

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

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

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

2-pillar audits include:

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

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

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

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

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

Audit details

Site details

Sedex site reference	ZS418875331	Site name	Zhejiang Rayco Passion Industry and Trade Co Ltd
Business name	Zhejiang Rayco Passion Industry and Trade Co Ltd.	Site address	No. 4, Building 19, Hardware Tech Innovation Industrial Park, No. 89 Qingyun Road, Quanxi Town Wuyi County, Zhejiang Province, China 浙江省金华市武义县泉溪镇青云路89号五金科创小微园19幢4室 Jinhua CN 321201

Audit details

Sedex company reference	ZC418872038	Auditor company name	Intertek Shanghai	
Audit company address	3/F No,5,Lane 2028,Changzhong Rd, Shanghai, CN, 200435			
Date of audit	2026-01-05	Audit conducted by	Anne Xie	
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics			
Time in and out	Day 1		Day 2	
	In	08:50	In	09:40
	Out	16:50	Out	13:40

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Audit type	Full initial
Was the audit announced?	Semi announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Mr. Hu Yi / General Manager
Any conflicting information SAQ/Pre-Audit Info	No
Is further information available?	No

Audit attendance

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

SMETA declaration

Auditor team

SMETA declaration

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

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

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

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

This audit is semi-announce audit with the scheduling window from 4 January 2024 to 25 January 2026.

Lead auditor

Anne Xie

APSCA Number

21700646

Additional auditor

Date of declaration

2026-01-06

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Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Mr. Hu Yi
Title	General Manager
Date of declaration	2026-01-06

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601264773
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601264774
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601264775
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601264776
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601264777

Management systems

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

Not addressed

Fundamental improvements required

Some improvements recommended

Robust management systems

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

Not addressed

Fundamental improvements required

Some improvements recommended

Robust management systems

Site details

Company and site details

Sedex company reference	ZC418872038	
Sedex site reference	ZS418875331	
Company name	Zhejiang Rayco Passion Industry and Trade Co Ltd.	
Business ownership type	GOODS	
Site name	Zhejiang Rayco Passion Industry and Trade Co Ltd	
Site name in local language	浙江瑞合派申工贸有限公司	
GPS location	GPS address	No. 4, Building 19, Hardware Tech Innovation Industrial Park, No. 89 Qingyun Road, Quanxi Town Wuyi County, Zhejiang Province, China
	Coordinates	Latitude: 28.510713 Longitude: 119.5444230
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Mr. Hu Yi
	Job title	Generl Manager
	Phone number	86-579-87191111
	Email	china@cnrayco.com

[← Management systems](#)

[Worker analysis →](#)

Company and site details

Applicable business and other legally required business license numbers and documents

1. The business license number was 91330784MA29P8B82D, Valid Date: From 22 September 2017 without invalid date.
2. Building Construction Fire Safety Register Number: 武建消竣备字2024第0120号 for the building.
3. Pollutant discharge registration form: 91330784MA29P8B82D001W. Valid period: from 3 January 2026 to 2 January 2031.

[← Management systems](#)

[Worker analysis →](#)

Site activities

Site function	Factory Processing/Manufacturer Finished Product Supplier	
Site activities	Primary	Manufacture of other cutlery, hand tools and general hardware
	Secondary	Manufacture of plastics products
	Other	
Product type	Vacuum cup and plastic cup	
Process overview	The main products manufactured by the facility were vacuum cup and plastic cup. The main production processes were listed as follows: injection, metalworking, welding, polishing, painting, screen printing, laser making, assembly, Inspection and Packing. The main machine list of the facility was as following: 6 injection machines, 5 polishing machine etc.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	No
	The one 5-storey building which partial 1F to partial 5F used by other facilities.

[← Site details](#)

[Worker analysis →](#)

Site scope

Building 1	Last construction works on site	2024
	If building is shared, provide details	Yes. The one 5-storey building which partial 1F to partial 5F used by the audit facility, the other area used by other facilities.
	Number of floors	5
	Description of floor activities	The one 5-storey building which partial 1F to partial 5F used by the audit facility as office, workshop and warehouse, the other area used by other facilities as office, workshop and warehouse.

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

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

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

Worker accommodation and transport

Are there any site-provided worker accommodation buildings? No

Does the site organise worker transport to the worksite? Not provided
No transport was provided by facility.

[← Site details](#)

[Worker analysis →](#)

Work patterns

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

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), Other social audit
 The facility obtained one certification ISO9001:2015, the registration number was 28425Q12662R0s, which was valid from 8 January 2025 to 7 January 2028, ISO45001:2018, the registration number was 28425S10273R0S, which was valid from 8 January 2025 to 7 January 2028, ISO14001:2015, the registration number was 28425E10321R0S, which was valid from 8 January 2025 to 7 January 2028.

Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community? Yes
 The facility had assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site? No
 The facility did not conduct a Human Rights Impact Assessment (HRIA).

[← Site details](#)

[Worker analysis →](#)

Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	11 (64.7%)	6 (35.3%)	- -	17 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	11 (64.7%)	6 (35.3%)	- -	17 (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	10 (62.5%)	6 (37.5%)	- -	16 (94.1%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	10 (62.5%)	6 (37.5%)	- -	16 (94.1%)

* % of total workforce

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

16 production workers were domestic migrants from other provinces of China, such as Jiangxi, Yunnan, Guizhou, Hunan and Guangxi.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	0 (0%)	1 (100%)	- -	1 (5.9%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

* % of total workforce

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

Describe how this may vary during peak periods Not Applicable, as no peak season was observed at the facility.

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

Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Chinese	65%	35%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 -	0 -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 -	0 -	- -	0 (0%)
Workers paid hourly / daily rate	11 (64.7%)	6 (35.3%)	- -	17 (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	11 (64.7%)	6 (35.3%)	- -	17 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details Not applicable.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	1 (50%)	1 (50%)	- -	2
Supervisors or team leaders	1 (100%)	0 (0%)	- -	1
Administrative staff	1 (50%)	1 (50%)	- -	2

[← Worker analysis](#)

[Worker interviews →](#)

Worker interview summary

Gender disaggregated data available Men and women

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

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

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

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

Number and size of group interviews One group of 5 employees

Did workers understand the purpose of the audit? Yes

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

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)

Not Applicable. No concerns or complaints were raised by the employees. All interviewed employees expressed a positive attitude toward both management and the worksite.

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

Job security
Overtime
Pay

Additional comments

1. 10 employees were selected for interview; they were interviewed by 5 individuals and one group of 5 employees.
2. The employees were assured of confidentiality and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility. All employees said they were satisfied with their employment at the facility and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns.

Attitude of workers' committee/union representatives

One representative from the workers' committee was interviewed and stated that employees were satisfied with both the management and the facility environment. No negative feedback was reported. The worker committee representative expressed satisfaction with the management and working conditions, adding that employees had the opportunity to provide suggestions regarding all aspects of the site's practices.

Attitude of workers

Attitude of managers

The management was open and cooperative throughout the process of the audit. The audited facility designated several management staff to be responsible for this audit, e.g. the facility assigned the tasks of coordinating the whole audit, accompanying the onsite tour, providing documents and arrangement of worker interviews etc. to several different management staff, and these assigned persons completed their assigned tasks well during the whole audit. The requested documents were provided in a timely manner. All necessary areas were allowed access for tour. A private room was arranged for workers' interview and the management allowed audit team to select workers for interviews. The management did not raise any negative feedback for the audit.

Workers interviewed by type

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

Workers interviewed by group/individual

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

[← Worker analysis](#)

[Measuring workplace impact →](#)

Workers interviewed by group/individual

Workers interviewed individually	3	2	-	5
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Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	6	4	-	10
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	6	4	-	10

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	5.0%	0.0%	-	5.0%
Last full calendar year (2025)	5.0%	0.0%	-	5.0%
Previous full calendar year (2024)	4.0%	0.0%	-	4.0%

* 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)	8.0%	4.0%	-	12.0%
Last full calendar year (2025)	6.0%	5.0%	-	11.0%
Previous full calendar year (2024)	7.0%	6.0%	-	13.0%

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

Are accidents recorded? Yes

Accident records were provided for review and indicated that no accidents had occurred during past one year.

[← Worker interviews](#)

[Code area 0 →](#)

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

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

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

Lost day work cases (per 100 workers)*

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

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

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

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

[← Worker interviews](#)

[Code area 0 →](#)

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

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

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

1. The audited facility management exhibited complete openness and cooperation throughout the audit process. All requested documents were furnished in a timely manner, and unrestricted access to all relevant areas was granted for inspection. A private room was designated for worker interviews, and the management authorized the audit team to select interviewees independently. No inconsistencies were detected during this audit.
2. There was no indication of bribery, threats, or any attempts to induce dishonesty by the facility toward the auditor during this audit.
3. An accurate site description and Sedex site profile, as declared prior to or during the audit, were provided by the facility.
4. The facility had developed a comprehensive written Human Rights Policy addressing human rights impacts and issues, thereby demonstrating its commitment to respecting human rights. This policy was endorsed by Mr. Hu Yi, General Manager. The facility communicated this policy to all relevant parties, including suppliers, through formal documentation requiring acknowledgment via signatures and stamps. Furthermore, the policy was disseminated to all employees via posters and training sessions.
5. A transparent system for confidential reporting and addressing human rights impacts has been established, ensuring that reporters are safeguarded from any form of retaliation.
6. The scheduling window was wrongly written in onsite CAP. The right information is that this audit is semi-announce audit with the scheduling window from 4 January 2026 to 25 January 2026.

Evidence examined:

1. The Employee Handbook was reviewed, which specifies compliance with the ETI Code and outlines written policies and procedures provided individually to employees.
2. The Facility Manual included detailed information on the Code of Conduct and Business Ethics, emphasizing compliance across all business operations and integrity in alignment with client requirements and local laws.
3. The facility's written Human Rights Policy and Human Rights Policy Compliance Commitments from relevant parties were assessed.
4. Posters and training records related to the Human Rights Policy were reviewed.
5. Interviews with management and employees were conducted.

0. Enabling accurate assessment

Data points

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

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

1. Employment is freely chosen

Management systems

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

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

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

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility has established written comprehensive policies and procedures to ensure employment is freely chosen. The policies and procedures cover all Workplace Requirements and did not violate them. It is clear, definite, executable and the facility's CSR team was responsible for carrying it out. It covers all worker types, was suitable for all worker types and employment structures, it considers the inherent risks of the facility around. It regularly undertakes reviews and updates of these policies and procedures.

2) Resource:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Robust

Training at the facility is governed by a formal training procedure under the specific responsibility of the training supervisor. The facility conducts regular needs assessments to tailor training programs according to employees' roles and Workplace Requirements. Workers receive onsite training, while managers focus on policy interpretation. Training effectiveness is validated through written exams, practical evaluations, and on - the - job performance tracking. The 'Employment is Freely Chosen' policy is available and communicated to all employees. The facility provides relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. To maintain compliance with Workplace Requirements, the facility has established a comprehensive, multi-tiered approach to training, communication, and oversight. The facility adopts the following methods to ensure continuous compliance. All department compliance supervisors conducted daily spot checks, the CSR team performs monthly inspections, and senior management reviews the system quarterly. Any identified gaps are documented in non-compliance reports, followed by root cause analysis using tools like the 5Why method. In cases where no violations are

Management systems

detected over time, the facility proactively assesses training adequacy, oversight coverage, and inspection methods. This systematic approach ensures the management system remains effective and adaptable to changing requirements. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

1. The facility had established a formal policy prohibiting forced, bonded, and prison labor. This policy explicitly stated that the facility did not require workers to deposit or surrender their identification cards; it ensured that workers' freedom of movement was unrestricted; it strictly prohibited any form of forced, bonded, or involuntary prison labor; and workers were entitled to terminate their employment upon providing reasonable notice.
2. The facility maintained documented recruitment procedures stipulating that workers must present their ID cards for age verification purposes. However, only copies of these documents were retained in personnel files, while original ID cards were returned to the workers immediately.
3. The Employee Handbook, provided to all workers upon joining, outlined that employees could resign during the probation period with three days' prior written notice and after the probation period with one month's prior written notice. Resigning employees received their full wages on their last working day. Observations and worker interviews confirmed that employees were free to leave the workplace after working hours each day, and overtime work was entirely voluntary.
4. The terms and conditions of employment specified in the handbook indicated that workers were permitted to leave the workplace outside of working hours. Security guard guidelines clearly stated that guards were solely responsible for protecting the safety of personnel and property and were strictly prohibited from abusing workers or conducting body searches.
5. The facility did not impose any charges on workers for work tools, personal protective equipment (PPE), IC/staff cards, training, or other related expenses.
6. The facility did not utilize prison labor under any circumstances.
7. These policies were validated through interviews conducted with management and employees.

Evidence examined:

1. The facility's policy ensuring freely chosen employment was reviewed. This policy included clauses stating that the facility did not require deposits or retention of employees' ID cards, did not restrict employees' freedom of movement, and prohibited forced, bonded, or involuntary prison labor. Employees were entitled to terminate their employment upon providing reasonable notice.
2. 10 randomly selected employee contracts were reviewed, confirming compliance with the specified notice periods.
3. The facility conducted annual training sessions for all managers and workers on the prohibition of forced, bonded, and involuntary prison labor. Records of the most recent training session, held in March 2025, were provided for review.
4. Interviewed employees reported no concerns regarding forced or bonded labor. They confirmed that they were free to leave their workstations once their shifts ended and were not required to pay any 'deposits' or surrender their ID cards to the

employer.

[← 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

1.A. Responsible recruitment and entitlement to work

Management systems

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

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

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

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility has established comprehensive policies and procedures on responsible recruitment and entitlement to work. The policies and procedures cover all Workplace Requirements and did not violate them. It is clear, definite, executable and the facility's CSR team was responsible for carrying it out. It covers all worker types, was suitable for all worker types and employment structures, it considers the inherent risks of the facility around. It regularly undertakes reviews and updates of these policies and procedures.

2) Resource:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Robust

Training at the facility is governed by a formal training procedure under the specific responsibility of the training supervisor. The facility conducts regular needs assessments to tailor training programs according to employees' roles and Workplace Requirements. Workers receive onsite training, while managers focus on policy interpretation. Training effectiveness is validated through written exams, practical evaluations, and on-the-job performance tracking. The 'Responsible Recruitment and Entitlement to Work' policy is available and communicated to all employees. The facility provides relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. To maintain compliance with Workplace Requirements, the facility has established a comprehensive, multi-tiered approach to training, communication, and oversight. The facility adopts the following methods to ensure continuous compliance. All department compliance supervisors conducted daily spot checks, the CSR team performs monthly inspections, and senior management reviews the system quarterly. Any identified gaps are documented in non-compliance reports, followed by root cause analysis using tools like the 5Why method. In cases where no violations are

Management systems

detected over time, the facility proactively assesses training adequacy, oversight coverage, and inspection methods. This systematic approach ensures the management system remains effective and adaptable to changing requirements. No findings were raised in this section.

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. During the recruitment process, the facility systematically reviewed original identification documents for verification purposes and promptly returns them to the workers. Copies of these documents were securely retained in personnel files for record-keeping.
2. Based on document reviews, management representations, and employee interviews, it was confirmed that all employees were Chinese with the appropriate legal authorization to work in this region. The youngest employee is 20 years old, and all employees were recruited directly by the facility without involvement from any external recruitment agencies.
3. During the recruitment process, the nature of work, working conditions, wages, benefits, and working hours were clearly and accurately communicated to prospective employees. No recruitment fees were charged to applicants at any stage of the hiring process.
4. The facility strictly prohibited the hiring of child labor. In cases where juvenile workers (aged 16-18) were employed, the facility implemented and monitored appropriate safeguards and protections in accordance with relevant regulations.
5. The facility takes due diligence on recruitment fees and related costs annually and no recruitment fee or related costs was paid by employees during the recruitment and employment process.

Evidence examined:

1. Hiring procedures documentation.
2. Personnel files containing employment records and identification information.
3. Employee handbook outlining terms and conditions of employment.
4. Interviews conducted with management and employees to verify compliance with recruitment and employment policies.

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
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[← Code area 1.A](#)

[Code area 2 →](#)

Percentage of workers that are migrant 0%

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

List the sending states/provinces/regions 16 production workers were domestic migrants from other provinces of China, such as Jiangxi, Yunnan, Guizhou, Hunan and Guangxi.

Recruitment fees

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

Were recruitment fees or costs identified during worker interviews? No

According to employee interviews, no recruitment fees or costs were incurred by workers during the recruitment and employment process.

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 Robust Management Systems

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility has established comprehensive policies and procedures to ensure that freedom of association and the right to collective bargaining are respected. The policies and procedures cover all Workplace Requirements and did not violate them. It is clear, definite, executable and the facility's CSR team was responsible for carrying it out. It covers all worker types, was suitable for all worker types and employment structures, it considers the inherent risks of the facility around. It regularly undertakes reviews and updates of these policies and procedures.

2) Resource:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Robust

Training at the facility is governed by a formal training procedure under the specific responsibility of the training supervisor. The facility conducts regular needs assessments to tailor training programs according to employees' roles and Workplace Requirements. Workers receive onsite training, while managers focus on policy interpretation. Training effectiveness is validated through written exams, practical evaluations, and on-the-job performance tracking. The 'Freedom of Association and Right to Collective Bargaining' policy is available and communicated to all employees. The facility provides relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. To maintain compliance with Workplace Requirements, the facility has established a comprehensive, multi-tiered approach to training, communication, and oversight. The facility adopts the following methods to ensure continuous compliance. All department compliance supervisors conducted daily spot checks, the CSR team performs monthly inspections, and senior management reviews the system quarterly. Any identified gaps are documented in non-compliance reports, followed by root cause analysis using tools like the 5Why method. In cases where no violations are

Management systems

detected over time, the facility proactively assesses training adequacy, oversight coverage, and inspection methods. This systematic approach ensures the management system remains effective and adaptable to changing requirements. No findings were raised in this section.

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. Although no formal union existed at the facility, one on-site worker committee had been established, with representatives freely elected by employees without interference from management.
2. The facility had implemented a structured communication mechanism enabling employees to convey their opinions and suggestions directly to management. Management posted corresponding feedback in designated areas on-site. Additionally, suggestion boxes were provided to facilitate anonymous communication between employees and management.
3. At present, there was no collective bargaining agreement in place at the facility.
4. Employee interviews confirmed that workers had the freedom to join workers' organizations and exercise their right to collective bargaining without restriction or interference.
5. Employee interviews verified that members of the worker committee were democratically elected by fellow employees without influence or interference from the facility. Furthermore, the facility did not discriminate against worker representatives or interfere in their lawful activities.
6. The facility had established a formal written policy on freedom of association, affirming that workers had the right to form or join trade unions or workers' organizations and enjoy the right to collective bargaining. No employee would be subjected to differential treatment based on their membership in a trade union or workers' organization.

Evidence examined:

1. A formal written procedure for freedom of association was established, recognizing and respecting employees' lawful rights to free association.
2. The Employee Handbook was reviewed, confirming that employees are entitled to establish a worker committee and that there would be no discrimination against committee members or worker representatives.
3. Meeting records between facility management and worker committee representatives were provided for review, demonstrating ongoing dialogue and collaboration between both parties.

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

Data points

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

[← Code area 2](#)

[Code area 3 →](#)

3. Working conditions are safe and hygienic

Management systems

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established an Environmental, Health, and Safety (EHS) policy and procedure, endorsed at the highest level, which included a commitment to improving working conditions and workers' healthcare, particularly for those working at heights and exposed to hazardous chemicals. The policy also outlined an approach to managing health and safety issues concerning relevant stakeholders. This policy was reviewed annually by the Health and Safety Committee, signed by the Manager, and controlled through the EHS management system procedure. The policy and procedures were comprehensive.

2) Resource:

Grade: Robust

Based on the established EHS procedure, a manager leading the Health and Safety Committee has been appointed to oversee and implement the Health and Safety Policy. This individual had sufficient authority to ensure that procedures were carried out effectively. Members of the EHS management team have received training from external agencies. The Manager convened an EHS meeting once per quarter, attended by the Health and Safety Committee and supervisors from each department, to address health and safety concerns and provide updates. Specific operational responsibilities for implementing the procedures were clearly defined.

3) Communication & Training:

Grade: Fundamental Improvements Required

The EHS policy and procedures were communicated to all employees annually. EHS training covers building safety, fire safety, electrical safety, machine safety, chemical handling and disposal, and personal protective equipment (PPE) usage. The most recent training was conducted in September 2025. However, some employees had forgotten the training contents through interview. The facility did not adjust the training frequency according to the employees' needs.

4) Monitoring:

Grade: Fundamental Improvements Required

The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address non-compliances. However, the facility did not increase the frequency of monitoring based on actual situation and there was no mechanism to check whether the corrective actions taken are effective to prevent the misapplication of procedures.

Summary of findings

[← Code area 2](#)

[Code area 4 →](#)

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601264773
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601264774

[← Code area 2](#)

[Code area 4 →](#)

Systems and evidence examined to validate this code section

Current systems:

1. General Health and Safety Management

1.1 Mr. Hu Yi / General Manager was designated as the primary responsible person for overseeing health and safety matters at the facility.

1.2 Potable water was readily accessible in all areas of the facility.

1.3 Adequate, clean toilets were provided and segregated by gender, ensuring availability to employees at all times.

1.4 Ventilation, temperature, and lighting levels were maintained at appropriate standards to support production processes.

1.5 Meeting minutes demonstrated that monthly meetings were held between workers and the Facility Director, with documented follow-up actions taken on each discussed point.

2. Fire Safety

2.1 Each work area featured at least two clearly marked emergency exits.

2.2 Firefighting equipment was sufficient and regularly inspected to ensure compliance with safety standards.

2.3 Fire drills were conducted and recorded.

2.4 Training sessions were organized by the local fire department, and designated fire marshals underwent specialized training.

2.5 Evacuation diagrams were prominently displayed in all areas and comprehended by all interviewed employees.

2.6 Evacuation routes were well-designed, marked with yellow lines, and kept unobstructed at all times.

2.7 Evacuation plans were posted near each safety exit and understood by all interviewed employees.

3. Electrical Safety

3.1 A qualified electrician was employed at the facility, with certification available for review.

3.2 All electrical equipment was in good working condition.

4. Medical Services

4.1 Fully stocked first aid kits were available in each production area.

4.2 Document reviews confirmed the presence of one trained first aider within the facility.

5. Machine Safety

5.1 All machines were installed with safety facilities.

5.2 Monthly inspection records were maintained and provided for review.

5.3 Registration and regular inspection for all special equipment such as cargo lift and certificates for the management/operator were provided for review.

6. Chemical Safety

6.1 Substances such as paint, machine oil were utilized in the facility, however, partial without second container.

6.2 Material Safety Data Sheets (MSDS) were accessible, and hazard diagrams were displayed for chemicals requiring careful handling.

6.3 Employees in the chemical storage area confirmed receiving training on proper handling procedures and emergency response protocols.

6.4 A dedicated chemical warehouse equipped with safety facilities was established within the facility.

Evidence examined:

1. Health and safety policy.
2. Comprehensive health and safety manual.
3. Training records and certifications.
4. Fire equipment maintenance logs.
5. Fire drill records conducted on 27 June 2025 and 27 December 2025.
6. Accident reports.
7. Drinking water testing report
8. Interviews with the workers, EHS Manager and Internal Audit Supervisor.

Findings: non-compliances

ZAF601264773

Non-compliance

Due 2026-02-12

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

Time given to resolve

30 days

Verification method

Desktop audit

Issue title

240 - No/inadequate safety measures/anti-explosion measures for chemicals (e.g. no anti-leaking system/secondary container/unbundled)

Area of non-compliance/non-conformance

Local law

Base code

Description

Safety facilities for hazardous chemicals were not compliant with legal requirement. During facility tour, auditor found that hazardous chemicals such as paint were stored in chemical warehouse, but there was no secondary containment for partial chemical.

危险化学品储存的安全设施不符合要求。在现场巡查时，审核员发现在化学品仓库储存的的化学品如涂料，部分没有按要求设置防泄漏安全措施。

Corrective and preventative actions

Failed the site management. The facility would set up the corresponding safety facilities and equipments in workshop or warehouse for hazardous chemicals as per legal requirement. Strengthen management and provide training to relevant employees.

Local law reference

In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.

[← Code area 3](#)

[Code area 4 →](#)

Evidence



[Chemical without second container.jpg](#)



* PDF generated at 03:34 (UTC) on 13 Jan 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601264774

Non-compliance

Due 2026-03-14

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.R Provide clean and secure toilets, wash areas, and worker changing facilities, with adequate hygiene supplies separated by gender or with effective privacy. Ensure potable water is easily accessible by workers and, where appropriate, clean storage facilities for food and personal belongings.

Time given to resolve

60 days

Verification method

Desktop audit

Issue title

327 - Storage of goods not in line with legal requirements (e.g. too high)

Area of non-compliance/non-conformance

Local law

Description

Partial goods in warehouse were stacked against the wall. During facility tour, auditor found that partial goods were stored against the wall in warehouses.

Base code

部分货物靠墙放置。在现场巡查时，审核员发现企业仓库中的部分货物靠墙堆放。

Corrective and preventative actions

Failed the site management. The facility should ensure all goods in warehouse were stored properly. Strengthen the management and checked regularly.

[← Code area 3](#)

[Code area 4 →](#)

Local law reference

In accordance with General Rules for Fire Safety Management of Storage Occupancies XF1131 2014 Article 6.8 The following requirements shall be met for goods or materials to be piled up in warehouse: a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam); c) The distance between the goods or materials and the wall shall be no less than 0.5m; d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m; e) The distance between different stacking of goods or materials shall be no less than 1m.

Evidence



[Partial goods in the warehouses were stacked against wall.jpg](#)

* PDF generated at 03:34 (UTC) on 13 Jan 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 Chemical such as paint, machine oil.
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 Not applicable. There were no structural additions, such as additional floors, made to 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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility has established comprehensive policies and procedures on Hiring and Prohibition of Child Labor. The policies and procedures cover all Workplace Requirements and did not violate them. It is clear, definite, executable and the facility's CSR team was responsible for carrying it out. It covers all worker types, was suitable for all worker types and employment structures, it considers the inherent risks of the facility around. It regularly undertakes reviews and updates of these policies and procedures.

2) Resource:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Robust

Training at the facility is governed by a formal training procedure under the specific responsibility of the training supervisor. The facility conducts regular needs assessments to tailor training programs according to employees' roles and Workplace Requirements. Workers receive onsite training, while managers focus on policy interpretation. Training effectiveness is validated through written exams, practical evaluations, and on-the-job performance tracking. The 'Child Labour Prevention and Remediation' policy is available and communicated to all employees. The facility provides relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

Responsibilities for monitoring the implementation of age verification are defined in the Hiring Procedure. This procedure mandates that audits of age-verification records be conducted by HR leads. The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. No findings were raised in this section.

Summary of findings

[← Code area 3](#)

[Code area 5 →](#)

Code area	Workplace requirement	Area of NC	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility had established a formal recruitment procedure requiring workers to present their original identification cards for age verification. Only copies of these documents were retained in personnel files, while the original ID cards were promptly returned to the workers. The facility strictly enforced policies prohibiting the employment of child labor under the age of 16. 2. Although there were currently no juvenile workers or pregnant workers at the facility, a documented protection procedure for these groups was in place. 3. Despite the absence of child labor, the facility had developed and documented a comprehensive child labor remediation procedure. 4. A written employee roster was maintained and was readily accessible upon request. 5. Workers' personnel files included the recruitment date, a biodata sheet, a recent photograph, and age documentation (i.e., a copy of the ID card). The ID card copies specified the worker's full name, household address, and date of birth. Personnel records confirmed that the youngest worker employed was 20 years old. 6. Interviews with management and employees verified that the facility systematically checks all workers' original ID cards during recruitment and retains photocopies in personnel files. The facility did not recruit applicants under the age of 16. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Personnel files of selected employees were reviewed. 2. An up-to-date employee roster was provided. 3. Health check records were examined. 4. The Employee Handbook and Management Manual were reviewed. 5. Interviews were conducted with management and employees to validate compliance with recruitment and employment policies. 		

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	20
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

[← Code area 4](#)

[Code area 5 →](#)

5. Legal wages are paid

Management systems

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had developed and established comprehensive wage and benefit policies and procedures. The policies and procedures cover all Workplace Requirements and did not violate them. It is clear, definite, executable and the facility's CSR team was responsible for carrying it out. It covers all worker types, was suitable for all worker types and employment structures, it considers the inherent risks of the facility around. It regularly undertakes reviews and updates of these policies and procedures.

2) Resource:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Fundamental Improvements Required

Training at the facility was governed by a formal training procedure under the specific responsibility of the training supervisor. The 'Wages and Benefit' policy and procedures were available and communicated to all employees. However, there was no effective mechanism in place to ensure the adequacy and effectiveness of the training program. Additionally, some employees had opted out of social insurance due to personal expenses, with some choosing to participate in the New Rural Social Pension Insurance in their hometowns instead. As a result, one systemic major finding was identified in this section: Insufficient social insurance participated.

4) Monitoring:

Grade: Fundamental Improvements Required

The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address non-compliances. However, there was no evidence demonstrating that corrective actions have been implemented in response to the findings of the internal audit. As a result, one systemic major finding was identified in this section.

Summary of findings

[← Code area 4](#)

[Code area 5.A →](#)

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601264775

[← Code area 4](#)

[Code area 5.A →](#)

Systems and evidence examined to validate this code section

Current systems:

1. The local minimum wage standard for full-time work was set at RMB 2260 per month, equivalent to RMB 12.99 per hour (calculated as 2260 / 21.75 / 8), effective from 1 January 2024.
2. All employees' wages were calculated on hourly rate basis. According to the payroll records provided for November 2025, the facility paid a minimum wage of RMB 22.99 per hour.
3. Based on the records provided, the facility paid 150% of the normal hourly rate for overtime work on regular workdays and 200% for overtime work on rest days. No overtime work was scheduled on official public holidays.
4. Wages were managed through well-structured and controlled processes that were clearly communicated to all employees.
5. Prior to commencing employment, all workers received written and comprehensible information regarding their employment conditions, including wage details. Additionally, during each pay period, they received detailed particulars about their wages.
6. Paid annual leave benefits were provided to all workers, and eligible employees received maternity leave benefits.
7. Workers were paid by bank on or around 30th of the following month. The payment calculation period covered the previous month from the 1st to the last day. Each worker received a pay slip and signs for their wages upon receipt.
8. Insufficient social insurance participated. According to the latest social insurance receipt of December 2025, auditor found that there was total 19 employees (excluding 3 retired employees), however, only 5 out of 19 (26.3%) employees had participated in basic endowment insurance, unemployment insurance, basic medical insurance, maternity insurance and employment injury insurance. Furthermore, the facility had provided commercial accident insurance for all employees and the valid period was from 8 August 2025 to 7 August 2026.

Evidence examined:

1. Document review.
2. Employee interviews.
3. Local and national labor laws.
4. Wage and benefits policy documentation.
5. Local legal minimum wage documents.
6. Payroll records from December 2024 to November 2025 and attendance records from 1 December 2024 to 4 January 2025.
7. Leave records.
8. Labor contracts for all employees (to examine agreed wage rates).
9. Resignation records.
10. Pay slips of interviewed employees

Findings: non-compliances

ZAF601264775

Non-compliance

Due 2026-03-14

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Follow up audit

Description

Insufficient social insurance participated. According to the latest social insurance receipt of December 2025, auditor found that there was total 19 employees (excluding 3 retired employees), however, only 5 out of 19 (26.3%) employees had participated in basic endowment insurance, unemployment insurance, basic medical insurance, maternity insurance and employment injury insurance. Furthermore, the facility had provided commercial accident insurance for all employees and the valid period was from 8 August 2025 to 7 August 2026.

Area of non-compliance/non-conformance

Local law

Base code

社保参保不足。经过文件审核，根据2025年12月的社保收据，审核员发现企业有19名员工（不包括3名退休员工）在职，仅有5人(26.3%)参加了养老保险，失业保险，医疗保险，生育保险和工伤保险。此外，企业为所有员工购买了商业意外伤害保险，有效期为2025年8月8日至2026年8月7日。

Corrective and preventative actions

Partial employees had opted out of social insurance due to personal expenses. The facility management stated that they would persuade the potential employees to participate in social insurance. Provided regular training about social insurance for employees.

[← Code area 4](#)

[Code area 5.A →](#)

Local law reference

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

Evidence



[Insufficient social insurance participated.jpg](#)

* PDF generated at 03:34 (UTC) on 13 Jan 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?	Other (provide details) All employees were paid by hourly basic, and the minimum hourly rate was RMB 22.99 per hour.
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
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Summary information

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

Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	176.0
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	17.0
	Max hours per month	65.0
Minimum legal wage	Min per hour	12.99
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2260.0
Actual minimum wage	Actual per hour	22.99
	Actual per day	183.91
	Actual per week	919.54
	Actual per month	4000.0

Minimum legal overtime wage	Min per hour	19.48
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	34.48
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples from November 2025 (current month) 10 samples from September 2025 (random month) 10 samples from April 2025 (random month)
Are there different legal minimum/legally recognised CBAs wage grades?	No
For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?	Above legal minimum
Indicate the breakdown of workforce per earnings	100% of workforce earning above minimum wage.
Are there any bonus schemes used?	No

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	<p>Current systems:</p> <ol style="list-style-type: none"> 1. Through facility rules review, payroll records review and employees' interviews, the facility had the idea of evaluating the local living wage, and they had completed the survey or calculating the local living wage before the audit. The living wage calculation meets 10 ILO principles for Living Wage Estimation, according the wage indicator typical family methodology, all employees' wage were above the living wage. 2. Employees' total pay had included all benefits, and the wage was higher than the "living wage". The facility had conducted the living wage gap analysis, and key elements had been included. 3. A wage improvement plan that aims to pay workers a living wage had been included in the wage and benefit control procedures. 4. All employees in the facility were paid as or above the living wages defined by the facility. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Living wage policy. 2. The calculating process of local living wage of the facility. 3. Payroll records. 		

6. Working hours are not excessive

Management systems

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had formulated comprehensive written policies and procedures regarding attendance management, overtime regulations, overtime remuneration, production contingency plans, and other related matters. These policies referenced the Employees Manual, which outlined key mechanisms to prevent excessive working hours. Specific provisions were included for young workers, female workers, and pregnant workers. The facility regularly reviewed and updated these policies, posting them on the employees' noticeboard for transparency.

2) Resources:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Fundamental Improvements Required

Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The working hours policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the working hours management procedure is mandatory for all employees annual. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. However, training for key individuals who arranged the production were overlooked in the training plan. No awareness to consider the overtime control procedure in their daily work.

4) Monitoring:

Grade: Fundamental Improvements Required

The facility conducts regular monitoring and internal audits to assess the effectiveness of its policies and procedures, and has established mechanisms to identify non-conformities and initiate corrective actions. Management performs monthly reviews of working hours records and has identified instances where monthly overtime exceeds the legal limit. In response, corrective and preventive actions have been developed, including capacity assessments, adjustments to order delivery cycles to enable more reasonable production planning, and ongoing recruitment efforts to meet production demands. While these measures reflect a commitment to addressing overtime concerns, their implementation has not yet been fully effective in achieving sustained compliance. Overtime levels remain above permissible limits,

Management systems

indicating that further strengthening of action plans and follow-up mechanisms is required. Management acknowledges that managing overtime within the statutory 36-hour monthly cap presents an industry-wide challenge in the region.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601264776
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601264777

Systems and evidence examined to validate this code section

Current systems:

1. All interviewed employees confirmed that they worked overtime on a voluntary basis.
2. During this audit, the auditor randomly selected and reviewed production records, including daily production logs, and cross-verified these with payroll and attendance records. No inconsistencies were identified. Additionally, employee interviews further confirmed the absence of discrepancies.
3. The facility utilized facial ID attendance system to accurately record employees' working hours.
4. According to the attendance records provided and employee interviews, the standard working hours were 8 hours per day and 40 hours per week.
5. Based on the attendance records provided, all employees received at least one day off per week.
6. The overtime hours recorded in the attendance records provided by the facility are as follows:
 0-2 hours/day in November 2025 (current month)
 0-2 hours/day in September 2025 (random month)
 0-2 hours/day in April 2025 (random month)

- 14-15 hours/week in November 2025 (current month)
- 15-17 hours/week in September 2025 (random month)
- 14-16 hours/week in April 2025 (random month)

- 65 hours/month in November 2025 (current month)
- 65 hours/month in September 2025 (random month)
- 60 hours/month in April 2025 (random month)

Evidence examined:

1. Employee interviews.
2. Management interviews.
3. Local and national labor laws.
4. Facility policy regarding working hours.
5. Time records from the attendance system.
6. Pay slips with recorded hours for all interviewed employees.
7. Attendance records covering the period from 1 December 2024 to 4 January 2026.
8. Production records used to verify working hours.
9. Employee contracts.

Findings: non-compliances

ZAF601264776

Non-compliance

Due 2026-03-14

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Follow up audit

Description

Overtime hours exceeded the legal requirement. Through document review, auditor found that: 1) The monthly overtime hours of all 10 randomly selected employees were 65 hours in November 2025(current month); 2) The monthly overtime hours of all 10 randomly selected employees were 65 hours in September 2025 (random month); 3) The monthly overtime hours of all 10 randomly selected employees were 60 hours in April 2025 (random month).

Area of non-compliance/non-conformance

Local law

Base code

加班时间超过法规要求。通过文件审核，审核员发现： 1) 在抽取的2025年11月份（当前月）的考勤中，所有10名随机抽取员工的月加班时间为65小时； 2) 在抽取的2025年9月份（随机月）的考勤中，所有10名随机抽取员工的月加班时间为65小时； 3) 在抽取的2025年4月份（随机月）的考勤中，所有10名随机抽取员工的月加班时间为60小时。

Corrective and preventative actions

The production was busy. The facility would reduce the overtime hours to ensure it is within 36 hours per month. Hire more workers and give documented training to department personnel to ensure site policy is being followed.

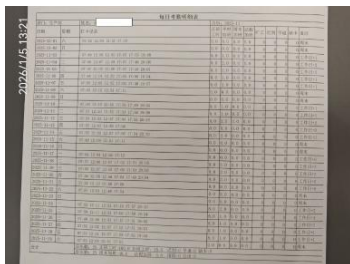
Local law reference

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

Evidence

[← Code area 6](#)

[Code area 7 →](#)



[Overtime hours exceeded the legal requirement.jpg](#)

* PDF generated at 03:34 (UTC) on 13 Jan 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601264777

Non-compliance

Due 2026-04-13

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement

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

Time given to resolve

90 days

Issue title

908 - There is a review conducted of working hours with the intention of responsibly managing overtime, but it is not adequate or does not lead to demonstrable corrective action

Verification method

Desktop audit

Area of non-compliance/non-conformance

Base code

Description

There was a review conducted of working hours with the intention of responsibly managing overtime, but it did not lead to demonstrable corrective action.

虽然企业对工作时间进行了审查，以负责任地管理加班，但没有明显有效的纠正措施。

Corrective and preventative actions

Failed the management. The facility would conduct a review of working hours with the intention of responsibly managing overtime and demonstrable corrective action. Strengthen the management and checked regularly.

* PDF generated at 03:34 (UTC) on 13 Jan 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

[← Code area 6](#)

[Code area 7 →](#)

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	Not applicable. In accordance with local law, the facility is required to pay employees no less than 150%, 200%, and 300% of the normal rate for overtime work on regular working days, rest days, and official public holidays, respectively.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	57.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	55.0
Maximum number of days worked without a day off in sample	6

[← Code area 6](#)

[Code area 7 →](#)

7. No discrimination is practiced

Management systems

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

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

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

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility has established comprehensive policies and procedures on antidiscrimination. The policies and procedures cover all Workplace Requirements and did not violate them. It is clear, definite, executable and the facility's CSR team was responsible for carrying it out. It covers all worker types, was suitable for all worker types and employment structures, it considers the inherent risks of the facility around. It regularly undertakes reviews and updates of these policies and procedures.

2) Resource:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Robust

Training at the facility is governed by a formal training procedure under the specific responsibility of the training supervisor. The facility conducts regular needs assessments to tailor training programs according to employees' roles and Workplace Requirements. Workers receive onsite training, while managers focus on policy interpretation. Training effectiveness is validated through written exams, practical evaluations, and on-the-job performance tracking. The 'No discrimination is practiced' policy is available and communicated to all employees. The facility provides relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. To maintain compliance with Workplace Requirements, the facility has established a comprehensive, multi-tiered approach to training, communication, and oversight. The facility adopts the following methods to ensure continuous compliance. All department compliance supervisors conducted daily spot checks, the CSR team performs monthly inspections, and senior management reviews the system quarterly. Any identified gaps are documented in non-compliance reports, followed by root cause analysis using tools like the 5Why method. In cases where no violations are detected over time, the facility proactively assesses training adequacy, oversight

Management systems

coverage, and inspection methods. This systematic approach ensures the management system remains effective and adaptable to changing requirements. No findings were raised in this section.

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 employee interviews, the majority of employees expressed high respect for the facility owner.
2. The facility ensured equal pay for equal work across all positions and departments.
3. No employee was required to undergo Hepatitis B virus or HIV testing as part of employment requirements.
4. An anti-discrimination procedure covering hiring, compensation, and promotion was in place at the time of the audit.
5. There was no gender-based divisions within the facility; both male and female employees were equally distributed across all types of work.
6. An internal grievance process existed, and all sampled employees confirmed awareness of the available grievance channels should they encounter any discrimination issues.
7. There was no evidence of sexual harassment or discriminatory practices within the facility.
8. The facility had established the equity approach in recruitment, training, development and promotion processes. For example, for the new employees who have less working experience, the facility would provide additional skill training for them to help them enhance their skills and ability so that they can acquire more opportunities of work posts with higher pay.

Evidence examined:

1. Hiring and termination procedures, leave application records, and the Employee Handbook.
2. Payroll records.
3. Attendance records.
4. Termination records.
5. Training records.
6. Employee interviews conducted during the audit.

7. No discrimination is practiced

Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)? 20%

Representation of women in managerial roles (ratio of women workers to women managers) 16%

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

Three most common nationalities in managerial and supervisory roles All managers and supervisors were Chinese citizens.

8. Regular employment is provided

Management systems

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

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

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

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures on regular employment. The use of dispatched labor, outsourced labor, interns, and temporary labor must comply with legal requirements, although no such labor was currently used at the facility. The policies and procedures cover all Workplace Requirements and did not violate them. It is clear, definite, executable and the facility's CSR team was responsible for carrying it out. It covers all worker types, was suitable for all worker types and employment structures, it considers the inherent risks of the facility around. It regularly undertakes reviews and updates of these policies and procedures.

2) Resource:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Robust

Training at the facility was governed by a formal training procedure under the specific responsibility of the training supervisor. The 'regular employment' policy and procedures were available and communicated to all employees. The facility provides relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. To maintain compliance with Workplace Requirements, the facility has established a comprehensive, multi-tiered approach to training, communication, and oversight. The facility adopts the following methods to ensure continuous compliance. All department compliance supervisors conducted daily spot checks, the CSR team performs monthly inspections, and senior management reviews the system quarterly. Any identified gaps are documented in non-compliance reports, followed by root cause analysis using tools like the 5Why method. In cases where no violations are detected over time, the facility proactively assesses training adequacy, oversight coverage, and inspection methods. This systematic approach ensures the management system remains effective and adaptable to changing requirements. No

Management systems

findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

1. All employees were directly recruited by the facility without the involvement of any labor agencies. No temporary employees, apprenticeship programs, or homeworkers were identified during the audit.
2. Each employee received a signed copy of their labor contract.
3. A robust management system was in place to identify and monitor the hiring and management of all workers. All employees were legally employed and treated equally within the facility. There were no foreign employees working at the facility.
4. The facility did not employ temporary workers, offer apprenticeship programs, or permit homeworking.
5. Labor contracts for all workers were available for review. These contracts were personally signed by the workers. Interviewed workers demonstrated a clear understanding of the contract contents. The terms and conditions stated in the contracts accurately reflect the agreed-upon payment and terms from the recruitment process and comply with local laws.

Evidence examined:

1. Recruitment and termination practices.
2. Personal files containing labor contracts and copies of identification documents for employees.
3. Payroll records provided for review.
4. Training records related to recruitment policies and procedures.
5. Interviews conducted with management and workers.

8. Regular employment is provided

Data points

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

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

Management systems

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

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

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

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures regarding subcontracting and homeworkers. The policies and procedures cover all Workplace Requirements and did not violate them. It is clear, definite, executable and the facility's CSR team was responsible for carrying it out. It covers all worker types, was suitable for all worker types and employment structures, it considers the inherent risks of the facility around. It regularly undertakes reviews and updates of these policies and procedures.

2) Resource:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Robust

Training at the facility was governed by a formal training procedure under the specific responsibility of the training supervisor. The 'sub-contracting and homeworkers' policy and procedures were available and communicated to all employees. The facility provided relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. To maintain compliance with Workplace Requirements, the facility has established a comprehensive, multi-tiered approach to training, communication, and oversight. The facility adopts the following methods to ensure continuous compliance. All department compliance supervisors conducted daily spot checks, the CSR team performs monthly inspections, and senior management reviews the system quarterly. Any identified gaps are documented in non-compliance reports, followed by root cause analysis using tools like the 5Why method. In cases where no violations are detected over time, the facility proactively assesses training adequacy, oversight coverage, and inspection methods. This systematic approach ensures the management system remains effective and adaptable to changing requirements. No findings were raised in this section.

[← Code area 8](#)

[Code area 9 →](#)

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none"> 1. Site subcontracted vacuumizing and electrolysis process to other facility with main client approval, Other processes were completed in the facility. 2. There was no homeworking used by the facility. 3. The facility had established the systems and processes to manage the sub-contracting. The facility established, maintained, documented appropriate procedures to evaluate and select subcontractors based on their performance and commitment towards social compliance. The facility's social compliance policy and requirements was communicated to the subcontractor by business contract and written process. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Written procedures for the supplier management system. 2. Supplier lists and copies of business licenses from supplier facilities. 3. Social responsibility assessment questionnaires provided by supplier facilities. 4. Facility tour conducted during the audit. 5. Interviews conducted with management personnel. 		

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

Data points

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

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
The supplier had policy that they did 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? Yes
No concerns about unrecorded work or undeclared sub-contracting on site.

[← Code area 8.A](#)

[Code area 9 →](#)

Are any sub-contractors used? Yes

Sub-contractor 1	Processes subcontracted	Vacuumizing and electrolysis
	Name of factory	Yongkang Tailong Electrolysis Co., Ltd
	Address	No.7-9 Third Jinshi Road, Jiangnan Street, Yongkang City, Zhejiang Province
	Dates used	The facility had conducted social compliance assessment to the subcontractor to ensure no child labour was being used and work was safe. The assessment report had been provided for review. The facility obtained main client's approval for subcontracting of vacuumizing and electrolysis process.

9. No harsh or inhumane treatment is allowed

Management systems

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

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

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

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures on the Prohibition of Harsh or Inhumane Treatment and Disciplinary Actions. The policies and procedures cover all Workplace Requirements and did not violate them. It is clear, definite, executable and the facility's CSR team was responsible for carrying it out. It covers all worker types, was suitable for all worker types and employment structures, it considers the inherent risks of the facility around. It regularly undertakes reviews and updates of these policies and procedures.

2) Resource:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Robust

Training at the facility was governed by a formal training procedure under the specific responsibility of the training supervisor. The 'prohibiting harsh or inhumane treatment' policy and procedures were available and communicated to all employees. The facility provided relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. To maintain compliance with Workplace Requirements, the facility has established a comprehensive, multi-tiered approach to training, communication, and oversight. The facility adopts the following methods to ensure continuous compliance. All department compliance supervisors conducted daily spot checks, the CSR team performs monthly inspections, and senior management reviews the system quarterly. Any identified gaps are documented in non-compliance reports, followed by root cause analysis using tools like the 5Why method. In cases where no violations are detected over time, the facility proactively assesses training adequacy, oversight coverage, and inspection methods. This systematic approach ensures the management system remains effective and adaptable to changing requirements. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. According to the documentation, the facility management had established a formal disciplinary procedure that includes oral warnings, written warnings, and, as a final measure, termination of employment. The facility had also developed a comprehensive training program for all employees regarding this procedure. Employee interviews confirmed that staff members are fully aware of the disciplinary process. 2. Based on management interviews, document reviews, and employee interviews, the facility had implemented a policy aimed at preventing harsh or inhumane treatment of employees. 3. An internal grievance process was in place, enabling employees to report grievances such as harassment, bullying, and discrimination to management. Any complaints received were addressed by management without any form of reprisal against the employees. All sampled employees demonstrated awareness of this system. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Relevant policies concerning the prevention of harassment and abuse. 2. Documentation outlining the internal grievance procedure. 3. Training records related to grievance and disciplinary procedures. 4. Interviews conducted with management and employees to validate compliance with these policies. 		

9. No harsh or inhumane treatment is allowed

Data points

<p>Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?</p>	<p>Yes, there is a formal grievance process</p> <p>The grievance process is available to all workers</p> <p>The grievance process is available to members of the local community</p>
<p>What type of grievance mechanism(s) are available?</p>	<p>The facility provided a suggestion box and an internal phone line of managers to facilitate the reporting of grievances.</p>
<p>Number of grievances raised in the last 12 months</p>	<p>0</p>
<p>Number of grievances resolved in the last 12 months</p>	<p>0</p>

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

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures on environmental protection. These policies stipulated that the site must obtain all required environmental protection permits and manage pollutants in accordance with legal requirements. The policy and procedure are reviewed and updated when situation changes.

2) Resource:

Grade: Robust

A designated manager was responsible for overseeing the implementation of site policies. Specific operational responsibilities for enforcing these procedures were clearly defined. Procedures are in place for interim responsibility in the case of position change or absence.

3) Communication & Training:

Grade: Robust

Training at the facility was governed by a formal training procedure under the specific responsibility of the training supervisor. The Environmental Protection Policy was available and communicated to all employees. The facility provided relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. To maintain compliance with Workplace Requirements, the facility has established a comprehensive, multi-tiered approach to training, communication, and oversight. The facility adopts the following methods to ensure continuous compliance. All department compliance supervisors conducted daily spot checks, the CSR team performs monthly inspections, and senior management reviews the system quarterly. Any identified gaps are documented in non-compliance reports, followed by root cause analysis using tools like the 5Why method. In cases where no violations are detected over time, the facility proactively assesses training adequacy, oversight coverage, and inspection methods. This systematic approach ensures the management system remains effective and adaptable to changing requirements. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none"> 1.The facility had collected the document of legal requirement (such as pollutant discharge registration, Environmental Impact Assessment (EIA) for construction project, approval) and client’s requirement on environment. However, no environmental protection acceptance checks report for completed construction project was obtained. 2. Waste water and Waste gas were properly treated before discharge. The facility had conducted regular test on waste gas. The results are acceptable. 3. The hazardous wastes were handled by qualified third party and the duplicate forms were maintained for transfer. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1.The facility conducted training for all employees on the avoidance of environmental impact. 2.The facility established a comprehensive and tested emergency plan to mitigate environmental impact in case of incidents 3.The document of legal requirement and client’s requirement on environment 		

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 obtained one certification ISO14001:2015, the registration number was 28425E10321ROS, which was valid from 8 January 2025 to 7 January 2028.

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

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	<p>Current Systems:</p> <ol style="list-style-type: none"> 1.The facility had established a written environmental policy. 2.The facility had established an environmental policy, covering their environmental impact, and it was communicated to all appropriate parties, including its own suppliers. 3.The facility had recorded the use and discharge of natural resources e.g. energy use, water use. 4.The facility had established one set of environmental management systems documentation. 5. Mr. Hu Yi/ General Manager was appointed as environment specialist to coordinate the site’s efforts to improve environmental performance. 6.The facility had identified the significant environmental impact of their site and its processes. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Environmental policy 2.The records of using and discharging of natural resources 3.The environmental management systems documentation 4. Environment risk assessment record 		

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Packaging optimization Sustainable material sourcing Prioritising local suppliers
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The facility had established a comprehensive system for collecting, managing, and ensuring compliance with environmental and chemical regulations in destination countries.
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))?	No
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)	67,514	69,127
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None
Types of renewable energy used	Other (provide details) No renewable energy was used	Other (provide details) No renewable energy was used
Total natural gas consumption (kWh)	0	0
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)	500	512
Water discharged	Local sewage treatment plant	Local sewage treatment plant
Water volume discharged (m3)	400	410
Water volume recycled (m3)	0	0
Total waste produced (mt)	45	48
Total hazardous waste produced (mt)	0.3	0.4

[← Code area 10.B](#)

[Code area 10.C →](#)

Waste to recycling (mt)	42	43
Waste to landfill (mt)	0	0
Waste to other (mt)	2.7	4.6
Total product produced (mt)	840,000	820,000

[← 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 Robust Management Systems

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

[← Code area 10.B](#)

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures on business ethics. The policies and procedures cover all Workplace Requirements and did not violate them. It is clear, definite, executable and the facility's CSR team was responsible for carrying it out. It covers all worker types, was suitable for all worker types and employment structures, it considers the inherent risks of the facility around. It regularly undertakes reviews and updates of these policies and procedures.

2) Resource:

Grade: Robust

The facility's CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.

3) Communication & Training:

Grade: Robust

Training at the facility was governed by a formal training procedure under the specific responsibility of the training supervisor. The business ethics policy and procedures were available and communicated to all employees. The facility provides relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. To maintain compliance with Workplace Requirements, the facility has established a comprehensive, multi-tiered approach to training, communication, and oversight. The facility adopts the following methods to ensure continuous compliance. All department compliance supervisors conducted daily spot checks, the CSR team performs monthly inspections, and senior management reviews the system quarterly. Any identified gaps are documented in non-compliance reports, followed by root cause analysis using tools like the 5Why method. In cases where no violations are detected over time, the facility proactively assesses training adequacy, oversight coverage, and inspection methods. This systematic approach ensures the management system remains effective and adaptable to changing requirements. No findings were raised in this section.

[← Code area 10.B](#)

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility had designated Mr. Hu Yi/ General Manager, as the responsible party for overseeing the implementation of business ethics standards. 2. Training programs for relevant staff on addressing business ethics issues had been developed, reviewed, and implemented. 3. The site received, reviewed, and acknowledged the business ethics policy of the audit company. 4. A transparent and formal system was in place for confidentially reporting and addressing unethical behavior, ensuring no reprisal against the reporter. 5. A systematic approach existed to monitor and ensure compliance with end clients' business ethics standards and code requirements. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. The facility's formal business ethics policy, including provisions on bribery and corruption prevention. 2. Employee handbook outlining business ethics guidelines. 3. Records from anonymous suggestion boxes used for reporting ethical concerns. 4. Interviews conducted with management personnel to validate adherence to business ethics policies 		

[← 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)?

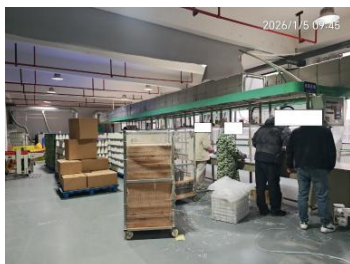
No

Provide any certified anti-bribery management systems for the site

The facility did not have any certified anti-bribery management systems for the site.

[← Code area 10.C](#)

Attachments



[A5276264 CAP Photo.pdf](#)



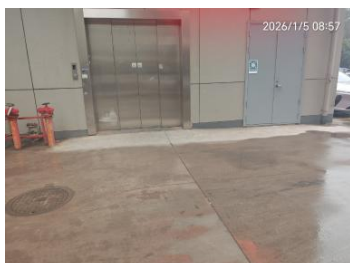
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[Cargo lift.jpg](#)



[Attendance system.jpg](#)



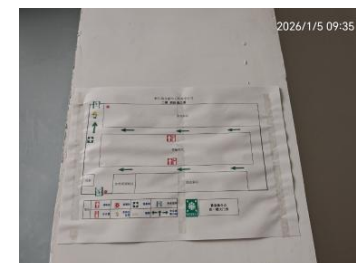
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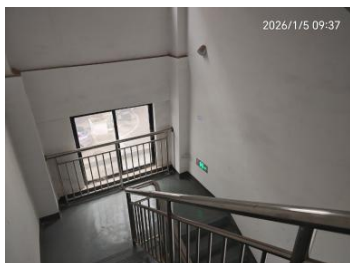
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[Eye washing station.jpg](#)



[Evacuation plan.jpg](#)



[Evacuation sign.jpg](#)



[Complex warehouse.jpg](#)



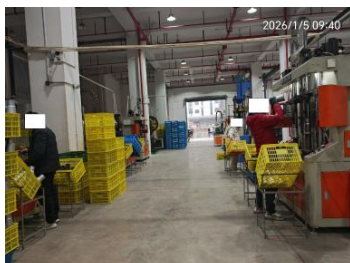
[Injection workshop.jpg](#)



[MSDS.jpg](#)



[Fire alarm, Exit sign and emergency light.jpg](#)



[Metalworking workshop.jpg](#)



[No smoking sign.jpg](#)



[Drink water.jpg](#)





[First aid box.jpg](#)



[Laser making workshop.jpg](#)



[Fire extinguishers and fire hydrant.jpg](#)



[Fixed gas cylinder.jpg](#)



[Polishing workshop.jpg](#)



[Painting workshop.jpg](#)



[Power box.jpg](#)



[PPE inuse.jpg](#)



[PPE notice.jpg](#)



[Suggesting box.jpg](#)



[Smoke detector and sprinkler system.jpg](#)



[Welding workshop.jpg](#)



[Toilet.jpg](#)



[Screen printing workshop.jpg](#)



[Production building.jpg](#)

