

Sedex Members Ethical Trade Audit Report

Version 7



Contents

[Audit content](#)

[Audit and site details](#)

[Audit parameters](#)

[Audit attendance](#)

[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 & 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 following Code Areas:

Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
 - 0: Enabling accurate Assessment
 - 1: Employment is Freely Chosen
 - 1.A: Responsible Recruitment & 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
2. Health & Safety Code Area:
 - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
 - 10.A: Environment 2-Pillar

Included in a 4-Pillar audit:

1. Labour Standards Code Areas
 - As 2-pillar
2. Health & Safety Code Area
 - As 2-pillar
3. Environment Code Area:
 - 10.A: Environment 2-Pillar
 - 10.B: Environment 4-Pillar
4. Business Ethics Code Area:
 - 10.C: Business Ethics

- (2) Where appropriate, non-compliances or non-conformances were raised where either local law or the Base Code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.
- (3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

Audit and site details

Audit details

Sedex company reference	ZC406991407	Auditor company name	SGS Taiwan
Date of audit	2025-03-10	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS407933377	Site name	NANLIU
Business name	NAN LIU ENTERPRISE CO. LTD	Site address	82446 No. 699, Silin Rd., Yanchao Dist., Kaohsiung City 82446, Taiwan (R.O.C.), Kaohsiung, TW
Site phone	+886-7-6116616	Site email	lobaneric@nanliugroup.com

Audit parameters

Time in and out	Day 1		Day 2		Day 3	
	In	08:45	In	08:50	In	08:45
	Out	17:00	Out	17:00	Out	13:30
Audit type	Periodic					
Was the audit announced?	Semi announced					
Was the Sedex SAQ available for review?	Yes					
Who signed and agreed CAPR?	Eric Wu / Specialist					
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	No	No
B: Present at the audit?	Yes	No	No
C: Present at the closing meeting?	Yes	No	No
Reason for absence at the opening meeting	There is no worker committee or union in the facility. Moreover, local law did not require the trade union as a must.		
Reason for absence during the audit	There is no worker committee or union in the facility. Moreover, local law did not require the trade union as a must.		
Reason for absence at the closing meeting	There is no worker committee or union in the facility. Moreover, local law did not require the trade union as a must.		

SMETA declaration

Auditor team

SMETA declaration

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

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

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

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

None

Lead auditor

Gary Chao

APSCA Number

21702699

Additional auditor

Date of declaration

2025-03-12

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	Eric Wu
Title	Specialist
Date of declaration	2025-03-12




































Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.L Implement effective processes to manage f...	§1	NC ZAF600853893
	6.F Ensure that where overtime is used, it is...	§2	NC ZAF600853894
6. Working hours are not excessive	6.D Ensure that working hours do not exceed 6...		NC ZAF600853895

Local law issues

§1	The Standard for Installation of Fire Safety Equipment: Volume 3, Chapter 1, Article 31, Clause 5. For those Fire Extinguishers hanged on the wall or placed in a fire extinguisher box, the distance between the top of the fire extinguisher to the ground floor should be less than 1 m for the fire extinguisher heavier than 18 kg and 1.5 m for the fire extinguisher lighter than 18 kg.
§2	The Labor Standards Law: Chapter 4, Article 32 (Working Hours, Recess and Holidays), The extension of working hours referred to in the preceding paragraph, combined with the regular working hours shall not exceed twelve hours a day; the total number of overtime shall not exceed forty-six hours a month.

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

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

-  Not addressed
-  Fundamental improvements required
-  Some improvements recommended
-  Robust management systems

Site details

Company and site details

Sedex company reference	ZC406991407	
Sedex site reference	ZS407933377	
Company name	NAN LIU ENTERPRISE CO. LTD	
Business ownership type	GOODS	
Site name	NANLIU	
Site name in local language	南六企業	
GPS location	GPS address	No. 699, Silin Rd., Yanchao Dist., Kaohsiung City, Taiwan
	Coordinates	Latitude: 22.782723 N; Longitude: 120.344934 E
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Eric Wu
	Job title	Specialist
	Phone number	+886-7-6116616
	Email	lobaneric@nanliugroup.com
Applicable business and other legally required business license numbers and documents	Business license: 75989858 (issue on Jul. 3, 2019; Valid date: permanent); Factory registration certification: 64008269; issue on March 08, 2022; Valid date: N/A (permanent)	

Site activities

Site function	Finished Product Supplier Factory Processing/Manufacturer
---------------	--

Site activities

Site activities	Primary	Manufacture of made-up textile articles, except apparel
	Secondary	
	Other	
Product type	Manufacture of non-woven products.	
Process overview	The main production processes as follow: Raw material, Mix Fiber, Carding, Water jet, Dryer, Winder, Slitting, Packaging / Packing and Shipping. The main production equipment were including: Fiber opener machine: 6 Sets, Mix fiber machine: 6 Sets, Carding machine: 6 Sets, Water jet machine: 2 Sets, Oven: 2 Sets, Winder machine: 1 sets.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	11648m ²	
Building 1	Last construction works on site	2018
	If building is shared, provide details	The building is not shared.
	Number of floors	3
	Description of floor activities	The 3-story building is used as office and conference room only.
Building 2	Last construction works on site	2022
	If building is shared, provide details	The building is not shared.
	Number of floors	4
	Description of floor activities	The 3-story building is used as production, Inspection and packing

Site scope

Building 3	Last construction works on site	2018
	If building is shared, provide details	The building is not shared.
	Number of floors	1
	Description of floor activities	The ground building is used as main non-woven production process.
Building 4	Last construction works on site	2018
	If building is shared, provide details	The building is not shared.
	Number of floors	1
	Description of floor activities	The ground building is used as main non-woven production process, mask and warehouse.
Building 5	Last construction works on site	2018
	If building is shared, provide details	The building is not shared.
	Number of floors	1
	Description of floor activities	The ground building is used as main non-woven production processes.
Building 6	Last construction works on site	2024
	If building is shared, provide details	The building is not shared.
	Number of floors	1
	Description of floor activities	The ground building is used as warehouse only.
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 No transportation is provided by the facility. Employees go to the factory by their own transportation.

Work patterns

Approximate workers on site per month (% of peak)	January	75-90%	February	75-90%
	March	75-90%	April	75-90%
	May	75-90%	June	75-90%
	July	75-90%	August	75-90%
	September	75-90%	October	75-90%
	November	75-90%	December	75-90%
Is there any night or back shift work at the site?	Yes For two shift workers (machine operators): Day: 08:00 – 16:00 / Night: 20:00 – 04:00; 0.5 hour for meal & rest after continuously working for four hours.			
What percentage of the workforce, including temporary and agency workers, work during the night/ back shift?	15%			
Was the audit conducted across all shift times, and did it include a representative sample of workers from each shift time in interviews and sampling?	Yes The sampled workers includes each shift time, different country and gender in interviews and sampling records.			

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), Other management system certification The facility is also certificate with ISO 9001、ISO 13485 and FSC management system.
---	---

Site assessments

Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?	<p>No</p> <p>The site did not formally assess for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.</p>
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	<p>No</p> <p>The auditee has not been any Human Rights Impact Assessment (HRIA) conducted in past three years at this site.</p>

Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	152 (64.7%)	83 (35.3%)	- -	235 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	152 (64.7%)	83 (35.3%)	- -	235 (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

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	0 -	0 -	- -	0 (0%)
International migrant workers	37 (71.2%)	15 (28.8%)	- -	52 (22.1%)
Total migrant workers	37 (71.2%)	15 (28.8%)	- -	52 (22.1%)

* % of total workforce

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

N/A, no workers migrated internally.

Workers by age

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

* % of total workforce

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

Please list the nationalities of all workers, with the three most common nationalities listed first
 Taiwanese
 Thai
 Indonesian
 Vietnamese

Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Indonesian	0%	6%	-	6%
Taiwanese	49%	29%	-	78%
Thai	14%	0%	-	14%

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	0 -	0 -	- -	0 (0%)
Salaried workers	152 (64.7%)	83 (35.3%)	- -	235 (100%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	152 (64.7%)	83 (35.3%)	- -	235 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details

N/A, all employees were paid by monthly.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	9 (75%)	3 (25%)	- -	12
Supervisors or team leaders	7 (58.3%)	5 (41.7%)	- -	12
Administrative staff	14 (35%)	26 (65%)	- -	40

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 (4 groups of 5 workers)

Did workers understand the purpose of the audit?

Yes

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

Yes

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

No

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

Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?	<p>Overtime Other (provide details)</p> <p>Workers did not raise any significant concern or complaint.</p>
What did the workers like the most about working at this site?	<p>Facilities (e.g. rest area, recreation, canteen) Freedom of movement Work environment – comfort (e.g. temperature, noise or dust levels) Hours worked, rest days or breaks Overtime Social benefits & insurance (e.g. ability to book annual leave, maternity leave, pensions etc.)</p>
Additional comments	All interviewed workers were cooperative and had a good relationship with management in general.
Attitude of workers' committee/union representatives	There is no workers committee/union in the facility.
Attitude of managers	The facility management showed a positive attitude to this audit during the whole process. All necessary documents were provided timely, locked areas encountered during the audit were unlocked timely and a private room was arranged for employees' interview. At the end of the audit, all the findings were accepted by the facility management. No negative information was raised by managers.

Workers interviewed by type

	Total
Permanent workers	26
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
Total number of workers interviewed	26

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	16	4	-	20
Workers interviewed individually	4	2	-	6

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	0	0	-	0
International migrant workers interviewed	11	3	-	14
Total migrant workers interviewed	11	3	-	14

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	12.0%	9.0%	-	21.0%
Last full calendar year (2024)	15.0%	9.0%	-	24.0%
Previous full calendar year (2023)	16.0%	11.0%	-	27.0%

* 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 (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

* Number of days lost through job absence in the year, calculated as (the number of employees on 1st day of the year + number employees on the last day of the year) / 2)* number available workdays in the year*100

Are accidents recorded?	Yes
	The accidents were clearly identified, and the log was registered on government website. Relevant corrective and preventive measures are followed up and the record were kept in file. No accident happened in past 3 years.

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

	Men	Women	Other	Total

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

Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	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 (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	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 standard hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

Percentage of workers that work on average more than 60 standard hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	20.0%	10.0%	-	30.0%

Percentage of workers that work on average more than 60 standard hours in a given week

Last full calendar year (2024)	5.0%	5.0%	-	10.0%
Previous full calendar year (2023)	10.0%	5.0%	-	15.0%

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>1. Facility appointed a senior management (Mr. Tsang-Hsuan Chiu / Facility Manager) to be responsible for compliance of the Code.</p> <p>2. Facility implemented and maintained systems for delivering compliance to this Code such as set up management system, provided training to workers, posted relevant information on bulletin board, etc.</p> <p>3. Based on document review: ETI Code and client's specific expectation were communicated to their suppliers. The signature records of agreement were well kept.</p> <p>4. The facility established the related management procedure on social accountability.</p> <p>5. Based on interviewed management, social responsibility procedure and ETI base code reviewed, facility will not use any forced or involuntary labour, whether prison, bonded, indentured or otherwise.</p> <p>6. Based on ETI base code, social responsibility procedure and document reviewed, the ETI base code and human rights policy is shown on bulletin board.</p> <p>Evidence examined:</p> <p>1. Social Responsibility procedure of the facility</p> <p>2. ETI base code</p> <p>3. Management interview</p> <p>4. Employee interview</p> <p>5. Human right policy statement</p> <p>6. Work Rules</p>		

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 sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?	<p>Yes</p> <p>Based on document review and management interview the facility did not use agency and subcontracted.</p>

1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	The facility has policies and procedures in place, with a senior manager serving as the management representative. The site regularly communicates their policies to employees. The site regularly conducts internal audits and conduct corrective actions on its own. However, the site has not established any targets about human right and business ethics and conducted any management reviews about human right and business ethics to ensure continuous improvements the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

1. The facility had a policy which prohibits forced labour in place.
2. Based on interview with the management / workers and documents review, effective employment policy & procedure were established.
3. All workers were able to resign freely by notifying the management 10~30 days in advance.
4. All workers were not requested to leave any deposit or document to factory such as training fee, fee for tools, fee for uniforms, or original documents such as ID papers. Only copies of ID must be kept in the personnel files and the original given back to the workers.
5. No forced, bonded, involuntary labour and prison labour was used in accordance with on-site observation and worker interview.
6. All workers were free to leave at the end of their shift.
7. All workers were permitted time-off with doctor's certificate or note when sick or maternity.
8. Through the Working rules review, stated that all workers could quit his/her job with legal notice without any penalty.
9. Through management interview, they stated that all employees joined/worked in the facility voluntarily and no any force in the facility.
10. All selected employees confirmed that they worked at the facility voluntarily and no enforcement to work overtime.
11. Based on all interviewed, employees stated that their ID card and national health card just show to employer for registrations of labour and health insurance. The facility just keeps copied ID card and copied national health card; original ID card and copied national health card are kept by themselves.

Evidence examined:

1. Personnel files
2. Resignation records of recent 3 months
3. Factory rules
4. Management and employee interview
5. Personnel files
6. Working Rules

1. Employment is freely chosen

Data points

If required under local law, is there a published 'modern slavery' or similar statement?	Not Applicable
Does the site utilise any workers who are prisoners?	No
Does the site use the labour of persons required to work under any government scheme?	No

1.A. Responsible recruitment and entitlement to work

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	The facility has policies with a senior manager serving as the management representative. The site regularly communicates their policies to employees. The site regularly conducts internal audits and conduct corrective actions on its own. However, no relative responsible recruitment procedures were established in place. Moreover, the site has not established any targets about human right and business ethics and conducted any management reviews about human right and business ethics to ensure continuous improvements the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Based on facility site tour observation, document review and interviews, the facility is compliant with the outlined workplace requirements regarding responsible recruitment and entitlement to work. It conducts thorough reviews of original identification to ensure all workers have the legal right to work. Records are maintained to demonstrate compliance, and recruitment processes are transparent, reflecting accurate working and living conditions communicated during recruitment. No children and young workers are employed at this site. The site hires their employees by themselves directly and no broker or agent is used. No recruitment fee is reported or detected. All applicable laws are adhered to.</p> <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Hiring and termination record 2. Personnel files 3. Payroll records 4. Attendance records 		

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 Workers are recruited and hired by licensed labour providers The facility uses four license labor agency to recruite all migrant workers.
Provide business names for all labour providers and programmes used	Agency 1: Name: Gaoyi Human Resources Management Co., Ltd. / License No.: 1751 / Register No. 28294961 Agency 2: Name: Youxing International Co., Ltd. / License No.: 1433 / Register No. 80707295 Agency 3: Name: Haoyong International Co., Ltd. / License No.: 3579 / Register No. 59246297 Agency 4: Name: Xianghe International Manpower Agency Co., Ltd. / License No.: 2999 / Register No. 64998389
How do the labour providers recruit and hire workers?	Through another labour provider or recruitment agency (please explain) The local labour providers / agents used the labor agency from sending country to recruit migrant workers.
Where labour providers were used to recruit, what was the highest number of tiers identified in a workers recruitment journey?	1
Are there any subcontracted workers (including 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?

Yes

List the sending countries

Thailand, Indonesia and Vietnam

Percentage of workers that are migrant

22%

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

No

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process?

Yes

What recruitment fees and costs do workers pay during the recruitment and employment process?

Workers do not pay any recruitment costs (Please provide details)

Based on the document review and foreign worker interview, the facility has followed the ETI code to ensure no recruitment fee, service fee, health examination fee and resident permit fee for foreign migrant workers.

Were recruitment fees or costs identified during worker interviews?

No

Based on all migrant workers interview, all migrant workers were reported that no recruitment fees were paid by migrant workers for their employment.

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	The facility has policies and procedures in place, with a senior manager serving as the management representative. The site regularly communicates their policies to employees. However, no internal audits and conduct corrective actions on its own. The site has not established any targets about human right and business ethics and conducted any management reviews about human right and business ethics to ensure continuous improvements the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

1. Based document review, the facility holds labour-management conference on three months basis according to local law requirement. The last conference was held on February 13, 2025.
2. Through Management interview, they expressed that the facility respected the legal rights of workers for freedom of association. The management does communicate to workers of their rights related to freedom of association when they are hired.
3. Through management and employees interview, there is no union or employees committee in the facility.
4. There is no union established within the factory, but the employer stated that they would not oppose employees joining relevant industrial unions and that the employer also recognizes industrial unions.

Evidence examined:

1. Social compliance system program and procedure
2. Complain feedback from grievance system (mail or hot line)
3. Meeting minutes
4. Employee interview and management interview
5. Working Rule and employment contracts
6. Personnel files
7. Labour-management conference records

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

Data points

Are trade unions allowed by law in the national context?	Yes
Are there any registered trade unions in the workplace?	No
Are they active?	
Does the employer recognise the trade union?	Not Applicable
Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)?	No worker representative bodies
Are the worker representatives freely elected by the workforce as a whole?	Not Applicable
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
Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years?	No

3. Working conditions are safe and hygienic

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
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
Explanation for management systems grades	The facility is certificate with ISO 45001 Occupational Health & Safety Management System. The site has policies and procedures in place, with a senior manager serving as the management representative. The site regularly communicates their policies to employees. The site regularly conducts internal audits and conduct corrective actions on its own. However, health and safety procedures are not fully compliance of the facility site, and some H&S minor issues were detected in workplace. The site regularly conducts internal audits and conduct corrective actions on its Health & Safety management system and conducted management reviews about ISO 45001 Occupational Health & Safety Management System to ensure continuous improvement targets of the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.L Implement effective processes to manage f...	§1	NC ZAF600853893

Systems and evidence examined to validate this code section

Based on facility site tour observation, document review and interviews, the site aligns with the outlined health and safety requirements, ensuring a safe working environment for all employees. Adequate controls are in place to prevent accidents and long-term health issues, with regular risk assessments conducted and reviewed at least annually. A qualified health and safety manager oversees the implementation of effective systems, supported by an active health and safety committee that includes worker representatives.

All new workers receive health and safety training before exposure to any risks, with ongoing training provided as needed. The site maintains sufficient first-aid supplies and adequately trained personnel are available on all shifts. Personal protective equipment (PPE) is provided at no cost to workers and is mandatory where required. Accidents are logged and investigated, with measures taken to prevent recurrences. Workers have the right to cease work if they encounter imminent danger, without fear of retaliation. The premises are inspected to maintain safety certifications, and fire safety measures, including accessible evacuation routes and regular drills, are enforced. The site ensures appropriate standards in the storage and management of hazardous substances, and compliance with electrical safety protocols. Emergency preparedness plans are in place, including annual evacuation drills, ensuring a robust approach to health and safety.

1. There were at least two fire exits at each floor and these were clearly marked.
2. The maps of factory evacuation route were publicly posted at each layer on site.
3. All first aid kits filled with adequate medicines and equipment were placed at working areas.
4. There were 11 trained first aiders were available on site and covered all shifts.
5. The fire safety inspection had been conducted by fire-prevention technician on Nov. 29, 2024, and the reports were submitted to the local fire department as record.
6. The factory conducted fire drill which covered the use of fire extinguishing system and evacuation drill twice per year (The latest fire drill was performed on December 25, 2024)
7. The elevator was kept in good repair condition. Checked by staff once a month and records were available.
8. The pest control was conducted by internal responsible staff once per 3 months. Plan and records were available and kept in file.
9. The lighting was sufficient, and the ventilation was adequate.
10. All machines were fitted with emergency stop button. Proper protective devices were installed at relevant machines.
11. The injury/ accident records were well kept. Root cause analysis investigation was conducted, and corrective and preventive action was followed on report.
12. Toilets were adequate and separated by sex.
13. Sanitary potable water facilities were set at site and the water quality test report was available. (The latest test report was issued on Jan 14, 2025)
14. The factory provided free personal PPE equipment (e.g. earplugs, mask and gloves, etc.) to operators.
15. Smoking was restricted at specific area in the factory and the signs of « No Smoking» were posted in the public area in the buildings.
16. A qualified person is in place, who took responsibility of health and safety issues.
17. The health examination was conducted once per years. The latest health examination is done on July 30, 2024.
18. There were sufficient trained forklift operators were available on site.
19. The public safety certificate for the building refuge facility and equipment safety inspection was available. (Certificate No. C11307046139, Date: October 30, 2024)
20. The annual working environment monitoring report was conducted on December 27, 2024 for noise and organic solvents issues.

Evidence examined:

- Health and safety policies
- Health and safety manuals
- Health and safety training records
- Fire equipment maintenance records
- Fire drill and evacuation drill records
- Evacuation maps
- Training records/photos on the use of fire extinguishers/hydrants
- Regular health examination records
- Pest control plans and records
- Injury/accident records

- Electrical wires/appliances inspection records
 - Chemical list and MSDS for each chemical
-

Findings: non-compliances

ZAF600853893

Non-compliance

Due 2025-05-20

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.L Implement effective processes to manage fire safety including, but not limited to, accessible evacuation routes, a fire detection system, fire fighting/suppression equipment, training and regular drills covering all shifts and warning systems.

Time given to resolve

60 days

Issue title

188 - Fire extinguishers incorrectly installed, e.g. placed at an inappropriate height/on floor

Verification method

Desktop audit

Description

Based on the facility tour observation, it was noted that one set of fire extinguisher was placed directly on the floor at second floor of packing area of Biotech Building. 生技廠二樓包裝區前，發現有一具滅火器直接放置於地面上。

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

Please ensure that all fire extinguishers shall be mounted or placed in a box correctly.

Local law reference

The Standard for Installation of Fire Safety Equipment: Volume 3, Chapter 1, Article 31, Clause 5. For those Fire Extinguishers hanged on the wall or placed in a fire extinguisher box, the distance between the top of the fire extinguisher to the ground floor should be less than 1 m for the fire extinguisher heavier than 18 kg and 1.5 m for the fire extinguisher lighter than 18 kg.

Evidence



[Extinguisher.jpg](#)



* PDF generated at 10:37 (UTC) on 21 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, 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)?	No
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Workers organise their own transport
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Yes The facility had obtained the 3rd party building structure inspection report and public safety certificate of local government for the building structure.
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
Does the site have a structural engineer evaluation?	Yes

4. Child labour shall not be used

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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	Some Improvements Recommended
Explanation for management systems grades	The site has policies and procedures of child labor avoidance in place for child labor avoidance, with a senior manager serving as the management representative. The site regularly communicates their policies to employees. The site regularly conducts internal audits and conduct corrective actions on its own. However, the facility does not provide appropriate training to all relevant employees on complete human rights policy and procedures. Moreover, the site has not established any targets about human right and business ethics and conducted any management reviews about human right and business ethics to ensure continuous improvements the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Based on facility site tour observation, document review and interviews, the site is compliant with the outline workplace requirements regarding child labor. No worker is under the age of 15, and original identification is reviewed to validate the ages of all employees. All workers in the facility were above 18 years old. A written policy outlines the remediation of child labor in line with ILO guidance, and measures are in place to ensure compliance with local laws regarding young workers. The site prioritizes the protection of minors in all practices.

1. As per the requirement procedure, original ID card was verified for age issue at the beginning of recruitment.
2. Copies of ID card were kept in personnel profile.
3. No evidence of child labour and young worker was identified during the audit.
4. The age of youngest worker was 25 years old.
5. The factory established effective employment policy and recruitment procedure.

Evidence examined:

- Personnel files of sampled workers
- Latest employee name list
- Employment policies and recruitment procedures
- On site observation
- Interviews with workers

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	0%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	25
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?	No

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	Some Improvements Recommended
Explanation for management systems grades	The facility has policies and procedures for legal wages in place, with a senior manager serving as the management representative. The site regularly communicates their policies to employees. However, the facility does not provide appropriate training to all relevant employees on complete human rights policy and procedures on wages management. No internal audits were conducted on wages to regularly ensure compliance with legal law requirement. Moreover, the site has not established any targets about human right and business ethics and conducted any management reviews about human right and business ethics to ensure continuous improvements the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Based on facility site tour observation, document review and interviews, the site is compliant with all wage and compensation requirements. All sampled workers receive at least the legal minimum wage (TWD 28,590 / monthly) or the higher rate. Workers are entitled to all legally mandated benefits, including insurance and leave entitlements. Any in-kind payments do not exceed legal limits, and no deductions are made for disciplinary reasons, ensuring that no worker's pay falls below the legal minimum wage. All workers are compensated for all time worked, including mandatory meetings and training, which occur during paid working hours. Clear written information regarding wages, benefits, and deductions is provided in a language understood by the workers before employment begins, with updates communicated throughout employment. The site maintains accurate records, ensuring that workers receive wage statements detailing their pay and deductions, thus adhering to all applicable laws and regulations regarding worker compensation.

- 1.The facility paid wages to all workers by bank transfer on the 5th day of the following month.
- 2.All employees were provided with a written and understandable pay slip of their pay each month.
- 3.Deduction items were fair, reasonable, and legal such as income tax and fees of National Health Insurance/ Labour Insurance.
4. The minimum wage of the facility is TWD 28,590 /month which is meet legal requirement. (TWD 28,590 / month).
- 5.Based on the 26 sampled payrolls reviewed and confirmed with workers interview and contracts review, the facility provided 134%, 167% and 267% of regular hourly pay rate respectively for OT hours on weekday and statutory holidays which met legal requirements.
- 6.The facility provided health insurance, labor insurance and retirement pension to all workers, and the records were available

Evidence examined:

- Worker interviews
- Wages and benefits policies
- Local legal minimum wage documents
- Payroll records
- Leave records
- Payment receipts of National Health Insurance and Labor Insurance
- Resignation records
- Pay slips of all interviewed workers

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	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

Worker remuneration

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	
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	176.0
Maximum legal overtime hours	Max hours per day	4.0
	Max hours per week	0.0
	Max hours per month	46.0

Actual overtime hours	Max hours per day	4.0
	Max hours per week	32.0
	Max hours per month	88.0
Minimum legal wage	Min per hour	119.0
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	28590.0
Actual minimum wage	Actual per hour	Non applicable
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	28590.0
Minimum legal overtime wage	Min per hour	160.0
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	160.0
	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	<p>26 samples from February 2025. (Current month)</p> <p>26 samples from August 2024. (random month 1)</p> <p>26 samples from December 2024 (random month 2)</p> <p>Remark:</p> <p>1. No significantly peak month is available in the past 12 months.</p> <p>2. Three (3) months from March 2024 to February 2025 were main sample for review.</p>
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?

Meets legal minimum

Indicate the breakdown of workforce per earnings

22% of workforce earning meet minimum wage
78% of workforce earning above minimum wage

Are there any bonus schemes used?

No

Were accurate records shown at the first request?

Yes

Were any inconsistencies found?

No

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Based on document review and workers interviews, the facility is in compliance with the living wage requirements. The site commits to review their payment to employees every year when the legal minimum wage is raised and to compare it against the statistics from the local government website. This commitment to fair compensation demonstrates the site's dedication to enhancing worker welfare and promoting equitable pay practices, ensuring that all employees are financially supported in alignment with recognized living standards.</p> <p>Evidence examined:</p> <ul style="list-style-type: none">- Worker interviews- Wages and benefits policies- Local legal minimum wage documents- Payroll records- Wage review records and living wages statistics		

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	The site has policies and procedures for working hours in place, with a senior manager serving as the management representative. The site regularly communicates their policies to employees. However, the facility does not provide appropriate training to all relevant employees on complete working hours policy and procedures to ensure regularly compliance with working hour requirement. The site also did not regularly conduct internal audits and conduct corrective actions on its own to ensure overtime hours are not exceed requirement. Moreover, the site has not established any targets about human right and business ethics and conducted any management reviews about human right and business ethics to ensure continuous improvements the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC ZAF600853894
	6.D Ensure that working hours do not exceed 6...		NC ZAF600853895

Systems and evidence examined to validate this code section

Based on document review and workers interview, the facility is compliant with the outlined working hours and overtime requirements. Working hours do not exceed the legal limits in the reviewed months. All legally mandated rest and meal breaks, including continuous rest hours between shifts, are provided, with at least 24 consecutive hours of rest every week. Standard working hours are capped at 40 hours per week, with overtime strictly managed to address changes in demand or exceptional situations, never replacing regular employment. Overtime is voluntary and compensated at a premium rate of at least 134%-267 of regular pay, ensuring that workers can refuse without repercussions. Regular reviews of individual and collective working hours are undertaken to manage overtime effectively. The site adheres to all applicable laws, reinforcing its commitment to worker welfare and promoting a balanced and fair working environment for all employees.

1. The facility records the working hours of workers through a timecard swiped system which including normal working hours and overtime hours.
2. Based on provided attendance records, the actual working hours were within legal requirements
3. All workers had at least one day off in every seven days.
4. Normal working hour was 8 hours per day, 5 days/ Week, 40 hours/ week.
5. Working time of employees:
For one shift: 08:00 – 17:00; 1.0 hour for meal & rest (12:00 to 13:00)
For two shifts: 08:00 – 16:00 / 20:00 – 04:00; 0.5 hour for meal & rest after continuously working for four hours.
6. Based on employees' interview, all 26 interviewed employees stated that their overtime was voluntary. They could refuse overtime without any punishment and threat.
7. Twelve months records from March 2024 to February 2025 were provided for review.

Evidence examined:

- Employee interviews
- Management interviews
- Facility policies on working hours
- Attendance records
- Payrolls with recorded hours of all interviewees

Findings: non-compliances

ZAF600853894

Non-compliance

Due 2025-05-20

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Follow up audit

Description

Based on attendance records review, it was noted that 10 of 26 workers had exceeded 46 overtime hours a month (66~88 overtime hours) in December 2024(random month); 10 of 26 workers had exceeded 46 overtime hours a month (66~88 overtime hours) in August 2024(random month); 8 of 26 workers had exceeded 46 overtime hours a month (62~82 overtime hours) in February 2025 (Current month).工廠於2024年8月份、12月份以及2025年2月份，發現部分員工當月加班已超出法令46小時之規定。

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

Please limit monthly overtime hour within 46 overtime hours in compliance local law requirement.

Local law reference

The Labor Standards Law: Chapter 4, Article 32 (Working Hours, Recess and Holidays), The extension of working hours referred to in the preceding paragraph, combined with the regular working hours shall not exceed twelve hours a day; the total number of overtime shall not exceed forty-six hours a month.

* PDF generated at 10:37 (UTC) on 21 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600853895

Non-compliance

Due 2025-05-20

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement 6.D Ensure that working hours do not exceed 60 hours in a standard working week for any worker, except where all of the following are met: this is allowed by national law; - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; - appropriate safeguards are taken to protect the workers' health and safety; and - the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies	Time given to resolve 60 days
Issue title 473 - Total hours exceed 60 hours per week - ETI requirements are not met - systemic	Verification method Follow up audit
Description Based on attendance records reviewed, it was found that maximum weekly total weekly working hours exceeded ETI Based Code requirements. 10 of 26 workers had exceeded 60 total weekly working hours in August 2024; 10 of 26 workers had exceeded 60 total weekly working hours in December 2024 and 8 of 26 workers had exceeded 60 total weekly working hours in February 2025. The maximum total weekly working hours is 72 hours/week. 根據出勤記錄，發現 2024 年 8 月以及 12 月和 2025 年 2 月份的週總工作時間，已超過 ETI Based Code 要求，發現一週最長工作時間為 72 小時。	Area of non-compliance/non-conformance Base code
Corrective and preventative actions Please ensure weekly working hours meet requirement (60 hours/ week)	

* PDF generated at 10:37 (UTC) on 21 Mar 2025. [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	134%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	N/A, facility pay overtime premium at least 134% of normal day.
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?	58.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	72.0
Maximum number of days worked without a day off in sample	6

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	The facility has policies and procedures for non-discrimination in place, with a senior manager serving as the management representative. The site regularly communicates their policies to employees. The factory has provided suggestion box and employee hot line in place. but there is a complaint record in the past. The facility does not provide appropriate training to all relevant employees on complete non-discrimination policy and procedures. No internal audits were conduct on wages to regularly ensure compliance with legal law requirement. Moreover, the site has not established any targets about human right and business ethics and conducted any management reviews about human right and business ethics to ensure continuous improvements the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

Systems and evidence examined to validate this code section

Based on site tour observation, document review and workers interview, the facility complies with the outlined non-discrimination requirements. It guarantees that no discrimination occurs based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation. Comprehensive employment policies and processes are in place to prevent discrimination throughout all employment stages, including hiring, compensation, training, promotion, and termination.

1. Policy on discrimination was available.
2. Factory did not request pregnancy testing for hired female workers.
3. No discrimination in hiring, compensation, welfare, dismiss and retirement despite of race, nationality, religion, disability, gender, age, sexual orientation or political affiliation was found in this factory.
4. Employees were assigned jobs based on their working experiences and ability; same wage was paid for the same job.
5. No evidence of any form of discrimination was identified during the audit.
6. None of interviewed female workers complained any form of sexual discrimination.
7. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
8. There was an internal grievance process in this factory and all workers were aware of the grievance channels in case they encountered any discrimination cases.
9. No worker is unfairly excluded due to health issues, including pregnancy or HIV/AIDS.

Evidence examined:

- Documented policy on discrimination
- The hiring and termination procedures
- Payroll records
- Termination records
- Training 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)?	15%
Representation of women in managerial roles (ratio of women workers to women managers)	3%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	6%
Three most common nationalities in managerial and supervisory roles	Taiwan

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
Explanation for management systems grades	The facility has policies and procedures for regular employment in place, with a senior manager serving as the management representative. Employment contracts were provided for all workers. The site regularly communicates their policies to employees. However, the site regularly conducts internal audits and conduct corrective actions on its own. Moreover, the site has not established any targets about human right and business ethics and conducted any management reviews about human right and business ethics to ensure continuous improvements the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Based on facility site tour observation, document review and interviews, the facility complies with all requirements regarding employment conditions. Each worker is provided with a written contract that clearly outlines the terms and conditions of employment, presented in a language they can understand. The site meets all legal and contractual obligations related to dismissal, termination, and redundancy. An appropriate employment model is utilized, ensuring alignment with the nature of work conducted locally. The site does not engage in apprenticeships, temporary, irregular, or sub-contracted labor to evade duties regarding regular employment, and rigorously adheres to the legal conditions for these models. Furthermore, workers in nonstandard employment are not unfairly restricted from seeking permanent positions. The site demonstrates a genuine commitment to skill development. All practices adhere to applicable laws, reinforcing the site's dedication to ethical employment standards and the well-being of its workforce.

1. Continual employment was provided to all workers.
2. No negative evidence was identified for home working and apprenticeship use.
3. Health examination, benefits and bonus were provided to all employees.
4. Labour contract which was signed between employer and worker had been provided to permanent workers and copies were provided to workers.

Evidence examined:

- Hiring and termination records
- Personnel files
- Payroll records
- Attendance records
- Employment contracts

8. Regular employment is provided

Data points

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

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
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	Some Improvements Recommended
Explanation for management systems grades	The site has policies in place, with a senior manager serving as the management representative. The site regularly conducts internal audits and conducts corrective actions on its own. The facility did not use any workers through an agency or subcontractor. However, no procedures in place regarding sub-contracting and homeworkers. the facility does not provide appropriate training to all relevant employees on complete human rights policy and procedures of sub-contracting. Moreover, the site has not established any targets about human right and business ethics and conducted any management reviews about human right and business ethics to ensure continuous improvements the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Based on facility site tour observation, document review and interviews, the site complies with the requirements concerning homeworking and subcontracted work. The site does not sub-contract any of their production, and no home-working is utilized at this site.</p> <p>Evidence examined:</p> <ul style="list-style-type: none"> - Site tour - Materials in and out records - Management interviews - Worker interviews 		

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 supplier does not buy products or services from suppliers that use homeworkers.

Sub-contracting

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

Are any sub-contractors used? No

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
Explanation for management systems grades	The facility has policies and procedures for no harsh or inhumane in place, with a senior manager serving as the management representative. The site regularly communicates their policies to employees. The facility has provided suggestion box in place for all workers. The facility provides appropriate training to all relevant employees on complete no harsh or inhumane policy and procedures at least once per year. However, no internal audits were conduct on wages to regularly ensure compliance with legal law requirement. Moreover, the site has not established any targets about human right and business ethics and conducted any management reviews about human right and business ethics to ensure continuous improvements the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Based on facility site tour observation, document review and interviews, the facility is compliant with the outlined requirements to prevent harsh or inhumane treatment of workers. A comprehensive workplace policy prohibits all forms of inhumane treatment, including gender-based violence and harassment. This policy is communicated effectively to all employees. Fair disciplinary procedures have been established and communicated, ensuring appropriateness and transparency. Measures are in place to identify and mitigate risks associated with harsh treatment. Workers at all levels receive appropriate training to understand and prevent such risks, with systems to monitor the effectiveness of this training. Accessible information is provided to all workers, especially vulnerable groups, regarding their rights and responsibilities concerning these issues. The site does not conduct any bodily searches. A formal grievance mechanism is in place, allowing workers to report concerns without fear of retaliation. All practices align with applicable laws, demonstrating a strong commitment to worker safety and dignity.

Evidence examined:

- Relevant policies on prevention of harassment and abuse
- Internal grievance procedure documentation
- Training records

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
What type of grievance mechanism(s) are available?	Hotline and email was posted in the workplace.
Number of grievances raised in the last 12 months	1
Number of grievances resolved in the last 12 months	1

10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The facility is certificate with ISO 14001:2015 Environmental System. The site has policies and procedures in place, with a senior manager serving as the management representative as per ISO 14001:2015 Environmental System. The facility regularly communicates their policies to employees. Based from the facility tour observation, no evidence of environment issues noncompliance. Through chemical storage records review, no outlawed chemicals are used. The facility is sorting wastes to paper, bottles/cans, plastic, metals and living wastes. Paper, bottles/cans, plastic and metals are recycled. The site regularly conducts internal audits and conduct corrective actions on its environmental system and conducted management reviews about environmental to ensure continuous improvement targets of the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

1. Based on the facility tour observation, no evidence of environment issues noncompliance. Through chemical storage records review, no outlawed chemicals are used.
2. The facility is sorting wastes to paper, bottles/cans, plastic, metals and living wastes. Paper, bottles/cans, plastic and metals are recycled.
3. Based on the environmental policy review, the facility updated the changes in environmental regulations.
4. The latest training records are provided for review during audit.

Evidence examined:

- Management interviews
- Business license
- A list of applicable laws and regulations
- Analysis and assessment records of natural resources used
- SAQ completed by the management

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	The facility is certificated with ISO 14001:2015 Management System.
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?	Yes The facility is also certificated with FSC Management System. (Certificated No. SGSHK-COC-010280)
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	No

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Based on facility site tour observation, document review and interviews, the site is compliant with the specified environmental requirements. It actively identifies and monitors potential negative environmental impacts from its operations and supply chain, implementing systems to prevent, mitigate, or remedy these impacts. High-level policies and processes demonstrate a commitment to improving environmental performance and managing stakeholder impacts. Resource-use targets are established, with strategic plans in place to achieve them. The site diligently records energy use, water consumption, solid waste and effluent discharge. Additionally, proactive measures are taken to monitor and mitigate impacts on biodiversity, showcasing a comprehensive approach to environmental stewardship.</p> <ol style="list-style-type: none"> 1. The facility had approved manufacturing license/ certificates/ permits issued by relevant local authorities. 2. Wastewater discharge permit was available. (No.: 01369-00 from 2022-11-25 to 2027-11-24) 3. Waste management approval plan control No.: E2604838 on 2022/12/12. 4. The factory contracted with legal environmental & cleaning company to dispose manufacturing waste (Solid waste / general garbage). 5. Documented Environmental impact assessment management procedure is established and relevant assessment reports are well kept. (Such as air, water, noise, chemicals, wastes, etc.) <p>The environmental risk assessment is regularly conducted once a year, and adequately controlled critical risk issues.</p> <ol style="list-style-type: none"> 6. The facility contracts with legal environmental & cleaning company to dispose manufacturing waste (Solid waste/ domestic waste). 7. Environmental policy included issues about Environmental protection, Obeying environmental regulation, Energy saving, Waste deduction/recycling, Pollution prevention and Sustainable improvement. 8. Not any deficiency issued by government agencies in the past year. 9. The environmental policy / procedures are established and effectively implemented. 10. Facility has set up an Environment management system to handle the issue of environment and appointed a senior management (Mr. Chang Shih-Huei / Facility Manager) to be responsible for co-ordinating the site's efforts to improve environmental performance. 11. The records of energy and water are available. 12. Energy management program is established and implemented. 13. Environmental compliance evaluation is regularly reviewed. 14. The environmental training plan, materials and records are available. <p>Evidence examined:</p> <ul style="list-style-type: none"> - Management interviews - Significant environmental aspects - Environmental targets and tracking logs - Analysis and assessment records of natural resources used 		

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?	Prioritising local suppliers Packaging optimization Sustainable material sourcing
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The site collects applicable regulations and conducts compliance.
Does the site have reduction targets in place to manage climate related risks?	Yes, to reduce scope 1 greenhouse gases (GHGs) Yes, to reduce scope 2 greenhouse gases (GHGs)
Are any of these science-based targets?	No, and we do not intend to set one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes Reduction targets in place for waste, water consumption, energy as per ISO 14001:2015 requirement.
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 (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	3,761,830	25,134,722
Total electricity consumption from renewable sources (kWh)	358,570	328,675
Sources of renewable energy used	Onsite generated	Onsite generated

Types of renewable energy used	Solar	Solar
Total natural gas consumption (kWh)	24,741,112,423,279	2,423,279
Usage of other purchased fuels	Data not available	Data not available
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)	229,730	218,554
Water discharged	surface water	surface water
Water volume discharged (m3)	258	1,955
Water volume recycled (m3)	4,800	4,800
Total waste produced (mt)	301	343
Total hazardous waste produced (mt)	0	0
Waste to recycling (mt)	138	140
Waste to landfill (mt)	0	0
Waste to other (mt)	163	203
Total product produced (mt)	Data not available	Data not available

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
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
Explanation for management systems grades	The facility has policies and few procedures for ethics in place, with a senior manager serving as the management representative. The site regularly communicates their ethics policies to employees and suppliers. The site regularly conducts internal audits and conduct corrective actions on its own. However, no management system in place to ensure continuous improvements environmental. Moreover, the site has not established any targets on ethics management system and conducted any management reviews about ethics to ensure continuous improvement targets of the management system.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

1. The facility manager has designated a senior management who is responsible for implementing standards concerning Business Ethics
2. The practices in this factory were conducted without any corruption and/or bribery.
3. The facility established a business ethics policy which was communicated to all workers through posters and training.
4. A transparent system in place for confidentially reporting and dealing with, unethical business practices, without fear of reprisals towards the reporter.
5. Anti-bribery policy of the facility sated that no under-the -table money giving and inappropriate gift giving; the facility communicate the policy on orientation training and shown in the procedure.

Evidence examined:

- Factory tour
- Worker interview
- Management interview

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?	No
Provide any certified anti-bribery management systems for the site	The facility does not have any certified anti-bribery management system.

Attachments



[Photo Report_NAN LIU
ENTERPRIS_20250310.pdf](#)



[Signed
CAPR_ZAA600116453.pdf](#)





For more information visit <https://www.sedex.com>