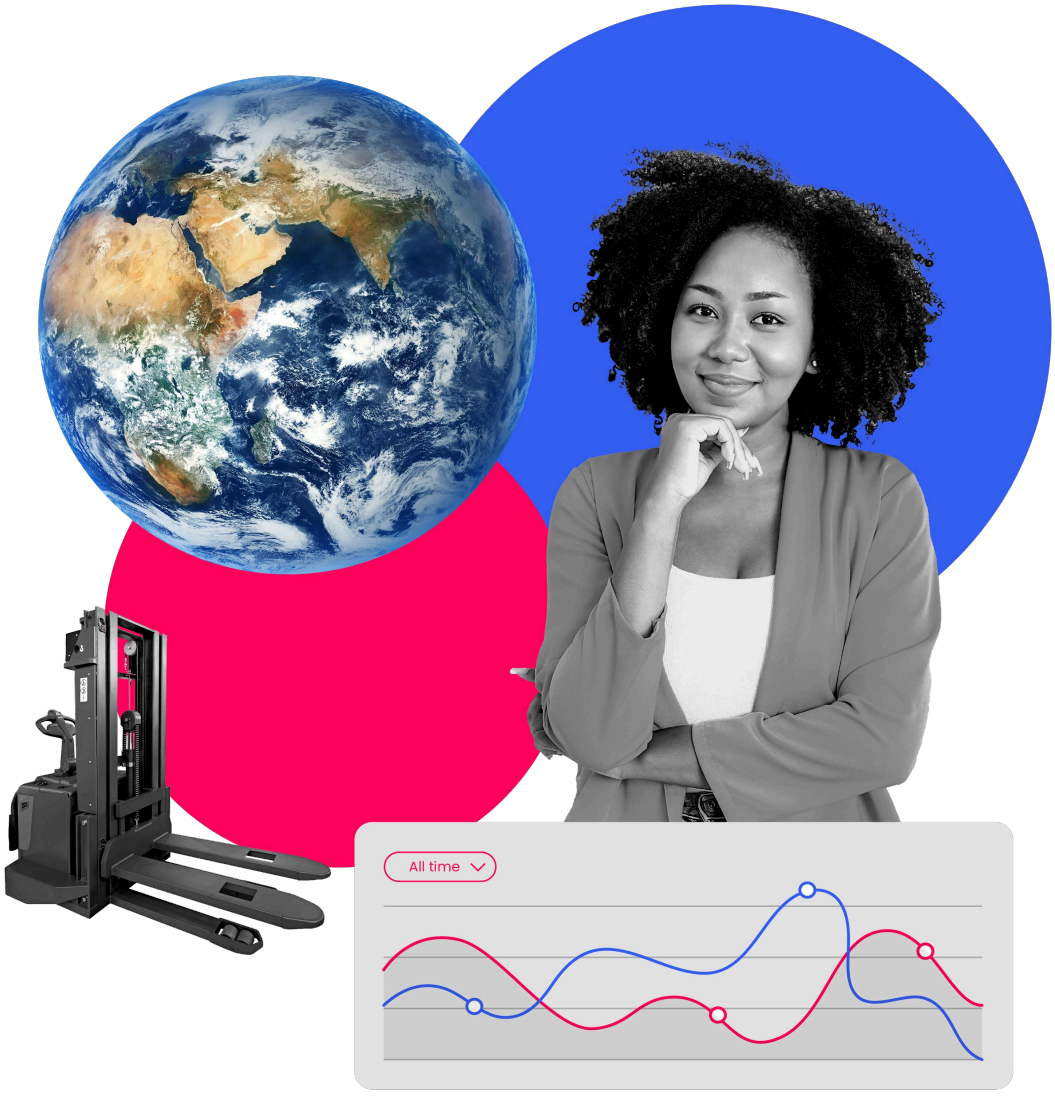
SMETA
powered by Sedex

Sedex Members Ethical Trade Audit Report

Version 7



Sedex, 18 St Swithin's Lane, London, EC4N 8AD, United Kingdom

Contents

Audit content

Audit details

SMETA declaration

Summary of findings

Management systems

Site details and data points

- Site details
- Worker analysis
- Worker interviews
- Measure workplace impact
- 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
- 3. Working conditions are safe and hygienic
- 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

10.A. Environment 2-Pillar

10.B. Environment 4-Pillar

10.C. Business ethics

Attachments

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.

← Contents

Findings →

Audit details

Site details

Sedex site reference	ZS1000035115	**Site name**	JIANGSU SUCCESS WOOD PRODUCTS CO LTD
Business name	JIANGSU SUCCESS WOOD PRODUCTS CO LTD	**Site address**	Henglin Town Nanfang Village, Wujin District, Changzhou City, Jiangsu Province CHANGZHOU CN 213101

Audit details

Sedex company reference	ZC5000030041	**Auditor company name**	Benchmarks Company Limited
Audit company address	Unit 9-11, 7/F., Block B, Proficient Industrial Centre,, 6 Wang Kwun Road, Kowloon Bay, Hong Kong, HK, -		
Date of audit	2026-06-22	**Audit conducted by**	Willy Song
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Time in and out

Day 1		Day 2		Day 3	
In	09:00	In	09:00	In	08:30
Out	17:00	Out	17:00	Out	12:30

Audit type	Periodic

← Contents

Findings →

Was the audit announced?	Semi announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Ms. Ding Zhili / HR 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	There was no union established at the factory.		
Reason for absence during the audit	There was no union established at the factory.		
Reason for absence at the closing meeting	There was no union established at the factory.		

← Contents

Findings →

SMETA declaration

Auditor team

SMETA declaration	I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual. 1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform. 2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question. This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post–audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.
Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)	The semi-announced window of this audit is from 15 Jun 2026 to 13 Jul 2026.

Lead auditor	Willy Song	**APSCA Number**	32200752
Additional auditor			
Date of declaration	2026-06-24		

← Contents

Findings →

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	Ms. Ding Zhili
Title	HR Manager
Date of declaration	2026-06-24

← Contents

Findings →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601480942
	3.O Implement an appropriate electrical safet...	Local law	NC ZAF601480943
	3.O Implement an appropriate electrical safet...	Local law	NC ZAF601490956
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601480941
	5.B Ensure that workers receive the insurance...	Local law	NC ZAF601490957
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC ZAF601490955

← Contents

Management systems →

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

Site details →

	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

← Summary of findings

Site details →

Site details

Company and site details

Sedex company reference	ZC5000030041	
Sedex site reference	ZS1000035115	
Company name	JIANGSU SUCCESS WOOD PRODUCTS CO LTD	
Business ownership type	GOODS	
Site name	JIANGSU SUCCESS WOOD PRODUCTS CO LTD	
Site name in local language	江苏中鑫家居新材料股份有限公司	
GPS location	**GPS address**	Henglin Town Nanfang Village, Wujin District, Changzhou City, Jiangsu Province, China.
	Coordinates	N31°41′0″ E120°4′55″
Is the worksite in a remote location, far from habitation?	No	
Site contact	**Contact name**	Ms. Ding Zhili
	Job title	HR Manager
	Phone number	0519-88508987
	Email	ZJZXJJXCL01@163.com
Applicable business and other legally required business license numbers and documents	1. Business license: 913204126789538092, Valid from Aug 14th, 2008 to Long Term. 2. Fire Safety Acceptance report, No: 常武公消验[2009]第0093号. 3. Building Construction Safety Acceptance Certificates, No: 3204052202240001-JX-001. 4. Pollutant discharge permit, No: 91320412678953809 2001R, valid till Dec 13th, 2028.	

← Management systems

Worker analysis →

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	**Primary**	Manufacture of furniture
	Secondary	
	Other	
Product type	Floorboard	
Process overview	Main product: Floorboard. Main operations: raw material, extruding, pressing, cutting, slotting, film coating, packing and finished product. Main equipment: 10 cutting machines, 13 extrusion machines, 5 laminating machines, 14 slotting machines, etc. And there were 5 production lines.	
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 There were 10 buildings in the fenced area. The factory used four 3-storey buildings, three 1-storey buildings, one partial 3-storey building and 3/F, 4/F of one 4-storey building as workshops, warehouses and offices. One 5-storey building and 1/F, 2/F of one 4-storey building were leased to Changzhou Hesheng Decoration Materials Co., Ltd and Changzhou Kanghui Catering Co., Ltd respectively, and the factory provided lease contracts for review, so the audit scope did not include this area.	
Building 1	**Last construction works on site**	2013
	If building is shared, provide details	N/A
	Number of floors	3
	Description of floor activities	Floor 1: Warehouse; Floor 2&3: Idle.

← Management systems

Worker analysis →

Site scope

Building 2	**Last construction works on site**	2013
	If building is shared, provide details	N/A
	Number of floors	3
	Description of floor activities	Floor 1 is used as workshop and office; Floor 2&3 is used as office.
Building 3	**Last construction works on site**	2013
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	All the 1-storey building is used as warehouse and workshop.
Building 4	**Last construction works on site**	2013
	If building is shared, provide details	N/A.
	Number of floors	1
	Description of floor activities	All the 1-storey building is used as warehouse and workshop.
Building 5	**Last construction works on site**	2013
	If building is shared, provide details	N/A.
	Number of floors	1
	Description of floor activities	All the 1-storey building is used as warehouse.

← Site details

Worker analysis →

Site scope

Building 6	**Last construction works on site**	2018
	If building is shared, provide details	N/A
	Number of floors	3
	Description of floor activities	Floor 1 is used as warehouse and workshop; Floor 2&3 is used as warehouse.
Building 7	**Last construction works on site**	2018
	If building is shared, provide details	N/A
	Number of floors	3
	Description of floor activities	Floor 1&2 is used as warehouse; Floor 3 is used as office.
Building 8	**Last construction works on site**	2013
	If building is shared, provide details	The factory only used the Floor 3&4 of the 4-storey building and the rest floors were leased to Changzhou Kanghui Catering Co., Ltd.
	Number of floors	4
	Description of floor activities	Floor 1&2 was rented by Changzhou Kanghui Catering Co., Ltd. Floor; Floor 3&4 was idle.
Building 9	**Last construction works on site**	2023
	If building is shared, provide details	N/A
	Number of floors	3
	Description of floor activities	Floor 1 is used as warehouse; Floor 2&3 was idle.

← Site details

Worker analysis →

Site scope

Is there any difference between the site scope of the audit and the Sedex site profile?	No
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?	No
Is any activity conducted onsite not included within the scope of the audit?	No

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	No
Does the site organise worker transport to the worksite?	Not provided There is no legal requirement that the site must provide transport for workers.

Work patterns

Approximate workers on site per month (% of peak)	**January**	90-100%	**February**	90-100%
	March	90-100%	**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%

← Site details

Worker analysis →

Work patterns

Is there any night shift work at the site?	No

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	ISO 45001 (OHS), ISO 14001 (Environmental management)
Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?	No N/A
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	No The facility has not conducted the HRIA within the last three years.

← Site details

Worker analysis →

Worker analysis

Gender disaggregated data available	Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	215 *(79.6%)*	55 *(20.4%)*	- -	270 *(100%)*

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	215 *(79.6%)*	55 *(20.4%)*	- -	270 *(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	166 *(86.5%)*	26 *(13.5%)*	- -	192 *(71.1%)*
International migrant workers	0 -	0 -	- -	0 *(0%)*
Total migrant workers	166 *(86.5%)*	26 *(13.5%)*	- -	192 *(71.1%)*

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from	The migrant workers are mainly from Yunnan, Sichuan and Anhui provinces.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	8 *(53.3%)*	7 *(46.7%)*	- -	15 *(5.6%)*
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	Through the interview with factory management, there was no obvious peak season at this 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	80%	20%	-	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	215 *(79.6%)*	55 *(20.4%)*	- -	270 *(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	215 *(79.6%)*	55 *(20.4%)*	- -	270 *(100%)*
Other	0 -	0 -	- -	0 *(0%)*

* % of total workforce

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

People in managerial, supervisorial and administrative roles

	Men	Women	Other	Total
Employees in management positions	5 *(45.5%)*	6 *(54.5%)*	- -	11
Supervisors or team leaders	4 *(22.2%)*	14 *(77.8%)*	- -	18
Administrative staff	43 *(78.2%)*	12 *(21.8%)*	- -	55

← 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	20 workers were interviewed in 4 groups with 5 workers each group.
Did workers understand the purpose of the audit?	Yes
Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers?	Yes

← 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) There was no complaint raised by workers.
What did the workers like the most about working at this site?	Communication (e.g. from management) Contracts Equal opportunities Freedom of movement Grievance mechanisms Training and development Work atmosphere (e.g. treatment by supervisors)
Additional comments	Most workers enjoyed working at this factory, and they had a good relationship with management in general.
Attitude of workers' committee/union representatives	The worker representative was satisfied with the working conditions, and she stated that she could give suggestions on all parts of the site's practices. No negative information identified.
Attitude of managers	Management interview was conducted through the audit. The factory management agreed that the auditor could access to all facilities, compound documents and records requested by the audit; take photo of the factory, copy relevant document records and conduct confidential worker interview.

Workers interviewed by type

	Total

← Worker analysis

Measuring workplace impact →

Workers interviewed by type

Permanent workers	27
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
Total number of workers interviewed	27

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	16	4	-	20
Workers interviewed individually	4	3	-	7

← Worker analysis

Measuring workplace impact →

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	16	5	-	21
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	16	5	-	21

← Worker interviews

Measuring workplace impact →

Measuring workplace impact

Gender disaggregated data available	Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	1.0%	2.0%	-	3.0%
Previous full calendar year (2024)	2.0%	3.0%	-	5.0%

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

Rate of absenteeism (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.1%	0.1%	-	0.2%
Previous full calendar year (2024)	0.2%	0.1%	-	0.3%

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 Accident records were provided for review. No accident had happened in recent 12 months in the factory.

← Worker interviews

Code area 0 →

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

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

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

Lost day work cases (per 100 workers)*

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

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

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

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

← Worker interviews

Code area 0 →

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

Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

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%

← Measuring workplace impact

Code area 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: 1. Based on talking with factory management, they were familiar with local laws and ETI Base Codes. 2. Ms.Ding/ HR Manager was appointed to be responsible for compliance with the local laws and Codes, social accountability policy and procedure. 3. The factory had communicated ETI Code to their suppliers. 4. Program documents which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements. 5. The audit was completed without any obstruction including the site tour, interview and documentation review. 6. The factory provided an accurate site description and Sedex site profile declared prior to or during the audit. The facility has ensured accurate records are shown and audit has been conducted with full transparency and integrity. 7. No bribery attempt or threat was made to the auditor during or after the audit. Evidence examined: - Social accountability policy - Internal audit documents - Management interview - Business license. - On-site tour. - Business license

← Measuring workplace impact

Code area 1 →

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

← Code area 0

Code area 1 →

1. Employment is freely chosen

Management systems

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

← Code area 0

Code area 1.A →

Management systems

Explanation for management systems grades	1, The factory established employment management procedure and prohibition of forced labor procedure. The procedures stipulated that the factory respected the workers' right to work and choose. The factory could not discriminate, threaten, harass or abuse workers in recruitment, and must interview workers fairly and justly according to the job requirements of the factory. If a worker was not satisfied with the factory after joining, they could notify the factory 3 days in advance during the probation period or notify the factory 1 month in advance for regular workers, and the worker could resign. Forced labor, human trafficking and debt bondage/bonded labor were explicitly prohibited in the factory. The facility reviewed and updated the polices and procedures annually and in the situation that there is the new criterion raised. The factory policies and procedures were appropriate for the site context and were very likely to lead to sustainable in the Base Code Area now and over time through regular review. 2, The factory appointed the HR Manager responsible for recruitment and age verification of workers, handling the on boarding and off-boarding procedures for workers. Responsible for communicating with workers about the discipline and regulations of the factory. At the same time, the person in charge needs to protect the legitimate rights and interests of workers from infringement. However, it was noted that the manager was not fully familiar with key international regulations such as the Modern Slavery Act 2015, Proposal for a regulation of the European Parliament and of the Council on prohibiting products made with forced labor on the Union market, and corporate sustainability due diligence directive. Improvement is recommended to enhance management's knowledge of these relevant laws. 3, New employees were required to attend on-boarding training from the GM office which included employment management procedure and prohibition of forced labor procedure. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone, including employment management procedure and prohibition of forced labor procedure. Per the interview with HR Manager, the factory will continue the refresh training to workers per the yearly training plan. 4, According to factory management interviews, the system established an effective communication channel between factory management and workers. Additionally, the senior manager strictly followed and monitored the execution of the procedure, ensuring that there were no any incidents of forced labor. Through management interviews and document review, it was noted that internal audit (once a year) was conducted to check for forced labor indicators, but the factory did not conduct unannounced surprise inspections. It is recommended to implement surprise

← Code area 0

Code area 1.A →

Management systems

	inspections to proactively identify potential risks.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

Systems and evidence examined to validate this code section	Current systems: 1. There was a non-formalized application procedure which stated that the workers present their IDs for proof of age, but only copies should be kept in the personnel files and the original would be given back to the workers. 2. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours. 3. The workers were not required lodging deposits or their identity papers to the factory at the beginning of employment. 4. The Anti-forced labor policy and procedure that prescribed no forced labor, bonded labor, prison labor can be used. And no controlling to workers through threats, penalties, coercion, etc. Ensure that the workers can freely leave the workplace at any time and the workers can freely resign per legal requirements. Evidence examined: 1. Personnel files. 2. Factory rules. 3. Employee handbook. 4. Management and worker interview. 5, Payroll records from May 2025 to Apr 2026: all workers were paid on monthly basis with full salary per legal requirements. And no any withholding from the worker's salary. All employee's salary is over the minimum legal requirements.

← Code area 0

Code area 1.A →

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

← Code area 1

Code area 1.A →

1.A. Responsible recruitment and entitlement to work

Management systems

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

← Code area 1

Code area 2 →

Management systems

Explanation for management systems grades	1, The factory established employment management procedure. The procedure stipulated that the factory respected the workers' right to work and choose. The factory could not discriminate, threaten, harass or abuse workers in recruitment, and must interview workers fairly and justly according to the job requirements of the factory. The factory would check the original ID cards of the workers during recruitment to ensure that all recruited workers were 16 years old and above. The factory would sign formal labor contracts with the workers. If a worker was not satisfied with the factory after joining, they could notify the factory 3 days in advance during the probation period, or notify the factory 1 month in advance for regular workers, and the worker could resign. The facility reviewed and updated the polices and procedures annually. 2, The factory appointed the HR Manager responsible for recruitment and age verification of workers, handling the onboarding and off-boarding procedures for workers. Responsible for communicating with workers about the discipline and regulations of the factory. Per the interview with the manager, she had sufficient knowledge to ensure that the responsible recruitment and entitlement to work could be well managed at the factory. When the person in charge took leave, the factory arranged for other personnel to take responsibility to ensure effective communication. 3, Training was conducted according to the documented procedure, which included refresher training. All training records were kept for at least 12 months. The factory had formal communication or training on this topic. All employees, including workers, managers and office employees had been formally trained on this topic. However, during the interview, it was noted that some employees had forgotten some of the training contents. It is recommended to enhance the effectiveness of the training to ensure better retention of the knowledge. 4, According to the factory management interview, after workers are hired, their employee files, labor contracts, and copies of their ID cards would be kept in the factory. According to workers interview, workers were not discriminated against, threatened, harassed, or abused. After private communication, they found that the welfare benefits of all workers were basically the same. All workers were hired by the factory directly and no labor providers were available. The factory encouraged workers to report any discriminated against, threatened, harassed, or abused found. The HR Manager was a responsible person for ensuring that all workers had copies of their employment contracts, pay arrangements and job descriptions through internal audits and documents review. Annual audit and review was done to ensure that the recruitment related items are implemented effectively. The site reviews and updates its monitoring processes regularly based on findings. Corrective actions are taken

← Code area 1

Code area 2 →

Management systems

immediately when risks are identified.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. Per documents review, factory management representation and employee interview, all employees in the factory were Chinese, no migrant employees from other country were noted in the facility. No agency staff or foreign employees were used by the facility. 2. All employees had the proper legal rights to work in this region. 3. The youngest worker in factory was 21 years old. 4. During the management and worker interview, no recruitment fee was mentioned, and it was clarified that no recruitment fee will be charged for recruitment. Evidence examined: 1, Hiring/ recruitment procedure. 2, Worker personnel files and labor contracts. 3, Worker interview: all interviewed workers stated that they were hired directly by the factory and they didn't pay any recruitment fees or cost. 4, Payroll records. 5, Per the interview with management, there were no any recruitment fees or cost identified and no sub-contractors used at the factory.

← Code area 1

Code area 2 →

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	71%
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 migrant workers are mainly from Yunnan, Sichuan and Anhui provinces.

Recruitment fees

Have any workers who started at this site in the last 12 months (new workers) paid any recruitment fees or associated costs, such as visas or travel, which have not been fully repaid?	No - all new workers were recruited locally by the site
Select 1 to 3 sending countries/regions of new workers. Record fees and costs in the following tables.	China

New workers totals

	China
Number of workers	7

Recruitment fees

	China
Payments made in exchange for work	-
Recruitment services which are not optional	-

← Code area 1.A

Code area 2 →

Recruitment fees

Other or uncategorised	-

Related costs

	China
Medical costs	-
Insurance costs	-
Skills and qualification tests	-
Training and orientation	-
Equipment costs	-
Travel costs	-
Accommodation costs	-
Administrative costs	-
Other or uncategorised	-

Illegitimate costs

	China
Payments made to illegitimate actors involved in the recruitment process	-

← Code area 1.A

Code area 2 →

Illegitimate costs

Payments made to illegitimate actors during the course of employment	-
Other or uncategorised	-

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

	China
Yes - to a recruiter	-
Yes - to the audited site	-
Yes - to a third party	-
No - could not verify	✓

Highest total costs incurred

	China
Currency	CNY
Highest total costs incurred	0.0
Additional comments	All newly hired employees were directly recruited locally by the factory, with no recruitment-related costs and recruitment fees incurred.

← Code area 1.A

Code area 2 →

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

Management systems

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

← Code area 1.A

Code area 3 →

Management systems

Explanation for management systems grades	1,The facility's policy to respect workers' freedom of association and right to collective bargaining outlined the systems in place to manage this issue at the site, including all relevant requirements of the code area. Further details could be found in the Worker Representative Management Procedure and The Right to Freedom of Association and Collective Bargaining. The policy was reviewed on a yearly basis or under the situation that there is new criterion raised. 2,One senior manager was responsible for implementation and was aware of his responsibility. The factory appointed the senior manager to assist workers in electing worker representatives, regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The senior manager held regular meetings with worker representatives to discuss and follow up on the decisions made during the meeting. However, there was no back-up system set up to ensure that when the manager was not available, other personnel could take responsibility to ensure effective communication. It is recommended to establish a backup mechanism to ensure continuous and effective communication. 3,Training was conducted according to the documented procedure, which included refresher training. All training records were kept for at least 12 months. The factory had formal communication or training on this topic. All employees, including workers, managers, supervisors, and office employees had been formally trained on this topic. Per the interview with Admin. manager, the factory will continue the training to workers and ensure the smooth communication. 4,The general manager strictly followed and monitored the execution of the procedure, and workers were free to elect worker representatives, who could hold meetings and communicate with workers as necessary. There was a structured grievance mechanism for workers to report issues without fear of retaliation. However, it was noted that workers did not fully utilize the mechanism, and there were no cases recorded. It is recommended to enhance worker awareness and trust in the grievance mechanism to encourage its active use.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 1.A

Code area 3 →

Systems and evidence examined to validate this code section	Current systems: 1. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China. So the factory had no right to form the trade union independently 2. The factory had established written policy on freedom of association. 4 worker representatives were elected by workers, regular meetings between worker representative were carried out, the presentation and communication was effective. 3. Workers could raise their grievances or complaint to their worker representative or management directly. Evidence examined: 1. Interview with workers. 2. Interview with worker representative. 3. Freedom of association and collective bargaining procedure. 4. Worker representative election records. 5. Worker representative meeting minutes. 6. Interview with management.

← Code area 1.A

Code area 3 →

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, other (provide details) There are four worker representatives at the factory.
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?	Not Applicable
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

← Code area 2

Code area 3 →

3. Working conditions are safe and hygienic

Management systems

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

← Code area 2

Code area 4 →

Management systems

Explanation for management systems grades	1,The factory established PPE management procedure, fire safety control procedure, and EHS management procedure, etc. The procedures specified the guidelines that the factory needs to follow in chemical management, environmental safety, health and safety, equipment safety, electrical safety, labor protection safety, fire safety, building safety, etc. All these procedures outline the systems in place to manage these safety/health-related items at the site, which were reviewed on a yearly basis and in the situation when there is new criterion raised. 2,The factory HR Manager is responsible for all safety issues, including environmental safety, health and safety, equipment safety, electrical safety, labor protection safety, fire safety, building safety, etc. However, there was no back-up person designated to ensure that when the responsible person was not available, the safety/health work could be managed effectively. It is recommended to appoint a backup personnel to ensure continuous safety management. 3,Workers received relevant training and used what they learned to develop effective procedures. All training records were kept for at least 12 months. New employees were required to attend on-boarding training from the management which included facility safety and health policy. According to factory management interviews and worker interviews, it was noted that the factory also held an annual training on factory procedure documents for all employees. However, refresher courses were not as frequent as they should be, and some new safety regulations or best practices might not be communicated to all employees in a timely manner. It is recommended to increase the frequency of refresher training and establish a mechanism for timely communication of new safety updates. 4,According to factory management interview, the factory management had established procedures and conducted risk assessments annually, and an H&S committee was available in the factory. First aid kits and PPE were provided for workers freely. Workers could stop working, seek safety or leave the premises without the threat or fear of retaliation when they believed hazards in the workplace had placed them in imminent danger. According to worker interviews, they were aware of the requirements regarding occupational safety and health of factory. However, the actual implementation on the workshop floor had failed to achieve satisfactory results, with persistent issues such as, electric box management, PPE management, etc. In addition, the factory lacked surprise inspections, as most inspections were only conducted on a monthly basis. Fundamental improvements are required to strengthen on-site enforcement, ensure consistent compliance with safety procedures, and implement unannounced inspections to proactively identify and mitigate risks.

← Code area 2

Code area 4 →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601480942
	3.O Implement an appropriate electrical safet...	Local law	NC ZAF601480943
	3.O Implement an appropriate electrical safet...	Local law	NC ZAF601490956

← Code area 2

Code area 4 →

Systems and evidence examined to validate this code section	Current systems: 1. The factory had established a health and safety policy and a health and safety committee were established. 2. Fire extinguishers and fire hydrant were inspected once every month, and records were available. 3. The factory had provided accessible drinking water at the production floor. 4. The factory provided adequate toilets for workers. Based on onsite observation, toilets were clean and separated for men and women. 5. First aid kit was available at the workshop. 6. Based on workers interview, the workers were trained EHS, such as machine operating, fire fighting and drills, etc. 7. Fire fighting training/ drill was done twice each year with the latest one done on Jun 4th, 2026. 8. Machine safety: The workers had been trained in the proper use of equipment. No accident or injury had occurred up to the audit date. 9. Chemical management: The factory had set up the chemical management system, a list of chemicals was maintained, MSDS was available and post at the storage area and where they are used. Evidence examined: 1. Health& safety policy. 2. Accident, injury records. 3. Fire equipment maintenance records. 4. Interviews with safety responsible manager. 5. Interviews with workers and H&S committee members. 6. Worker training on safety and health. 7. On-site tour. 8. ISO45001 certificate.

← Code area 2

Code area 4 →

Findings: non-compliances

ZAF601480942

Non-compliance

Due 2024-06-21

Code area

3 Working conditions are safe and hygienic

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).

Issue title

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

Description

During on-site tour, it was noted that 3 workers at Extruding workshop and 2 workers at Cutting workshop didn't wear the provided earplugs during operation. 现场审核时发现，挤出车间的3名及裁切车间的2名员工在工作时没有佩带工厂提供的耳塞。

Description (carried over)

Employees did not properly wear PPE (Personal Protective Equipment). During facility tour, auditor found that 2 out of 5 employees working in the film coating workshop on 1/F of production building 3 did not wear the provided earplugs, 4 out of 10 employees working in the lamination working workshop on 1/F of production building 2 did not wear the provided earplugs. 员工未按要求正确佩戴劳动防护用品。在现场巡查时，审核员发现3号厂房一楼的淋膜车间有2名员工没有佩戴企业提供的耳塞，2号厂房一楼的覆膜车间有4名员工没有佩戴企业提供的耳塞。

Intended corrective and preventative actions, based on root cause analysis

The factory should train employees to wear personal protective equipment properly and strengthen the monitoring.工厂应对员工进行培训，确保他们正确使用劳保用品并加强监督。

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

The factory should train employees to wear personal protective equipment properly and strengthen the monitoring. 工厂应培训员工正确佩带劳保用品并加强监督。

Status

Closed (2026-08-14)*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →

Local law reference

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

Evidence



Not wearing earplugs.jpg

* PDF generated at 15:07 (UTC) on 24 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601480943

Non-compliance Due 2025-07-20

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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

Issue title

224 - Isolated occurrence of incorrect/damaged insulation in electricals including burnt/damaged wiring and plugs

Description

Per on-site tour, it was noted that the factory has installed the insulation cover for the electrical box.

Status

Closed (2026-06-23)*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Description (carried over)

The live parts of the machine lack safety protection. During facility tour, auditor found that 1 electrical box was not installed with insulation cover at the 1/F of production Building 2. 设备带电部分缺少安全防护。在现场巡查时，审核员发现2号厂房一楼有一个电箱盒没有安装外盖。

Intended corrective and preventative actions, based on root cause analysis

The factory has installed the insulation cover for the electrical box.

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

It is recommended that safety devices should be equipped to live wires of equipement to comply with the law. 建议企业对设备的带电部位按要求安装防护装置。

Local law reference

In accordance with National Safety Technical Code for Electric Equipments-GB19517-2023
Article 5.2 Preventive measure against the hazard of electric shock
The requirements for protecting against electric shock hazards include the following aspects.
b) Insulation protection technology, direct contact technology, indirect contact technology, etc. should be used to provide sufficient protection against the hazards caused by the direct action of electrical energy when the product is used according to its designed purpose.
c) The product should meet the requirements of electrical insulation performance such as insulation resistance, dielectric strength, heat resistance, moisture resistance, pollution prevention, flame retardancy, resistance to electric leakage and marking. Additional insulation or reinforced insulation should be assessed separately, and it should be ensured that the fault contact voltage does not cause harm in the event of basic insulation failure or arc.
d) The structure, shell or cover of the product, when it is in a closed electrical workplace, will not pose a risk of accidental contact with live parts. The shell, cover and other components are only allowed to be disassembled or opened with tools.

Evidence



Insulation cover installed.jpg

← Code area 3

Code area 4 →

* PDF generated at 15:07 (UTC) on 24 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601490956

Non-compliance

Due 2026-08-28

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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

Issue title

224 - Isolated occurrence of incorrect/damaged insulation in electricals including burnt/damaged wiring and plugs

Description

During on-site tour, it was noted that 1 electrical box was not installed with internal safety panel at the Grinding workshop. 现场审核时发现，粉碎车间的一个配电盘没有安装内防护挡板。

Intended corrective and preventative actions, based on root cause analysis

The factory should install internal safety panel at all electrical boxes. 工厂应在所有的配电盘内安装内防护挡板。

Local law reference

In accordance with National Safety Technical Code for Electric Equipments-GB19517-2023 Article 5.2 Preventive measure against the hazard of electric shock The requirements for protecting against electric shock hazards include the following aspects. b) Insulation protection technology, direct contact technology, indirect contact technology, etc. should be used to provide sufficient protection against the hazards caused by the direct action of electrical energy when the product is used according to its designed purpose. c) The product should meet the requirements of electrical insulation performance such as insulation resistance, dielectric strength, heat resistance, moisture resistance, pollution prevention, flame retardancy, resistance to electric leakage and marking. Additional insulation or reinforced insulation should be assessed separately, and it should be ensured that the fault contact voltage does not cause harm in the event of basic insulation failure or arc. d) The structure, shell or cover of the product, when it is in a closed electrical workplace, will not pose a risk of accidental contact with live parts. The shell, cover and other components are only allowed to be disassembled or opened with tools.

Evidence

Status

Closed (2026-08-14)*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

← Code area 3

Code area 4 →



No internal safty panel installed.jpg

* PDF generated at 15:07 (UTC) on 24 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 Yes, qualified safety officer
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Through on-site tour, it was noted that the chemicals were used at the workshops.
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable Through on-site tour, it was noted that there was no structural addition at the facility.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No

← Code area 3

Code area 4 →

Does the site have a structural engineer evaluation?	Yes

← Code area 3

Code area 4 →

4. Child labour shall not be used

Management systems

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

← Code area 3

Code area 5 →

Management systems

Explanation for management systems grades	1.The factory child labor policy and procedure outlining the systems in place to manage this issue at the site included all relevant requirements of the code area. The management system was strengthened by specific policies and processes, including the implementation of controls for compliance with the requirements of the workplace. The factory established a policy prohibiting child labor, and the age of all job applicants must be strictly verified. The procedure showed that in accordance with local regulations, the facility did not recruit children under the age of 16. In addition, according to local requirements, workers under the age of 18 were refused engagement in toxic and harmful operations, and underage workers were arranged to undergo health checks every year. The factory updated its policies and procedures annually. 2.One senior manager was responsible for implementation and was aware of his responsibility. The manager was responsible for regularly communicating with worker representatives, following up on worker representative meetings, and reporting to the factory management. The manager had been working in the factory for many years and had a good understanding of the policy content and the situation of the factory. The factory maintained detailed age verification records for all workers. When the person in charge took leave, the factory arranged for other personnel to take responsibility to ensure effective communication. 3.Training was conducted according to the documented procedure, which included assessment and refresher training. All training records were kept for at least 12 months. The manager received relevant social responsibility training, including prohibiting child labor and protecting juvenile workers. The manager used this knowledge to develop effective procedural documents and to conduct training for workers, supervisors, and office employees. All workers had received training on prohibiting child labor and protecting juvenile workers once a year. Per the interview with the manager, the factory will renew the training each year. 4.Adherence to the processes was monitored via departmental reporting to the General Manager. The system established an effective communication channel between factory management and workers. All managers strictly followed and monitored the execution of the procedure to ensure that child labor was not recruited and that special protection was given to underage workers. Through management interviews and document review, it was noted that the factory regularly reviewed hiring records and worker ID cards to prevent child labor.

← Code area 3

Code area 5 →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. HR procedure had defined the candidates must be above 16 years old. 2. The factory had established effective procedure to check the workers' ages during the recruitment and kept all employees ID copies. 3. Form personal files showed that no child labor or young worker was identified in the factory. 4. Based on document review and workers interview, no child labor or young worker was found in the factory. The youngest worker in factory was 21 years old. 5. Based on document review and management interview, the facility had established and contributed to policies and programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child and return the child to his/her parents' and other guardian's original place of residence within a reasonable period of time. Employing units shall be entirely responsible for all transportation, abode and meal expenses in relation to returning the child to his/her original place of residence. Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labor. Evidence examined: 1, Policy on workers recruitment with the remediation actions prescribed in the policy if any underage worker recruited. 2, Personnel files including the ID card copies of workers. 3, Employee roster and labor contracts of all workers. 4, Worker interview and management interview.

← Code area 3

Code area 5 →

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	5%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	21
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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

← Code area 4

Code area 5.A →

Management systems

Explanation for management systems grades	1,The factory's wages and benefits policy and procedure clearly outlined the systems in place to manage this issue at the site. The management system was strengthened by specific policies and processes, including the implementation of strict controls for workplace compliance. The procedures stipulated that the factory must pay employees' wages correctly according to local requirements, ensuring that all wages meet or exceed the local minimum wage standard. The facility reviewed and updated these policies and procedures annually to maintain full compliance. 2,A senior manager was designated as responsible for implementation and was fully aware of her responsibilities. She demonstrated a clear understanding of the local minimum wage and was highly familiar with relevant details such as overtime calculation rates. According to the interview with the manager, she maintained close communication with local authorities to ensure that all wage-related legal requirements would be met in the future. Additionally, when the person in charge took leave, the factory had arranged for other qualified personnel to take over, ensuring effective communication was continuously maintained. 3,New employees were required to attend on-boarding training which included the salary and benefits management procedure. According to interviews with factory management and workers, the factory also held annual training on procedure documents for all staff, covering the salary and benefits management procedure. However, it was noted that the factory did not provide further ad-hoc communication regarding updates to these policies, and the wage and benefits policy was not currently displayed on the announcement board. It is recommended to enhance worker awareness by providing additional targeted training sessions and prominently displaying key policy information on the notice board. 4,Although adherence to processes was monitored via departmental reporting to the General Manager and random wage verifications were conducted, gaps in statutory compliance were identified. Specifically, the mandatory five type of social insurances did not cover all employees. The factory needs to check the root cause for the only worker who had not participated in the social insurances to ensure the 100% coverage.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

← Code area 4

Code area 5.A →

5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC	ZAF601480941
	5.B Ensure that workers receive the insurance...	Local law	NC	ZAF601490957

Systems and evidence examined to validate this code section	Current systems: 1. The factory had established policies on wages and benefits and communicated them to workers. 2. The local minimum wage was RMB 2660 per month, effective from Jan 1st, 2026. The minimum wage was 2490 per month before Jan 1st, 2026. 3. All workers were paid before 30th of the following month by bank transfer. 4. The factory had provided benefits of paid annual leave and statutory holidays to workers. 5. The social insurances didn't cover all employees. Evidence examined: 1. Local and national laws. 2. Wages and benefits policy. 3. Local legal minimum wage documents. 4. Payroll records from May 2025 to Apr 2026 of all workers. 5. Leave records of workers. 6. Labor contracts of all employees. 7. Resignation records. 8. Management/ Worker interview. 9. Social insurance payment receipts.

← Code area 4

Code area 5.A →

Findings: non-compliances

ZAF601480941

Non-compliance

Due 2024-07-21

Code area

5 Legal wages are paid

Workplace requirement

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

Issue title

424 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - isolated

Description

The NC was not complete, please refer to the new NC.

Status

Closed (2026-06-27)*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

Description (carried over)

Insufficient social insurance participated. According to the social insurance records provided by the factory from May 2024 to April 2025, it was noted that the factory provided social insurance for all eligible employees except in April 2025. Total 406 employees hired by the facility, including 3 retiree hired to work, and no new hired employee. Thus total 403 employees were eligible for social insurance in April 2025. Based on the social insurance records of April 2025, auditor found that 400 employees (99.3%) had participated in basic endowment insurance, basic medical insurance, maternity insurance, unemployment insurance and injury insurance. For additional information, the facility provided the group accident insurance (ZKING PROPERTY&CASUALTY INSURANCE CO.,LTD) for 393 employees, which valid from March 26, 2025 to March 25, 2026. 社保购买不足。根据工厂提供的2024年5月至2025年4月的社会保险缴费记录，除了2025年4月，工厂为所有符合条件的员工都缴纳了社会保险。工厂共有406名员工其中包括3名退休返聘工人,没有新入职工人。因此工厂应向403名员工提供社保。根据2025年04月份的社保缴费记录，工厂为400名员工提供养老，生育保险，医疗保险，失业保险和工伤保险。备注：工厂有提供团体意外伤害保险给393名员工有效期是2025年03月26日至2026年03月25日。

Intended corrective and preventative actions, based on root cause analysis

The NC was not complete, please refer to the new NC.

← Code area 5

Code area 5.A →

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

The factory should provide 5 kinds of social insurances for all employees. 工厂应为所有员工缴纳五项社会保险。

Local law reference

Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing.

* PDF generated at 15:07 (UTC) on 24 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601490957

Non-compliance

Due 2026-08-28

Code area

5 Legal wages are paid

Workplace requirement

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

Issue title

424 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - isolated

Description

Social insurances didn't cover all employees. There were totally 354 employees in the factory during audit, including 6 retirees, hence 348 employees were eligible for 5 kinds of social insurances. According to the social insurance payment receipt of May 2026, it was noted that 347 out of 348 employees (99.7%) participated in pension insurance, medical insurance, accident insurance, maternity insurance and unemployment insurance. Remark: The factory provided the commercial accident insurance for 318 employees, which is valid till Mar 25th, 2027. 社保没有覆盖全部员工。审核时工厂共有354名员工，包括6名退休员工，工厂应为348名员工缴纳五项社会保险。根据2026年5月份的社保记录，348名员工中有347人(99.7%)缴纳了养老，医疗，工伤，生育及失业保险。 备注：工厂为318名员工提供了商业意外险，有效期至2027年3月25日。

Status

Open*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

← Code area 5

Code area 5.A →

Intended corrective and preventative actions, based on root cause analysis

The factory should provide 5 kinds of social insurances for all employees per legal requirements.
工厂应依照法规要求为所有员工缴纳五项社会保险

Local law reference

Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing.

Evidence



Social insurance payment receipt of May 2026.jpg

Social insurance participant certificate May 2026.pdf

* PDF generated at 15:07 (UTC) on 24 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 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 renumeration

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

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	184.0
Maximum legal overtime hours	**Max hours per day**	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	**Max hours per day**	2.0
	Max hours per week	15.5
	Max hours per month	60.0
Minimum legal wage	**Min per hour**	15.29
	Min per day	122.3
	Min per week	611.49
	Min per month	2660.0
Actual minimum wage	**Actual per hour**	26.44
	Actual per day	211.49
	Actual per week	1057.47
	Actual per month	4600.0

← Code area 5

Code area 5.A →

Minimum legal overtime wage	**Min per hour**	22.94
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	**Actual per hour**	39.66
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	78
Provide the date and details of the records	26 samples from Sept 2025. 26 samples from Dec 2025. 26 samples from Apr 2026.
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	All workers' wages were above legal minimum wage standard.
Are there any bonus schemes used?	No

← Code area 5

Code area 5.A →

Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

← Code area 5

Code area 5.A →

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. The factory had provided payroll records from May 2025 to Apr 2026 for review. 2. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid. 3. The site does not have any certification in place for living wages. Not required by law. 4. The factory had calculated the living wage according to Anker methodology per local consumption status. The calculation method is one of the six benchmarks and aligns with the ILO's ten principles. Per the calculation sheet, the living wage is RMB 3492/ month. Per the payrolls of the 3 sampled months (Sept 2025, Dec 2025 and Apr 2026), the lowest basic wage is RMB 4600/ month. The employees' basic salary is higher than the living wage. Evidence examined: 1. Local and national laws. 2. Wages and benefits policy. 3. Local legal minimum wage documents. 4. Payroll records from May 2025 to Apr 2026 of all workers. 5. Worker interview. 6. Labor contracts of all employees. 7. Living wage calculation sheet.

← Code area 5

Code area 6 →

6. Working hours are not excessive

Management systems

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

← Code area 5.A

Code area 7 →

Management systems

Explanation for management systems grades	1.The factory's working hours policy and procedure clearly outlined the systems in place to manage this issue at the site, covering all relevant requirements of the code area. The employee handbook explicitly documented employees' working time requirements, including both regular work hours and overtime hours. Normal working hours were set at 8 hours per day and 40 hours per week. Overtime work was arranged only when production needs arose, and the manual specifically emphasized that all overtime must be voluntary. The factory reviewed and updated its policies and procedures on this topic annually to ensure ongoing compliance. 2.The documentation clearly assigned responsibilities, outlined processes, and addressed all relevant code areas. A senior manager was designated as responsible for implementation and was fully aware of his duties. According to the interview with the manager, he had a clear understanding of the criteria related to working hours. However, it was noted that broader involvement from additional responsible persons is needed within the work time management process to establish concrete targets and actionable steps for gradually reducing overtime. It is recommended to establish a cross-functional team to actively manage and systematically reduce overtime hours. 3.Training was conducted according to documented procedures, which included formal assessments and refresher training. All training records were properly archived and kept for at least 12 months. New employees were required to attend on-boarding training conducted by management, and an employee handbook containing details on regular working time and overtime was provided. According to interviews with factory management and workers, the factory also held annual training on updated procedure documents for workers. However, the factory did not arrange specific targeted training for line supervisors, such as workshops on how to resolve production bottleneck issues, to ensure they possess the necessary awareness and skills to minimize unnecessary overtime. It is recommended to provide targeted training for line supervisors on production planning and operational efficiency to help reduce excessive overtime. 4.Adherence to these processes was monitored via departmental reporting to the General Manager, and the system established effective communication channels between factory management and workers. Worker interviews confirmed that they were very clear about the factory's specific requirements regarding working time, including regular hours and overtime. The GM Office closely monitored the number of overtime hours, and the electronic attendance and payroll system included mechanisms to track overtime volume and compensation costs. However, despite these monitoring and analysis efforts, actual monthly overtime hours consistently exceeded legal limits due to frequent order changes and production fluctuations.

← Code area 5.A

Code area 7 →

Management systems

	Fundamental improvements are urgently required in production planning, capacity management, and labor allocation to ensure that working hours consistently comply with legal limits, even during peak seasons.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC ZAF601490955

Systems and evidence examined to validate this code section	Current systems: 1. The factory had provided all workers' attendance records from May 1st, 2025 to the audit day for review. 2. The working time of workers were recorded by facing scanning machines. 3. According to time records and worker interview, the normal working hour were 8 hours per day and 40 hours per week. Maximum consecutive working days are 6. 4. Through workers' interview, overtime is voluntarily conducted in the factory. 5. Per the attendance records review from 3 sampled months (Sept 2025, Dec 2025 and Apr 2026), it was noted that the workers' monthly overtime hours exceeded the legal limit. 6. Overtime was paid at 150%, 200%, and 300% of the normal wage rate for extended working hours on workdays, rest days, and statutory holidays respectively, as required by law. Evidence examined: 1. Employee interview. 2. Management interview. 3. Factory policy on working hours. 4. Sample pay slips with recorded hours all workers interviewed. 5. Workers contracts. 6. Attendance records. 7. Production records.

← Code area 5.A

Code area 7 →

Findings: non-compliances

ZAF601490955

Non-compliance

Due 2026-08-28

Code area

6 Working hours are not excessive

Workplace requirement

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

Issue title

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

Description

Based on 10 sampled workers' attendance records from three sampled months (Sept 2025, Dec 2025 and Apr 2026) provided by factory, it was noted that all 10 sampled employees' monthly overtime hours exceeded the legal limit, 36 hours per month. The maximum overtime hours found in Sept 2025 were 59.5, and 60 hours in Dec 2025, 57.5 hours in Apr 2026. 基于抽样的10名员工2025年9月，2025年12月和2026年4月的考勤记录发现，所有10名员工的月加班时间超出法规要求的每月36小时。月最多加班时间在2025年9月为59.5小时，2025年12月份为60小时, 2026年4月为57.5小时。

Intended corrective and preventative actions, based on root cause analysis

The factory should ensure that employees' overtime hours comply with legal requirements.工厂应确保员工加班时间符合法规要求.

Local law reference

Labour Law of the People's Republic of China, Article 41 The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.

Evidence

Status

Open*

Time given to resolve

60 days

Verification method

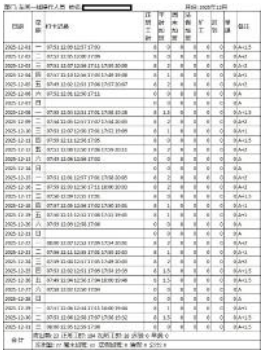
Follow up audit

Area of non-compliance/non-conformance

Local law

← Code area 6

Code area 7 →



Attendance record of Dec 2025.jpg

* PDF generated at 15:07 (UTC) on 24 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	N/A
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?	54.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	55.5
Maximum number of days worked without a day off in sample	6

← Code area 6

Code area 7 →

7. No discrimination is practiced

Management systems

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

← Code area 6

Code area 8 →

Management systems

Explanation for management systems grades	1.The factory maintained a comprehensive equity approach, including detailed policies and procedures on gender equity and other non-discrimination aspects (e.g., race, caste, national origin, religion, age, disability, marital status, sexual orientation, union membership, political affiliation). Additionally, the factory established a specific Prohibition of Discrimination Procedure. All these procedures stipulated that the factory ensured every employee was treated fairly in recruitment, salary, benefits, training opportunities, work arrangements, promotion, disciplinary actions, and dismissal, without discrimination based on gender, race, religious beliefs, age, disability, sexual orientation, nationality, political views, social status, or personal preferences. Specific guidelines on gender equity were readily available at the facility. The factory reviewed and updated these policies and procedures annually to maintain full compliance. 2.The documentation clearly assigned responsibilities, outlined processes, and addressed all relevant code areas, which could be considered sound. A senior manager was designated as responsible for implementation and was aware of her general duties. However, during management interviews, it was noted that the manager was not particularly familiar with the specific technical requirements of anti-discrimination standards and relevant local regulations. It is recommended to provide targeted training to the management team to enhance their in-depth knowledge of anti-discrimination laws, code requirements, and industry best practices. 3.Training was conducted strictly according to documented procedures, which included formal assessments and regular refresher training. All training records were properly archived and kept for at least 12 months. New employees were required to attend on-boarding training conducted by the Admin Department, where they received the employee handbook covering the discrimination policy. Furthermore, it was explicitly confirmed that no worker was required to undergo medical examinations for Hepatitis B or HIV. According to interviews with factory management and workers, the factory held annual training on procedure documents for all staff, ensuring everyone was informed about the discrimination policy. The factory also conducted an overall evaluation of the previous year's training effectiveness and regularly performed training needs analyses to develop future plans adapted to changing operating conditions. 4.According to interviews with factory management, the leadership strongly opposed any discriminatory behavior and remained committed to the fair treatment of all employees. Worker interviews corroborated this, as interviewed workers stated they did not feel discriminated against and felt comfortable discussing issues with management, receiving satisfactory responses. Management had also repeatedly

← Code area 6

Code area 8 →

Management systems

	encouraged workers to report any instances of discriminatory behavior. However, it was noted that a formal survey system was not currently in place to regularly collect anonymous feedback from on-site employees. It is recommended to establish a periodic survey mechanism to systematically gather employee input and proactively identify any potential hidden discrimination risks.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 6

Code area 8 →

Systems and evidence examined to validate this code section	Current systems: 1. According to management interview and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement. 2. There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found; 3. There was no evidence of sexual harassment. 4. The management generally knew the requirement of Non-Discrimination. As informed by interviewed workers, most employees spoke highly of the factory owner. 5. The factory had established gender equality policy and had provided training on gender equality to all employees. 6. Dedicated equity measures in core processes: -Recruitment: Bias-free selection criteria, multi-channel recruitment to attract diverse talents, and inclusive screening processes accommodating different backgrounds and abilities. -Promotion: Equitable assessment criteria recognizing diverse contributions, multi-dimensional assessment via a diverse assessment committee, and fair appeal mechanism. -Development: Fair resource allocation, personalized and regularly adjusted capacity improvement plans catering to individual needs. -Training: Fair needs assessment mechanism, inclusive access to learning resources, and objective effect evaluation. -Workplace Accessibility: Provision of reasonable accommodations for workers with specific needs (e.g., physical accessibility, flexible scheduling). DEI framework includes: (1) Comprehensive equity policies/procedures covering all protected characteristics; (2) Independent DEI action plan; (3) Measures addressing barriers based on gender, age, disability, or cultural background; (4) On-site inclusion initiatives; (5) Partnerships with independent third parties (e.g. NGOs). Such as proactive measures to ensure pay equity across all demographics and providing reasonable accommodations for pregnant workers and employees with disabilities; promotion was based on workers' ability and skill; training was based on working requirement. Evidence examined: 1. Attendance records. 2. Payrolls. 3. The hiring and termination procedure, leave application records and employee handbook. 4. Workers interview. 5. Anti-discrimination policy to set the requirements for the equal opportunity in

← Code area 6

Code area 8 →

recruitment, training, development and promotion.
6. Training records.
7. Employee grievance records.

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)?	0%
Representation of women in managerial roles (ratio of women workers to women managers)	10%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	25%
Three most common nationalities in managerial and supervisory roles	All managers and supervisors are Chinese.

← 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
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

← Code area 7

Code area 8.A →

Management systems

Explanation for management systems grades	1.The factory's recruitment policy and procedure clearly outlined the systems in place to manage this issue at the site, covering all relevant requirements of the code area. The management system was strengthened by specific policies and processes, including the implementation of strict controls for workplace compliance. The procedures stipulated that all employees must be recruited directly by the GM Office and receive mandatory training. No labor agencies were used to hire workers. Furthermore, according to the policy, there were no temporary workers, apprenticeship schemes, or home workers employed at the facility. The factory provided written labor contracts to all employees that specified the terms and conditions of employment, including wages, working hours, job descriptions, notice periods, and benefits. The factory reviewed and updated its policies and procedures annually to ensure ongoing compliance. 2.The documentation clearly assigned responsibilities, outlined processes, and addressed all relevant code areas, which could be considered sound. A senior manager was designated as responsible for implementation and was fully aware of his duties. During the interview, the manager demonstrated a solid understanding of the topic's content and the employee handbook, and he was highly familiar with applying these guidelines to actual recruitment practices. He possessed a comprehensive grasp of both the policy details and the factory's operational context. Additionally, when the primary person in charge was on leave, the factory had arranged for other qualified personnel to take over, ensuring effective communication was continuously maintained. 3.Training was conducted strictly according to documented procedures, which included regular refresher training. All training records were properly archived and kept for at least 12 months. New employees were required to attend mandatory on-boarding training. According to interviews with factory management and workers, the factory also held annual training sessions on procedure documents for all staff. As confirmed by the HR Manager during the interview, the facility was committed to continuing renewal training for line supervisors and employees. The factory also developed a comprehensive annual training plan and updated it every year based on actual operational needs. 4.Adherence to these processes was monitored through departmental reporting to the General Manager, and mechanisms were in place to verify whether procedures were being correctly implemented by employees. The manager actively followed and monitored the execution of procedures to ensure that regular employment was provided to workers. However, it was noted that supervisors did not proactively conduct surveys or investigations with workers to identify potential hidden

← Code area 7

Code area 8.A →

Management systems

	employment risks within the facility. It is recommended to establish a proactive survey mechanism for supervisors to regularly gather worker feedback and systematically identify any potential employment-related risks.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. No casual worker, apprenticeship schemes or home worker was identified during the audit. 2. All workers were required to sign the labor contracts with the factory and one copy would be issued to them. 3. Based on the labor contracts review, all legal required items were contained in the contracts and no negative evidence was identified in labor contents between workers and factory. Evidence examined: 1. Employment procedure. 2. Labor contract: the factory signed labor contracts with all employees with one hard copy provided to the employees. The labor contracts prescribe the term of the labor contract, the content and location of the work, working hours and rest and vacation, labor compensation, social insurance and welfare benefits, contract changes, contract rescission and termination, and so on. 3. Training records. 4. Employee personnel files. 5. Worker interview.

← Code area 7

Code area 8.A →

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%

← Code area 8

Code area 8.A →

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	Some Improvements Recommended

← Code area 8

Code area 9 →

Management systems

Explanation for management systems grades	1.The factory's subcontracting and sub-contractor procedures clearly outlined the systems in place to manage this issue at the site. The management system was strengthened by specific policies and processes, including the implementation of strict controls for workplace compliance. Although there was no explicit provision in the procedure document regarding communicating the ETI Code to suppliers, documentation reviews and management interviews confirmed that the factory had effectively communicated the ETI Code to all relevant suppliers in practice. The factory reviewed and updated these procedures on a yearly basis to ensure ongoing alignment with standards. 2.The documentation clearly assigned responsibilities, outlined processes, and addressed all relevant code areas, which could be considered sound. The General Manager was directly responsible for implementation and demonstrated a clear awareness of the requirements. Due diligence was conducted on suppliers on a regular basis, and the factory maintained comprehensive records of supervision and supplier evaluations. 3.Training was conducted strictly according to documented procedures, which included formal assessments and refresher training. All training records were properly archived and kept for at least 12 months. Managers received relevant social responsibility training, specifically covering the requirements for subcontractors and homeworkers. The factory also conducted an overall evaluation of the previous year's training effectiveness and regularly performed training needs analyses to develop future plans adapted to changing operating conditions. 4.Adherence to these processes was monitored by the General Manager, who strictly followed and oversaw the execution of procedures whenever subcontractors or homeworkers were utilized. The factory conducted Corporate Social Responsibility (CSR) assessments of its suppliers; however, it was noted that the facility did not closely track the remediation progress of issues identified during these assessments. It is recommended to establish a robust follow-up mechanism to ensure that corrective actions for identified supplier issues are effectively implemented, verified, and closed out.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

← Code area 8

Code area 9 →

No findings

Systems and evidence examined to validate this code section	Current systems: 1. No sub-contracting used by the factory. 2. No home-worker was used by the factory. 3. Based on onsite observation, the factory had all the processes for manufacturing the products. Evidence examined: 1, Site tour (Calculation on total production and estimated capacity). 2, Materials in/out records. 3, Management interview. 4, Sub-contracting management procedure.

← Code area 8

Code area 9 →

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 factory has signed the declaration with the suppliers based on social compliance requirements and required that no homeworkers should be used at the supply chain.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?	No There was no sub-contractor used at the facility.

← Code area 8.A

Code area 9 →

Are any sub-contractors used?	No

← Code area 8.A

Code area 9 →

9. No harsh or inhumane treatment is allowed

Management systems

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

← Code area 8.A

Code area 10.A →

Management systems

Explanation for management systems grades	1.The factory's prevention of harassment and abuse policy and procedure clearly outlined the systems in place to manage this issue at the site. The management system was strengthened by specific policies and processes, including the implementation of strict controls for workplace compliance. The procedures explicitly stipulated that no harsh or inhumane treatment was permitted within the factory. In the event of any such incidents, workers were required to report to the management immediately. The factory reviewed and updated these policies and procedures annually to ensure ongoing alignment with standards. 2.The documentation clearly assigned responsibilities, outlined processes, and addressed all relevant code areas, which could be considered sound. A senior manager was designated as responsible for implementation and was fully aware of his duties. He demonstrated a clear understanding that any form of harsh or inhumane treatment was strictly prohibited and actively enforced this policy in daily operations. Additionally, when the primary person in charge was on leave, the factory had arranged for other qualified personnel to take over, ensuring effective communication was continuously maintained. 3.Training was conducted strictly according to documented procedures, which included formal assessments and refresher training. All training records were properly archived and kept for at least 12 months. All employees, including workers, managers, supervisors, and office staff, received comprehensive training on this topic. This training was conducted on an annual basis, and factory management remained committed to continuing regular refresher training for all employees. 4.Adherence to these processes was monitored via departmental reporting to the General Manager. The manager strictly followed and oversaw the execution of procedures to ensure that no harsh or inhumane treatment occurred. Within the scope of this audit, no actual incidents of harsh or inhumane treatment were identified through document reviews, management interviews, or worker interviews. However, it was noted that the facility did not currently conduct routine specific audits or proactive worker interviews to systematically assess whether the workplace remained entirely free of harassment risks. It is recommended to establish a routine audit and interview mechanism to proactively identify and prevent potential risks before they arise.

Summary of findings

← Code area 8.A

Code area 10.A →

Code area	Workplace requirement	Area of NC	Finding
	No findings		

Systems and evidence examined to validate this code section	Current systems: 1. No negative evidence of mental / physical coercion was identified during the audit. 2. There was no evidence of sexual harassment. 3. The workers interviewed said they never witnessed any cases of physical abuse or discipline, sexual or other harassment and verbal abuse or other forms of intimidation existed in this factory. Evidence examined: 1. The relevant policy on prevention of harassment and abuse. 2. Internal grievance procedure documentation. 3. Training records 4. Worker interview and management interview.

← 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
What type of grievance mechanism(s) are available?	The workers could raise their concerns or complaints via the hotline, suggestion box or the direct supervisor and General Manager, etc.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

← Code area 9

Code area 10.A →

10.A. Environment 2-Pillar

Management systems

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

← Code area 9

Code area 10.B →

Management systems

Explanation for management systems grades	1.The factory's environmental documents outlined the systems in place to manage this issue at the site and included all relevant requirements of the code area. The factory established an environmental management system, and risk assessments were conducted accordingly. 2.The factory appointed a senior manager responsible for implementing the environmental policy and procedures. Meeting records with employees and management regarding environmental issues were properly maintained. However, during the interview with the manager, it was observed that his knowledge and awareness regarding renewable energy and sustainable practices were not yet sufficient. It is recommended to provide targeted training to enhance the management team's in-depth understanding of renewable energy technologies and overall sustainability strategies. 3.Training was conducted strictly according to documented procedures, which included formal assessments and regular refresher training. All training records were properly archived and kept for at least 12 months. New employees were required to attend mandatory on-boarding training covering environmental policies. Furthermore, interviews with both factory management and workers confirmed that the facility held comprehensive annual training sessions on environmental policies and procedures for all staff. Factory management demonstrated a strong commitment to continuing these regular refresher trainings to ensure sustained employee awareness and compliance. 4.Adherence to the processes was monitored via departmental reporting to the General Manager. The manager strictly followed and oversaw the execution of procedures to ensure compliance with environmental regulations, as well as continuous energy conservation and emission reduction efforts. However, improvements were recommended to further enhance the effectiveness of these monitoring procedures to fully meet evolving policy and workplace requirements.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 9

Code area 10.B →

Systems and evidence examined to validate this code section	Current systems: 1. Based on workers interview, they were trained on environmental protection. 2. The factory had established a system to monitor their environment performance. 3. The factory had established a comprehensive and tested emergency plan to mitigate environmental impact in case of incidents. 4. There is a person in charge who oversees the environment area in place. Evidence examined: 1. Worker and management interview. 2. Site tour. 3. Environment manual and procedures. 4. Energy consumption records. 5. Pollutant discharge permit. 6. ISO14001 certificate.

← Code area 9

Code area 10.B →

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	The factory had been certified on ISO 14001, certificate No is: M43123E30711R1M, which is valid till Aug 3rd, 2026.
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?	No
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	No

← Code area 10.A

Code area 10.B →

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. The factory had established environmental management system, risk assessment was conducted accordingly. 2. The factory established a system to monitor their environment performance. 3. Based on workers interview, they were trained on environmental protection. Evidence examined: 1. Environmental policy and procedure 2. All legally required environmental documents were provided for review 3. Worker and management interview 4. Factory tour 5. Pollutant discharge permit. 6. ISO14001 certificate.

← Code area 10.A

Code area 10.C →

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Responsible use and management of water Switching to renewable energy sources Circular economy and resource efficiency
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The factory had the policy on client's requirements established.
Does the site have reduction targets in place to manage climate related risks?	None
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 factory had set up the reduction targets on water and electricity for 2026: 1, Water: to be reduced by 2.5%. 2, Electricity: to be reduced by 1.5%.
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Not Applicable

Usage/discharge analysis

	Last full calendar year (2025)	**Previous full calendar year (2024)**

← Code area 10.B

Code area 10.C →

Total electricity consumption from non-renewable sources (kWh)	22,476,095	30,116,487
Total electricity consumption from renewable sources (kWh)	1,985,786	2,422,729
Sources of renewable energy used	Utility provider	Utility provider
Types of renewable energy used	Solar	Solar
Total natural gas consumption (kWh)	186,108	37,750
Usage of other purchased fuels	0	0
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)	41,997	47,761
Water discharged	City pipe network	City pipe network
Water volume discharged (m3)	41,997	47,761
Water volume recycled (m3)	0	0
Total waste produced (mt)	475	509
Total hazardous waste produced (mt)	43	53

← Code area 10.B

Code area 10.C →

Waste to recycling (mt)	402	406
Waste to landfill (mt)	0	0
Waste to other (mt)	30	50
Total product produced (mt)	4,542	4,651

← Code area 10.B

Code area 10.C →

10.C. Business ethics

Management systems

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

← Code area 10.B

Management systems

Explanation for management systems grades	1.The factory's anti-bribery and anti-corruption policy and procedure clearly outlined the systems in place to manage this issue at the site. The management system was strengthened by specific policies and processes, including the implementation of strict controls for workplace compliance. The factory reviewed and updated its policies and procedures on this topic annually to ensure ongoing alignment with legal and ethical standards. 2.The factory's HR Manager was directly responsible for implementation and demonstrated a full awareness of his responsibilities and the relevant requirements. During the interview, the manager exhibited solid general knowledge and a strong awareness regarding anti-corruption practices. He also expressed a proactive commitment to continuously enhancing his expertise in this area to maintain robust oversight. 3.All workers received relevant training, and the knowledge gained was effectively applied to develop and follow operational procedures. All training records were properly archived and kept for at least 12 months. However, during worker interviews, it was noted that some employees were not fully familiar with the specific reporting mechanisms or the detailed provisions of the business ethics policy. It is recommended to strengthen targeted training on reporting channels and business ethics to ensure all workers have a comprehensive and practical understanding. 4.Adherence to these processes was rigorously monitored by the General Manager, and effective mechanisms were in place to verify whether procedures had been correctly implemented by operational personnel. Regular monitoring and audits were conducted to ensure strict compliance with business ethics policies and to prevent bribery, corruption, and other unethical business practices. Furthermore, when external circumstances changed (such as updates to relevant laws), the factory promptly and appropriately adjusted its policies and processes to maintain continuous compliance.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 10.B

Systems and evidence examined to validate this code section	Current systems: 1. Ms. Ding, HR Manager, was the designated person responsible for implementing standards concerning corruption and/or bribery. 2. The company had established a business ethics policy. 3. The factory had appointed senior manager for dealing with daily corruption and/or bribery issues. 4. The site had received and read the Business Ethics policy of the auditor/audit company. Evidence examined: 1.The company business ethics policy including: bribery, corruption. 2. Ethics training records. 3. Worker handbook & Social accountability policy

← Code area 10.B

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?	No
Provide any certified anti-bribery management systems for the site	There was no certified anti-bribery Management Systems for the site. But the factory established a business ethics policy which was communicated to workers through training.

← Code area 10.C

Attachments

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