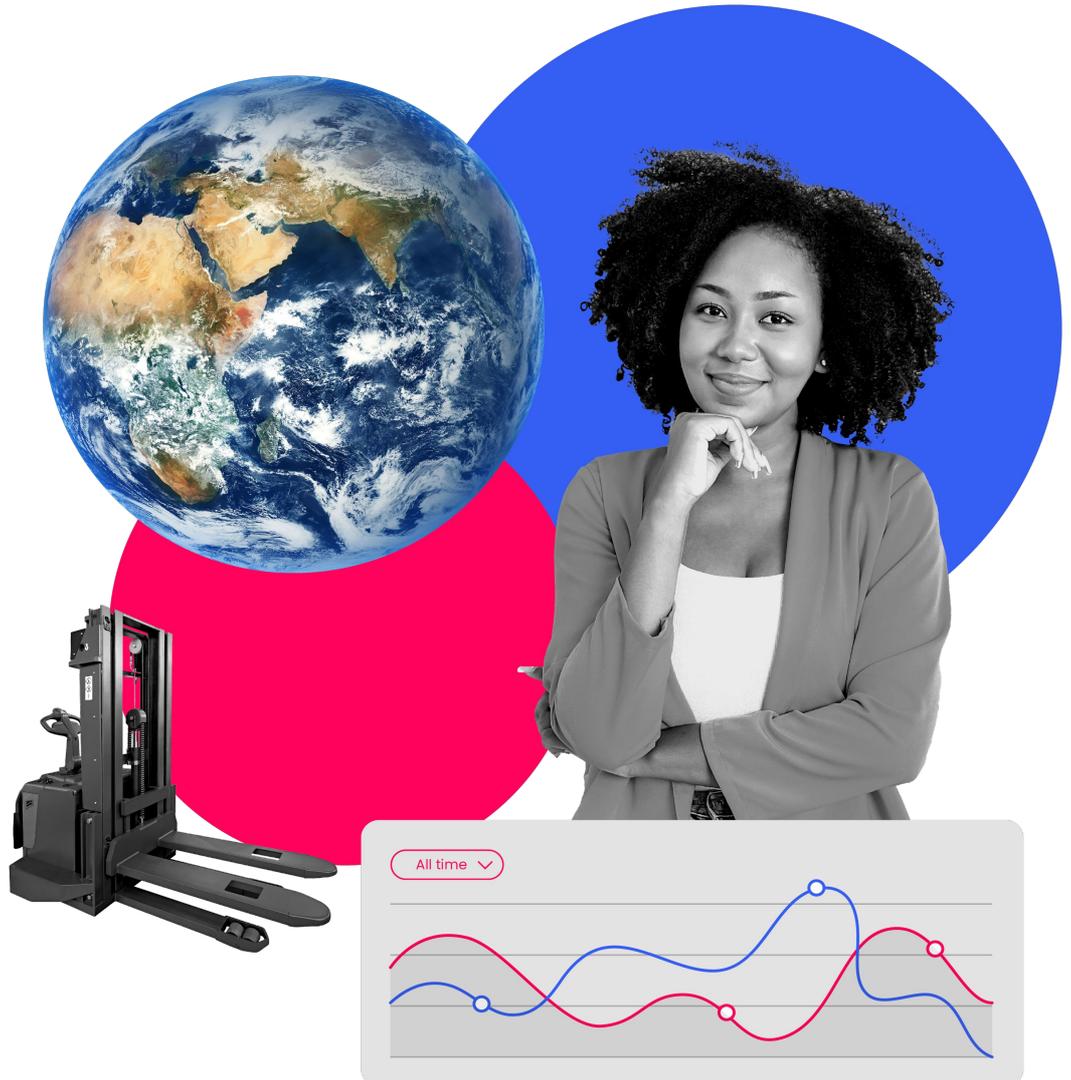


Sedex Members Ethical Trade Audit Report

Version 7



Contents

[Audit content](#)

[Audit and site details](#)

[Audit parameters](#)

[Audit attendance](#)

[SMETA declaration](#)

[Summary of findings](#)

[Management systems](#)

[Site details and data points](#)

[Site details](#)

[Worker analysis](#)

[Worker interviews](#)

[Measure workplace impact](#)

[0. Enabling accurate assessment](#)

[1. Employment is freely chosen](#)

[1.A. Responsible recruitment and entitlement to work](#)

[2. Freedom of association and right to collective bargaining are respected](#)

[3. Working conditions are safe and hygienic](#)

[4. Child labour shall not be used](#)

[5. Legal wages are paid](#)

[5.A. Living wages are paid](#)

[6. Working hours are not excessive](#)

[7. No discrimination is practiced](#)

[8. Regular employment is provided](#)

[8.A. Sub-contracting and homeworkers are used responsibly](#)

[9. No harsh or inhumane treatment is allowed](#)

[10.A. Environment 2-Pillar](#)

[10.B. Environment 4-Pillar](#)

[10.C. Business ethics](#)

[Attachments](#)

Audit content

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Minimum Requirements were applied and the SMETA Auditor Manual was followed. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the following Code Areas:

Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
 - 0: Enabling accurate Assessment
 - 1: Employment is Freely Chosen
 - 1.A: Responsible Recruitment & Entitlement to Work
 - 2: Freedom of Association and Right to Collective Bargaining are Respected
 - 4: Child Labour Shall Not be Used
 - 5: Legal Wages are Paid
 - 5.A: Living Wages are Paid
 - 6: Working Hours are Not Excessive
 - 7: No Discrimination is Practiced
 - 8: Regular Employment is Provided
 - 8.A: Sub-contracting and Homeworkers are Used Responsibly
 - 9: No Harsh or Inhumane Treatment is Allowed
2. Health & Safety Code Area:
 - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
 - 10.A: Environment 2-Pillar

Included in a 4-Pillar audit:

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

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

Audit and site details

Audit details

Sedex company reference	ZC420653837	Auditor company name	Intertek Shanghai
Date of audit	2025-05-07	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS420676417	Site name	An Hui Pando EP Technology Co Ltd
Business name	Anhui Pando EP Technology Co Ltd	Site address	239300 600 METERS WEST OF JINMAILANG STREET, CHAJIAN TOWN, TIANCHANG CITY, ANHUI PROVINCE, CHINA 安徽省天长市汭涧镇今麦郎大道往北600米路西, 安徽省天长市, CN

Audit parameters

Time in and out	Day 1		Day 2		Day 3	
	In	09:30	In	09:00	In	09:30
	Out	17:30	Out	17:00	Out	13:30
Audit type	Full initial					
Was the audit announced?	Semi announced					
Was the Sedex SAQ available for review?	Yes					
Who signed and agreed CAPR?	Mr. Lv Baomin / Assistant 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.		
	<ol style="list-style-type: none"> 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. 		
	<p>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.</p>		
Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)	Due to confidential consideration, copying or taking photos of payroll records was not allowed by the facility during this audit.		
Lead auditor	steven you	APSCA Number	21700390
Additional auditor			
Date of declaration	2025-05-09		

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. Lv Baomin
Title	Assistant General Manager
Date of declaration	2025-05-09

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.E Provide and record health and safety trai...	Local law Base code	NC ZAF600928234
	3.O Implement an appropriate electrical safet...	Local law Base code	NC ZAF600928239
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF600928235
6. Working hours are not excessive	6.C Provide workers with at least 24 hours of...	Local law Base code	NC ZAF600928236
	6.D Ensure that working hours do not exceed 6...	Base code	NC ZAF600928237
	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF600928238

Management systems

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

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

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

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

Site details

Company and site details

Sedex company reference	ZC420653837	
Sedex site reference	ZS420676417	
Company name	Anhui Pando EP Technology Co Ltd	
Business ownership type	GOODS	
Site name	An Hui Pando EP Technology Co Ltd	
Site name in local language		
GPS location	GPS address	600 Meters West of Jinmailang Street, Chajian Town, Tianchang City, Chuzhou City, Anhui Province, China
	Coordinates	Latitude: 32.680215, Longitude: 118.800579
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Mr. Qian Longteng
	Job title	System Supervisor
	Phone number	86-0550-7858666
	Email	qianlongteng@pandocup.cn
Applicable business and other legally required business license numbers and documents	<p>1. Business license No.:91341181MA2UGHEA20. Valid Date: long term effective from 17 January 2020.</p> <p>2. The report of construction completion acceptance of all buildings of the facility was issued on 3 December 2021;</p> <p>3. The report for fire protection acceptance of all buildings of the facility was issued on 7 January 2022, the certificate No. was 天住备[2022]0007号.</p>	

Site activities

Site function	Finished Product Supplier Factory Processing/Manufacturer
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Site activities

Site activities	Primary	Manufacture of other articles of paper and paperboard
	Secondary	
	Other	
Product type	Paper bags, paper containers and napkins	
Process overview	The main products manufactured by the facility were paper bags, paper containers and napkins. The main production processes of paper bags were listed as follows: printing, cutting, shaping, inspecting and packing; the main production processes of paper containers were listed as follows: laminating, coating, printing, slitting, shaping, inspecting and packing; the main production processes of napkins were listed as follows: knurling, folding, cutting, inspecting and packing. The main machine list of the facility was as following: napkin production lines, laminating machines, coating machines, printing machines, shaping machines, and so on.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	36025m ²	
Building 1	Last construction works on site	2021
	If building is shared, provide details	N/A
	Number of floors	3
	Description of floor activities	1F: Raw material warehouse, finished product warehouse, canteen, laminating, coating, printing, slitting, shaping, inspecting, packing and napkin workshop; 2F: Shaping, inspecting and packing workshop; 3F: Office
Is there any difference between the site scope of the audit and the Sedex site profile?	No	

Site scope

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
The site did not organize worker transport to the worksite. There is no legal requirement that the site must provide transport for workers.

Work patterns

Approximate workers on site per month (% of peak)	January	90-95%	February	90-95%
	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? Yes
217 production employees work in 2 shifts. 1st shift was from 8:00 to 20:00 with one hour's meal breaks; 2nd shift was from 20:00 to 8:00 of next day with one hour's meal break.

What percentage of the workforce, including temporary and agency workers, work during the night shift? 74%

Was the audit conducted across all shift times, and did it include a representative sample of workers from each shift time in interviews and sampling? Yes
The audit was conducted across all shift times, and it included a representative sample of workers from each shift time in interviews and sampling.

Site assessments

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

Worker analysis

Gender disaggregated data available

Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	206 (70.3%)	87 (29.7%)	- -	293 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	206 (70.3%)	87 (29.7%)	- -	293 (100%)
Temporary or fixed term employees	0 -	0 -	- -	0 (0%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

* % of total workforce

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	83 (70.9%)	34 (29.1%)	- -	117 (39.9%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	83 (70.9%)	34 (29.1%)	- -	117 (39.9%)

* % of total workforce

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

129 employees (including 12 managers and 117 non-management employees) were domestic migrant employees from other province of China including Fujian, Gansu, Guizhou, Hebei, Henan, Heilongjiang, Hubei, Hunan, Jilin, Jiangsu, Jiangxi, Liaoning, Shaanxi, Sichuan, Qinghai, Yunnan, Zhejiang Province and Chongqing City. No foreign migrant employees in the facility.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	37 (68.5%)	17 (31.5%)	- -	54 (18.4%)
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 No obvious peak month in the facility.

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

Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Chinese	70%	30%	-	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	0 -	0 -	- -	0 (0%)
Salaried workers	206 (70.3%)	87 (29.7%)	- -	293 (100%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	206 (70.3%)	87 (29.7%)	- -	293 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details

N/A, no other payment cycle.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	9 (69.2%)	4 (30.8%)	- -	13
Supervisors or team leaders	6 (75%)	2 (25%)	- -	8
Administrative staff	12 (50%)	12 (50%)	- -	24

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 4 groups 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) No concern or complaint was raised.
What did the workers like the most about working at this site?	Social benefits & insurance (e.g. ability to book annual leave, maternity leave, pensions etc.) Work environment – comfort (e.g. temperature, noise or dust levels) Pay
Additional comments	26 employees were selected for interview including 8 females and 18 males. 6 employees were interviewed individually, and 20 employees were interviewed as 4 groups of 5. 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 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 relationship 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 adopted. They were able to complain directly to their supervisors and felt free to give their general concerns to their worker representatives who would take it to the management.
Attitude of workers' committee/union representatives	No union in the facility. During the employee interview, one worker representative was interviewed, and he was satisfied with the working condition and wages of the facility. No negative issue was raised.
Attitude of managers	The facility management showed a positive attitude to this audit during the whole process. All facility areas were provided for visit during the audit. At the end of the audit, all the findings were accepted by the facility management.

Workers interviewed by type

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

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	14	6	-	20
Workers interviewed individually	4	2	-	6

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	9	3	-	12
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	9	3	-	12

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2024)	1.0%	1.0%	-	2.0%
Previous full calendar year (2023)	1.0%	1.0%	-	2.0%

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

Rate of absenteeism (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2024)	1.0%	1.0%	-	2.0%
Previous full calendar year (2023)	1.0%	1.0%	-	2.0%

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

Are accidents recorded? Yes

The facility provided injury records and no injury happen in last 2 years.

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

	Men	Women	Other	Total
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Annual number of work related accidents and injuries (per 100 workers)*

Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

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

Lost day work cases (per 100 workers)*

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

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

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

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

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

	Men	Women	Other	Total
Last full quarter (90 days)	52.0%	22.0%	-	74.0%

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

Last full calendar year (2024)	53.0%	22.0%	-	75.0%
Previous full calendar year (2023)	51.0%	21.0%	-	72.0%

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility allowed the auditor to conduct and complete the audit without obstruction to all requested documents, interviewees and the facility. The facility had provided the auditor with genuine and authentic records. 2. The facility did not offer bribes to or threaten the auditor, nor in any way induce the auditor to be dishonest. 3. The facility had provided an accurate site description and Sedex site profile declared during the audit. 4. The facility had maintained a written human rights policy statement that is approved at the most senior level, communicated to all personnel, and trained to relevant personnel. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ol style="list-style-type: none"> 1. The audit was performed on a semi-announced basis. At about 9:30 of 7 May 2025, one auditor entered the facility then held an opening meeting according to SEDEX Program, the facility management Mr. Lv Baomin / Assistant General Manager and etc. were present in the opening meeting. They stated that the company would be cooperative with this audit. 2. The facility's written Human Rights Policy; Human Rights Policy Compliance Commitments from its appropriate parties. 3. The designation paper for person responsible for implementing standards concerning Human Rights in the facility. 4. The assessment and measurement reports regarding its direct, indirect and potential human rights impacts on its stakeholders. <p>Any other comments: None</p>		

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?	No
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Did any workers selected by the auditor decline to be interviewed?	No
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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
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear freely chosen employment policy and procedure to ensure Workplace Requirements were met. According to the policy and procedure, forced labour, debt bondage, and restriction of termination were prohibited.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Han / Admin Manager with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and the authority of the responsible personnel were clearly defined in the letter of appointment. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Robust The facility had conducted formal training on the freely chosen employment policy and procedure and the relevant knowledge to all workers, supervisors and managers at least once per year, the latest once training was conducted on 8 January 2025. And there was general awareness of it amongst employee interviewed.</p> <p>4. Monitoring Grade: Robust The facility had conducted internal audit to monitor the workplace requirements on 21 March 2025 regarding the policy and procedures, and no NC was found.</p>

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 a written policy of prohibiting forced, bonded and prison labour. The policy stated that the facility did not require deposit or withhold workers' ID cards; the facility did not limit the workers' freedom; the facility prohibited forced, bonded or involuntary prison labour; and workers were free to leave their employer after reasonable notice, etc.
2. The facility had a written recruitment procedure which stated that the workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards should be given back to the workers.
3. The employing handbook – given to all workers on joining, stated that workers were free to leave with 3 days' prior written notice within their probation period and can resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on their last day of work; according to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day; the overtime was voluntary, etc.
4. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours. The rules for security guards stated that the responsibilities of security guards were only protecting the safety of the facility's personnel and properties, and security guards were not allowed to abuse workers and conduct body search.
5. The factory did not require any payment for work tools, PPE, IC/staff card, training, etc.
6. The factory did not use prison labour.
7. The above was confirmed in management and employee interview.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. The facility established a policy to ensure employment is freely chosen, and all the relevant documents were provided for review
2. Personnel files
3. Contracts to establish notice periods.
4. Management interview and employee interview.
5. Facility tour showed no sign of employees being under pressure.

Any other comments:

None

1. Employment is freely chosen

Data points

If required under local law, is there a published 'modern slavery' or similar statement?	Not Applicable
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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
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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

Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear policy and procedure on responsible recruitment to ensure Workplace Requirements were met. The policy and procedure clarified the employees' right to work, ethical recruitment and prohibiting deposits and recruitment fees.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Han / Admin Manager with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and authority of the responsible personnel were clearly defined in the letter of appointment. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Robust The facility had conducted formal training on the responsible recruitment policy and procedure and the relevant knowledge to all workers, supervisors and managers at least once per year, the latest once training was conducted on 8 January 2025. And there was general awareness of it amongst employee interviewed.</p> <p>4. Monitoring Grade: Robust The facility had conducted internal auditor to monitor the workplace requirements on 21 March 2025 regarding the policy and procedures, and no NC was found.</p>
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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, the facility would review the original photographic identification to validate that all workers (including non-directly hired workers) have the legal right to work. Original ID cards were returned to the workers and photocopies would be retained during the recruitment process.
2. The nature of work, working conditions, living conditions, employment terms, living costs, wages and benefits were accurately communicated to workers during recruitment.
3. No children would be hired during the recruitment process, and if juveniles workers were hired, appropriate requirements and protections would be included.
4. Pre document review, the facility had established recruitment procedures to demonstrate that all workers are recruited legally and fairly. No recruitment fee was needed.
5. All employees were hired by the facility directly. No any recruitment agency was used.
6. Through employee interview and document review, the facility established hiring procedure, include provisions within service agreements that hold labour providers or on-site subcontractors contractually responsible to ensure no recruitment fees or related costs are incurred or charged to workers and specifies the responsible party for reimbursing workers accordingly if they incur fees or costs.
7. The facility had conducted due diligence on the recruitment fee and related costs. No recruitment fees or related costs were found.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Employment procedure
2. Personal files
3. Labour contracts
4. Management and employee interview

Any other comments:

None

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
Percentage of workers that are migrant	40%
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 129 employees (including 12 managers and 117 non-management employees) were domestic migrant employees from other province of China including Fujian, Gansu, Guizhou, Hebei, Henan, Heilongjiang, Hubei, Hunan, Jilin, Jiangsu, Jiangxi, Liaoning, Shaanxi, Sichuan, Qinghai, Yunnan, Zhejiang Province and Chongqing City. No foreign migrant employees in the facility.

Recruitment fees

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

What recruitment fees and costs do workers pay during the recruitment and employment process? Workers do not pay any recruitment costs (Please provide details)
129 employees including 12 managers and 117 workers were domestic migrant employees from other provinces of China. The facility had conducted due diligence to detect whether if any recruitment fees and costs were paid by workers during the recruitment and employment process regularly. No recruitment fees or costs was paid by workers during the recruitment and employment process.

Were recruitment fees or costs identified during worker interviews? No

NA, all interviewed employees stated that no recruitment fees or costs.

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
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear policy and procedure on freedom of association to ensure Workplace Requirements were met. The policy and procedure clarified the employees' right to form or participate in any legal worker organization or union, and collective bargaining.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Han / Admin Manager with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and authority of the responsible personnel were clearly defined in the letter of appointment. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Robust The facility had conducted formal training on freedom of association and the right to collective bargaining to all workers, supervisors and managers at least once per year, the latest once training was conducted on 8 January 2025. And there was general awareness of it amongst employee interviewed.</p> <p>4. Monitoring Grade: Robust The facility had conducted internal auditor to monitor the workplace requirements on 21 March 2025 regarding the policy and procedures, and no NC was found.</p>

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

1. No union was established in the facility.
2. One worker committee with 2 worker representatives was established in the facility. The worker representative conducted meetings quarterly. One worker representative was present at the opening meeting, the audit and the closing meeting.
3. The interviewed workers confirmed that they were free to join worker committee and enjoy the right to collective bargaining
4. Employee interview confirmed that the members of the worker committee had been elected by fellow employees, and the facility did not interfere in their activities, and did not discriminate the worker representatives.
5. The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the workers are free to form or join trade union or workers' organization and enjoy the right to collective bargaining, and nobody would be treated differently if they were members of the trade union or workers' organization, etc.
6. The response records for workers' suggestions and appeals were available for review

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Social compliance system program and procedure
2. Internal suggestion complain feedback
3. Employee interview and management interview
4. Worker representative's selection records and meeting records
5. Response records for workers' suggestions and appeals
6. Employee handbook and employment contracts were reviewed. They both stated that employees were free to form trade unions / worker committee. Nobody would be treated differently whether they are members of the worker committee / union.

Any other comments:

None

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

3. Working conditions are safe and hygienic

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear policy and procedure on health and safety to ensure Workplace Requirements were met. The policy and procedure were comprehensive, and stipulated that a safe and hygienic working condition should be ensured by obeying the legal and other requirements on fire safety, industrial hygiene, electrical safety, chemical safety, occupational health, etc.</p> <p>2. Resources Grade: Some Improvements Recommended The facility had appointed Ms. Han / Admin Manager as the responsible personnel for implementation of working conditions are safe and hygienic procedure. However, no detailed appointment and no detailed position description was clearly defined.</p> <p>3. Communication and Training Grade: Some Improvements Recommended The facility provided formal communication or training on health and safety requirement for the employees annually and for the new employees during recruitment. However, the training appeared to be ineffective as partial employees interviewed did not know the relevant requirement well. Also the supervisors had enough awareness of onsite health and safety management generally.</p> <p>4. Monitoring Grade: Some Improvements Recommended The facility conducted internal annual audit and regular onsite inspections to monitor the Workplace Requirements. The onsite inspections were conducted adequately. But there were some weaknesses in the annual audit, for example, the issue regarding certificate of safety production knowledge and management skill of the principal in charge was neglected. There were effective corrective and preventive action for the identified issues.</p>

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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3. Working conditions are safe and hygienic

3.E Provide and record health and safety trai...	Local law Base code	NC ZAF600928234
3.O Implement an appropriate electrical safet...	Local law Base code	NC ZAF600928239

Systems and evidence examined to validate this code section

Current systems:

1. General Health and Safety management
 - 1.1 One manager (Ms. Han / Admin Manager) was appointed to be responsible for Health & Safety for the facility.
 - 1.2 Potable water was freely available in all areas. And the facility conducted test on the water quality of the drinking water from the city water.
 - 1.3 Sufficient clean toilets segregated by gender were available at all times to employees.
 - 1.4 Ventilation, temperature and lighting were adequate for the production processes.
 - 1.5 Minutes of meetings showed that there were monthly meetings between the H&S committee (workers) and the H&S manager, and each point was acted on.
 - 1.6 Accident reports were available for review.

2. Fire Safety

- 2.1 There were at least 2 exits from each work area and these were clearly marked.
- 2.2 Firefighting equipment was adequate, and checks were up-to-date.
- 2.3 Evacuation diagrams were posted in all areas and understood by all employees interviewed.
- 2.4 Fire drills were organized and recorded at least twice per year for both 2 shifts at production areas.
- 2.5 Training had been given by the local fire department and fire marshals had been specially selected for extra training.

3. Electrical safety

- 3.1 Most electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- 3.2 There were 2 electricians at the facility, and their training certificates were rechecked in time.

4. Chemical safety

- 4.1 Chemicals such as printing ink, glue and lubricating oil were used in the facility.
- 4.2 Material Safety Data Sheets were available and there were hazard diagrams on chemical which needed careful handling.
- 4.3 Employees in the chemical store confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.

5. Medical services

- 5.1 There were adequate first aid kits in each production area and they were well stocked.
- 5.2 There were 12 first aiders and when the first aiders selection interviewed, they confirmed they had been trained at a local hospital. This first aiders' information was posted in the workshop.

6. Machine Safety

- 6.1 Protective devices were installed for the dangerous parts of all machines.
- 6.2 The registration certificate of special appliances (such as forklifts and compressing equipment) were valid and available for review. The inspection reports of most special appliances were valid and available for review.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Health and safety policy
2. Health and safety manual
3. Health and safety committee minutes
4. Training records and certificates
5. Fire equipment maintenance records
6. The last 2 times fire drill records on 22 May 2024 and 16 November 2024
7. Trained first aiders registered on 8 June 2022, 8 November 2022 and 17 June 2024 respectively
8. Accident reports
9. Chemical list and MSDS for each chemical
10. Interviews with H&S manager
11. Interviews with employees and H&S committee members

Any other comments:

None

Findings: non-compliances

ZAF600928234

Non-compliance

Due 2025-06-16

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.E Provide and record health and safety training to all new workers, prior to exposure to risks. Provide continued training to existing workers, as appropriate for the hazards and levels of risk identified.

Time given to resolve

30 days

Issue title

166 - No/inadequate health and safety training for managers

Verification method

Desktop audit

Description

No certificate of safety production knowledge and management skill for the principal in charge in the facility. During document review, auditor found that the facility could not provide the certificate of safety production knowledge and management skill of the principal in charge for review.

Area of non-compliance/non-conformance

Local law
Base code

企业主要负责人未取得安全生产知识和管理能力培训证书。在文件审核时，企业无法提供该企业主要负责人的安全生产知识和管理能力培训证书供审阅。

Corrective and preventative actions

The facility would ensure the principal in charge of the facility to obtain the certificate of safety production knowledge and management skill. Strengthen the training to the relevant management.

Local law reference

In accordance with the Law of the PRC on Work Safety Article 27, The principal in charge and persons for the management of work safety in production and business entities have to have the knowledge about work safety and the competence for the management, which are commensurate with the production and business activities of these entities. The principal in charge and persons for the management of work safety in production and business entities that produce, trade, store or Loading and unloading hazardous articles, and mines, metal smelting, building construction, and road transport shall only be appointed to the posts after they pass the examinations in their knowledge about work safety and their competence in the management conducted by the competent departments for work safety supervision and administration. No fees shall be charged for taking such examinations. Entities that produce, store or store Loading and unloading hazardous articles, and mines, metal smelting shall have certified safety engineer to work on the management of work safety.

* PDF generated at 02:48 (UTC) on 17 May 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600928239

Non-compliance

Due 2025-07-16

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Desktop audit

Description

The live parts of the machine lack safety protection. Through facility tour, auditor found that the outer cover of one out of 4 electrical boxes was not closed in raw material warehouse and no inner insulation panel was installed for the above electrical box, there was a risk of electric shock.

设备带电部分缺少安全防护。通过现场走访，审核员发现企业位于原料仓库4个配电箱中的1个配电箱的外盖未关闭，也没有安装内绝缘保护板，存在电击风险。

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

The facility would ensure all the electrical boxes were covered and maintained in good condition to avoid the line exposed directly. The facility would strengthen management and monitoring, and the facility would provide relevant training to managers and employees periodically.

Local law reference

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

Evidence



[The live parts of the machine lack safety protection.JPG](#)



* PDF generated at 02:48 (UTC) on 17 May 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner
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 Chemicals such as printing ink, glue and lubricating oil were used in the facility.
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 No added floors for all structural in 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
Does the site have a structural engineer evaluation?	Yes

4. Child labour shall not be used

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear policy and procedure on prohibiting child labour to ensure Workplace Requirements were met. The policy and procedure stipulated that no child labour was allowed to be used directly or indirectly. And there was a written remediation procedure in place for any misused child labour.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Han / Amdin Manager with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and authority of the responsible personnel were clearly defined in the letter of appointment. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Robust The facility had conducted formal training on prohibiting of child labour to all workers, supervisors and managers at least once per year, the latest once training was conducted on 8 January 2025. And new joined employees had also participated such training during the recruitment. During the interview, all the interviewees knew the legal requirement on child labour well.</p> <p>4. Monitoring Grade: Robust The facility had conducted internal auditor to monitor the workplace requirements on 21 March 2025 regarding the policy and procedures, and no NC was found. The HR responsible personnel also conducted regular check of employees' profiles to ensure no child labour was used.</p>

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. There was a written recruitment procedure which stated that workers must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards would be given back to the workers; and the facility would never employ and use any child labour under the age of 16 years old.
2. There was a written juvenile worker and pregnant worker protection procedure though there was no juvenile worker or pregnant worker in the facility.
3. There was a written child labour remediation procedure though there was no child labour in the facility.
4. The worker' personnel files included recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy listed the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 19 years old.
5. Management interview and worker interviews showed that the facility verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files, and the facility would not recruit the applicant under the age of 16 years old.
6. The written worker roster was available.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. The employee's personnel files were provided for review. Each file included a bio-data sheet, a recent photo and the age documentation, which was in the form of photocopied national identification card. The card listed the employee's name, household address and the date of birth.
2. The facility's policy on child labour was reviewed. It stated that the facility would never employ and use any child labour under the age of 16 years old.
3. Facility tour
4. Management interview and employee interview.

Any other comments:

None

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	18%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	19
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

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear policy and procedure on wages and benefits to ensure Workplace Requirements were met. The policy and procedure were comprehensive, and stipulated that the minimum wage, overtime wage, social security and other benefits must be provided according to the legal requirements.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Han / Admin Manager as the responsible personnel for implementation of working conditions are safe and hygienic procedure. The site had appointed Ms. Han / Admin Manager was with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and authority of the responsible personnel were clearly defined in the letter of appointment. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Some Improvements Recommended The facility provided formal communication or training on wages and benefits requirement for the employees annually and for the new employees during recruitment. The latest once training was conducted on 8 January 2025. However, the training appeared to be ineffective as partial employees interviewed did not know the relevant requirement well. Also the supervisors had enough awareness of onsite health and safety management generally.</p> <p>4. Monitoring Grade: Fundamental Improvements Required The facility conducted internal annual audit to monitor the Workplace Requirements yearly. The annual audit was not conducted adequately, for example, some of the issues were neglected, and there was no effective corrective and preventive action for the identified issues.</p>

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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5. Legal wages are paid

5.B Ensure that workers receive the insurance...

Local law
Base code

NC [ZAF600928235](#)

Systems and evidence examined to validate this code section

Current systems:

1. The local minimum wage standard was RMB 1870 per month equivalent to RMB 10.75 (1870/21.75/8) per hour since 1 March 2023.
2. Employees' wages were calculated by monthly-rate basis. Based on provided payroll records, the minimum wage paid by the facility was RMB 1870 per month.
3. The wages formation was well organized with a good-controlled set of processes which were understood by all employees.
4. All employees were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.
5. Benefits of paid, annual leave was given to all employees and child-bearing leave to appropriate employees.
6. Based on the provided attendance records and payrolls, payment circle was from 1st to the end of each month, and wage of employees was paid before 20th of each month by bank transfer. And overtime working was paid correctly, 150% and 200% of normal rate was paid for employees' overtime work on normal day and rest day respectively, no overtime work on national holiday for all employees.
7. Benefits of paid annual leave was given to all employees and child-bearing leave to appropriate employees. According to the social insurance records of April 2025, there were 306 employees in the facility, out of 306 employees, 8 employees had reached the retirement age, and 5 employees were new-comers in April 2025. For the rest 293 employees, all 293 (100%) employees participated in basic endowment insurance, unemployment insurance and employment injury insurance, only 258 (88.1%) employees participated in basic medical insurance and maternity insurance. Remark: The facility explained that out of the 293 employees, 35 employees who did not participate in basic medical insurance and maternity insurance, had participated in New Rural Cooperative Medical Insurance by themselves, the facility could not participate in basic medical insurance and maternity insurance for these 35 employees.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Document review
2. Employee interview
3. Local and national laws
4. Wages and benefits policy
5. Local legal minimum wage documents
6. Payroll records for the period from 1 April 2024 to 31 March 2025 and attendance records from 1 April 2024 to 6 May 2025 were provided for review.
7. Leave records
8. Social insurance and payment receipts from the local labor department
9. Labor contracts for all employees (to examine agreed wage rates)
10. Resignation records
11. Pay slips of all employees interviewed
12. Quality and production records (such as inspection records, daily production records and material in records, etc.) to cross check hours

Any other comments:

None

Findings: non-compliances

ZAF600928235

Non-compliance

Due 2025-07-16

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 social insurance receipt in April 2025, there were 306 employees in the facility, out of 306 employees, 8 employees had reached the retirement age, and 5 employees were new-comers in April 2025. For the rest 293 employees, all 293 (100%) employees participated in basic endowment insurance, unemployment insurance and employment injury insurance, only 258 (88.1%) employees participated in basic medical insurance and maternity insurance.

Remark: The facility explained that out of the 293 employees, 35 employees who did not participate in basic medical insurance and maternity insurance, had participated in New Rural Cooperative Medical Insurance by themselves, the facility could not participate in basic medical insurance and maternity insurance for these 35 employees.

社保参保不足。通过查阅企业2025年4月的社保收据，企业共306名员工，306名员工中，8名员工已经达到了退休年龄，5名员工是2025年4月新来的员工。剩余的293名员工中，全部293名员工（100%）员工参加了养老保险、失业保险和工伤保险，仅有258名（88.1%）员工参加医疗保险和生育保险。

备注：企业解释说在剩余293名员工中，未参加医疗保险和生育保险的35名员工，已经自行参加了新农村合作医疗保险，企业无法为其缴纳医疗保险和生育保险。

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

The facility would ensure all employees participate in social insurance according to the local law. And the facility would enhance the management and give documented training to the managers and employees.

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.pdf](#) 

* PDF generated at 02:48 (UTC) on 17 May 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	The legal minimum wage Wages are based on job skills and experience Wages meet a living wage
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Only digital payments
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker remuneration

Which benefits are provided to permanent or full-time workers that are not provided to temporary or part-time workers?	Not applicable
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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	3.0
	Max hours per week	37.0
	Max hours per month	156.0
Minimum legal wage	Min per hour	10.75
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	1870.0
Actual minimum wage	Actual per hour	10.75
	Actual per day	85.98
	Actual per week	429.89
	Actual per month	1870.0
Minimum legal overtime wage	Min per hour	16.12
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	16.12
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	78
Provide the date and details of the records	26 samples from March 2025 (current month) 26 samples from December 2024 (random month) 26 samples from October 2024 (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?	Meets legal minimum
Indicate the breakdown of workforce per earnings	100% of workforce earning not less than the local minimum wage.
Are there any bonus schemes used?	Yes performance-based wage (RMB 1000 to 8000 per month)
Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
Systems and evidence examined to validate this code section	<p style="text-align: center;">No findings</p> <p>Current systems:</p> <ol style="list-style-type: none"> 1. Employees' total pay had been included all benefit. Employees' wages were calculated by monthly-rate basis. Based on provided payroll records, the minimum wage paid by the facility was RMB 1870 per month. Meanwhile, the facility paid performance-based wage (RMB 1000 to 8000 per month) to employees. The wage was higher than the 'living wage' calculated by the facility. The facility had conducted the living wage gap analysis, and key elements had been included. 2. A wage improvement plan that aims to pay workers a living wage had been included in the wage and benefit control procedures. 3. Through factory rules review, payroll records review and employees' interviews, the facility had idea of evaluation the local living wage (reference with Wage indicator Typical Family Methodology), and they had completed the survey and calculating of the local living wage before the audit. 4. Employees' total pay had been included all benefit, and the wage was higher than the 'living wage'. The facility had conducted the living wage gap analysis, and key elements had been included. 5. The local minimum wage standard was set at RMB 1870 per month equivalent to RMB 10.75 (1870/21.75/8) per hour since 1 March, 2023. 6. 150% and 200% of normal rate was paid for employees' overtime work on normal day and rest day respectively, no overtime work on national holiday for all employees. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ol style="list-style-type: none"> 1. Payroll records for the period from 1 April 2024 to 31 March 2025 and attendance records from 1 April 2024 to 6 May 2025 were provided for review. 2. Production records: Inspection records, daily production records and material in records. 3. Living wage calculation records 4. Wage policy 5. Management and employee interview <p>Any other comments: None</p>		

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Fundamental Improvements Required
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a policy and procedure on working hours to ensure Workplace Requirements were met. The policy and procedure stipulated that the standard working hours per day and per week were 8 hours and 40 hours respectively, the weekly hours must be within 60 hours, and the overtime hours must comply with the legal requirements.</p> <p>2. Resources Grade: Some Improvements Recommended The facility had appointed Ms. Han / Admin Manager as the responsible personnel for implementation of working conditions are safe and hygienic procedure. However, no detailed appointment and no detailed position description was clearly defined.</p> <p>3. Communication and Training Grade: Fundamental Improvements Required The facility conducted communication and training on working hours' requirement at least once per year, the latest once training was conducted on 8 January 2025. However, only basic requirement on working hours were informed and through employee interview, most the interviewees wished to have more overtime work, but were not aware that their overtime amount had already exceeded the applicable legal and ETI requirements.</p> <p>4. Monitoring Grade: Fundamental Improvements Required The facility conducted internal annual audit to monitor the Workplace Requirements on 21 March 2025. However, the internal audit record did not clearly reflect the monitoring process and method. In addition, the violations of excessive overtime working hours, weekly working hours and rest days were not identified during the internal annual audit.</p>

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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6. Working hours are not excessive

6.C Provide workers with at least 24 hours of...	Local law Base code	NC ZAF600928236
6.D Ensure that working hours do not exceed 6...	Base code	NC ZAF600928237
6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF600928238

Systems and evidence examined to validate this code section

Current systems:

1. In this audit, auditor had randomly selected production record, such as: inspection records, daily production records and material in records, and auditor crosschecked these records with payroll records and attendance records, no inconsistency was noted. In addition, through employee interview, no inconsistency was noted either.
2. During employee interview, all the 26 randomly selected employees stated that they worked overtime on voluntary basis.
3. All employee used face identification attendance system to keep attendance.
4. According to provided attendance records and employee interview, basic working hours were 8 hours per day and 40 hours per week.
5. Based on the attendance records provided by the facility, the overtime hours refer to below:

Daily overtime hours:
 0-3 hours/day in March 2025 (current month)
 0-3 hours/day in December 2024 (random month)
 0-3 hours/day in October 2024 (random month)

Weekly overtime hours:
 26-37 hours/week in March 2025 (current month)
 26-37 hours/week in December 2024 (random month)
 26-37 hours/week in October 2024 (random month)

Monthly overtime hours:
 156 hours/month in March 2025 (current month)
 129 hours/month in December 2024 (random month)
 141 hours/month in October 2024 (random month)

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Employee interview
2. Management interview
3. Local and national laws
4. Facility policy on working hours
5. Time records
6. Sample pay slips with recorded hours all employees interviewed
7. Employees contracts
8. Attendance records for the period from 1 April 2024 to 6 May 2025 were reviewed.
9. Quality and production records to cross check hours

Any other comments:
 None

ZAF600928237

Non-compliance

Due 2025-07-16

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement

6.D Ensure that working hours do not exceed 60 hours in a standard working week for any worker, except where all of the following are met: this is allowed by national law; - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; - appropriate safeguards are taken to protect the workers' health and safety; and - the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies

Time given to resolve

60 days

Verification method

Follow up audit

Issue title

471 - Total working hours exceed 72 hours per week on a regular basis and over an extended period (but are within the parameters of local law or collective bargaining agreement)

Area of non-compliance/non-conformance

Base code

Description

Total weekly hours exceeded the requirement of client. Through document review, auditor found that the maximum working hours per week of 26 out of 26 randomly selected employees were 77 hours per week in March 2025 (current month), which exceeded 60 hours; the maximum working hours per week of 26 out of 26 randomly selected employees were 77 hours per week in December 2024 (random month), which exceeded 60 hours; the maximum working hours per week of 26 out of 26 randomly selected employees were 77 hours per week in October 2024 (random month), which exceeded 60 hours.

周总工作时间不符合客户要求。通过文件审核，审核员发现，26名随机选取的员工中有26名在2025年3月（当前月）的最大周工作时间为77小时，超过了60小时；26名随机选取的员工中有26名在2024年12月（随机月）的最大周工作时间为77小时，超过了60小时；26名随机选取的员工中有26名在2024年10月（随机月）的最大周工作时间为77小时，超过了60小时。

Corrective and preventative actions

The facility would reduce working hours to ensure to be within 60 hours per week. The facility would provide training to production employees for working skill and training to production plan staff for production arrangement, and the facility would check the working hours of all employees regularly.

Evidence

工号	姓名	部门	日期	星期	08:00-12:00	12:00-18:00	18:00-21:00	21:00-24:00	24:00-08:00
AN00228	李	检验科	3/15/2025	四	07:58	11:30	18:00	17:30	17:59
AN00228	李	检验科	3/16/2025	五	07:58	11:30	18:00	17:30	17:59
AN00228	李	检验科	3/17/2025	六	07:58	11:30	18:00	17:30	17:59
AN00228	李	检验科	3/18/2025	日	07:58	11:30	18:00	17:30	17:59
AN00228	李	检验科	3/19/2025	一	07:58	11:30	18:00	17:30	17:59
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AN002									

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. As per local law, the facility should pay no less than 150%, 200% and 300% of the normal wages as overtime wages for overtime on normal working days, rest days and 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?	69.7
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	77.0
Maximum number of days worked without a day off in sample	10

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
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear policy and procedure on prohibiting discrimination to ensure Workplace Requirements were met. The policy and procedure stipulated that no discrimination behavior was allowed during recruitment, promotion and all the daily operations.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Han / Admin Manager with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and authority of the responsible personnel were clearly defined in the letter of appointment. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Robust The facility had conducted formal communication and training on anti-discrimination to all workers, supervisors and managers at least once per year, the latest once training was conducted on 8 January 2025. During the interview, all the interviewees knew the procedure and policy on prohibition of discrimination well, and everyone in the facility were treated equally.</p> <p>4. Monitoring Grade: Robust The facility had conducted internal auditor to monitor the workplace requirements on 21 March 2025 regarding the policy and procedures, and no NC was found.</p>

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. As informed by interviewed employees, most employees spoke highly of the facility owner.
2. Equal pay for equal job in the facility.
3. No employee was required to do the examination of the hepatitis B virus and HIV.
4. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit.
5. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
6. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
7. There was no evidence of sexual harassment.
8. No documents showed any differential treatment to different workers, constituting discriminating.
9. The written procedures on recruitment, training, development and promotion processes showed that the recruitment requirements such as educational background, skills, experience, and etc. were set according to the job need. During the daily operation, employees were given an equal resource and chance to participate in training, the personal development and promotion was based on employees' performance and ability contribution. And the facility had a dedicated equity approach in all these processes which had taken adequate consideration of gender, race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership and political affiliation. For example, if there was promotion position, the facility published the job requirements to all employees in the OA system, and provided professional skills and technical training for the any employee in to encourage them to participated in promotion process.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. The hiring and termination procedure, leave application records and employee handbook.
2. Payrolls
3. Attendance records
4. Termination records
5. Training records
6. Employee interview

Any other comments:

None

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)?	2%
Representation of women in managerial roles (ratio of women workers to women managers)	4%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	2%
Three most common nationalities in managerial and supervisory roles	Chinese

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear employment policy and procedure to ensure Workplace Requirements were met. The policy and procedure stipulated that employment contract with adequate terms should be signed with each employee. The usage of dispatched, outsourced labour, interns and temperature labour must be compliant with the legal requirements, although there was no such labour used at present.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Han / Admin Manager with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and authority of the responsible personnel were clearly defined in the letter of appointment. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Robust The facility had conducted formal communication and training on regular employment practice to all workers, supervisors and managers at least once per year, the latest once training was conducted on 8 January 2025. During the interview, all the interviewees stated that they had signed the labour contracts according to the legal requirements.</p> <p>4. Monitoring Grade: Robust The facility had conducted internal auditor to monitor the workplace requirements on 21 March 2025 regarding the policy and procedures, and no NC was found.</p>

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. There was a total of 306 employees on site including 13 managers and 293 non-management employees; 91 were female employees and 215 were male employees, 177 employees were local residences from Anhui Province and 129 employees were domestic migrant employees from other province of China including Fujian, Gansu, Guizhou, Hebei, Henan, Heilongjiang, Hubei, Hunan, Jilin, Jiangsu, Jiangxi, Liaoning, Shaanxi, Sichuan, Qinghai, Yunnan, Zhejiang Province and Chongqing City. No foreign migrant employees in the facility.
2. All employees had received copies of signed labor contracts.
3. The effective management system was in place to identify and monitor the hiring and management of all workers.
5. Workers were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and workers as well as reviewing of the written recruitment policy and procedure, the recruitment notice at gate, payrolls, etc.
6. The labour contracts of all workers were available for review. The labour contracts were signed by workers themselves. The interviewed workers knew clearly the contents of the labour contracts. The terms and conditions stated in the contracts accurately reflected the agreed payment and terms in the recruitment process and complied with local laws.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. The recruitment and termination practices
2. Personal files with labour contracts and ID copies for the employees
3. Payroll records were provided for review.
4. Trainings records about the recruitment policy and procedure.
5. Management and employee interview

Any other comments:

None

8. Regular employment is provided

Data points

Percentage of workers that are permanently or temporarily employed	100.0%
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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%
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Percentage of workers employed as apprentices, trainees or interns	0.0%
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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
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear subcontract and homework management policy and procedure to ensure Workplace Requirements were met. The policy and procedure stipulated that the subcontractor and homeworker should be compliant with the applicable legal and ILO requirement. The facility had established the audit process for the subcontractor and homeworker. There was no subcontractor or homeworker used by the facility as per onsite observation.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Han /Admin Manager with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and authority of the responsible personnel were clearly defined in the letter of appointment. There was no subcontractor or homeworker used by the facility as per onsite observation. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Robust The facility had conducted formal communication and training on subcontractor or homeworker management to all workers, supervisors and managers at least once per year, the latest once training was conducted on 8 January 2025. During the interview, all the interviewees stated that there was no subcontractor or homeworker used by the facility as per onsite observation.</p> <p>4. Monitoring Grade: Robust The facility conducted internal annual audit to monitor the Workplace Requirements on 21 March 2025 regarding the policy and procedures, and no NC was found. Meanwhile, there was no subcontractor or homeworker used by the facility as per onsite observation.</p>

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. A site tour showed that all production processes were present in the unit.
2. There was no subcontractors or homeworking used by the facility.
3. The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Production record was provided for review and there was no sign of sub-contracting or home-working.
2. Facility tour
3. Management interview and employee interview

Any other comments:

None

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

A site tour showed that all production processes were present in the unit, no homeworking used by the facility and all processes were conducted in the facility.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?

No

A site tour showed that all production processes were present in the unit, no subcontracting used by the facility and all processes were conducted in the facility.

Are any sub-contractors used?

No

9. No harsh or inhumane treatment is allowed

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established the policy and procedure on prohibiting violence and abuse to ensure Workplace Requirements were met. The policy and procedure stipulated that any kind of violence and abuse was prohibited, and reasonable punishment measures were in place. However, the facility did not have any policy and procedure on anti-harassment.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Han / Admin Manager with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and authority of the responsible personnel were clearly defined in the letter of appointment. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Robust The facility had conducted formal communication and training on anti-harassment, violence and abuse to all workers, supervisors and managers at least once per year, the latest once training was conducted on 8 January 2025. During the interview, all the interviewees stated that there was no harsh or inhumane treatment was found during the working time.</p> <p>4. Monitoring Grade: Robust The facility conducted internal annual audit to monitor the Workplace Requirements on 21 March 2025 regarding the policy and procedures, and no NC was found. Meanwhile, there was no harsh or inhumane treatment was found as per onsite observation.</p>

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. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehaviour which included oral warning, written warning and finally termination and the facility, had developed a training program for all employees on the procedure. Employee interview confirmed that employees were aware of the disciplinary procedure
2. As per management interview, document review and employees' interview, there was a policy on Harsh Treatment.
3. There was an internal process for grievance, which was an anonymous email address, where employees could report a grievance (harassment, bullying, discrimination etc.); any received complaint would be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Facility's inhumane treatment policy was reviewed. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment or verbal abuse or other forms of intimidation should be prohibited.
2. Disciplinary procedure
3. Management interview and employee interview

Any other comments:

None

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')? Yes, there is a formal grievance process

What type of grievance mechanism(s) are available? Suggestion box and hotline

Number of grievances raised in the last 12 months 0

Number of grievances resolved in the last 12 months 0

10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear policy and procedure on environmental protection to ensure Workplace Requirements were met. The policy and procedure stipulated that The facility must obtain all the environmental protection permits and treat the pollutants according to legal requirements.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Lu / HR Manager with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and authority of the responsible personnel were clearly defined in the letter of appointment. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Robust The facility provided formal training on environmental protection to all the employees and managers at least once per year, the latest once training was conducted on 11 February 2025. During the interview with the employees and managers, they had a common sense of environmental protection. In addition, EHS team had arranged quarterly safety meetings on environmental protection issues, the latest safety meeting was held on 11 March 2025.</p> <p>4. Monitoring Grade: Robust The facility conducted internal annual audit to monitor the Workplace Requirements on 21 March 2025 and monthly EHS inspection in the workshop was also conducted by EHS team. The internal audit record clearly reflected the monitoring process and method. The responsible personnel also conducted regular onsite check of the pollutant treatment related facilities.</p>

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 facility conducted some training for all employees on the avoidance of environmental impact.
2. One senior manager (Ms. Han / Admin Manager) was responsible for continuous improvements in their environmental performance.
3. The facility had obtained the Environmental Impact Assessment (EIA) documents, EIA approval and environmental protection acceptance checks report for all completed construction projects.
4. Pollution discharging permit was obtained and provided for review.
5. The facility had relevant system in place to monitor end client's environmental standards/code requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Environmental policy
2. Training on the avoidance of environmental impact.
3. A comprehensive and tested emergency plan to mitigate environmental impact in case of incidents
4. Pollution Discharging Permit
5. Employee and management interview.
6. Site tour

Any other comments:

None

10.A. Environment 2-Pillar

Data points

<p>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)?</p>	<p>No</p>
<p>Does the site have any valid environmental or energy management certificates?</p>	<p>The facility had obtained the ISO 14001:2015 certificate issued by WIT (certificate number: 15/24E9220R02) valid until 21 November 2025</p>
<p>Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?</p>	<p>No</p>
<p>Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?</p>	<p>No</p>

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
<p>Systems and evidence examined to validate this code section</p>	<p style="text-align: center;">No findings</p> <p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility had written environmental policy, covering their environmental impact, which was communicated to all appropriate parties, including its own suppliers. 2. The facility conducted some training for all employees on the avoidance of environmental impact. 3. One manager (Ms. Han / Admin Manager) was appointed to be responsible for continuous improvements in their environmental performance. 4. The facility had made continuous improvements in their environmental performance. 5. The facility had relevant system in place to monitor end client's environmental standards/code requirements. 6. The facility had identified and monitored potential negative environment impacts of operations and supply chain and had in place systems that prevent, mitigate or remedy the impacts of their own operations. 7. According to the energy usage report, the facility had recorded its energy use, water use, solid waste, material use, hazardous substance use and waste, and effluent discharge, and the facility had established resource-use targets and a plan to reach them. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ol style="list-style-type: none"> 1. Environmental policy and documents 2. Energy bills 3. Water bill 4. Employee and management interview. 5. Site tour <p>Any other comments: None</p>		

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?	Zero-waste and recycling protocols Packaging optimization Sustainable material sourcing Responsible use and management of water Switching to renewable energy sources
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 related system. Relevant records were provided for review.
Does the site have reduction targets in place to manage climate related risks?	Yes, to increase low-carbon energy consumption or production
Are any of these science-based targets?	No, and we do not intend to set one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes The facility has established resource targets and developed a plan to reach them.
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Yes Yes. The facility conducted the audit for suppliers before using them.

Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	9,856,270	6,195,816.5
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)	10,882	6,035
Water discharged	Local governmental sewage treatment plant	Local governmental sewage treatment plant
Water volume discharged (m3)	7,617.4	4,224.5
Water volume recycled (m3)	0	0
Total waste produced (mt)	2,434	1,511.4
Total hazardous waste produced (mt)	17.8	13.3
Waste to recycling (mt)	0	0
Waste to landfill (mt)	0	0
Waste to other (mt)	2,416.2	1,498.1
Total product produced (mt)	16,069.1	8,714.5

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
Explanation for management systems grades	<p>1. Policies and Procedures Grade: Robust The facility had established a clear manual on business ethics to ensure Workplace Requirements were met. The policy and procedure on anti-bribery, fair competition, data protection, conflict of interest management, etc. were included in the manual.</p> <p>2. Resources Grade: Robust The facility had appointed Ms. Han / Admin Manager with sufficient seniority as the responsible personnel for implementing procedures. The responsibility and authority of the responsible personnel were clearly defined in the letter of appointment. Procedures were in place for interim responsibility in the case of position change or absence.</p> <p>3. Communication and Training Grade: Robust The facility provided formal training on business ethics to all the employees and managers at least once per year, the latest once training was conducted on 20 January 2025. During the interview with the employees and managers, they had a common sense of environmental protection.</p> <p>4. Monitoring Grade: Robust The facility conducted internal annual audit to monitor the Workplace Requirements on 21 March 2025. The internal audit record clearly reflected the monitoring process and method. And no NC was found.</p>

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. One senior manager (Ms. Han / Admin Manager) had been designated as person responsible for implementing standards concerning Business Ethics.
2. Training for relevant staff on taking action to Business Ethics issue had been reviewed.
3. There were some internal grievance processes, which was a management suggestion box and an anonymous phone number.
4. There was a system in place to monitor end client's Business Ethics standards/code requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Training records on business ethics including Bribery and Corruption.
2. Employee handbook
3. Records from anonymous suggestion scrip.

Any other comments:

None

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?

No

Provide any certified anti-bribery management systems for the site

No such certificate was obtained.

Attachments

No attachments



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