

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

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

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

2-pillar audits include:

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

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

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

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

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

Audit details

Site details

Sedex site reference	ZS1000001584	Site name	XXXXXXXXXXXXXXXXXX
Business name	XXXXXXXXXXXXXXXXXX	Site address	XXXXXXXXXXXXXXXXXX, CN

Audit details

Sedex company reference	ZC5000001495	Auditor company name	Intertek Shanghai			
Date of audit	2025-07-01	Audit conducted by	ellen zhou			
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics					
Time in and out	Day 1		Day 2		Day 3	
	In	08:40	In	09:00	In	09:00
	Out	16:40	Out	17:00	Out	13:00
Audit type	Full initial					
Was the audit announced?	Semi announced					
Was the Sedex SAQ available for review?	Yes					
Who signed and agreed CAPR?	XXXXXXX / Sales Manager					

Any conflicting information SAQ/Pre-Audit Info No

Is further information available? No

Audit attendance

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

SMETA declaration

Auditor team

SMETA declaration

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

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

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

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

This audit is semi-announce audit with the scheduling window from 30/6/2025 to 25/7/2025.

Lead auditor

ellen zhou

APSCA Number

21700417

Additional auditor

Date of declaration

2025-07-03

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Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	XXXXXXXXXXXX
Title	Sales Manager
Date of declaration	2025-07-03

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601006987
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601006986
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601006988
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601006989

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[Management systems →](#)

Management systems

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

Site details

Company and site details

Sedex company reference	ZC5000001495	
Sedex site reference	ZS1000001584	
Company name	XXXXXXXXXXXXXXXXXX	
Business ownership type	GOODS	
Site name	XXXXXXXXXXXXXXXXXX	
Site name in local language		
GPS location	GPS address	XXXXXXXXXXXXXXXXXX China
	Coordinates	119.812705, 28.961785
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	XXXXXXX
	Job title	Sales Manager
	Phone number	XXXXXXXXXX
	Email	XXXXXXXXXX

Company and site details

Applicable business and other legally required business license numbers and documents

1. The business license number was 91330723MA29NW1B8P, Valid Date: from 6 September 2017 to long term.
2. The fire certificates were issued on dated in January 2020 for two 5-storey production buildings and one 6-storey dormitory building (No. 武建消竣备字[2020]第0007号), in January 2020 for one 5-storey production building (No. 武建消竣备字[2020]第0006号), in April 2024 for one 5-storey production building (No. 武建消竣备字[2024]第0087号).
3. The reports of construction completion acceptance were issued in March 2020 for three 5-storey production buildings and one 6-storey dormitory building, in May 2023 for one 5-storey production building.
4. 3. Pollutant discharge registration form: 91330723MA29NW1B8P002U. Valid period: from 9 April, 2024 to 8 April, 2029.

Site activities

Site function	Factory Processing/Manufacturer Finished Product Supplier	
Site activities	Primary	Manufacture of other cutlery, hand tools and general hardware
	Secondary	
	Other	
Product type	Vacuum bottles, Stainless steel bottles.	
Process overview	The main products manufactured by the facility were vacuum bottles, stainless steel bottles. The main production processes were listed as follows: cutting, injection, metalworking, welding, washing, polishing, vacuuming, powder spraying, painting, printing, assembly and packing . The main machine list of the factory was as following: assembly lines: 16 lines, vacuuming machines: 6 sets, welding machines: 15 sets, Injection machines: 44 sets and etc.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes
What is the area of audited site to its boundary?	40000m ²

Audit company:
Intertek Shanghai

Audit reference:
ZAA600142957

Start Date:
2025-07-01

End Date:
2025-07-03



Site scope

Building 1	Last construction works on site	2020
	If building is shared, provide details	Not applicable
	Number of floors	5
	Description of floor activities	1F: workshop 2F: workshop and warehouse 3F: warehouse 4F: workshop 5F: workshop
Building 2	Last construction works on site	2020
	If building is shared, provide details	Not applicable
	Number of floors	5
	Description of floor activities	1F: workshop 2F: workshop and warehouse 3F: warehouse 4F: workshop 5F: workshop
Building 3	Last construction works on site	2020
	If building is shared, provide details	Not applicable
	Number of floors	5
	Description of floor activities	1F: workshop 2F: office and workshop 3F: warehouse 4F: warehouse 5F: workshop and warehouse

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[Worker analysis →](#)

Site scope

Building 4	Last construction works on site	2023
	If building is shared, provide details	Not applicable
	Number of floors	5
	Description of floor activities	1F: workshop 2F: office and workshop 3F: warehouse 4F: warehouse 5F: workshop and warehouse
Building 5	Last construction works on site	2020
	If building is shared, provide details	Not applicable
	Number of floors	6
	Description of floor activities	1F-6F: Dormitory
Is there any difference between the site scope of the audit and the Sedex site profile?		No
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?		No
Is any activity conducted onsite not included within the scope of the audit?		No

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	Yes
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[Worker analysis →](#)

Worker accommodation and transport

Is the accommodation within the perimeter of the site audited?	Onsite
Is the accommodation contractually mandated for workers?	Optional
Who provides the accommodation?	Site
Was all accommodation (whether directly or via third parties, off or onsite) included in this audit?	All One 6-storey dormitory building had included in this audit.
Does the site organise worker transport to the worksite?	Not provided No transport was provided.

Work patterns

Approximate workers on site per month (% of peak)	January	95-100%	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 Employees in injection workshop worked in three shifts: 8:00-16:00, 16:00-24:00 and 0:00-8:00.			

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[Worker analysis →](#)

Audit company:

Intertek Shanghai

Audit reference:

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Start Date:

2025-07-01

End Date:

2025-07-03

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Worker accommodation and transport

Work patterns

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

10%

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 conducted across all shift times, and included at least two representative samples 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 45001 (OHS), ISO 14001 (Environmental management)

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

Yes

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

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?

No

No Human Rights Impact Assessment (HRIA) was conducted.

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[Worker analysis →](#)

Audit company:	Audit reference:	Start Date:	End Date:	
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Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	175 (55.6%)	140 (44.4%)	- -	315 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	175 (55.6%)	140 (44.4%)	- -	315 (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	169 (56%)	133 (44%)	- -	302 (95.9%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	169 (56%)	133 (44%)	- -	302 (95.9%)

* % of total workforce

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

Anhui, Guangxi, Yunnan, Guizhou, Hebei, Hubei, Henan, Hunan, Jiangxi, Sichuan and Chongqing

Workers by age

	Men	Women	Other	Total
18 - 24 years old	30 (69.8%)	13 (30.2%)	- -	43 (13.7%)
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	56%	44%	-	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	175 (55.6%)	140 (44.4%)	- -	315 (100%)
Salaried workers	0 -	0 -	- -	0 (0%)

* % of total workforce

Audit company:

~~Intertek Shanghai~~

Audit reference:

~~ZAA600142957~~

Start Date:

~~2025-07-01~~

End Date:

~~2025-07-03~~



Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	175 (55.6%)	140 (44.4%)	- -	315 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details

Not applicable, all employees were paid monthly.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	7 (53.8%)	6 (46.2%)	- -	13
Supervisors or team leaders	13 (59.1%)	9 (40.9%)	- -	22
Administrative staff	44 (57.9%)	32 (42.1%)	- -	76

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

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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 complaints were raised during employees interview.

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

Accommodation standards
Communication (e.g. from management)
Equal opportunities
Freedom of movement
Grievance mechanisms

Additional comments

26 employees were randomly selected for interview, they were interviewed as 4 groups of 5 employees and the balance of 6 employees were interviewed individually. 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 wages paid on time per month. 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 the management 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

One worker representative were found to be cooperative throughout the audit. She was favourable with the management, facility environment in the interview process. No negative information was raised.

Attitude of workers

Attitude of managers

The facility management showed a positive attitude to this audit during the whole process. All necessary documents were provided timely, and a private room was arranged for employees' interview. At the end of the audit, all the findings were accepted by the facility management. And the facility management promised to take proper action for correction. No negative information was raised by managers.

Workers interviewed by type

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

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	12	8	-	20
Workers interviewed individually	3	3	-	6

[← Worker analysis](#)

[Measuring workplace impact →](#)

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	13	10	-	23
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	13	10	-	23

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	0.2%	1.0%	-	1.2%
Last full calendar year (2024)	8.0%	7.0%	-	15.0%
Previous full calendar year (2023)	9.0%	7.5%	-	16.5%

* 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)	1.5%	1.3%	-	2.8%
Last full calendar year (2024)	2.6%	2.9%	-	5.5%
Previous full calendar year (2023)	2.1%	1.7%	-	3.8%

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

Are accidents recorded? Yes

Accidents records were provided to review and it showed no accident happened in past 12 months.

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

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

[← Worker interviews](#)

[Code area 0 →](#)

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

Previous full calendar year (2023)	0.0%	0.0%	-	0.0%
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Percentage of workers that work on average more than 60 total hours in a given week

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility management showed a positive attitude to this audit during the whole process. Documentation requested for the review was provided timely. All areas were allowed to conduct a facility tour. At the end of the audit, all the findings were accepted by the facility management. 2. The facility had established a written Anti-bribery Policy, and the facility had signed on the document during the opening meeting. No bribery case happened during this audit. 3. The facility provided an accurate site description and Sedex site profile declared prior to or during the audit. 4. The facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights. The facility's Human Rights Policy was endorsed by their General Manager. The facility communicated Human Rights Policy to all appropriate parties including its own suppliers through providing the facility's Human Rights Policy to all appropriate parties and asking them to acknowledge Human Rights Policy Compliance Commitments by signatures and stamps. 5. In this yard, there was other one 5-storey production building was idle, four 6-storey buildings were under renovation. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Employee Handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees. 2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law. 3. The posters and training records about Human Rights Policy. 		

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?

No

Did any workers selected by the auditor decline to be interviewed?

No

1. Employment is freely chosen

Management systems

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

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

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

Audit company:	Audit reference:	Start Date:	End Date:	
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Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures to ensure employment was freely chosen. They meet all Workplace Requirements in this code area. The procedure includes provision for migrant workers, non-employee (agency) workers. The management take regular review and update according to changing requirements or situations.

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Robust

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

4) Monitoring:

Grade: Robust

The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

1. The facility had a policy which prohibited forced labour and this was available for review.
2. There was a non-formalised application procedure which states that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers.
3. The employee handbook – given to all workers on joining, stated that workers within their probation period were free to leave with 3 days written notice and once a worker was permanent (this was out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also stated that they will be given their full wages on next pay day of work.
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.
5. The facility did not require any payment for work tools, PPE, IC/staff card, training, etc.
6. The facility did not use prison labour.
7. The above was confirmed in management and employee interview.

Evidence examined:

1. Personnel files of 26 randomly selected samples were checked
2. Resignation records
3. Factory rules
4. Employee handbook
5. Management and employee interview

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
--	----

Audit reference:

Start Date:

End Date:

ZAA600142957

2025-07-01

2025-07-03

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
--	---------------------------

Audit company:	Audit reference:	Start Date:	End Date:	
Intertek Shanghai	ZAA600142957	2025-07-01	2025-07-03	36

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures on responsible recruitment and entitlement to work. These policies clearly defined employees' rights to work, ensure ethical recruitment practices, and prohibit the collection of deposits or recruitment fees. The policies make reference to the local law and workplace requirements in this code area. The procedure includes the provision of directly hired workers, non-employee workers, migrant workers, etc. The policy and procedures are reviewed and updated regularly.

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Robust

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

4) Monitoring:

Grade: Robust

The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 1](#)

[Code area 2 →](#)

Systems and evidence examined to validate this code section

Current systems:

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

Evidence examined:

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

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

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

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

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

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

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

Migrant workers

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

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Percentage of workers that are migrant 0%

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

List the sending states/provinces/regions 302 employees were from other provinces of China including Anhui, Guangxi, Yunnan, Guizhou, Hebei, Hubei, Henan, Hunan, Jiangxi, Sichuan and Chongqing.

Recruitment fees

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

Were recruitment fees or costs identified during worker interviews? No

All employees stated that no recruitment fees or costs.

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2025-07-01

End Date:
2025-07-03

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

Audit company:	Audit reference:	Start Date:	End Date:	
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Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures to ensure that freedom of association and the right to collective bargaining were respected. These policies clearly defined employees' rights to form or participate in any legal worker organizations or unions, as well as engage in collective bargaining. They meet all Workplace Requirements in this code area. The procedure includes provision for migrant workers, non-employee (agency) workers. The management take regular review and update according to changing requirements or situations.

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Robust

Training at the facility was governed by a formal training procedure under the specific responsibility of the training supervisor. The 'Freedom of Association and Right to Collective Bargaining' policy was available and communicated to all employees. The facility provided relevant training to all employees on a regular basis. All interviewed employees confirmed their familiarity with the relevant policies.

4) Monitoring:

Grade: Robust

The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 1.A](#)

[Code area 3 →](#)

Systems and evidence examined to validate this code section

Current systems:

1. There was no union at the site.
2. One worker committee with 4 worker representatives was established in the factory. The worker representatives conducted meetings regularly and the latest meeting was conducted on 20 June 2025. One worker representative was present during the audit.
3. The interviewed workers confirmed that they were free to join trade union or workers' organisation and enjoy the right to collective bargaining.
4. Employee interview confirmed that the members of the union had been elected by fellow employees, and the facility did not interfere in their activities, and did not discriminate the trade union representatives or worker representatives.
5. The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the workers were free to form or join trade union or workers' organisation and enjoyed the right to collective bargaining, and nobody would be treated differently if they were members of the trade union or workers' organisation, etc.
6. The response records for workers' suggestions and appeals were available for review.

Evidence examined:

1. Written freedom of association procedure was established in the factory, which recognized and respected the right of employees to exercise their lawful right of free association.
2. Employee handbook was reviewed. It stated that employees were free to form worker committee. Nobody would be treated differently whether they were members of worker committee or not.
3. The records from the suggestion box and what relevant actions had been taken was reviewed. Facility management commented that they collected the suggestions from the suggestion box and review them in the management meeting once a month. If agreed, they will take the relevant actions to improve.
4. There were 4 worker representatives elected in the factory. The lasted meeting records between facility management and worker committee representatives (conducted on 20 June, 2025) were provided to review.
5. The employee also could raise their opinions/ suggestions/ complains etc. by freely speak out face to face to management.

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. No
strikes, unrest, or cases raised to formal
tribunals or labour courts) in the past
two years?

[← Code area 2](#)

[Code area 3 →](#)

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3. Working conditions are safe and hygienic

Management systems

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

Robust Management Systems

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

Robust Management Systems

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

Some Improvements Recommended

Monitor the effectiveness of procedures to meet policy and workplace requirements

Fundamental Improvements Required

[← Code area 2](#)

[Code area 4 →](#)

Audit company:	Audit reference:	Start Date:	End Date:	
Intertek Shanghai	ZAA600142957	2025-07-01	2025-07-03	45

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

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

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Fundamental Improvements Required

The EHS policy and procedures were communicated to all employees annually. EHS training covers building safety, fire safety, electrical safety, machine safety, chemical handling and disposal, and personal protective equipment (PPE) usage. The facility provided relevant training to all employees on a regular basis, but some employees had forgotten the training contents through interview. The facility did not adjust the training frequency according to the employees' needs.

4) Monitoring:

Grade: Fundamental Improvements Required

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

Summary of findings

[← Code area 2](#)

[Code area 4 →](#)

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601006987
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601006986

Audit company:

~~Intertek Shanghai~~

Audit reference:

~~ZAA600142957~~

Start Date:

~~2025-07-01~~

End Date:

~~2025-07-03~~



Systems and evidence examined to validate this code section

1. General Health and Safety management
 - xxxxxxxxxxxx/Manager was responsible for Health & Safety issues in the site.
 - Potable water was freely available in all areas and test certificates were up-to-date.
 - Sufficient clean toilets segregated by gender were available at all times to employees.
 - Ventilation, temperature and lighting were adequate for the production processes.
 - Minutes of meetings showed that there were monthly meetings between the workers and the Facility Director, and each point was acted on.
2. Fire Safety
 - There were at least 2 exits from each work area and these were clearly marked.
 - Firefighting equipment was adequate and checks were up-to-date.
 - Evacuation diagrams were posted in all areas and understood by all employees interviewed.
 - Fire drills were organized and recorded twice per year.
3. Electrical safety
 - All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
 - There was one electrician at the site, and the certificate was available for review.
4. Chemical safety
 - All chemicals such as paint, ink had been installed with secondary containers.
 - Workers exposed to chemicals confirmed that they had been trained on chemical safety.
 - Material Safety Data Sheets were available in all workplaces with chemicals.
5. Medical services
 - There were adequate first aid kits in each production areas and they were well stocked.
 - 4 certificated first aiders were arranged in the facility.
6. Machine safety
 - All machines were well maintained with daily checked and recorded.
 - Registration and regular inspection for all special equipment such as cargo lift and certificate for the management/operator were provided for review.

Evidence examined:

1. Health and safety policy
2. Health and safety manual
3. Training records and certificates

4. Fire equipment maintenance records
5. Fire drill records on 20 March, 2025 and 26 October, 2024
6. The first aider certificate personnel valid till March 2026
7. Accident reports
8. Chemical list and MSDS for chemical
9. Special equipment inspection reports and production machine list
10. Potable water testing report
11. Interviews with HR Manager and EHS manager
12. Interviews with employees and H&S committee members

[← Code area 2](#)

[Code area 4 →](#)

Findings: non-compliances

ZAF601006987

Non-compliance

Due 2025-08-09

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.H Where identified as necessary to reduce residual risk, provide (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE).

Time given to resolve

30 days

Issue title

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

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law
Base code

Description

Partial employees did not properly wear PPE (Personal Protective Equipment). During facility tour, auditor found that one employee working in metalworking workshop and one employee working in polishing workshop contacted with noise did not wear earplugs which were provided by the facility.

XXX.

Corrective and preventative actions

The facility management stated that they would ask the employees to wear proper PPEs during working time. The facility would provide more training about PPEs usage and occupational health for them.

Local law reference

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

Evidence

Audit reference:



Start Date:

End Date:

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2025-07-01

2025-07-03



[One employee working in polishing workshop contacted with noise did not wear earplugs which were provided by the facility.jpg](#)

[One employee working in metalworking workshop contacted with noise did not wear earplugs which were provided by the facility.jpg](#)

* PDF generated at 01:56 (UTC) on 10 Jul 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601006986		Non-compliance	Due 2025-09-08
Code area		Status	
3 Working conditions are safe and hygienic		Open*	
Workplace requirement		Time given to resolve	
3.R Provide clean and secure toilets, wash areas, and worker changing facilities, with adequate hygiene supplies separated by gender or with effective privacy. Ensure potable water is easily accessible by workers and, where appropriate, clean storage facilities for food and personal belongings.		60 days	
Issue title		Verification method	
327 - Storage of goods not in line with legal requirements (e.g. too high)		Desktop audit	
Description		Area of non-compliance/non-conformance	
Partial goods were directly leaned against the wall. Through facility tour, auditor found partial goods in warehouses were directly leaned against the wall in the facility. 部分货物靠墙堆放。通过现场巡查，审核员发现企业仓库内的部分货物靠墙存放。		Local law	
Corrective and preventative actions		Base code	
The management stated that they would ensure all goods are properly stored in warehouses to leave proper distance from the wall and post. Strengthen the management and provided training.			
← Code area 3		Code area 4 →	

Audit company:
Intertek Shanghai

Audit reference:
ZAA600142957

Start Date:
2025-07-01

End Date:
2025-07-03



Local law reference

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

Evidence



[Partial goods were directly
leaned against the wall.jpg](#)



[Partial goods were directly
leaned against the post.jpg](#)



* PDF generated at 01:56 (UTC) on 10 Jul 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?	Yes
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Such as paint used in the painting workshop, ink was used in the printing workshop.
Who organises accommodation for workers?	The company owns or operates worker accommodation (onsite) 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?	No N/A, no structural additions (e.g. added floors) in the facility.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of	No

the building?

Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?

No

[← Code area 3](#)

[Code area 4 →](#)

Does the site have a structural engineer evaluation? Yes

Audit company:

~~Intertek Shanghai~~

Audit reference:

~~ZAA600142957~~

Start Date:

~~2025-07-01~~

End Date:

~~2025-07-03~~



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
--	---------------------------

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Intertek Shanghai	ZAA600142957	2025-07-01	2025-07-03	55

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures on Hiring and Prohibition of Child Labor. These policies stipulated that no child labor, either direct or indirect, is permitted. A written remediation procedure was in place to address any instances of misused child labor. The procedures covers direct and indirect employees, migrant employees. A regular review and update is taken to ensure compliance.

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Robust

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

4) Monitoring:

Grade: Robust

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

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

[← Code area 3](#)

[Code area 5 →](#)

Systems and evidence examined to validate this code section

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 written worker roster was available.
5. The worker's personnel files include recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy lists the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 18 years old.
6. 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.

Evidence examined:

1. Personnel files of all employees
2. Latest list of employees
3. Records of any health checks
4. Management and employee interview

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	13%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	18
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	No

[← Code area 4](#)

[Code area 5 →](#)

5. Legal wages are paid

Management systems

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

Robust Management Systems

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

Robust Management Systems

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

Fundamental Improvements Required

Monitor the effectiveness of procedures to meet policy and workplace requirements

Fundamental Improvements Required

[← Code area 4](#)

[Code area 5.A →](#)

Audit company:
Intertek Shanghai

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ZAA600142957

Start Date:
2025-07-01

End Date:
2025-07-03

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

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

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Fundamental Improvements Required

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

4) Monitoring:

Grade: Fundamental Improvements Required

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

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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[← Code area 4](#)

[Code area 5.A →](#)

5. Legal wages are paid

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

Local law
Base code

NC [ZAF601006988](#)

Audit company:

~~Intertek Shanghai~~

Audit reference:

~~ZAA600142957~~

Start Date:

~~2025-07-01~~

End Date:

~~2025-07-03~~



Systems and evidence examined to validate this code section

- Current systems:
1. The local minimum wage standard was set at RMB 2010 per month equivalent to RMB 11.55 per hour since 1 January, 2024.
 2. All employees' wages were calculated on hourly rate, based on provided payroll records, the minimum wage paid by the facility was RMB 14.37 per hour.
 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, were given to all employees and child-bearing leave to appropriate employees.
 6. All employees were paid at the 30th of each month. All employees were paid by bank transfer. The payment calculation period was from 1st to 31st. Each employee was given a pay slip and signed for their wages.
 7. Based on provided records, employees were paid at least 150% and 200% rate of standard wage for overtime hours in normal workdays and rest days. No overtime was arranged in public holidays.
 8. In this audit, auditor had randomly selected daily production records, material delivery records and cross checked these records with payroll records and attendance records, no inconsistency was noted. In addition, through employee interview, no inconsistency was noted. All payroll records and attendance records required were provided by the facility timely.
 9. according to the social insurance receipt of May 2025, auditor found that there were 408 employees (including 18 retired employees and 21 new hired employees) working in the facility, only 227 employees (61.5%) had participated in unemployment insurance and basic endowment insurance, 145 employees (39.3%) had participated in basic medical insurance and maternity insurance, 332 employees (90%) and one retired employee had participated in employment injury insurance. In addition, the facility purchased commercial accident insurance for 117 employees, including 35 employees who did not participate in employment injury insurance, 17 retired employees and 21 new hired employees, which was valid till 5 March, 2026.

- Evidence examined:
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 from June 2024 to May 2025 and attendance records from 1 June, 2024 to 30 June, 2025 were reviewed.

7. Leave records
8. The payment receipts of social insurance
9. Labour contracts for all employees (to examine agreed wage rates)
10. Resignation records
11. Hours records to check hourly rates and any overtime premiums
12. Production records to cross check working hours

Findings: non-compliances

ZAF601006988

Non-compliance

Due 2025-09-08

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. Through document review, according to the social insurance receipt of May 2025, auditor found that there were 408 employees (including 18 retired employees and 21 new hired employees) working in the facility, only 227 employees (61.5%) had participated in unemployment insurance and basic endowment insurance, 145 employees (39.3%) had participated in basic medical insurance and maternity insurance, 332 employees (90%) and one retired employee had participated in employment injury insurance. In addition, the facility purchased commercial accident insurance for 117 employees, including 37 employees who did not participate in employment injury insurance, 17 retired employees and 21 new hired employees, which was valid till 5 March, 2026.

Area of non-compliance/non-conformance

Local law

Base code

社会保险参保不足。经过文件审核，根据2025年5月的社保收据，审核员发现企业有408人在职（包括18名到达退休年龄的员工和21名新员工），只有227名员工（61.5%）参加失业保险和养老保险，145名员工（39.3%）参加了医疗保险和生育保险，332名员工（90%）和1名退休员工参加了工伤保险。此外，企业为117名员工购买了一份商业意外保险，其中包含了未缴纳工伤保险的37名员工，17名退休员工和21名新员工，有效期至2026年3月5日。

Corrective and preventative actions

The facility stated that they would persuade the potential employees to participate in social insurance. Provide regular training about social insurance for employees.

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ZAA600142957

Start Date:
2025-07-01

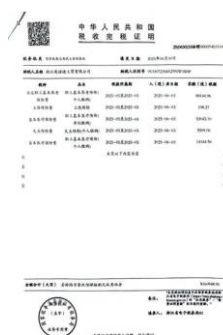
End Date:
2025-07-03



Local law reference

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

Evidence



[Insufficient social insurance participated.jpg](#)



* PDF generated at 01:56 (UTC) on 10 Jul 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?	Wages meet a living wage
	Wages are based on job skills and experience
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Only digital payments
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker remuneration

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

Summary information

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable

[← Code area 5](#)

[Code area 5.A →](#)

Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	168.0
Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	2.0
	Max hours per week	18.0
	Max hours per month	60.0
Minimum legal wage	Min per hour	11.55
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2010.0
Actual minimum wage	Actual per hour	14.37
	Actual per day	114.9
	Actual per week	574.7
	Actual per month	2500.0
Minimum legal overtime wage	Min per hour	17.32
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable

[← Code area 5](#)

[Code area 5.A →](#)

Actual minimum overtime wage	Actual per hour	21.55
	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 May 2025 (current month) 26 samples from March 2025 (random month) 26 samples from November 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?	Above legal minimum
Indicate the breakdown of workforce per earnings	100.0% of workforce earning meet or above minimum wage.
Are there any bonus schemes used?	Yes Position allowances from RMB 500 to RMB 1000 were given to employees.
Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

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5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. Through facility rules review, payroll records review and employees' interviews, the facility had the idea of evaluating the local living wage, and they had completed the survey or calculating the local living wage before the audit. The living wage calculation meets 10 ILO principles for Living Wage Estimation. 2. Employees' total pay had included all benefits, and the wage was higher than the "living wage". The facility had conducted the living wage gap analysis, and key elements had been included. 3. A wage improvement plan that aims to pay workers a living wage had been included in the wage and benefit control procedures. 4. All employees in the facility were paid as or above the living wages defined by the facility. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Living wage policy. 2. The calculating process of local living wage of the facility. 3. Payroll records. 		

6. Working hours are not excessive

Management systems

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

Robust Management Systems

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

Robust Management Systems

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

Fundamental Improvements Required

Monitor the effectiveness of procedures to meet policy and workplace requirements

Fundamental Improvements Required

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Management systems

Explanation for management systems grades

- 1) Policies & Procedures:
Grade: Robust
The facility had formulated comprehensive written policies and procedures regarding attendance management, overtime regulations, overtime remuneration, production contingency plans, and other related matters. These policies referenced the Employees Manual, which outlined key mechanisms to prevent excessive working hours. Specific provisions were included for young workers, female workers, and pregnant workers. The facility regularly reviewed and updated these policies, posting them on the employees' noticeboard for transparency.
- 2) Resources:
Grade: Robust
The facility’s CSR team is responsible for overseeing the implementation of site policies, and one designated manager is responsible for the CSR team. Specific operational responsibilities for enforcing these procedures are clearly defined. All the team members have accountability to implement the procedure.
- 3) Communication & Training:
Grade: Fundamental Improvements Required
Training at the facility was governed by a formal training procedure under the specific responsibility of the training supervisor. The 'Working Hour' policy and procedures were available and communicated to all employees. However, there was no effective mechanism in place to ensure the adequacy and effectiveness of the training program. Additionally, all interviewees indicated that they were willing to work additional overtime to earn more money. As a result, one systemic major finding was identified in this section: Overtime hours exceeded the legal requirement.
- 4) Monitoring:
Grade: Fundamental Improvements Required
The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address non-compliances. However, there was no evidence demonstrating that corrective actions have been implemented in response to the findings of the internal audit. As a result, one systemic major finding was identified in this section: Overtime hours exceeded the legal requirement. The management stated that this issue was common among facilities in the same industry within this region, they would make every effort to ensure the reasonable regulation of overtime work duration.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601006989

Audit reference:



Start Date:

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Systems and evidence examined to validate this code section

Current systems:

1. All the employees in employee interview stated that they worked overtime on voluntary basis.
2. In this audit, auditor had randomly selected production records: material delivery records, daily production records. And crosschecked these records with payroll records and attendance records, no inconsistency was noted. In addition, through employee interview, no inconsistency was noted. All payroll records and attendance records required were provided by the facility timely.
3. The facility used electronic attendance system (Finger printing and facial ID) to record employees' working hours.
4. According to provided attendance records and employee interview basic working hours were 8 hours per day and 40 hours per week with no overtime on holidays.
5. Based on provided attendance records, all employees had at least 1 day off per week.
6. Based on the provided records, working overtime hour statistics were as the followings:
 - 0-2 hours/ day in May 2025 (current month)
 - 0-2 hours/ day in March 2025 (random month)
 - 0-2 hours/ day in November 2024 (random month)
 - 8-18 hours/week in May 2025 (current month)
 - 8-18 hours/ week in March 2025 (random month)
 - 8-18 hours/ week in November 2024 (random month)
 - 32-60 hours/month in May 2025 (current month)
 - 40-60 hours/month in March 2025 (random month)
 - 40-60 hours/month in November 2024 (random month)

Evidence examined:

1. Employee interview
2. Management interview
3. Local and national laws
4. Facility policy on working hours
5. Time records in electronic keeping system
6. Sample pay slips with recorded hours all employees interviewed
7. Attendance records from 1 June, 2024 to 30 June, 2025 were reviewed.
8. Quality and production records to cross check hours
9. Employees contracts

Findings: non-compliances

ZAF601006989

Non-compliance

Due 2025-09-08

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Follow up audit

Description

Overtime hours exceeded the legal requirement. Through document review, auditor found that:

- 1) In May 2025 (current month), the monthly overtime hours of 24 out of 26 employees were 40-60 hours;
- 2) In March 2025 (random month), the monthly overtime hours of all 26 employees were 40-60 hours;
- 3) In November 2024 (random month), the monthly overtime hours of all 26 employees were 40-60 hours.

Area of non-compliance/non-conformance

Local law

Base code

加班时间超过法规要求。通过文件审核，审核员发现：
 1) 2025年5月（当前月），所有随机抽取的26名员工中的24名员工的月加班为40-60小时；
 2) 2025年3月（随机月），所有随机抽取的26名员工的月加班为40-60小时；
 3) 2024年11月（随机月），所有随机抽取的26名员工的月加班为40-60小时。

Corrective and preventative actions

The facility stated that they would reduce the overtime hours to ensure it is within 36 hours per month. Provide training to production employees for working skill and training to production plan staff for production arrangement.

Local law reference

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

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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. The facility had paid 150% of normal rate to employees for their overtime on normal days, 200% of normal rate to employees for their overtime on rest days. No overtime on public holidays during the past 12 months.
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Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
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Including overtime, what is the average number of working hours per week for full-time workers at this site?	54.0
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In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	58.0
---	------

Maximum number of days worked without a day off in sample	6
---	---

[← Code area 6](#)

[Code area 7 →](#)

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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
--	---------------------------

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Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures on anti-discrimination. These policies set up stipulate that no discriminatory behavior was permitted during recruitment, training, development, promotion, or any daily operations. The procedurs meet all Workplace Requirements in this code area. The facility takes regular review and update to ensure compliance.

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Robust

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

4) Monitoring:

Grade: Robust

The facility continuously assesses the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

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

Evidence examined:

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

7. No discrimination is practiced

Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)?	10%
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)	6%
Three most common nationalities in managerial and supervisory roles	All managers and supervisors were 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
--	---------------------------

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Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures on regular employment. These policies stipulated that employment contracts with adequate terms must be signed with each employee. The use of dispatched labor, outsourced labor, interns, and temporary labor must comply with legal requirements, although no such labor was currently used at the facility. The policy and procedure are reviewed and updated when situation changes.

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Robust

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

4) Monitoring:

Grade: Robust

The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 7](#)

[Code area 8.A →](#)

Systems and evidence examined to validate this code section

Current systems:

1. All employees were recruited by the facility directly. No labour agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditors.
2. The facility signed labour contracts with the employees within one month, and all interviewed employees stated that they kept a copy of labour contracts by themselves.
3. All employees received pay slip in their own language when they were paid.
4. No subcontractor was used.
5. The effective management system was in place to identify and monitor the hiring and management of all workers. The local workers and migrant workers were hired legally and treated equally in the facility.
6. No temporary worker and apprenticeship scheme existed in the factory. No home-working existed in the factory.
7. 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.
8. 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 reflected the agreed payment and terms in the recruitment process.

Evidence examined:

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 interview and employee interview

8. Regular employment is provided

Data points

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

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

Management systems

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

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

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

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

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Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures regarding subcontracting and homeworkers. These policies stipulate that subcontractors and homeworkers must comply with applicable legal and International Labor Organization (ILO) requirements. According to on-site observations, the facility currently did not use any homeworkers or subcontractor.

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Robust

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

4) Monitoring:

Grade: Robust

The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

[← Code area 8](#)

[Code area 9 →](#)

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, no subcontracting or homeworking used by the facility and all processes were conducted in the facility.
2. The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.

Evidence examined:

1. Written procedure of subcontracting management system
2. Production record was provided for review and there was no sign of subcontracting or homeworking.
3. Management interview
4. Employee interview

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

Data points

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

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homeworker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
The supplier had policy that they did not buy products or services from suppliers that use homeworkers.

Sub-contracting

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

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Are any sub-contractors used? No

[← Code area 8.A](#)

[Code area 9 →](#)

9. No harsh or inhumane treatment is allowed

Management systems

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

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

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

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

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Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures on the Prohibition of Harsh or Inhumane Treatment and Disciplinary Actions. These policies were tailored to the site context and were designed to ensure sustainable compliance with all Workplace Requirements outlined in the Base Code Area, both now and in the future.

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Robust

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

4) Monitoring:

Grade: Robust

The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

[← Code area 8.A](#)

[Code area 10.A →](#)

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 site, 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 employee interview, there was a policy on Harsh Treatment.
 3. There was an internal process for grievance, which was suggestion box, where employees could report any grievances (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.
 4. Through employee interview, no negative information was found. All interviewees stated that the management was nice to them.

- Evidence examined:
1. The relevant policy on prevention of harassment and abuse.
 2. Internal grievance procedure documentation.
 3. Training records.
 4. Employee interview

9. No harsh or inhumane treatment is allowed

Data points

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

Yes, there is a formal grievance process
The grievance process is available to all workers

What type of grievance mechanism(s) are available?

The workers could express their own feeling by suggestion box.

Number of grievances raised in the last 12 months

0

Number of grievances resolved in the last 12 months

0

Audit company:

~~Intertek Shanghai~~

Audit reference:

~~ZAA600142957~~

Start Date:

~~2025-07-01~~

End Date:

~~2025-07-03~~



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
--	---------------------------

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Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

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

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Robust

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

4) Monitoring:

Grade: Robust

The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 9](#)

[Code area 10.B →](#)

Systems and evidence examined to validate this code section

Systems:

1. The facility established the environmental protection policy. The facility conducted the training for all employees on the avoidance of environmental impact.
2. The facility had obtained pollutant discharge permit as required by law.
3. Waste water, waste gas were properly treated before discharge. The facility had conducted regular test on waste water and waste gas. The results are acceptable.
4. The hazardous wastes were handled by qualified third party and the duplicate forms were maintained for transfer.
5. The facility had never been subjected to fines for non-compliance to environmental regulations.
6. The facility had established a system in place to monitor their end client's environmental standards/code requirements.
7. The facility had established one set of environmental management systems documentation.
8. The facility recognized the significant environmental impact of their site and its processes.
9. The facility provided Environmental Impact Assessment (EIA) for construction project, approval and environmental protection acceptance checks report for completed construction project for review.

Evidence examined:

1. Environmental training records
2. Pollutant discharge permit
3. Employee and management interview.
4. Facility tour

10. A. Environment 2–Pillar

Data points

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

No

Does the site have any valid environmental or energy management certificates?

The facility had obtained ISO 14001:2015 certificate and the certificate number was 20225E20182R0M, which was valid until 20 April 2028.

Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?

No

Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?

No

Audit reference:

Start Date:

End Date:

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10. B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility established the environmental protection policy. 2. The facility conducted the training for all employees on the avoidance of environmental impact. 3. The facility had communicated their environmental policy to their own suppliers. 4. xxxxxxxx/Manager was appointed responsible for environmental issues. 5. The facility had recorded the use and discharge of natural resources e.g. energy use, water use. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Environmental policy and environmental protection procedures. 2. Water bill and Energy bills 3. Employee and management interview. 4. Site tour 		

10.B. Environment 4–Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Responsible use and management of water Prioritising local suppliers 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.
Does the site have reduction targets in place to manage climate related risks?	None
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	No
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Not Applicable

Usage/discharge analysis

Last full calendar year (2024)	Previous full calendar year (2023)
--------------------------------	------------------------------------

Total electricity consumption from non-renewable sources (kWh)	8,723,216	7,985,130
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 used	Other (provide details) No renewable energy used
Total natural gas consumption (kWh)	2,182,880	1,797,112
Usage of other purchased fuels	No other fuels purchased	No other fuels purchased
Has the site completed any carbon footprint analysis?	No	No
Water sources	City water company	City water company
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	52,707	31,321
Water discharged	The water drainage network of the city	The water drainage network of the city
Water volume discharged (m3)	39,530	23,490
Water volume recycled (m3)	0	0
Total waste produced (mt)	54.8	54.5
Total hazardous waste produced (mt)	19.6	18.7

[← Code area 10.B](#)
[Code area 10.C →](#)

Waste to recycling (mt)	19.7	22.3
Waste to landfill (mt)	0	0
Waste to other (mt)	15.5	13.5
Total product produced (mt)	12,000,000	9,000,000

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
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Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
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Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
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Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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[← Code area 10.B](#)

Audit company:	Audit reference:	Start Date:	End Date:	
Intertek Shanghai	ZAA600142957	2025-07-01	2025-07-03	102

Management systems

Explanation for management systems grades

1) Policies & Procedures:

Grade: Robust

The facility had established comprehensive policies and procedures on business ethics. These policies were tailored to the site context and designed to ensure sustainable compliance with all workplace requirements outlined in the Base Code Area, both now and in the future.

2) Resource:

Grade: Robust

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

3) Communication & Training:

Grade: Robust

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

4) Monitoring:

Grade: Robust

The facility continuously assessed the effectiveness of these procedures through regular monitoring and internal audits, taking proactive measures to address any non-compliances. The facility conducted an internal audit to monitor the effectiveness of the business ethics procedures. No business ethics incidents had occurred in the past months. No findings were raised in this section.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 10.B](#)

Systems and evidence examined to validate this code section

- Current systems:
- xxxxxxxxxxxxx/ Manager had been designated as person responsible for implementing standards concerning Business Ethics.
1. Training for relevant staff on taking action to Business Ethics issue had been reviewed.
 2. The site had received and read the Business Ethics policy of the auditor/audit company.
 3. There were some internal grievance processes, which was a management suggestion box.
 4. The facility had communicated their Business Ethics policy to their own suppliers.

- Evidence examined:
1. The company business ethics policy including Bribery and Corruption.
 2. Employee handbook
 3. Records from anonymous suggestion scrip.
 4. Employee and management interview.
 5. Site tour

[← Code area 10.B](#)

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?	No
Provide any certified anti-bribery management systems for the site	No certified anti-bribery Management Systems for the facility.

[← Code area 10.C](#)

Attachments



[Welding workshop.jpg](#)



[Eye washing facility.jpg](#)



[Washing area.jpg](#)



[Finished products warehouse.jpg](#)



[Decal process.jpg](#)



[Powder spraying workshop.jpg](#)



[Assembly and packing lines.jpg](#)



[Painting workshop.jpg](#)



[Polishing workshop.jpg](#)



[Metalworking workshop.jpg](#)



[Toilets.JPG](#)



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



[Sprinkler system.JPG](#)



[Drinking water.JPG](#)



[Cargo lifts.JPG](#)



[MSDS.JPG](#)

Audit company:
Intertek Shanghai

Audit reference:
ZAA600142957

Start Date:
2025-07-01

End Date:
2025-07-03





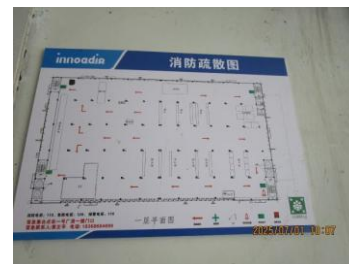
[Attendance machines.JPG](#)



[Exit sign, emergency light and fire alarm.JPG](#)



[Forklift.JPG](#)



[Evacuation map.JPG](#)



[Evacuation sign.JPG](#)



[No Smoking sign.JPG](#)



[Dormitory room.JPG](#)



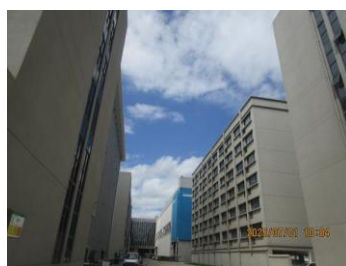
[Power box.JPG](#)



[Crane.JPG](#)



[Raw material warehouse.JPG](#)



[Facility buildings.JPG](#)



[Printing workshop.JPG](#)



[Injection workshop.JPG](#)



[Vacuuming area.JPG](#)



[Warning signs.JPG](#)



[First aid kit.JPG](#)



[Waste gas treatment facility.JPG](#)



[Facility name.JPG](#)



[Chemical warehouse.JPG](#)



[Cutting area.JPG](#)



[Suggestion box.JPG](#)



[Emergency assembly point.JPG](#)



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