate, non-hazardous work that is properly supervised. The young workers do not work night shifts and comply with other relevant laws on young workers' employment (e.g. obtaining permits or permission from parents, ensuring apprenticeships are properly registered and supervised).

No worker under 18 was employed on a full-time basis if still of compulsory school age. No Part-time work in the facility and then no need to ensure interfere with their education.

No school-age children of workers are present in the facility, and as the employer does not provide accommodation for workers, there is no need to ensure access to schooling within a reasonable travelling distance with safe transport.

No child labor or juvenile workers were working at the facility currently.

Evidence examined:

1. Personal file.
2. Roster of employees.
3. Management and worker interviews.

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	0%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	26
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	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Fundamental Improvements Required
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "Legal wages are paid" in place. This policy was established and filled in the "Wages and Benefits Management Procedure". It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "Legal wages are paid" in the facility. They were familiar with labor laws, regulation and other requirements on "Legal wages are paid" issues. Human Resource Department staff and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Fundamental Improvements Required

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective.

The procedures have been annual formal communication and training on this topic to employees, apart from posting the policy on the noticeboard.

Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Legal wages are paid".

However, "Insufficient social insurance participation" issue was noted as some workers, especially for the employees close to retirement age, did not want to join in social insurance scheme, the facility had tried to persuade them step by step.

4) Monitoring:

Grade: Fundamental Improvements Required

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for "Legal wages are paid".

Internal audits were conducted for this section's management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding "Legal wages are paid" issue was raised in the past 2 years.

However, some workers did not want to enroll in a social insurance scheme because they will retire soon, it is no use for them if they are not enrolled in sufficient year for social insurance.

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 ZAF601551143

[← Code area 4](#)

[Code area 5.A →](#)

Systems and evidence examined to validate this code section

Current systems:

The facility has established "Wages and Benefits" policy and management procedure to ensure that "Legal wages are paid" to ensure all workers are paid at least the legal minimum wage or legally recognised collective bargaining agreement (CBA) where one exists, whichever is higher. Wages were paid on time. Workers received the insurances and benefits (including leave entitlements) they are legally or contractually entitled to. Any partial payments with in-kind benefits do not exceed the national legal limit or the ILO recommended maximum of 50% of wages, whichever is lower.

No deduction from workers' pay was for disciplinary sanctions. Ensured deductions not provided by national laws are legal, and do not take workers below the legal minimum wage. Ensured workers are provided with information to understand any wage deductions and provide their authorisation.

Ensured workers were remunerated for all time worked, including meetings and essential training.

Provided all workers with clearly written information, in a language workers understand, outlining wage information (rates of and total pay, overtime, payment frequency, deductions, benefits and insurances, and paid leave) before employment begins, and with clearly written information relating to any changes of the same while employment.

Maintained records demonstrate that workers receive a wage statement or pay slip each pay period with a clear and understandable breakdown of their wages, benefits and any deductions.

Written wage & benefits policy (involved relevant local law regarding Minimum Wages, Overtime wage and social insurance policy, paid annual leave, sick leave etc.) in place stated in the social compliance management manual which had clearly been communicated to all workers via labor contracts, facility rules (covered disciplinary measures policy / deductions from wages) posting and training etc.

During this audit, the facility provided 12 months' payrolls (from July 2025 to June 2026) for review. A sampling of these records provided for the months of June 2026 (most recent month), March 2026 (random month) and November 2025 (random month) were reviewed. As per facility management and provided payrolls, wages for all workers were calculated on an hourly basis and paid through bank transferring on around 30th of each month. Based on provided payrolls and time attendance records, both workers' basic wages and overtime wages met legal requirements, the hourly wage was paid ranged from RMB 11.95 to RMB 26.32, with the average of RMB 17.94, which was above the local legal minimum wage standard of RMB 1850 per month as equivalent to RMB 10.63 per hour since March 1, 2025.

Overtime wages were paid at 150%, 200% and 300% of normal rate for overtime hours on normal working days, rest days and public holidays respectively, and total paid wages ranged from RMB 4421 to RMB 6393 per month. The gap between reported wages and legal requirements was nil and the percentage of workers being paid below the minimum wage was nil.

For social insurance, a total of 41 employees were eligible to receive five types of social insurance in July 2026 according to the law. However, through review of social insurance enrollment list, only 9 employees were enrolled in pension insurance, unemployment insurance, medical insurance, occupational injury insurance and child-bearing insurance. Wage slips detailing: working days, basic wages, hourly wage rate, normal working hours, overtime working hours, holiday working hours, normal working hours wage, overtime working hours wage, statutory holidays allowance, position allowance, paid leave, total monthly wages, deduction (utility bills, social insurance and tax) and net wage were provided to each worker.

Evidence examined:

- 1.Employee handbook.
- 2.Wages and benefits policy.
- 3.Various leave records.
- 4.Resigned workers payroll records.
- 5.Payroll and attendance records.
- 6.Social insurance and payment receipts.
- 7.Management and worker interviews.

Findings: non-compliances

ZAF601551143

Non-compliance

Due 2023-12-24

Code area	Status
5 Legal wages are paid	Open*
Workplace requirement	Time given to resolve
5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.	60 days
Issue title	Verification method
423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	Follow up audit
Description	Area of non-compliance/non-conformance
Periodic audit on August 10, 2026, Open. It was noted that a total of 41 employees were eligible to receive five types of social insurance in July 2026. However, through review of the social insurance enrollment list, only 9 employees were enrolled in pension insurance, medical insurance, unemployment insurance, child-bearing insurance and occupational injury insurance. 在此次审核过程中，审核员发现在2026年7月41名符合参保条件的员工中，只有8名参加了养老保险，医疗保险，失业保险，生育保险和工伤保险。	Local law Base code
Description (carried over)	
Periodic audit on August 20, 2025 .It was noted that a total of 44 employees （excluded 3 retired and rehired employees） were eligible to receive five types of social insurances in July 2025 according to the law. However, through review of social insurance enrolment list, only 12 employees were enrolled in medical insurance、 child-bearing insurance、 unemployment insurance、 pension insurance and occupational injury insurance. 2025年8月20日定期审核，通过文件审阅，审核员发现在2025年7月有44名符合参保条件的员工（不包括3名退休返聘员工），只有12名员工参加了医疗保险、生育保险、失业保险、养老保险和工伤保险。	
Intended corrective and preventative actions, based on root cause analysis	
It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.	

[← Code area 5](#)

[Code area 5.A →](#)

Intended corrective and preventative actions, based on root cause analysis (carried over)

It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.

Local law reference

In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law. ETI 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

Evidence

序号	险种名称	缴费基数	缴费比例	缴费金额	备注
1	基本养老保险	10000.00	16.00%	1600.00	
2	基本医疗保险	10000.00	8.00%	800.00	
3	失业保险	10000.00	0.50%	50.00	
4	工伤保险	10000.00	0.20%	20.00	
5	生育保险	10000.00	0.80%	80.00	
6	合计			2550.00	

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



* PDF generated at 16:12 (UTC) on 13 Aug 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	Wages are based on job skills and experience Wages meet a living wage The legal minimum wage
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Only digital payments
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None
Where the site has undertaken a Living Wage gap analysis against a credible Benchmark which Benchmark have they used?	Full-Fledged Anker Methodology

Worker remuneration

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

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

[← Code area 5](#)

[Code area 5.A →](#)

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	Non applicable
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	18.0
	Max hours per month	78.0
Minimum legal wage	Min per hour	10.63
	Min per day	85.06
	Min per week	Non applicable
	Min per month	1850.0
Actual minimum wage	Actual per hour	11.95
	Actual per day	95.63
	Actual per week	Non applicable
	Actual per month	2080.0

Minimum legal overtime wage	Min per hour	15.95
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	17.93
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	33
Provide the date and details of the records	11 samples from June 2026 (most current month) 11 samples from March 2026 (random month) 11 samples from November 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 the workforce earning above minimum wage.
Are there any bonus schemes used?	Yes Position allowance

[← 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
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No findings

Systems and evidence examined to validate this code section

Current systems:

The facility has established a "Living Wage Investigation and Calculation" procedure. Wages and benefits paid for a standard working week meet, at a minimum, national legal standards.

The facility had also calculated the Industry Benchmark standards and living wage requirements based on employees' basic need survey. Review and compare the workers' total pay including benefits with a credible 'living wage' to calculate a 'living wage gap' and understand what proportion of the workforce has a gap. Put in place a wage improvement plan that aims to pay workers a living wage within a stated timeframe if has a gap.

The site has completed a living wage gap analysis and used one of the six named benchmarks or followed the ILO's 10 principles.

For the facility's living wages calculations, it follows the guidelines of the Anker methodology, which specify which material benefits can be paid as part of the living wage when calculating the living wage gap.

Anker methodology calculation steps for determine the basic decent cost of living:

- Food cost: Design a "model diet" according to WHO nutrition standards, investigate the types and quantities of food needed to meet a balanced diet in the local market, and calculate based on their prices. It is necessary to consider the impact of different age groups, genders, labor intensity, and other factors on nutritional needs.
- Housing cost: determined based on the local suitable housing type (such as apartments, detached houses), area, and quality standards, with reference to rent or purchase cost. Generally, the average housing cost that meets certain living conditions (such as space size, safety facilities, etc.) is chosen, or it can be based on the average housing cost data released by the local government.
- Other essential costs: including education (such as tuition fees, textbook fees), healthcare (medical insurance fees, medication fees, routine medical examination fees), transportation (public transportation fees or private car usage and maintenance costs), clothing, water, electricity, gas and other expenses to maintain the normal operation of daily life. Usually, non food and non housing expenses are extrapolated at 40% -50% of the cost of food.
- Small contingency fund for unexpected events: a certain amount is reserved to deal with unforeseen events such as sudden medical expenses and unemployment, usually estimated based on local economic conditions and household risk status, usually 5% - 10% of the total cost.

Add up the above costs to obtain the basic but decent total cost of living for a reference sized household (usually a typical household population structure in a country or region, such as a family of four).

Calculate the net living wage by dividing the basic decent living cost of the household by the number of paid full-time workers in the household and obtain the net living wage for each full-time job. This step considers the number of household income sources to determine the income each worker needs to earn to sustain the family's

livelihood.

Calculate the gross living wage based on the net living wage, plus the statutory wage deductions and taxes that the employer needs to pay, such as social insurance premiums, personal income tax, etc., to obtain the gross living wage. This is the total amount of wages that the employer actually needs to pay to the employee.

According to Anker's methodology, In Kind Benefit - Physical welfare must meet the following conditions:

- Considered beneficial and valuable to workers or their families, and suitable for personal use
 - Meet minimum standards (such as safe and hygienic accommodation conditions, nutritious food)
 - When estimating the typical current wage of a certain industry, the usual practice of that industry is
 - Employees receive within one year
 - Guaranteed - not determined by the employer
 - List of acceptable physical benefits that can be paid as part of the living wage included in the following common and popular list of allowed physical benefits:
 - a) Working meal
 - b) Free distribution or sale of food or rations at discounted prices
 - c) Housing (including water, electricity, and fuel)
 - d) Transportation to and from work (as well as weekend transportation from agricultural estates to towns)
 - e) Childcare
 - f) Worker's Children's School
 - g) Medical clinics and services not regulated by law and unrelated to work
 - h) Medical insurance not regulated by law
 - List of common physical benefits that should not be considered as part of the payment of living wages:
 - a) Visa or work permit for immigrant workers
 - b) Clothing, equipment, and supplies required for work
 - c) Dormitory or shared housing provided for seasonal workers
 - d) Provide drinking water for workers at work
 - e) Vegetable garden land
 - f) Charitable donations to the community, and these donations are not limited to employees only
 - g) The legal requirement for employers to pay fees to social security or national health services
 - h) Leave time for vacation, sick leave, maternity leave, or public holidays
- The total value limit of physical welfare is 50% of the total salary. The upper limit of housing benefits is 15% of total salary. The upper limit of all other benefits is 10% of the total salary.
- The amount of the local legal required minimum wage is currently higher than the

“living wage benchmark” calculated, the benchmark used on site and evidence (salary payment records) provided from the facility could prove that there is no “gap” between workers receiving the wage standard then “living wage benchmark”, especially young workers and indirectly employed workers if have use.

Evidence examined:

1. Payroll records.
2. Survey records for workers basic need cost and living wages.
3. Cost summary sheet for all workers.
4. Fair wage investigation forms.
5. Attendance records.
6. Local legal minimum wage documents.
7. Wages and benefits policy.
8. Labor contracts for all employees.
9. Pay slips of all interviewed workers.
10. Management and worker interviews.

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

Robust Management Systems

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures

Fundamental Improvements Required

Monitor the effectiveness of procedures to meet policy and workplace requirements

Fundamental Improvements Required

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "Working hours are not excessive" in place. This policy was established and filled in the "Working Hours Management Procedure" regarding attendance management, overtime regulations, overtime remuneration, production contingency plan, and so forth. The policies make reference to the Employee Handbook, which outlines the key mechanisms in place for preventing workers from working excessive hours. Those procedures include provision for young workers, female workers and pregnant workers. It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "Working hours are not excessive" in the facility. They were familiar with labor laws, regulation and other requirements on "Working hours are not excessive" issues. Human Resource Department staff are responsible for ensuring the implementation of the site policies, and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Fundamental Improvements Required

The policy and procedures were communicated to workers through training and posters etc. The factory had developed an annual training plan, and trained employees according to the plan. Training exams were taken to ensure communication was effective. The training records were provided for review. The procedures have been annual formal communication and training on this topic to employees, apart from posting the policy on the noticeboard.

Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Working hours are not excessive".

4) Monitoring:

Grade: Fundamental Improvements Required

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective. The procedures have been annual formal communication and training on this topic to employees, apart from posting the policy on the noticeboard.

Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Working hours are not excessive".

Upon discussion with the Facility Manager, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in

Management systems

ensuring employees are aware of their rights and reflecting their concerns for “Working hours are not excessive”.

However, “Exceed overtime working hours” issue was noted as workers wanted to work overtime to earn more money, so the overtime was voluntary.

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 ZAF601551144
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601558627

[← Code area 5.A](#)

[Code area 7 →](#)

Systems and evidence examined to validate this code section

Current systems:

The facility has established "Working Hours and Overtime Working" policy and management procedures to ensure working hours do not exceed legal limits or limits in collective bargaining agreements, whichever gives more protection for workers. Ensured workers receive all legally required rest and meal breaks, including continuous rest hours between shifts.

Provided workers with at least 24 hours of consecutive rest in every 7-day period or, where allowed by national law, two 24-hour periods every 14 days.

Ensured that working hours do not exceed 60 hours in a standard working week for any worker, except where the Code's specified situation is met.

Ensured the standard working week excluding overtime is not more than 8 hours a day and 40 hours per week and is included in workers' contracts.

The employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, 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 3 hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed 36 hours.

Ensuring that overtime is used, it is to manage changes in demand or in exceptional circumstances and not used to replace regular employment; all overtime is voluntary and can be refused without penalty.

The Overtime working hours are always compensated at a premium rate as per local legal requirement, which is not less than 125% of the regular rate of pay. For China, the employing unit shall, according to the following standards, pay laborer remunerations higher than those for normal working hours under any of the following circumstances: a) to pay no less than 150% of the normal wages if the extension of working hours is arranged; b) to pay no less than 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; c) and to pay no less than 300% of the normal wages if the extended hours are arranged on statutory holidays.

Undertake a review of appropriate frequency of the working hours of individual workers and the workforce as a whole and use this review to responsibly manage overtime.

There is a system for monitoring working hours and overtime hours. The facility keeps an electrical attendance recording system to ensure the attendance system to be accurate. Policy and Procedures for special terms for young workers and pregnant women are also in place.

During this audit, the facility provided 13 months and 10 days' attendance records (from July 2025 to August 10, 2026) for review. A sampling of these records provided for the months of June 2026 (most recent month), March 2026 (random month) and November 2025 (random month) were reviewed. Based on the provided time attendance records, workers' working hours were 8-10 hours a day, 54-58 hours a

week, with the average being 56 hours per week. The most continuous working days without rest were 6 while the average continuous working days without rest were 6.

Evidence examined:

- 1.Employee handbook.
- 2.Wages and benefits policy.
- 3.Various leave records.
- 4.Resigned workers time records.
- 5.Payroll and attendance records.
- 6.Production records.
- 7.Management and worker interviews.

Findings: non-compliances

ZAF601551144

Non-compliance

Due 2023-12-24

Code area	Status
6 Working hours are not excessive	Open*
Workplace requirement	Time given to resolve
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.	60 days
Issue title	Verification method
480 - Overtime is not used responsibly (i.e. extent, frequency and level of hours worked by individual workers and/or whole workforce are excessive)	Follow up audit
Description	Area of non-compliance/non-conformance
Periodic audit on August 10, 2026. Open. It was noted that the monthly overtime hours of 11 out of 11 randomly selected workers (from all sections) exceeded 36 hours in June 2026 with the highest of 64 hours; 11 out of 11 (from all sections) exceeded 36 hours in March 2026 with the highest of 76 hours; 11 out of 11 (from all sections) exceeded 36 hours in November 2025 with the highest of 78 hours. No workers had worked more than 3 hours per day. 审核员发现在随机抽取的11名工人中，有11名工人（来自所有部门）的月加班时间在2026年6月超过36小时，最高达到64小时；在2026年3月，随机抽取的11名工人中有11名工人（来自所有部门）月加班时间超过36小时，最高达到76小时；在2025年11月，随机抽取的11名工人中有11名工人（来自所有部门）月加班时间超过36小时，最高达到78小时。没有工人每天加班超过3小时。	Local law
Description (carried over)	Base code
Periodic audit on August 20,2025. Verified through document review, it was noted that the monthly overtime hours of 10 out of 10 randomly selected workers exceeded 36 hours in June 2025 (current paid month) with the highest of 80 hours; 10 out of 10 randomly selected workers exceeded 36 hours in March 2025 (random month) with the highest of 82 hours; 10 out of 10 exceeded 36 hours in December 2024 (random month) with the highest of 76 hours. 2025年8月20日定期审核，通过文件审阅，在此次审核中，审核员发现在随机抽取的10名工人中，有10名工人的月加班时间在2025年6月（当前月）超过36小时，最高达到80小时；在2025年3月，随机抽取的10名工人中有10名工人月加班时间超过36小时，最高达到82小时；在2024年12月，随机抽取的10名工人中有10名工人月加班时间超过36小时，最高达到76小时。	

* PDF generated at 16:12 (UTC) on 13 Aug 2026. [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?	150%, 200% and 300% of normal rate for overtime hours on normal working days, rest days and public holidays respectively.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	56.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	58.0
Maximum number of days worked without a day off in sample	6

[← Code area 6](#)

[Code area 7 →](#)

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
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Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
--	---------------------------

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

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

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure “No discrimination is practiced” in place. This policy was established and filled in the “Anti-Discrimination Management Procedure”. It undertakes reviews annually and updates on last month of these policies signed by the facility’s General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee’s awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring “No discrimination is practiced” in the facility. They were familiar with labor laws, regulation and other requirements on “No discrimination is practiced” issues. Human Resource Department staff and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Robust Management Systems

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective. The procedures have been annual formal communication and training on this topic to employees, apart from posting the policy on the noticeboard. Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the “No discrimination is practiced”.

4) Monitoring:

Grade: Robust Management Systems

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for “No discrimination is practiced”.

Internal audits were conducted for this section’s management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding “No discrimination is practiced” issue was raised in the past 2 years.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
← Code area 6			Code area 8 →

No findings

[← Code area 6](#)

[Code area 8 →](#)

Systems and evidence examined to validate this code section

Current systems:

The facility has established a written policy and management procedure on “No discrimination is practiced” as well as a dedicated equity approach in recruitment, training, development and promotion processes etc. to ensure no discrimination is practiced, taking particular consideration of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Ensuring that employment policies and processes are sufficient to prevent discrimination at all stages of employment. This includes hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

And no require or allow health checks for workers to take place during the recruitment process or during employment where the results are used to unfairly avoid hiring or retaining workers with certain health issues or medical conditions. This includes pregnancy (unless explicitly required by law) or HIV/AIDS.

The facility has also established grievance mechanisms that are accessible to all workers, regardless of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership and political affiliation.

As per document review, management and workers interview, the facility did not engage in discrimination in hiring and employment practices such as wages, promotions, rewards, and access to training.

The new staff hiring policy and advertisement indicate that no pregnancy or health check (HIV testing, HB check) was required.

Gender and ethnic balance between workers and middle management is proper.

There’s grievance channel (suggestion box or anonymous phone line etc.) for workers to report any discrimination.

The site has a dedicated equity approach regarding recruitment, training, development, and promotion processes. The equity should not be only focused on gender equity and also take consideration of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Evidence examined:

- 1.Facility policy, Recruitment Procedure.
- 2.Employee handbook.
- 3.Payrolls records.
- 4.Training records.
- 5.Employee contracts.
- 6.Termination records.
- 7.Management and worker interviews.

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)? 15%

Representation of women in managerial roles (ratio of women workers to women managers) 0%

Representation of women in supervisory roles (ratio of women workers to women supervisors) 0%

Three most common nationalities in managerial and supervisory roles The facility pays all overtime work at 100% of regular wage to workers.

[← Code area 7](#)

[Code area 8 →](#)

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
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Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
--	---------------------------

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
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Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "Regular employment is provided" in place. This policy was established and filled in the "Recruitment Management Procedure". It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "Regular employment is provided" in the facility. They were familiar with labor laws, regulation and other requirements on "Regular employment is provided" issues. Human Resource Department staff and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Robust Management Systems

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective. The procedures have been annual formal communication and training on this topic to employees, apart from posting the policy on the noticeboard. Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Regular employment is provided".

4) Monitoring:

Grade: Robust Management Systems

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for "Regular employment is provided".

Internal audits were conducted for this section's management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding "Regular employment is provided" issue was raised in the past 2 years.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
← Code area 7			Code area 8.A →

No findings

Systems and evidence examined to validate this code section

Current systems:

The facility has established a policy and procedure of “Regular employment is provided” in place.

Signed labor contracts with employees within 30 days of employment specify the terms and conditions of employment, that meet all legal requirements, in their native language as workers can understand, and all workers can have their own copy of the contract and pay slip.

It meets contractual and legal obligations in cases of dismissal, termination or redundancy.

Use an employment or engagement model appropriate to and intended for the nature of work undertaken in the local context.

And ensuring no utilise apprenticeships, temporary, irregular, sub-contracted or non-employment models of labour for the purpose of avoiding its obligations relating to regular employment, regardless of legality.

Meet legal conditions for the use of apprenticeships, temporary, irregular, sub-contracted or non-employment models of labour if have.

Not unfairly restrict those working under apprenticeships, temporary, irregular, sub-contracted or non-employment models of labour from seeking regular employment if have.

Demonstrated real intent to impart skills and/or provide regular employment once the apprenticeship term is completed, where apprenticeship schemes are used.

Work performed was based on recognized employment relationship established through national law and normal practice.

The facility has not used any home-workers or agency workers. No apprentice or temporary worker was working in the facility.

The management team was aware of local law concerning the above worker pattern.

Evidence examined:

- 1.Facility policy, employee handbook.
- 2.Labour contracts.
- 3.Hiring and termination records.
- 4.Personal files.
- 5.Management and worker interviews.

8. Regular employment is provided

Data points

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

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

Management systems

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

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

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

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

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "Sub-contracting and homeworkers are used responsibly" in place. This policy was established and filled in the "Sub-contracting and Homeworkers Management Procedure". It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "Sub-contracting and homeworkers are used responsibly" in the facility. They were familiar with labor laws, regulation and other requirements on "Sub-contracting and homeworkers are used responsibly" issues. Procurement and Supply Management Department staff and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Robust Management Systems

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective. The procedures have been annual formal communication and training on this topic to employees, apartment from posting the policy on the noticeboard. Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Sub-contracting and homeworkers are used responsibly".

4) Monitoring:

Grade: Robust Management Systems

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for "Sub-contracting and homeworkers are used responsibly".

Internal audits were conducted for this section's management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding "Sub-contracting and homeworkers are used responsibly" issue was raised in the past 2 years.

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 has established policy and management procedures on “sub-contracting, homeworking, and external processing or working are used responsibly” to ensure all homeworking and sub-contracted work is authorised by the relevant clients receiving the products if have. Maintained up-to-date records relating to sub-contracted work and have systems in place to assess working conditions at sub-contracted sites if have. Established systems in place to ensure working conditions of home workers meet the Code. Where directly employed, ensure no differentiation from other direct workers. Where indirectly employed, this must include sampling of documents relating to specific workers' contracts, pay and legal right to work. Records of these checks must be available to audit and conducted on an ongoing basis. It must also include visits to the place of work. The facility posted their customers' Code of Conduct and ETI Base Code on the Bulletin Board for management and worker's awareness. Through the site tour, documents review and management & worker interview, no unauthorised sub-contracting, homeworking, and external processing or working was being used by the facility currently. Evidence examined: 1.Facility policy. 2.Various production records checking. 3.Management and worker interviews. 4.Site observations.		

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

Data points

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

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homeworker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No

The facility didn't allow their suppliers to use homeworker as per the policy; no homeworker was used and noted by the facility and its suppliers as per the suppliers' assessment reports.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No

No subcontractor was used by the facility, and there was no such concern as per onsite tour, document review and interview.

[← 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	Robust Management Systems
--	---------------------------

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

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

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "No harsh or inhumane treatment is allowed" in place. This policy was established and filled in the "No Harsh and Inhumane Treatment Management Procedure". It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "No harsh or inhumane treatment is allowed" in the facility. They were familiar with labor laws, regulation and other requirements on "No harsh or inhumane treatment is allowed" issues. Human Resource Department staff and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Robust Management Systems

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective. The procedures have been annual formal communication and training on this topic to employees, apartment from posting the policy on the noticeboard.

Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "No harsh or inhumane treatment is allowed".

4) Monitoring:

Grade: Robust Management Systems

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for "No harsh or inhumane treatment is allowed".

Internal audits were conducted for this section's management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding "No harsh or inhumane treatment is allowed" issue was raised in the past 2 years.

Summary of findings

[← Code area 8.A](#)

[Code area 10.A →](#)

Code area	Workplace requirement	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

The facility has established the policy and management procedure on “No harsh or inhumane treatment is allowed” to ensure no engage in or facilitate harsh or inhumane treatment of workers, including gender-based violence and harassment.

Have and communicate to all workers a workplace policy prohibiting harsh or inhumane treatment, including gender-based violence and harassment.

Implement, adopt and communicate to all workers a disciplinary policy, and procedures that are fair and appropriate.

Implement measures to prevent and control risks of harsh or inhumane treatment, including gender-based violence and harassment, based on an identification of hazards and risks, including in accommodation and worker transport where provided by the employer.

Ensured appropriate training for workers at all levels in roles where risk has been identified and those with relevant supervisory or administrative responsibilities, to prevent harsh or inhumane treatment in the workplace. Have systems in place to monitor the understanding/implementation of the training.

Ensured all workers (taking particular consideration of vulnerable worker groups) have accessible information and accessible training (where relevant) on the measures taken to prevent and control harsh or inhumane treatment, the identified risks and their rights and responsibilities.

Not conducting bodily searches. Any non-bodily searches shall be conducted only where there is a legitimate business reason (e.g. theft). Where non-bodily searches are conducted the search must respect workers' privacy, be conducted by a member of the same sex and meet legal requirements.

Implement a formal process for workers to be able report grievances (concerns, complaints, or problems) without fear of retaliation. The grievance mechanism should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, continuously improving and based on engagement and dialogue.

The management procedure states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation should be prohibited in this facility. The disciplinary procedure only includes oral warning, written warning and education, which was confirmed through worker's interview. The facility has established a grievance mechanism with non-retaliation policy and allows workers to report issues anonymously.

Related training records and grievance records / documented evidence were maintained in place. Security practices were humane and complied with customers' expectations.

Evidence examined:

1. Policy of prevention of harassment and abuse.
2. Internal grievance procedure documentation.
3. Training records.

4.Management and worker interviews.

[← Code area 8.A](#)

[Code area 10.A →](#)

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?	Report to worker representatives, leaders, supervisors and managers directly, write grievance to suggestion box to top management.
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
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Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
--	---------------------------

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
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Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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[← Code area 9](#)

[Code area 10.B →](#)

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "Workplace Requirements are met with environmental protection requirement" in place. This policy was established and filled in the "Environmental Management Procedure". It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "Workplace Requirements are met with environmental protection requirement" in the facility. They were familiar with labor laws, regulation and other requirements on "Workplace Requirements are met with environmental protection requirement" issues. Environmental Management Department staff and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Robust Management Systems

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective. The procedures have been annual formal communication and training on this topic to employees, apart from posting the policy on the noticeboard. Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Workplace Requirements are met with environmental protection requirement".

4) Monitoring:

Grade: Robust Management Systems

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for "Workplace Requirements are met with environmental protection requirement". Internal audits were conducted for Environmental Management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding "Workplace Requirements are met with environmental protection requirement" issue was raised in the past 2 years.

The issue of updating the environmental permit was not identified and then no corrective action is implemented.

The regular inspection for environmental factors including air emission, boundary

Management systems

noise and domestic wastewater were conducted annually, and the result was within regulatory limits.

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 established an Environment Management Policy and Procedure on remaining aware of the local, regional and national environmental laws relating to the site, and have clear processes around how these laws are updated and communicated.

Complied with relevant local, regional and national laws or regulations, and have the correct documentation or permits, including for resource use (e.g. water, energy, material) and waste disposal.

Established a system in place for identifying and remediating gaps between their clients' environmental standards and the environmental impact of their own operations.

Maintained a list of hazardous substances (e.g. chemicals and pesticides) used in manufacturing or in purchased components. Ensure they are compliant with their clients' requirements and relevant legislation in the destination countries for those substances.

It also includes the environmental issues concerning (including hazardous waste disposal handling procedures), and the management staff responsible for the environment was aware of local laws / regulations governing the environment, keeping the law up to date.

The facility had obtained the environmental impact assessment documents examined and approved by authorized environmental protection department. The annual monitoring reports for air emission, wastewater and boundary noise were provided for review, and the results are within the restriction per environmental law.

Evidence examined:

- 1.Environmental policy.
- 2.Pollutant Discharge registration.
- 3.Environmental impact report.
- 4.Environmental project completion acceptance report.
- 5.Management and worker interviews.
- 6.Site observations.

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 has obtained the Environment Impact Report and Approval, Environmental Protection Completion Acceptance for its environmental projects.
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 has established reduction targets for water consumption and discharge, waste, energy and green-house gas emissions.

[← Code area 10.A](#)

[Code area 10.B →](#)

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

The facility has established an Environmental Management Policy and Procedure to identify and monitor potential negative environment impacts of operations and supply chain and have in place systems that prevent, mitigate or remedy the impacts of their own operations.

Have and communicate policies and processes, endorsed at the highest level, that include commitments to improve environmental performance and an approach to managing environmental impacts on relevant stakeholders

Established resource-use targets and a plan to reach them.

Recorded energy use, water use, solid waste, material use, hazardous substance uses and waste, and effluent discharge.

Monitored and mitigated the site's impact on biodiversity.

It also includes environmental issues (including hazardous waste disposal handling procedures), and the management staff responsible for the environment was aware of local laws / regulations governing the environment, keeping the law up to date.

The facility had obtained the environmental impact assessment documents examined and approved by authorized environmental protection department. The annual monitoring reports for air emission, wastewater and boundary noise were provided for review, and the results are within the restriction per environmental law. The facility conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks. The facility also established emergency reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and so on.

Evidence examined:

- 1.Environmental policy.
- 2.Pollutant Discharge registration.
- 3.Environmental impact report.
- 4.Environmental project completion acceptance report.
- 5.Risk assessment records.
- 6.Emergency reduction target.
- 7.Management and worker interviews.
- 8.Site observations.

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Responsible use and management of water Sustainable material sourcing
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The facility has established an environmental policy for managing clients' requirements and legislation.
Does the site have reduction targets in place to manage climate related risks?	Yes, to reduce scope 1 greenhouse gases (GHGs) Yes, to reduce scope 2 greenhouse gases (GHGs)
Are any of these science-based targets?	No, and we do not intend to set 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 has implemented programs to reduce energy consumption and GHG emissions. Targets and tracking records indicated the reduction plan was implemented effectively.
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Yes The facility has checked the suppliers' relevant environmental licenses and their environmental police before conducting business.

Usage/discharge analysis

[← Code area 10.B](#)

[Code area 10.C →](#)

	Last full calendar year (2025)	Previous full calendar year (2024)
Total electricity consumption from non-renewable sources (kWh)	296,200	221,540
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None
Types of renewable energy used	Data not available	Data not available
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	None	None
Has the site completed any carbon footprint analysis?	No	No
Water sources	local water authority	local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	2,401	2,305
Water discharged	Municipal sewage system	Municipal sewage system
Water volume discharged (m3)	2,401	2,305
Water volume recycled (m3)	0	0
Total waste produced (mt)	8	7.8

[← Code area 10.B](#)

[Code area 10.C →](#)

Total hazardous waste produced (mt)	0.8	0.6
Waste to recycling (mt)	5	5
Waste to landfill (mt)	1	1
Waste to other (mt)	2	1.8
Total product produced (mt)	303	226

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
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Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
--	---------------------------

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

Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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[← Code area 10.B](#)

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust Management Systems

The facility has established policy and procedure "Business Ethics Management" in place. This policy was established and filled in the "Business Ethics Management Procedure". It undertakes reviews annually and updates on last month of these policies signed by the facility's General Manager, controlled by the document management system. The general concept was specified in the Employee Handbook and posted on the bulletin board for employee's awareness.

2) Resources:

Grade: Robust Management Systems

The facility management staff were assigned to be responsible for ensuring "Business Ethics Management" in the facility. They were familiar with labor laws, regulation and other requirements on "Business Ethics Management" issues. Human Resource Department staff and worker representatives to address concerns or provide updates.

3) Communication & Training:

Grade: Robust Management Systems

The policy and procedures were communicated to workers through training and posters etc. Training exams were taken to ensure communication was effective. The procedures have been annual formal communication and training on this topic to employees, apart from posting the policy on the noticeboard.

Also, there is an established communication channel for workers to raise concerns or meet with their representatives to ensure the "Business Ethics Management".

4) Monitoring:

Grade: Robust Management Systems

Upon discussion with the facility management staff, it was confirmed that there is monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees are aware of their rights and reflecting their concerns for "Business Ethics Management".

Internal audits were conducted for this section's management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no compliance regarding "Business Ethics Management" issue was raised in the past 2 years.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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[← Code area 10.B](#)

No findings

[← Code area 10.B](#)

Systems and evidence examined to validate this code section

Current systems:

The facility has established the Business Ethics policy and procedures, and the appointed senior management staff was the designated person responsible for implementing and demonstrate understanding of standards concerning Business Ethics relating to bribery, corruption, unethical, or any type of fraudulent or unethical business practices, and that site practices were conducted without any corruption and bribery.

Assessed risks of bribery, corruption or any fraudulent or unethical business practices and implement measures to mitigate these.

Demonstrated awareness of, and compliance with, any fiscal legislative requirements by third party financial audit annually.

Communicated a business ethics policy covering bribery, corruption, or any type of fraudulent or unethical business practice to all parties it deems as high risk, including the site's own suppliers.

Provided appropriate business ethics training to workers at all levels in roles which have greater exposure to risks of bribery, corruption, fraudulent or unethical business practices, such as sales, purchasing, logistics.

Developed and implemented a transparent and accessible mechanism that effectively allows confidential and anonymous reporting, monitoring and investigation of any fraudulent or unethical business practices without fear of reprisals towards the reporter.

Obtained and stored personal data with the appropriate consent and controls, complying with any legislative requirements.

Implement appropriate and effective corrective actions where they have been subject to any fines/prosecutions for non-compliance with business ethics, regulations or equivalent.

Also demonstrated that licenses and permissions are held relating to ownership and/or leasing of the land where the site operates.

The business ethics policy and management procedure were communicated to workers through posters and training.

The facility has received and read the Business Ethics policy of the auditor and audit company. There was an internal grievance process, which was an anonymous email address.

Evidence examined:

- 1.Business Ethics policy.
- 2.Anti-bribery, corruption or any fraudulent or unethical business practices management procedure.
- 3.Corruption training records, employee handbook.
- 4.Reports from Anonymous email account.
- 5.Management and worker interviews.

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	Nil

[← Code area 10.C](#)

Attachments



[LRQA-CN-SMTA-366611_Signed CAPR_Global Art Gifts Co.,Ltd._August 10, 2026.pdf](#)



[LRQA-CN-SMTA-366611_Photo Form_Global Art Gifts Co.,Ltd._August 10, 2026.docx](#)

