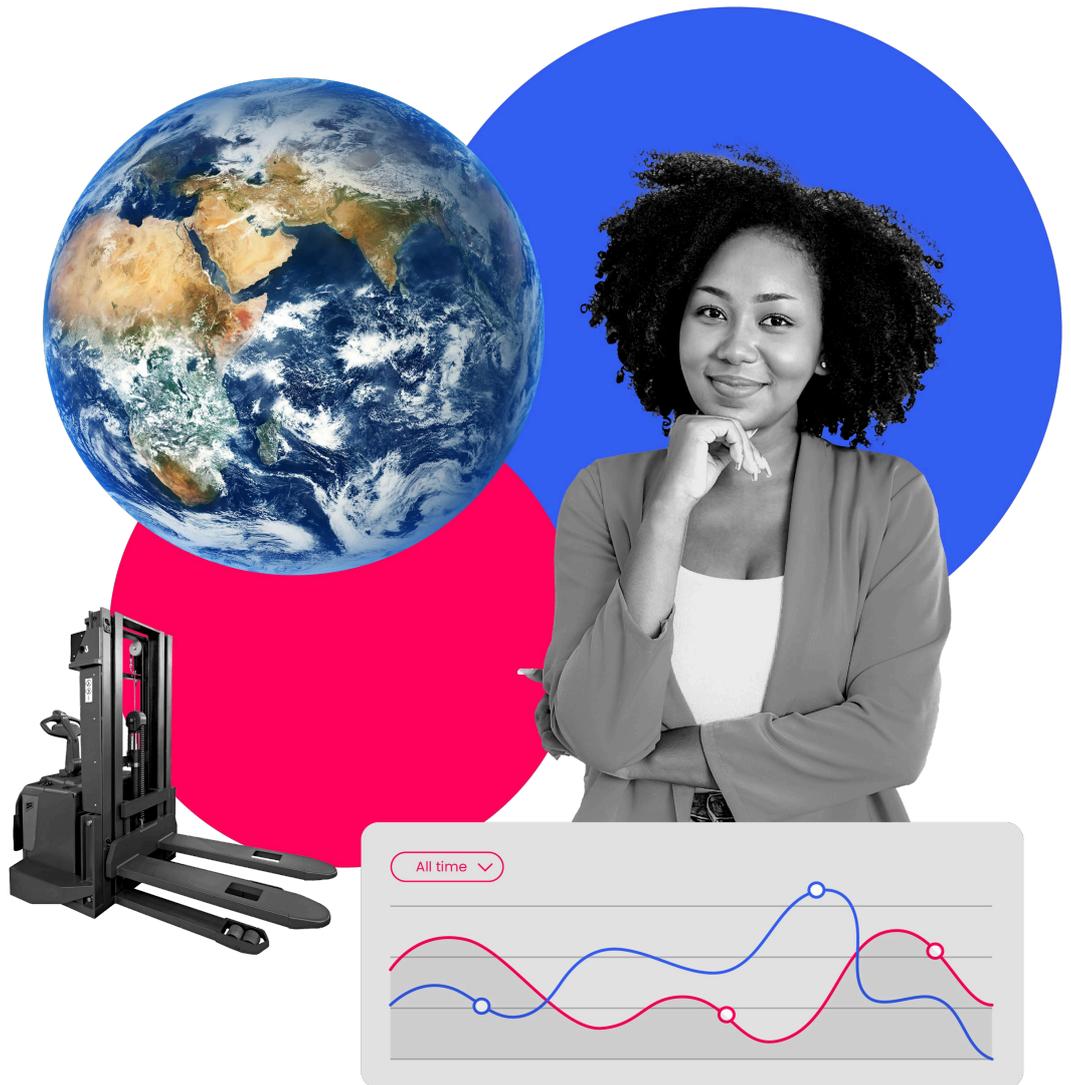


Sedex Members Ethical Trade Audit Report

Version 7



Contents

[Audit content](#)

[Audit details](#)

[SMETA declaration](#)

[Summary of findings](#)

[Management systems](#)

[Site details and data points](#)

[Site details](#)

[Worker analysis](#)

[Worker interviews](#)

[Measure workplace impact](#)

[0. Enabling accurate assessment](#)

[1. Employment is freely chosen](#)

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

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

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

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

[5. Legal wages are paid](#)

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

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

[7. No discrimination is practiced](#)

[8. Regular employment is provided](#)

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

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

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

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

[10.C. Business ethics](#)

[Attachments](#)

Audit content

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

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

2-pillar audits include:

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

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

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

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

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

Audit details

Site details

Sedex site reference	ZS1000094288	Site name	Chengde Yaou Nuts&Seeds Co Ltd
Business name	Chengde Yaou Nuts&Seeds Co.Ltd	Site address	Beiwushijazi Village, Beiwushijazi Town ,Pingquan City, Chengde City, Hebei P.R. China PingQuan CN 067500

Audit details

Sedex company reference	ZC405959660	Auditor company name	Centre Testing International Group Co Ltd.	
Audit company address	Room 101, Unit1, CTI Building, Xing Dong Community,, Xin'an Sub-district, Bao'an District,, Shenzhen, CN, 518101			
Date of audit	2025-12-23	Audit conducted by	Judie Xiao	
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics			
Time in and out	Day 1		Day 2	
	In	09:10	In	08:10
	Out	17:20	Out	12:10

[← Contents](#)

[Findings →](#)

Audit type	Full initial
Was the audit announced?	Announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Ms.Ning Xiuzhi / HR Manager
Any conflicting information SAQ/Pre-Audit Info	No
Is further information available?	No

Audit attendance

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

Lead auditor	Judie Xiao	APSCA Number	21700135
---------------------	------------	---------------------	----------

Additional auditor

Date of declaration	2025-12-24
----------------------------	------------

[← Contents](#)

[Findings →](#)

Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Ms.Ning Xiuzhi
Title	HR Manager
Date of declaration	2025-12-24

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601243549
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601243548
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601243547

Management systems

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

Not addressed

Fundamental improvements required

Some improvements recommended

Robust management systems

[← Summary of findings](#)

[Site details →](#)

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

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

[← Summary of findings](#)

[Site details →](#)

Site details

Company and site details

Sedex company reference	ZC405959660	
Sedex site reference	ZS1000094288	
Company name	Chengde Yaou Nuts&Seeds Co.Ltd	
Business ownership type	GOODS	
Site name	Chengde Yaou Nuts&Seeds Co Ltd	
Site name in local language		
GPS location	GPS address	Beiwushijazi Village, Beiwushijazi Town ,Pingquan City, Chengde City, Hebei P.R. China
	Coordinates	N41°22' E118°48'
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. Song Xina
	Job title	Sales
	Phone number	+86-314-6499168
	Email	market@yaounut.com

[← Management systems](#)

[Worker analysis →](#)

Company and site details

Applicable business and other legally required business license numbers and documents

Business licence: 911308237713166286, issued on January 31, 2005;
Waste Discharge permit: 911308237713166286001R, valid from August 29, 2025 to August 28, 2030.
Fire service inspection certificate: 平公消验字（2008）第0367号, issued on 26 December 2008 and 平公消验字（2007）第0187号, issued on 21 December 2007;
Certificates of inspection for completed building construction projects issued on 9 August 2007 & 8 October 2008.
Food business license: valid from 12 November 2021 to 11 November 2026.

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	Primary	Manufacture of grain mill products
	Secondary	
	Other	
Product type	Products: de-bittered apricot kernels & bitter apricot kernels	
Process overview	Products:de-bittered apricot kernels & bitter apricot kernels, main opertaions: shell breaking, de-bittered, 2 production lines. Main equipment used including color sorter, shell breaking machine, wind separator, gravity separator, weight-pack machine, stone removal machine and metal detetcor	
What level of mechanization best describes the work at this site?	High mechanisation / low manual Labour	

Site scope

Is the audited site a physically continuous area?	No	
	The facility shared the production buildings and canteen building with other facilities. Details please refer to below comments.	

[← Site details](#)

[Worker analysis →](#)

Site scope

Building 1	Last construction works on site	2007
	If building is shared, provide details	The facility shared the production building with Chengde Tianruna Biology Technology Co., Ltd.
	Number of floors	2
	Description of floor activities	1F: warehouse of auditee, warehouse of Chengde Tianruna Biology Technology Co., Ltd. 2F: workshops of Chengde Tianruna Biology Technology Co., Ltd.
Building 2	Last construction works on site	2007
	If building is shared, provide details	The facility shared the production building with Chengde Tianruna Biology Technology Co., Ltd.
	Number of floors	2
	Description of floor activities	1F: workshop of auditee 2F: workshops of Chengde Tianruna Biology Technology Co., Ltd.
Building 3	Last construction works on site	2007
	If building is shared, provide details	The facility shared the production building with Chengde Tianruna Biology Technology Co., Ltd.
	Number of floors	2
	Description of floor activities	1F: warehouse of auditee, warehouse of Chengde Tianruna Biology Technology Co., Ltd. 2F: workshops of auditee

[← Site details](#)

[Worker analysis →](#)

Site scope

Building 4	Last construction works on site	2008
	If building is shared, provide details	The facility shared the kitchen canteen building with other facility.
	Number of floors	3
	Description of floor activities	1F: kitchen and canteen; 2-3F: office of Chengde Yate pharmaceutical company limited.
Building 5	Last construction works on site	2008
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	1F: office
Is there any difference between the site scope of the audit and the Sedex site profile?	No	
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?	No	
Is any activity conducted onsite not included within the scope of the audit?	No	

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	No	
--	----	--

[← Site details](#)

[Worker analysis →](#)

Worker accommodation and transport

Does the site organise worker transport to the worksite?	Not provided
	There was no legal requirement to provide transport for workers.

Work patterns

Approximate workers on site per month (% of peak)	January	90-95%	February	90-95%
	March	95-100%	April	95-100%
	May	95-100%	June	95-100%
	July	95-100%	August	95-100%
	September	95-100%	October	95-100%
	November	95-100%	December	95-100%

Is there any night shift work at the site?	Yes
	Workers in de-bittered apricot kernels section worked in 3 shifts. 7:00-15:00;15:00-23:00;23:00-7:00.

What percentage of the workforce, including temporary and agency workers, work during the night shift?	50%
--	-----

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
	Audit conducted across all shift times, and it included a representative sample of workers from each shift time in interviews and sampling.

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?

No

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

No

The site did not assess 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

There was no Human Rights Impact Assessment (HRIA) conducted within the last three years at this site.

[← Site details](#)

[Worker analysis →](#)

Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	32 (71.1%)	13 (28.9%)	- -	45 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	32 (71.1%)	13 (28.9%)	- -	45 (100%)
Temporary or fixed term employees	0 -	0 -	- -	0 (0%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Site details](#)

[Worker interviews →](#)

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	26 (81.3%)	6 (18.8%)	- -	32 (71.1%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	26 (81.3%)	6 (18.8%)	- -	32 (71.1%)

* % of total workforce

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

Workers by age

	Men	Women	Other	Total
18 - 24 years old	1 (100%)	0 (0%)	- -	1 (2.2%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Worker analysis](#)

[Worker interviews →](#)

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

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	71%	29%	-	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	32 (71.1%)	13 (28.9%)	- -	45 (100%)
Salaried workers	0 -	0 -	- -	0 (0%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	32 (71.1%)	13 (28.9%)	- -	45 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

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

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	3 (50%)	3 (50%)	- -	6
Supervisors or team leaders	2 (100%)	0 (0%)	- -	2
Administrative staff	3 (42.9%)	4 (57.1%)	- -	7

[← Worker analysis](#)

[Worker interviews →](#)

Worker interview summary

Gender disaggregated data available Men and women

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

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

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

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

Number and size of group interviews 5 workers in 1 group

Did workers understand the purpose of the audit? No

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

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

No

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

Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?

Training and development

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

Equal opportunities
Freedom of movement
Transport
Work atmosphere (e.g. treatment by supervisors)
Work environment – comfort (e.g. temperature, noise or dust levels)

Additional comments

11 employees were selected for interview including 7 males and 4 females. 6 workers were selected for the individual interview and 5 workers in 1 group were selected for group interview, which included 1 employee was interviewed for business ethics and environment as this is a 4-pillar audit.

Attitude of workers' committee/union representatives

There was no union in the company. Worker representative was aware about the responsibility, and she understand that she was the bridge between workers and management. Worker representative found no difficulty to raise any issue with General Manager and General Manager would be responsive for all the issue raised by the workers.

Attitude of managers

The company HR Manager was cooperative during this audit, she accepted the assessment and provided fully access to the whole facility; she also agreed that auditor conducted confidential interviews with workers without any influence. The HR Manager provided required documents and records in time, accompany auditor with factory tour. The HR Manager and work representative attended the opening meeting and closing meeting. The HR Manager confirmed all the findings and signed on the CAPR.

Workers interviewed by type

	Total
Permanent workers	11
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
Total number of workers interviewed	11

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	4	1	-	5
Workers interviewed individually	3	3	-	6

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	5	2	-	7
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	5	2	-	7

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	3.0%	2.0%	-	5.0%
Last full calendar year (2024)	3.0%	3.0%	-	6.0%
Previous full calendar year (2023)	4.0%	2.0%	-	6.0%

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

Rate of absenteeism (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	2.0%	1.0%	-	3.0%
Last full calendar year (2024)	1.0%	1.0%	-	2.0%
Previous full calendar year (2023)	2.0%	2.0%	-	4.0%

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

Are accidents recorded? Yes

According to the accident records and worker interview, no accident happened in last one year.

[← Worker interviews](#)

[Code area 0 →](#)

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

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

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	<ol style="list-style-type: none"> 1.The audited company allowed the auditor to conduct and complete the audit without obstruction, providing access to all requested documents, interviewees, and the facility itself. 2.The audited company did not offer bribes to or threaten the auditor, nor in any way induce the auditor to be dishonest. 3.The audited company provided an accurate site description during the audit. 4.The audited company maintained an approved written human rights policy statement at the most senior level, and communicated to all personnel, and trained to relevant personnel. 5.The company established a social responsibility system and policy in place. The company conducted internal audits and management review for their social responsibility system. 6.The company ensured accurate records are shown and audit were conducted with full transparency and integrity. 7. relevant evidence: <ol style="list-style-type: none"> 1)Employee Handbook 2)Business license 3)Written manual/procedures on Social Responsibility 4)Social compliance training records 5)ETI Code was posted on notice board 6)Management interview 7)Worker Interview 8)On-site observation 9)Lease contract 		

0. Enabling accurate assessment

Data points

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

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

1. Employment is freely chosen

Management systems

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

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

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

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

Explanation for management systems grades

- 1.The company had written policies and procedures on employment is freely chosen such as prohibiting forced, bonded and prison labor to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Those policies and procedures stated that employees were employed on a voluntary basis, and they were free to leave the facility or resigning.
- 2.The company appointed Ms. Ning/HR Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.
- 3.The company provided training on “employment is freely chosen” to stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.
- 4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.

Summary of findings

[← Code area 0](#)

[Code area 1.A →](#)

Code area	Workplace requirement	Area of NC	Finding
No findings			
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> 1. No forced, bonded or involuntary prison labour was noted during this audit. 2. Workers could freely resignation after communication with management in advance 30 days. Workers could resign anytime at their option without any prejudicial consequences. 3. No deposit was required by the company. 4. The company had written procedure on hiring. 5. The company did not limit the employees' freedom. 6. According to interview with workers and management, overtime work was voluntary, and workers could choose work overtime or not independently. 7. relevant evidence: <ol style="list-style-type: none"> 1)written policy/procedure on hiring 2)Employee Handbook 3)Labor contracts 4)Resignation letter 5)Training records 6)Management interview 7)Worker interview 8)On-site observation 		

1. Employment is freely chosen

Data points

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

Does the site utilise any workers who are prisoners? No

Does the site use the labour of persons required to work under any government scheme? No

1.A. Responsible recruitment and entitlement to work

Management systems

<p>Develop and maintain relevant policies and procedures to ensure workplace requirements are met</p>	<p>Robust Management Systems</p>
<p>Appoint a manager with sufficient seniority who is responsible for implementing procedures</p>	<p>Robust Management Systems</p>
<p>Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures</p>	<p>Some Improvements Recommended</p>
<p>Monitor the effectiveness of procedures to meet policy and workplace requirements</p>	<p>Robust Management Systems</p>
<p>Explanation for management systems grades</p>	<ol style="list-style-type: none"> 1. The company had written policies and procedures of recruitment and legal employment to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. The company had systems in place to verify that all workers are recruited legally and fairly. 2. The company appointed Ms.Ning/HR Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures. 3. The company provided communication and training on relevant policies and procedures to stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance. The company communicated accurately to employees about the nature of work, working conditions, living conditions, employment terms, wages and benefits during recruitment. The company can strengthen communication with employees on the requirements of participate in social insurance during recruitment. 4. The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> 1. No labour provider or on-site subcontractor was used in the company. There wereno children available in the company. 2. As per worker interview, documents review and factory tour, all workers had the legal right to work. 3. The company communicated accurately to all employees about the nature of work,working conditions, living conditions, employment terms, living costs, working hours, wages and benefits during recruitment. 4. The company had systems in place to verify that all workers are recruited legally and fairly. And no recruitment fees or related costs were incurred or charged to workers during recruitment. Through document review, management and employees' interview, all employees in the company were directly hired by the company. 5. There was no foreign migrant employee in the facility. 6. relevant evidence: <ol style="list-style-type: none"> 1)written policy/procedure on hiring 2)Employee Handbook 3)Labor contracts 4)Personnel file 5)Training records 6)Management interview 7)Worker interview 8)On-site observation 9)agreement 		

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

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

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

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

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

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

Migrant workers

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

[← Code area 1.A](#)

[Code area 2 →](#)

Percentage of workers that are migrant 71%

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

List the sending states/provinces/regions Inner Mongolia province

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

No recruitment fees or costs identified during worker interviews.

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

Management systems

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

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

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

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

Explanation for management systems grades

- 1.The company had written policies and procedures of freedom of association and right to collective bargaining to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Those policies stated that the employees are free to form or join trade union or workers’ organization and enjoy the right to collective bargaining, and nobody will be treated differently if they are members of the trade union or workers’ organization, etc.
- 2.The company appointed Ms.Ning/HR Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.
- 3.The company provided communication and training on relevant policies and procedures to stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.
- 4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section			<ol style="list-style-type: none"> 1. There was no labour union in the company. 2. 3 worker representatives were voted by all workers in March 2025. 3. The company management adopted an open attitude towards the activities of worker representatives and their organizational activities. 4. Worker's representatives were not discriminated against and have access to carry out their representative functions in the workplace. 5. The meeting between with the company management and worker representatives was conducted quarterly, the latest meeting was conducted on 16 December 2025. 6. relevant evidence: <ol style="list-style-type: none"> 1)Written policy/procedure on freedom of association 2)Worker representative voted records 3)Meeting minutes between the company management and worker representatives 4)Management interview 5)Worker interview 6)Worker representative interview 7)On-site observation

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

Data points

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

[← Code area 2](#)

[Code area 3 →](#)

3. Working conditions are safe and hygienic

Management systems

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

Robust Management Systems

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

Robust Management Systems

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

Robust Management Systems

Monitor the effectiveness of procedures to meet policy and workplace requirements

Fundamental Improvements Required

Explanation for management systems grades

1. The company had written policies and procedures of Health and Safety to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.
2. The company appointed Ms. Ning/HR Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures. The appointment letter was available for review.
3. The company provided communication and training on relevant policies and procedures to stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.
4. The company monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. However, the monitoring was insufficient, which caused one non-compliance noted during this audit. The company need to consider take more effective methods for monitoring.

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.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601243549

[← Code area 2](#)

[Code area 4 →](#)

Systems and evidence examined to validate this code section

1. General Health and Safety management
 - 1) The company established policies and procedure on health and safety, which was in compliance with legal requirements and ETI Code.
 - 2) A safety responsible person and a safety administrator were responsible health and safety of the company.
 - 3) Sufficient clean toilets segregated by gender were available at all times to employees.
 - 4) Ventilation, temperature and lighting were adequate for the production processes.
2. Fire Safety
 - 1) There were at least 2 exits of production floor and these were clearly marked.
 - 2) Fire fighting equipment was adequate and check records were up-to-date.
 - 3) Evacuation plans were posted near exits and understood by all workers interviewed.
 - 4) Two fire drills were done every year, and the latest fire drill was conducted on 23 September 2025.
 - 5) Trainings on health and safety were provided to workers.
3. Electrical safety
 - 1) Electrical equipment was maintained in good condition.
 - 2) A qualified electrician was responsible for electrical safety.
4. Medical services
 - 1) There was one first aid kit in each production area and they were well stocked.
 - 2) There were 3 first aiders the certificate with 3 years' valid period.
5. relevant evidence:
 - 1) Health and safety policy
 - 2) Health and safety procedures
 - 3) Health and safety committee O-chart
 - 4) Health and safety committee minutes
 - 5) Training records on health and safety
 - 6) Inspection records and relevant certificates
 - 7) Fire equipment maintenance records
 - 8) Fire drill records and photos
 - 9) fire safety certificates
 - 10) Trained first aider certificate
 - 11) Accident record
 - 12) Test reports and inspection reports
 - 13) Interviews with safety administrator
 - 14) Management interview
 - 15) Worker interview
 - 16) On-site observation

Findings: non-compliances

ZAF601243549

Non-compliance

Due 2026-01-24

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.M Ensure all machinery is installed, maintained, and used in a safe manner.

Time given to resolve

30 days

Issue title

264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt/hand guards on other machines)

Verification method

Desktop audit

Description

It was noted that no handrails were installed for three ladders used for observation on the dryer (About 90cm in height).

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that the factory should add handrails to the ladders.

Local law reference

According to Safety of machinery - Permanent means of access to machines and industrial plants - Part 3: Stairways, stepladders and guard – rails GB17888.3 -2008:

Article 7.1.2, When the height exceeds 500 mm which might lead to fall, guardrail shall be installed.

Article 7.1.4, Stairways, stepladders and guard – rails: The minimum height of handrail should be 1,100 mm.

Article 7.1.5, The handrail should have at least one rail in the middle or other equivalent protection.

Article 7.2.1, The stairway should have at least one handrail. It all ladder and stairway with a width equal to and larger than 1200 mm shall have two handrails.

Evidence

[← Code area 3](#)

[Code area 4 →](#)



[no handrail.jpg](#)



* PDF generated at 07:00 (UTC) on 25 Dec 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

[← Code area 3](#)

[Code area 4 →](#)

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)?	No
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Workers organise their own transport
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable No such building in the facility.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No

[← Code area 3](#)

[Code area 4 →](#)

Does the site have a structural engineer evaluation? No

[← Code area 3](#)

[Code area 4 →](#)

4. Child labour shall not be used

Management systems

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

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

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

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

Explanation for management systems grades

1. The company had written policies and procedures to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Those policies and procedures stated that all employees must be verify their age by ID cards for proof during the hiring and ID card copies must be kept in the personnel files, and the company did not employ and use child labor under the age of 16 years old. There was a written juvenile employee protection procedure in place, and juvenile workers under 18 years old shall not work at night or in hazardous conditions.
2. The company appointed Ms. Ning/HR Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.
3. The company provided regularly communication and training on relevant policies and procedures to stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.
4. The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achiev the desired result and to ensure ongoing conformance as standards change.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> 1. The company established a policy that prohibit to use any child labour under the age of 16 years old. 2. The company verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files. 3. Checked of all employees' files showed that the youngest employee present was 21 years old. 4. The company had written procedure on young workers. Through document review and employee interview, there was no young worker in the factory. 5. Prohibition child labour policy/procedure was communicated to all employees through training. 6. relevant evidence: <ol style="list-style-type: none"> 1)Personnel files 2)Latest roster 3)written procedure on child labor 4)Management interview 5)Worker interview 6)on-site observation 		

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	2%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	21
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

[← Code area 4](#)

[Code area 5 →](#)

5. Legal wages are paid

Management systems

<p>Develop and maintain relevant policies and procedures to ensure workplace requirements are met</p>	<p>Robust Management Systems</p>
<p>Appoint a manager with sufficient seniority who is responsible for implementing procedures</p>	<p>Robust Management Systems</p>
<p>Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures</p>	<p>Some Improvements Recommended</p>
<p>Monitor the effectiveness of procedures to meet policy and workplace requirements</p>	<p>Fundamental Improvements Required</p>
<p>Explanation for management systems grades</p>	<p>1.The company had written policies and procedures of wage & benefit to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. 2.The company appointed Ms. Ning/Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures. 3.The company provided communication and training on relevant policies and procedures to stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance. The company can strengthen communication with employees on the requirements of participate in social insurance. 4.The company monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. However, the monitoring was insufficient, which caused 1 non-compliance noted during this audit. The company need to consider take more effective methods for monitoring.</p>

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601243548
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> 1. The local minimum wage standard was RMB 1800 per month equivalent to RMB 10.34(1800/21.75/8)since January 1, 2023. 2. All employees' wages were calculated on hourly rate basis in cash. 3. Based on provided records, 150%, 200% and 300% of normal rate were paid by facility for employees' overtime working in normal working days, rest days and official public holidays. 4. The company established wages policy which has been communicated to all employees through training. 5. All workers were paid on 30th of each month and the payment calculation period was from 1st to 31st. 6. The minimum basic wage paid to workers were RMB 2800 per month, which was higher than the local minimum wage standard. 7. insufficient social insurance 8. The company provided benefits such as sick leave, annual leave, childbearing leave and work-related injury leave, etc. as per the law requirements. 9. The pay slips were provided to workers by the company. 10. relevant evidence: <ol style="list-style-type: none"> 1)Management interview 2)Worker interview 3)Local and national laws 4)Wages and benefits policy 5)Local legal minimum wage standard 6)Payroll records (November 2024 to October 2025) 7)Leave records 8)Social insurance invoice and list 9) Bank transfer records 10)commercial Insurance policy and list 11)Labor contracts or agreement 12)Resignation records 13) On-site observation 		

[← Code area 4](#)

[Code area 5.A →](#)

Findings: non-compliances

ZAF601243548

Non-compliance

Due 2026-02-23

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

Through reviewing the social insurance payment receipt of December 2025, 55 out of 60 employees (5 employees were retiree who could not participate in social insurances) were eligible to participate in social insurances. It was noted that 30 employees did not participate in pension insurance, unemployment insurance, maternity insurance, medical insurance, work-injury insurance. Furthermore, the facility also bought commercial insurances for 50 employees (including employee not covered in social insurances & retiree) from 6 June 2025 to 5 June 2026.

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that the facility should ensure all employees participate in social insurance according to the Law.

[← Code area 4](#)

[Code area 5.A →](#)

Local law reference

According to 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



[social insurance.jpg](#)



* PDF generated at 07:00 (UTC) on 25 Dec 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?	<p>Wages meet a living wage</p> <p>Wages are based on job skills and experience</p> <p>The legal minimum wage</p>
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	<p>Does not use digital payments (give details)</p> <p>cash</p>
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker remuneration

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

Summary information

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

Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	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	14.0
	Max hours per month	62.0
Minimum legal wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	1800.0
Actual minimum wage	Actual per hour	16.1
	Actual per day	128.8
	Actual per week	644.0
	Actual per month	2800.0

Minimum legal overtime wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	24.15
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 workers sample from 1 October to 31 October 2025 (current month) 10 workers sample from 1 August to 31 August 2025 (random month) 10 workers sample from 1 March to 31 March 2025 (random month)
Are there different legal minimum/legally recognised CBAs wage grades?	No
For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/legally recognised CBAs?	Above legal minimum
Indicate the breakdown of workforce per earnings	100% of workforce earning above minimum wage
Are there any bonus schemes used?	No

Were accurate records shown at the first request? Yes

Were any inconsistencies found? No

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>1.The factory established a policy and procedure to calculate local living wages. And HR and admin department management staffs were responsible to collect data, conduct survey, data verification and statistics and to do calculation work.</p> <p>2.The living wages calculated by the factory were RMB2750 per month and the minimum wage paid to workers by the factory were 2800 per month which was higher than the calculated living wage.</p> <p>Evidence examined:</p> <p>Details:</p> <ol style="list-style-type: none"> Living wage calculation and updating policy and procedure Data collection, survey, data verification, statistics and calculating process and records Management and employees/workers interview 		

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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>1.The company had written policies and procedures such as voluntary overtime policy, working time policy and controlling procedure etc. to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.</p> <p>2.The company appointed Ms. Ning/HR Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</p> <p>3.The company provided communication and training on relevant policies and procedures to stakeholders and employees such as managers, workers etc. to ensuring ongoing compliance.Nevertheless, there was a lack of regular training to guarantee that the management on monthly overtime work met the legal requirements. HR Staff can enhance communication with the relevant staff who was responsible arranging production and let him consider the monthly overtime limit.</p> <p>4.The company monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. However, there was a finding of monthly overtime hours exceeding the legal limit. Most factories are unable to ensure that the workers' monthly overtime hours were kept within 36 hours.</p>

[← Code area 5.A](#)

[Code area 7 →](#)

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 ZAF601243547

Systems and evidence examined to validate this code section

1. Through employees' interview and facility policy, overtime was voluntary.
2. Face scan attendance system was utilized for time keeping.
3. Working time policy and procedure were communicated to the employees through regular trainings.
4. Payrolls and attendance records from November 2024 to October 2025 were provided for review.
5. According to provided attendance records, facility policy and employee interview, normal working hours were 8 hours per day and 40 hours per week.
6. As per the provided sampled months, the maximum daily overtime hours were 2 hours meeting legal required 3 hours. The maximum monthly overtime hours were 62 hours exceeding the legal limit of 36 hours. Workers in de-bittered apricot kernels section worked in 3 shifts: 7:00-15:00;15:00-23:00;23:00-7:00. Workers in other workshop worked in 1 shift : 7:00-11:30,12:30-16:00.
7. According to the sampled months, the maximum weekly working hours were 54 hours.
8. Based on provided attendance records, employees had at least 1 day off every 6 days.
9. relevant evidence:
 - 1) Worker interview
 - 2) Management interview
 - 3) Local and national laws
 - 4) Written policy/procedure on working hours
 - 5) Sample pay slips with recorded hours
 - 6) Labor contracts
 - 7) Attendance records (November 2024 to October 2025)
 - 8) Payroll records (November 2024 to October 2025)
 - 9) On-site observation
 - 10) Training records on working hours

Findings: non-compliances

ZAF601243547

Non-compliance

Due 2026-02-23

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

It was noted that monthly overtime hours of 7 out of 10 randomly selected workers were 44 hours in October 2025 (current month), monthly overtime hours of 10 out of 10 randomly selected workers were 40-62 hours in August 2025 (random month) and 40-62 hours in March 2025 (random month).

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month.

Local law reference

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

Evidence

[← Code area 6](#)

[Code area 7 →](#)

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	N/A.150%, 200% and 300% of normal rate were paid by facility for employees' overtime working in normal working days, rest days and official public holidays.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	52.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	54.0
Maximum number of days worked without a day off in sample	6

[← Code area 6](#)

[Code area 7 →](#)

7. No discrimination is practiced

Management systems

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

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

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

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

Explanation for management systems grades

- 1.The company had written anti-discrimination policy and procedure to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
- 2.The company appointed Ms. Ning/HR Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.
- 3.The company provided communication and training on relevant policies and procedures to stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.
- 4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.

Summary of findings

[← Code area 6](#)

[Code area 8 →](#)

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> 1. As informed by interviewed employees, most employees spoke highly of the company owner. 2. No employee was required to do the examination of the hepatitis B virus and HIV. 3. Anti-discrimination procedure on hiring, compensation, promotion and access to training is available during the audit. 4. Gender divisions did not exist in the factory; both female and male employees were distributed in all types of work. 5. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases. 6. There was no evidence of sexual harassment. 7. No evidence showed any differential treatment to different workers, constituting discriminating. 8. The company had a dedicated equity approach in recruitment, training, development promotion processes and benefit. For example, the company gave each employee a gift for public holidays such as Spring Festival, the Dragon Boat Festival and Mid-Autumn Festival. 9. relevant evidence: <ol style="list-style-type: none"> 1)written procedure on discrimination 2)leave application records 3)employee handbook 4)Payroll records 5)Termination records 6)Training records 7)worker interview 8)worker representative interview 9)management interview 10)On-site observation 11) Worers representative interview 		

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)?	3%
Representation of women in managerial roles (ratio of women workers to women managers)	23%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	0%
Three most common nationalities in managerial and supervisory roles	Chinese and 100%

[← Code area 7](#)

[Code area 8 →](#)

8. Regular employment is provided

Management systems

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

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

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

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

Explanation for management systems grades

- 1.The company had written policies and procedures of recruitment and employment to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. There were effective management systems in place to identify and monitor the hiring and management of all workers.
- 2.The company appointed Ms. Ning/HR Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.
- 3.The company provided communication and training on relevant policies and procedures to stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.
- 4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.

Summary of findings

[← Code area 7](#)

[Code area 8.A →](#)

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> 1. All employees were recruited by the company directly. No labor agency was used to hire employees. 2. No temporary employee, dispatched employee or home employee was noted during this audit. 3. The company signed labour contracts or agreement with the employees within one week, and all interviewed workers stated that they kept a copy of labour contract by themselves. 4. All employees received pay slip in their own language when they were paid. 5. According to worker interview, all interviewees stated that they did not pay recruitment fee at any stage of the recruitment process. 6. There are effective management systems in place to identify and monitor the hiring and employment management of all workers. 7. The company had established the employment relationship and confirmed the rights and obligations of the employment conditions through signing labor contracts or agreement. 8. relevant evidence: <ol style="list-style-type: none"> 1)Written policy/procedure on hiring and termination practices 2)Personnel files 3)Labor contracts/agreement 4)Payroll records 5)Worker interview 6)Management interview 7)On-site observation 		

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

Explanation for management systems grades

- 1.The company had written policies and procedures to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Those polices stated sub-contracting would not be used unless previously agreed with the main client.
- 2.The company appointed Ms. Ning/HR Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.
- 3.The company provided communication and training on relevant policies and procedures to stakeholders and employees such as managers, supervisors, workers etc. to ensure ongoing compliance. The company provided the training of no subcontracting and no homeworking policies to related employees.
- 4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.

Summary of findings

[← Code area 8](#)

[Code area 9 →](#)

Code area	Workplace requirement	Area of NC	Finding
Systems and evidence examined to validate this code section	No findings		
	<ol style="list-style-type: none"> 1. Through document review, factory tour, management interview and employee interview, no subcontractor was used by the company. 2. It was verified through document review, factory tour, management interview and employee interview that no home working was used by the company. 3. The company management stated that they did not subcontract process or product to other factories. 4. Through on-site observation, it was noted that the production processes in the factory were completed and this was also verified through production processes overview provided by factory. 5. The company conducted relevant control and management as per their written procedure on Supplier/Subcontractor. 6. relevant evidence: <ol style="list-style-type: none"> 1)Written procedure of subcontracting management system 2)Production Processes flow 3)Warehouse in and out record 4)Materials in/out records 5)on-site observation 6)Management interview 7)worker 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 homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers?

No

The facility communicated requirements on social responsibility to their suppliers, which included prohibition home worker. The suppliers were required to sign the relevant commitment. According to provided records such as assessment report, no home worker was used.

Sub-contracting

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

No

Through document review, management interview, workers interview and onsite observation, no concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity.

Are any sub-contractors used?

No

9. No harsh or inhumane treatment is allowed

Management systems

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

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

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

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

Explanation for management systems grades

- 1.The company had written anti-harsh or anti-inhumane treatment policies and procedures to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Those policies stated that illegal discipline, physical abuse, sexual, harassment or other forms of intimidation were strictly prohibited. The company established a disciplinary procedure for employees’ misbehavior which included oral warning, written warning and finally termination.
- 2.The company appointed Ms. Ning/HR Manager with sufficient seniority who had perational responsibility and accountability for the implementation of the procedures.
- 3.The company provided communication and training on relevant policies and procedures such as anti-harsh, anti-inhumane treatment policy and disciplinary procedure to stakeholders and employees such as managers, supervisors, workers etc. to ensure ongoing compliance. All employees were aware of anti-harsh or antiinhumane treatment policy and disciplinary procedure.
- 4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.

[← Code area 8.A](#)

[Code area 10.A →](#)

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section			<p>1. According to the documentation, the company management established a disciplinary procedure for employees' misbehaviour which included oral warning, written warning and finally termination.</p> <p>2. The company had a training program for all employees on the procedure.</p> <p>3. As per management interview, document review and worker interview, there was a policy on Harsh Treatment.</p> <p>4. There was an internal process for grievance, which was a suggestion box, where employees can report any grievances (harassment, bullying, discrimination etc.); any received complaint will be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system.</p> <p>5. Worker interview confirmed that workers were aware of the disciplinary procedure.</p> <p>6. relevant evidence:</p> <p>1)The relevant policy/procedure on prevention of harassment and abuse</p> <p>2)Employee Handbook</p> <p>3)Internal grievance procedure documentation</p> <p>4)Training records</p> <p>5)Worker interview</p> <p>6)Management interview</p> <p>7)On-site observation</p>

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?	Suggestion box, hotline or email.
---	-----------------------------------

Number of grievances raised in the last 12 months	0
--	---

Number of grievances resolved in the last 12 months	0
--	---

10.A. Environment 2-Pillar

Management systems

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

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

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

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

Explanation for management systems grades

- 1.The company had written policies and procedures of environmental management to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.
- 2.The company appointed Ms. Ning/HRManager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.
- 3.The company provided regularly communication and training on relevant policies and procedures to stakeholders and employees such as managers, supervisors, workers etc. to ensure ongoing compliance.
- 4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.

Summary of findings

[← Code area 9](#)

[Code area 10.B →](#)

Code area	Workplace requirement	Area of NC	Finding
Systems and evidence examined to validate this code section	<p data-bbox="730 427 863 450" style="text-align: center;">No findings</p> <ol style="list-style-type: none"> 1. The company established the environment policy and procedure to ensure meeting applicable environmental laws. 2. The company maintained the legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations. 3. One management was appointed responsible for environmental issues. 4. The company learned about the environment impact of their site and took continuously management measures to control the environment impact. 5. The company conducted the training for all employees on environmental protection. 6. relevant evidence: <ol style="list-style-type: none"> 1)Written procedure on environment 2)EIA report, waste discharge permit 3)The waste water monitoring report 4)Worker interview 5)Management interview 6)Environmental training records 7)On-site observation 		

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?

There was no such certificate.

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

No

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

No

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> 1. The company established the environment policy and procedure to ensure meeting applicable environmental laws. 2. The company maintained the legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations. 3. Two EHS administrators were appointed responsible for environmental issues. 4. The company learned about the environment impact of their site and took continuously management measures to control the environment impact. 4. The company conducted the training for all employees on environmental protection yearly. 5. The company provided waste discharge permit and EIA reports for review. 6. The company measured its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. electricity use, water use. 7. relevant evidence: <ol style="list-style-type: none"> 1)Written procedure on environment 2)Pollution source registration 3)The waste water monitoring report 4)Data on electricity use, water use 5)Worker interview 6)Management interview 7)Environmental training records 8)On-site observation 		

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?	Sustainable material sourcing Switching to renewable energy sources Packaging optimization
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The company had a system for managing their clients' requirements and legislation regarding environment and chemical issues.
Does the site have reduction targets in place to manage climate related risks?	Yes, to increase low-carbon energy consumption or production
Are any of these science-based targets?	No, but we anticipate setting one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes The factory had set emission reduction targets to save water and electricity.
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Yes Through document review and management interview, the site checked that any business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility.

Usage/discharge analysis

[← Code area 10.B](#)

[Code area 10.C →](#)

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	2,587,700	2,668,285
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None
Types of renewable energy used	Data not available	Data not available
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	petrol15000L	petrol12000L
Has the site completed any carbon footprint analysis?	No	No
Water sources	local water authority	local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	500	600
Water discharged	Municipal sewer	Municipal sewer
Water volume discharged (m3)	450	530
Water volume recycled (m3)	15	18
Total waste produced (mt)	400	470

[← Code area 10.B](#)

[Code area 10.C →](#)

Total hazardous waste produced (mt)	0	0
Waste to recycling (mt)	300	350
Waste to landfill (mt)	100	120
Waste to other (mt)	0	0
Total product produced (mt)	40,000	50,000

10.C. Business ethics

Management systems

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

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

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

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

[← Code area 10.B](#)

Management systems

Explanation for management systems grades

- 1.The company had written policies and procedures of anti-bribery and anticorruption to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. The company had policies for promoting employees to declare conflicts of interest and a procedure for protecting employees from refusing to do anything in non-conformance with the ethics policy.
- 2.The company appointed Ms. Ning/HR Manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.
- 3.The company provided communication and training on relevant policies and procedures to stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance. The business ethics policies were in the employee handbook, covering bribery, corruption, and types of fraudulent Business Practice. All employees received their induction included training in these policies. The company communicated their Business Ethics policy, covering bribery, corruption, and types of fraudulent Business Practice to all appropriate parties, including its own suppliers. The company provided related training on business ethics to all employees whose job roles carry a higher level of risk around ethical Business Practice e.g. sales, purchasing, logistics on what action to take in the event of an issue arising in their area.
- 4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The company conducted internal audit and management review yearly to monitor the suitability, adequacy, and effectiveness of the current management system, at the same time ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.

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

- 1.The company had an anti-bribery and ethics policy.
- 2.The company provided training on ethic to employees.
- 3.The company conducted business ethically without any use of bribery, corruption or any other type of fraudulent business practices.
- 4.The company communicated their Business Ethics policy, covering bribery,corruption, and types of fraudulent Business Practice to all appropriate parties, including its own suppliers.
- 5.The company met the requirements of local and national laws related to bribery, corruption, and any type of fraudulent Business Practices.
- 6.relevant evidence:
 - 1)Written policy/procedure on business ethics
 - 2)Supplier assessment records and signed supplier commitment
 - 3) integrity agreement
 - 4) confidentiality agreement
 - 5)Training records
 - 6)Management interview
 - 7)Worker interview
 - 8)On-site observation

[← Code area 10.B](#)

10.C. Business ethics

Data points

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

No

Provide any certified anti-bribery management systems for the site

There was no such certificate.

[← Code area 10.C](#)

Attachments



[factory gate.jpg](#)

[factory name.jpg](#)

[production building.jpg](#)

[material warehouse.jpg](#)

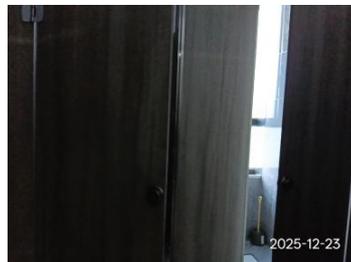


[shell breaking.jpg](#)

[de-bittered.jpg](#)

[finished goods warehouse.jpg](#)

[canteen.jpg](#)

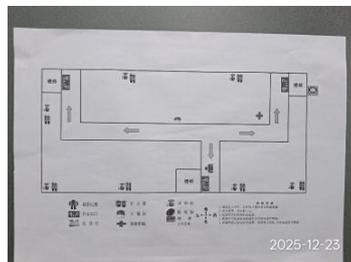
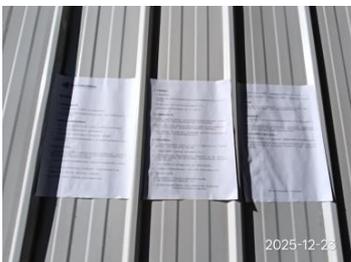


[kitchen.jpg](#)

[drinkable water.jpg](#)

[toilets.jpg](#)

[attendance recording machine.jpg](#)



[ETI.jpg](#)

[assembly point.jpg](#)

[evacuation plan.jpg](#)

[exit sign and emergency light.jpg](#)



[fire alarm.jpg](#)



[fire hydrant and fire extinguisher.jpg](#)



[first aid kit.jpg](#)



[suggestion box.jpg](#)



[signed CAPR_ZAA600176035.pdf](#)

