

Overview

1. Audit Information

Audit report number:	JSASCN25499879	Lead Auditor:	Joseph Li
Audit company:	SGS Germany GmbH	Co-Auditor:	
Audit Date: (yyyy-mm-dd)	2025-06-11	Witnessed audit?	No
Audit type:	Re-audit		

Opening meeting attended by: Mr. Dong Jie/director
Mr. Zhang Weiya/Vice general manager
Mr. Zhu Xu/Worker representatives

Closing meeting attended by: Mr. Dong Jie/director
Mr. Zhang Weiya/Vice general manager
Mr. Zhu Xu/Worker representatives

Audit attended by: Mr. Dong Jie/director
Mr. Zhang Weiya/Vice general manager
Mr. Zhu Xu/Worker representatives

2. Supplier Information

Company name (legal entity):	Runtai Chemical (Taixing) CO. LTD.	Site contact name:	Dong jie
Company site name (if different):		Function / Job title:	Director
Ultimate parent company name:	NA	Contact phone number:	15052846306
Duns number:	0	Contact email:	Ada.ye@runtaichem.com,dongjie@rtchemicals.com
Tax number:	91321283336390719D	Site state / province:	Jiangsu
Valid business license?	Yes	Site country:	China
Date of validity: (yyyy-mm-dd)	2045-07-16		
Business license number:	91321283336390719D		
Site date of foundation: (yyyy-mm-dd)	2015-07-17		

Site(s) in scope

Site Name	Runtai Chemical (Taixing) CO. LTD.	Number of permanent employees:	103
Site address	No. 17 West Wenhua Road, Taixing Economic	Number of temporary workers:	0
Site zip code and city:		Number of seasonal workers:	0
Site state / province:	Jiangsu	Other workers (e.g. homeworkers): Please specify:	0
Site country:	China	Number of other workers:	0
		Total number of employees:	103
Site size (in square meters):	40000	... thereof <u>female</u> employees:	86
Number of buildings:	16	... thereof <u>male</u> employees:	17
Main business activities:	Raw Materials - Chemicals		
Brief description of business activities:	The factory was mainly engaged in manufacturing coalescent.		
Audit Scope: Please specify if different from site	The audit covered areas of all production buildings, warehouse buildings, office and canteen buildings which was located at No. 17 West		
Where is the supplier site located?	in a planned industrial area/zone	(if "Other" is selected, please describe)	N/A
Auditor site description: Please note down any observations contributing to the understanding of the audit documentation (e.g. complexity of site, state of maintenance of the site, special risk areas for environment or people)	The factory was mainly engaged in manufacturing coalescent. The factory had good knowledge for quality, occupational health and safety, environmental protection, and the factory obtained environmental management certificate. The factory agreed that SGS auditors conducted confidential interviews with workers who were chosen freely without any influence by the factory management. Total 103 workers in the factory, and 15 workers were randomly selected from different workshops for individual/ group interviews. The workers' interviews were conducted at an independent area that located at the office rooms. The workers showed a cooperative attitude during the interview process. The effective evidences were collected from workers interview. Based on the workers interview, workers expressed their positive attitude to management and workplace, they agreed with the rules and management of the factory. The management had positive risks awareness for EHS, but some major/ minor issued for Health & Safety and labor & human rights were still identified.		

Audit Findings

Answered questions	153 (of 0)	Total Score (%)	89.00%
Thereof questions answered with n/a	9	Total Score after follow-up (%)	

Finding Category	Minor	Minor (follow-up)	Major	Major (follow-up)	Critical	Critical (follow-up)	Total Points	Total Points (follow-up)	Max Points
Environment	1 (-2 pt)						38		40
Health & Safety			1 (-5 pt)				55		60
Labor & Human Rights			1 (-5 pt)				55		60
Management	5 (-10 pt)						10		20
Governance							20		20

Supplier Information

1. Supplier Details

Company name (legal entity):	Runtai Chemical (Taixing) CO. LTD.	Site contact name:	Dong jie
		Function / Job title:	Director
Ultimate parent company name:	NA	Contact phone number:	15052846306
Duns number (9-digit code)	0	Contact email:	Ada.ye@runtaichem.com, dongjie@rtchemicals.com
Tax number:	91321283336390719D		
Valid business license?	Yes		
Date of validity: (yyyy-mm-dd)	2045-07-16		
Business license number:	91321283336390719D		
Date of site foundation: (yyyy-mm-dd)	2015-07-17		

3. Additional information on supplier / audited site(s):

3.1 Is the company member of any organization or initiative that promotes sustainability?

1. UN Global Compact	No	3. Other (please specify):	N/A
2. Responsible Care Initiative	No		

3.2 Does the company have any valid certification on management systems?

1. Quality Management e.g. ISO 9001	Yes	Valid until:	2025-12-02
2. Good Manufacturing Practices, e.g. GMP ISO 22716	No	Valid until:	
3. Environmental Management, e.g. ISO 14001 or EMAS	Yes	Valid until:	2025-12-02
4. Occupational Health and Safety, e.g. OHSAS 18001	Yes	Valid until:	2025-12-02
5. Energy management, e.g. ISO 50001	No	Valid until:	
6. Responsible Care Assessment	No	Date of Assessment:	
7. Labor Standards, e.g. SA 8000	No	Valid until:	
8. Other (please specify):	N/A	Valid until:	

3.3 Have there been investigations or legal proceedings regarding corruption / bribery / fraud in the last five years?

No

3.4 Are hazardous goods produced or worked with in production?

Yes

3.5 Does the company operate containment facilities to temporarily contain fire water, including rain?

Yes

3.6 Is the company considered energy intensive (high carbon footprint)?

No

3.7 Is electrical power purchased by the site generated by traditional fossil fuels (fuel oil, coal, diesel, LPG, natural gas)?

Yes

3.8 Is the company fresh water intensive and poses a water scarcity risk to the environment in which it operates?

No

Management Assessment

M1. Management in Charge

A senior management representative has been appointed in the company, with active responsibility for ensuring that standards are met. This person makes appropriate inspections, draws up plans for corrective action, ensures implementation, and takes preventive measures.

No.	Criteria and Guidance	Answer	Explanation of audit results
M1.1	Is top management accountable for environmental management?	Yes	Based on organization chart, Mr. Yang Zhibo/EHS Manager was accountable for environmental management.
M1.2	Is top management accountable for safety, health and security management?	Yes	Based on organization chart, Mr. Yang Zhibo/EHS Manager was accountable for safety, health and security management.
M1.3	Is top management accountable for labor conditions and employee relations?	Yes	Based on organization chart, Mr. Wang Rui/ HR manager was accountable for labor conditions and employee relations.
M1.4	Is top management accountable for business ethics (e.g. anti-corruption) and legal compliance?	Yes	Based on organization chart, Ms. Yang Ping/ Vice general manager was accountable for anti-corruption and legal compliance in the factory.
M1.5	Is top management accountable for quality management?	Yes	Based on organization chart, Ms. Cao Xiumei/Quality Manager was accountable for the quality management.

M2. Policy & Continuous Improvement

The company should set out in writing the principles for how the company intends to manage individual sustainability parameters. Such documents are designed to influence major decisions and actions and ensure that they take place within the boundaries described. (Similar to a Code of Conduct).

The creation of such documents leads to greater awareness and clarity, particularly with company management, and facilitates communication of the issue of responsibility to employees and other stakeholders.

Company's principles set out in writing have to be expressively addressed to the employees and have to be posted in the location(s) together with the standard Code of Conduct visible to all employees in relevant languages. It's also possible to attach them to each employee's contract accordingly.

No.	Criteria and Guidance	Answer	Explanation of audit results
M2.1	Does the company have a management commitment, policy and process which is communicated to all employees, regarding environmental management?	Yes	The factory had a management commitment and policy, which was communicated to all employees regarding environmental management.
M2.2	Does the company have a management commitment, policy and process which is communicated to all employees, regarding safety, health and security management?	Yes	The factory had a management commitment and policy, which was communicated to all employees regarding safety, health and security management.
M2.3	Does the company have a management commitment, policy and process which is communicated to all employees, regarding labor conditions and employee relations?	No (minor)	The audited company has no management commitment and /or policy regarding sustainability issues such as - Labor Conditions and Employee Relations.
M2.4	Does the company have a management commitment, policy and process which is communicated to all employees, regarding business ethics (e.g. anti-corruption) and compliance to law?	Yes	The factory committed the management commitment and policy regarding anti-corruption and compliance to law to all workers.
M2.5	Does the company have a management commitment, policy and process which is communicated to all employees, regarding quality management?	Yes	Based on management policy and training records, the factory had set up the quality management commitment and policy, they were trained to all employees for new employee training course.
M2.6	Has the company defined any targets to improve and monitor the performance in environmental management?	Yes	Based on management policy and management interview, the factory had defined the target to improve and monitor the performance in environmental management.
M2.7	Has the company defined any targets to improve and monitor the performance in safety, health, and security management?	Yes	Based on management policy and management interview, the factory had defined the target to improve and monitor the performance in safety, health and security management.
M2.8	Has the company defined any targets to improve and monitor the performance in labor conditions and employee relations?	Yes	The factory defined the targets to improve and monitor the performance in labor conditions and worker relations.
M2.9	Has the company defined any targets to improve and monitor the performance in quality management?	Yes	Based on documents review, the factory had defined each year's targets to improve and monitored the performance each month in quality management.
M2.10	Does the company have a process for the ongoing identification of its environmental, social, ethical and human rights risks and impacts according to international recognized standards?	Yes	The factory had a process in place for the ongoing identification of its environmental, social, ethical and human rights risks and impacts according to the international recognized standards, the assessment was undertaken on a regular basis.

M3. Training

Establishment of appropriate training measures allows managers and employees to gain an appropriate level of knowledge and understanding of code of conduct, internal policies, the applicable laws and regulations and generally recognized standards. Especially for new employees working with chemicals or complex machineries it is important to receive a job-specific workplace training to get familiar with the processes and the risk.

No.	Criteria and Guidance	Answer	Explanation of audit results
M3.1	Does the company provide training to employees regarding environmental management requirements for their job assignment?	Yes	Based on documents review, the factory provided training on environmental management to related workers during the induction training and annual refresher training, the related training records with training materials were provided for review.
M3.2	Does the company provide training to all employees regarding safety, health, and security management?	Yes	Based on documents review and workers interview, the factory provided training regarding safety, health, and security management such as chemicals handling, PPE usage, equipment operation and fire safety etc. to all workers during the induction training and annual refresher training, and the related training records with training materials were provided for review.
M3.3	Does the company provide training to all employees regarding labor conditions and employee relations?	No (minor)	The audited company did not provide training of labor conditions and worker relations to all workers.
M3.4	Does the company provide training to all employees regarding quality management?	Yes	Based on documents review, the factory provided training regarding quality management to all workers during the induction training and annual refresher training, the related quality training records were provided for review.
M3.5	Does the company provide training to all employees regarding business ethics (e.g. anti-corruption) and compliance to law?	Yes	The factory provided training of anti-corruption and compliance to law to all workers.
M3.6	Is there a systematic, job-specific onboarding training for new employees in place?	Yes	There was a systematic, job-specific on boarding training for new workers in place based on training plan and training records review.
M3.7	Does the site ensure that the content of the training is understood by the employee?	Yes	It was noted that the factory would verify the training effectiveness to ensure that the content of the training were understood by the workers.

M4. Business Partners

Contractors / third party workers need to be aware of the company's requirements with regard to sustainability. Therefore, the company should inform the management of the contractors / third party workers about these requirements and clearly state that management need to ensure contractors / third parties understand and comply with these requirements. As a best practice, the company should offer training to contractors / third party workers with regard to relevant environmental, security, health and safety, social, and business ethics (governance) requirements. Contractors should be obliged to take part of such training and record their participation in a training attendance documentation

No.	Criteria and Guidance	Answer	Explanation of audit results
M4.1	Are contractors/third party workers trained on the company's requirements in relation to environmental management, safety, health, and security management, quality management, labor conditions and employee relations, business ethics (e.g. anti-corruption) and compliance to law?	Yes	The factory provided training to third party workers regarding to labor conditions and worker relations, anti-corruption and compliance to law.
M4.2	Does the company have a process or system in place in order to assess suppliers' adherence to business ethics, human rights, labor, health, safety and environmental standards?	No (minor)	The audited company's process about supplier selection did not evaluate suppliers' adherence to Health and Safety, Environment, labor conditions and employee relations, anti-corruption and compliance to law etc.
M4.3	Are performance monitored for carriers, supplier, distributors, contractors and third party providers related to environmental management, safety, health, and security management, labor conditions and employee relations, business ethics (e.g. anti-corruption) and compliance to law and quality management?	No (minor)	The audited company did not provide the evidence to prove that performance for suppliers, carriers, distributors, contractors, and third party providers are monitored related to below: - Environmental Management - Safety, Health, and Security Management - Labor Conditions and Employee Relations - Anti-Corruption and Compliance to law.
M4.4	Does the company communicate the company policy on business ethics (e.g. related to corruption / bribery / fraud) externally to business partners?	No (minor)	The audited company did not communicate the policy on corruption / bribery / fraud externally to the business partners.
M4.5	Is there a process in place to identify and inform the customer about any non-conformances in relation to shipments/products?	Yes	The customer would be informed promptly of all non-conformances in relation to his shipments/products based on the process of "non compliance products management"

Environment Assessment

E1. Environmental Compliance

Compliance with environmental legislation is a key requirement.

No.	Criteria and Guidance	Answer	Explanation of audit results
E1.1	If the site has received environmental fines and sanctions in the last 4 years (incl. fines amounts): Has the site taken actions to correct identified deficiencies and how can they be prevented for the future?	Yes	No such evidence was found in the last 4 years.
E1.2	Does the site have processes in place to ensure compliance with environmental regulation in the areas of waste, emissions, water and wastewater, energy, land use and biodiversity, soil and groundwater (e. g. unlawful eviction and unlawful taking of land which secures the livelihood of a person)?	Yes	The factory conducted the EIA and obtained approval. The environmental acceptance report, and pollutant discharging license was provided for review.
E1.3	Does the site use a HSE regulatory monitoring system (e.g. legal & regulatory register)?	Yes	The factory had identified, monitored and updated the environmental laws and regulations and its changes on a regular basis by EHS Department. The updated formal law and regulation list was provided for review during this audit.

E2. Waste

Waste and emission systems ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emission and wastewater discharges. Any of these activities which have the potential to adversely impact human or environmental health are managed, measured, controlled and treated prior to release of any substance into the environment. The company is expected to have systems in place to prevent or mitigate accidental spills and releases into the environment.

No.	Criteria and Guidance	Answer	Explanation of audit results
E2.1	Does the site have a process in place to ensure waste resulting from its activities is disposed according to applicable regulations?	Yes	Waste disposal procedure has been established in the factory. The management collected the environment law, and they understood environment law.
E2.2	Are legally required waste documents prepared and submitted to the waste disposal facility with each shipment? For example, is generated hazardous waste appropriately labelled according to the Globally Harmonized System (GHS), respectively according to local regulation?	Yes	Based on site observation, it was found that all general wastes were labeled an no Hazardous waste in the factory
E2.3	Are containers stored in adequate condition (not rusted or damaged) to ensure leaks do not occur?	Yes	Through site tour, it was noted that all waste stored in an enclosed warehouse, the waste chemical was stored in the containers.
E2.4	Is (hazardous) waste stored in areas with secondary containment to prevent contamination of the environment if a leak occurs?	Yes	Based on site observation, it was noted that the secondary containment was available for all wastes storage to prevent contamination of the environment.
E2.5	Is the final destination of the waste a legally approved waste disposal facility?	Yes	The hazardous waste were transferred to a qualified company. And the transfer records were provided for review.
E2.6	Does the site use external waste contractors? If yes, are these contractors regularly audited/ assessed?	No (minor)	The audited company did not audit external waste contractor regularly.
E2.7	Does the company comply with the Basel Convention on the export of hazardous waste and the import of hazardous waste from a non-party to the Basel Convention?	Yes	The company comply with the Basel Convention on the export of hazardous waste and the import of hazardous waste from a non-party to the Basel Convention.

E3. Water and Wastewater

The company is expected to establish and follow procedures for water and wastewater management (especially water consumption and wastewater management and treatment).

No.	Criteria and Guidance	Answer	Explanation of audit results
E3.1	Does the company have any procedures established and followed for sustainable water management?	Yes	The factory had established the water management procedure to manage water consumption based on document review.
E3.2	Are there any protection concepts for wastewater effluents in places?	Yes	The factory established the wastewater treatment facilities to treat wastewater; the wastewater streams were protected properly.
E3.3	Does the site ensure that released water (process water, storm water, cooling water, sewer water, secondary containment rain water, steam condensate, etc.) does not contaminate the environment?	Yes	The environmental facilities inspection and acceptance approvals were obtained from local government. The wastewater was treated before discharging, and the wastewater monitor report was provided for review and it was acceptable.
E3.4	Is the secondary containment adequate to protect the environment from contaminated water?	Yes	The environmental facilities inspection and acceptance approvals were obtained from local government. And based on onsite observation, it was acceptable.
E3.5	Does the site ensure that no environmental damage (e. g. harmful soil change, water pollution etc.) is conducted that denies a person access to safe drinking water or makes it difficult for a person to access sanitary facilities?	Yes	The Factory had provided the any documented targets and monitoring results to reduce water consumption.

E4. Soil and Groundwater

It is expected that runoff of chemicals or any other hazardous substances into streams, groundwater or soil does not occur. If there is present contamination it is not an immediate issue as long as the site has management plans in place to mitigate or reduce impact. A full explanation is needed from the auditor if there is a contamination issue on a site.

No.	Criteria and Guidance	Answer	Explanation of audit results
E4.1	Does the company have a process to identify potential impact on soil and groundwater from current activities/operations (e.g. groundwater contamination) or is the company involved in any active remediation activities?	Yes	The factory had identified the potential impact on soil and groundwater from current activities/ operations. The factory established the wastewater treatment facilities to treat wastewater, and the wastewater test reports were provided for review.
E4.2	Does the company have installations and procedures in place to reduce impacts?	Yes	The factory had identified the potential impact on soil and groundwater from current activities/operations. The factory established the wastewater treatment facilities to treat wastewater, and the wastewater test report were provided for review.

E5. Emissions to Air and Climate Change

The company is expected to establish and follow procedures for emission prevention, measurement, and control. The company is expected to use natural resources in an economical way. Negative impacts on the environment and climate shall be minimized or eliminated at their source or by practices such as the modification of production, maintenance and facility process, material substitution, conservation, recycling and material reutilization.

No.	Criteria and Guidance	Answer	Explanation of audit results
E5.1	Does the company have any procedures established and followed for emission measurement?	Yes	According to the EIA report, the factory respects the report strictly.
E5.2	Are data, records or reports on the emissions emitted available?	Yes	The monitoring of emission was regularly conducted based on the review of the report.
E5.3	Have the company emission sources and types of emissions to air and fugitive emissions been identified?	Yes	Some nitrite, sulfide and fume etc was contained in the waste air.
E5.4	Are there adequate pollution prevention devices (e.g. filters, scrubbers) in place? If yes, are these pollution prevention devices maintained in proper condition?	Yes	The treatment facility was regularly inspected and maintained based on the review of the records.
E5.5	Does the company have emissions testing in place to monitor targets and is the site in compliance with the legal limit values established?	Yes	The target was established and regularly monitored.
E5.6	Does the site monitor/routinely assess emissions of GHGs associated with site processes/activities, fuel use for on-site or off-site transportation, agricultural activities etc.?	Yes	The company comprehensive assesses or monitors emissions of GHGs.
E5.7	Does the site have an inventory of equipment on-site that contains ozone depleting substances (ODSs) (e.g. air-conditioning equipment that contains refrigerants)? If so, is a phase out plan in place?	Yes	The factory provided an inventory of equipment onsite that contained ODSs.

E6. Energy

The company is expected to establish and follow procedures for energy consumption measurement and improvement.

No.	Criteria and Guidance	Answer	Explanation of audit results
E6.1	Does the site have a program in place to measure and to improve its energy consumption?	Yes	Based on document review and management interview, it was noted that the factory had a program in place to measure and to improve its energy consumption. The related energy consumption improvement records were provided for review.

E7. Land Use and Biodiversity

The company is expected to assess the potential impacts of the site operations on designated protected areas or the ecosystem.

No.	Criteria and Guidance	Answer	Explanation of audit results
E7.1	Has the company assessed the potential impacts of the site operations on designated protected areas or the ecosystem (plants, animals and microorganisms)?	Yes	The potential impacts to the ecosystem were assessed during the environmental impact assessment. And from observation in the factory, no obvious impact to the ecosystem was identified.

Health & Safety Assessment

H1. Product Safety

"Product Safety" refers to the physical health and safety of workers, employees and users with regard to final or intermediate products. Material Safety Data Sheets containing all necessary safety-relevant information should be made available and provided for all hazardous substances to customers and other parties in case of a legitimate need.

No.	Criteria and Guidance	Answer	Explanation of audit results
H1.1	Are the components of all products registered according to the destination country's legal requirements?	No (major)	The audited company collected relevant laws and regulations on Reach and TSCA, but did not establish written control procedures. Remark: The audited company provided a Reach registration certificate.
H1.2	Does the company have an up-to-date and complete set of Material Safety Data Sheets (MSDS) available for all hazardous materials used or stored on-site (raw materials, intermediates, products)?	Yes	The MSDS were available in the workshop and the warehouse where the chemicals were used and stored.
H1.3	Is there a process in place to ensure proper MSDS's are obtained or created for new raw materials, intermediates and products?	Yes	Based on management interview, they obtained MSDS from chemical suppliers when they bought those chemicals.
H1.4	Does the company ensure proper labelling (Globally Harmonized System (GHS) label or Dangerous Goods (DG) labels as legally required) of all hazardous materials/dangerous goods, substances, raw materials, and final products handled?	Yes	Based on site observation in the chemical storage area in the warehouse and workshop, all stored chemicals were indicated with chemical labels which were in compliance with GHS label or DG label requirements.

H2. Transportation Safety

The company is expected to comply with applicable in particular dangerous goods related regulations and to establish procedures or checklists accordingly for example for loading / unloading resp. filling and discharging operations.

No.	Criteria and Guidance	Answer	Explanation of audit results
H2.1	Are the following items part of the procedure or checklists for loading and unloading operations (packaged goods): - obvious technical deficiencies of the vehicle - vehicles secured against moving - segregation rules - contamination of packaging or transport units - proper loading and load securing - maximum gross vehicle weight	Yes	It was noted that the procedure for loading and unloading operations was established, and the inspection for loading and unloading operations was conducted by assigned workers, the related inspection records were available for review.
H2.2	Are the following items part of the procedure or checklists for filling and discharging operations (bulk): - obvious technical deficiencies of the vehicle - vehicles secured against moving - cleaning status of the tank - filling or discharging of the correct tank - filling and discharge valves tight - filling levels of road tankers and rail tank cars - maximum gross vehicle weight - safe working at height - filling and discharge hoses inspection and maintenance	Yes	The factory signed the transportation contracts with the qualified unit. The following items part of the checklists for filling and discharging operations: - obvious technical deficiencies of the vehicle - vehicles secured against moving - tank cleaned - filling or discharging of the correct tank - confusion of substances excluded - discharge and bottom valves tight - fill levels of road tankers and rail tank cars
H2.3	Is there a system in place to ensure that the shipping documents are provided completely and correctly containing in particular all necessary dangerous goods information?	Yes	The shipping documents were distributed correctly and contained all necessary information.

H3. Process Safety and Storage

The company is expected to have procedures and processes for managing and maintaining all production processes in accordance with the applicable safety standards. The company should address product-related issues and their potential impact during all stages of the production process. Key elements are appropriate standard operation procedures / safety instructions and (preventive) maintenance programs.

No.	Criteria and Guidance	Answer	Explanation of audit results
H3.1	Does the company have up-to-date Pipe and Instrumentation Diagrams/Documentation (P&IDs) available for each facility or process and does a spot check in the field show equipment is properly included?	Yes	The factory had kept the P&IDs for each facility or process, based on the sample checking, no inconsistency was found. Each facility was regularly inspected by the qualified operators every day.
H3.2	Are processes established to ensure material compatibility (materials processed vs. construction materials and equipment such as pipes, gaskets, valves, pumps, tanks)?	Yes	The factory provided the design drawing of the pipe system, and the installing reports were provided for review. And the EHS department checked the pipes regularly, an emergency reporting procedure was established in the factory.
H3.3	Have systematic safety reviews been performed by qualified resources and are those regularly reviewed on all processes?	Yes	The factory had conducted the safety risk assessment on the production process regularly. The potential risks were identified and evaluated; the corrective actions were established.
H3.4	Is all important equipment included in the maintenance plan e.g. tanks, pressure relief devices, pipes, hoses, forklifts, interlocks, level indicators, safety critical weigh scales? In case of equipment, legally requiring a valid inspection permit or operator certificate: Are they obtained?	Yes	The factory had provided the maintenance plan for all equipment, and provided the maintenance records. And provided the registration certificate and annual inspection records for all special equipment. And provided the special equipment operator certificate, all were in the valid period.
H3.5	Have worst case scenarios that could lead to a loss of primary containment (e.g. overfeeding reactant, filling too fast, overheating vessel, fire in the plant, etc.) been assessed for their consequences and are safety measures established accordingly ?	Yes	Based on onsite observation and document review, the factory provided the Building Structure Safety report or Certificate of all buildings for review during audit. The company provided the fire Safety Records or certificate of all buildings for review during audit.
H3.6	Are critical safety devices (in particular relief valves) identified, properly designed, sized and verified in the field to meet design criteria and periodically inspected?	Yes	It was noted that the critical safety devices were identified, properly designed, sized and verified in the factory to meet design criteria and inspected on a regular basis.
H3.7	Do the relief vents relieve to a safe location e.g. do not rain down on employees or neighbors and hazardous gas clouds could not spread to neighbors e.g. routed to scrubbers, incinerators, catch tanks, unpopulated areas, etc.?	Yes	Linkage facilities were installed in the facility and the relief vents worked if the pressure or temperature exceeded the set value. The relief vents led to the safety place.
H3.8	In review of question 3.1 to 3.7, is the overall management system of process safety adequate to prevent catastrophic events?	Yes	The factory conducted management review every year, the records were provided for review.
H3.9	Is a hazardous area classification (Ex classification) performed for storage and handling of flammables with hardware and management systems adequate for zoned areas?	Yes	Based on onsite observation, the storage and use areas of flammable materials were classified.
H3.10	Does the company have processes established to identify hazardous substances and according applicable requirements for storage, use and handling to ensure compliance?	Yes	Based on onsite observation, several barrels of machine oil were stored without secondary containment in hardware warehouse.
H3.11	Do bulk storage tanks have level indicators, independent overflow devices or other methods to prevent overflow?	Yes	The level indicators were used in the factory, and workers were required to check per day, the records were provided for review.
H3.12	Is there a system or procedure in place to ensure incompatible materials are segregated during storage (container storage)? Does it also include a method to prevent leakages of 2 incompatible materials from coming in contact?	Yes	The incompatible chemicals were stored separate in the warehouse and the workshop.
H3.13	Has the company implemented processes to ensure that no mercury-added products are manufactured, and the treatment of mercury is waste prohibited?	Yes	The company implemented processes to ensure that no mercury-added products are manufactured, and the treatment of mercury is waste prohibited.
H3.14	Are processes established to ensure the prohibition of the production and use of persistent organic pollutants (such as aldrin, chlordane, dieldrin, endrin, heptachlor, etc.)?	Yes	Processes established to ensure the prohibition of the production and use of persistent organic pollutants (such as aldrin, chlordane, dieldrin, endrin, heptachlor, etc.).

H4. Occupational Health and Safety

The company is expected to protect its employees appropriately from any chemical, biological and physical hazards and risks. The company provides necessary technical and organizational protective measures to mitigate health and safety risks in the workplace as well as appropriate personal protective equipment. Seriousness, potential effects and substantial danger for employees should be validated.

No.	Criteria and Guidance	Answer	Explanation of audit results
H4.1	Have formal risk assessments been performed on task group or job function level to identify occupational health risks e.g. chemical exposure potential, falls, heat stress, cuts, ergonomics etc.? Are risk mitigation measures defined and implemented giving risk elimination and technical measures first priority?	Yes	Based on documents review, it was acceptable.
H4.2	Is proper Personal Protective Equipment (PPE) made available to employees according to the risks concerned and is it consequently worn in the field?	Yes	Based on onsite observation, the factory production workshop involved with occupational hazard factors, such as noise, part of workers did not wear earplug when working.
H4.3	Are exposure assessments conducted for hazardous chemicals and are technical measures in place to mitigate exposure?	Yes	It was noted that the factory had conducted tests and evaluations of occupational disease hazard factors, and the result was acceptable.
H4.4	Are noise exposure assessments conducted to verify safe levels (<85dBa)? Where noise levels are found above 85 dB is hearing protection worn?	Yes	Based on document review, occupational hazards test was conducted annually, the test report showed that the noise level was 74-83 dB. The factory provided hearing protection equipment to employees worked in noise position. and employees wore hearing protection equipment during the operation.
H4.5	Are there valid procedures for operations, tasks or use of equipment on-site detailing the safety precautions required?	Yes	Based on document review, the factory established the procedure for all operations, tasks or use of equipment on-site detailing the safety precautions, e.g the factory posted the warning sign at the related area.
H4.6	Are occupational health check ups performed on employees by a physician? Do they include specific testing for the specific jobs conducted or chemicals handled, e.g. pulmonary function and spirometer test for respirator users?	Yes	Factory had provided the occupational health check for workers according to the legal requirements.
H4.7	Are safety showers and eye wash equipment installed, easy accessible from work stations involving hazardous chemicals handling (especially corrosives and skin toxins)?	Yes	Based on onsite observation, all eyewash facilities were in good condition.
H4.8	Are proper hygiene practices observed (i.e. no eating, drinking, smoking in areas where chemicals may be present, storage of clean personal clothes and work clothes is separated, proper cleaning of work clothes to prevent taking contamination home)?	Yes	Based on site observation, it's acceptable. No worker was observed to eat or smoke inside the warehouse or operating areas. The designated safe smoking area was provided for workers.
H4.9	Are containers labeled with chemical name and hazard to warn employees of the hazardous contents?	Yes	The factory posts the chemical sign on chemical containers in all stored area.
H4.10	Is there a work permit system established covering at least: - Lockout Tag out Tryout - confined space entry - hot work - elevated work / working at heights - groundbreaking excavation - high voltage	Yes	Based on document review and management interview, the related work permit system was defined and followed. The work permit should be approved and issued by designated personnel.
H4.11	Does the company have an incident management and reporting system established covering for example certain types of incidents, reporting lines, consequences and corrective actions required?	Yes	The work-related injury control procedure was established, and the work-related injury log was available for review, it was noted that there were no very serious injuries occurred in the factory.
H4.12	Does the site apply a systematic root cause investigation system in place to ensure the true causes are identified?	Yes	The factory found the root cause to prevent the similar injury to happen again.
H4.13	Are corrective actions identified for the incidents and are they implemented?	Yes	The corrective actions had been taken such as the training for the related workers etc.

H5. Emergency Preparedness

Emergency preparedness and response scenarios and procedures are expected for mitigation, responding to and recovering from an emergency. It includes planning, training, conducting drills, testing equipment and coordinating activities.

No.	Criteria and Guidance	Answer	Explanation of audit results
H5.1	Has the company established a written procedure for emergencies and evacuations and communicated this to all workers? Does the site emergency response plan cover all realistic scenarios (e.g. tornados, floods, spills, releases of hazardous materials)?	Yes	Emergency preparedness and response procedures were established in the factory according to document review. Based on checking the procedure, the emergency response plan covered all realistic scenarios e.g. tornadoes, floods, spills, releases of hazardous chemicals.
H5.2	Does the company ensure a proper handling of emergencies, e.g. - availability of a trained emergency response team (on/off-site), - well indicated and properly signposted escape routes, emergency exits (unlocked) and assembly points, - enough fire exits for all workers to leave buildings safely, - checking of all fire fighting equipment regularly (e.g. alarms)?	Yes	Based on onsite observation, all fire equipment were in good condition, all were checked regularly, checking records were provided for review during the audit.
H5.3	Does the company coordinate emergency response programs with external experts, e.g. local fire brigade, authorities?	Yes	The factory coordinated the fire protection program with the local fire brigade.
H5.4	Is fire fighting capacity available (e.g. water volume, emergency power supply, redundant pump system, fire fighting equipment, retention basin for fire fighting water)?	Yes	Based on onsite observation, the firefighting capacity was enough, the fire extinguishers, fire hydrants, fire alarms, fire-water pond, fire control room were available in the factory.
H5.5	Are emergency drills performed at least yearly (per shift) and do they consider all different emergency scenarios identified (e.g. chemical spill, fire, etc.) ?	Yes	All the employees were trained on the fire fighting and the evacuation during new employees basic training course, the fire evacuation drill was conducted for all workers and all scope, the chemical spill drill was conducted in the factory, the records were provided for review.

H6. Medical Care

The company is expected to have a medical care program in place, which includes a prevention program, medical care in case of emergency (like first aid boxes or a medical treatment on-site) and information about asbestos containing materials used on-site.

No.	Criteria and Guidance	Answer	Explanation of audit results
H6.1	Does the company provide prevention programs (e.g. back therapy training, healthy eating, anti-smoking programs, company sport activities)?	Yes	Based on onsite observation and document review, the audited factory provides meals to employees, and the catering company's Food Business License and kitchen worker' health certificate were provided for review.
H6.2	Does the company ensure that medical care for the employees is provided in case of emergency?	Yes	8 qualified first aiders were available in the factory.
H6.3	Does the company provide well-stocked and maintained first aid boxes in relevant areas (e.g. production site, offices, warehouses)?	Yes	Based on onsite observation, first aid boxes were in relevant areas.
H6.4	Does the company have any further medical facilities/doctor's room on-site?	n/a	The doctor's room was not required by legal requirements, but the doctor's room was available in the factory.
H6.5	If asbestos containing materials or other restricted substances (e.g. PCB) are present, has the site compiled a register of these substances and trained employees on the hazards?	Yes	The factory management confirmed that no asbestos-containing materials or other restricted substances (e.g. PCB) were present on-site.

H7. Security

Established safety systems (like access controls or camera surveillance in entrance or secluded areas), safety precautions and training programs for private and public security forces are expected to be in place to prevent physical intrusion of unauthorized persons, intrusion via internet and guarantee the safety of workers.

No.	Criteria and Guidance	Answer	Explanation of audit results
H7.1	Is the site secured through e.g. staff or fence/wall, areas intrusion prevention system?	Yes	Based on site observation, the perimeter fencing with adequate height was available around the factory, access to the factory was controlled by security guards, the factory structure was maintained in good conditions to prevent illegal intrusion.
H7.2	Are entrances and windows along the periphery secured?	Yes	Access to the factory was controlled, any unidentified and unauthorized individuals were not allowed to enter the factory. The entrance doors and windows of the factory buildings were maintained in good conditions and would be locked after working hours.
H7.3	Are training programs provided for private security personnel?	Yes	Based on documents review, training programs provided for private security personnel.
H7.4	Are efforts made by the operating company to ensure that public security forces receive appropriate training as described in H7.3?	Yes	Based on documents review, efforts made by the operating company to ensure that public security forces receive appropriate training as described in H7.3.

Labor & Human Rights

L1. Child Labor

ILO Convention No. 138 of 1973 stipulates that the permissible age of entry into employment "shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years, for lightweight tasks not below 13 years (exceptions: at the age of 14 years in developing countries, for lightweight tasks 12 years). It is expected that no children or young people carry out work harmful to health and hence abide the UN Convention on the Rights of the Child. Even if there is only one case of non-permissible child labor in the company, the company's score is to be marked down.

No.	Criteria and Guidance	Answer	Explanation of audit results
L1.1	Does the company have an age verification system in place?	Yes	The factory had established age verification system, and provided the Roster and entry form for review.
L1.2	Does the company ensure that there are no children below the age of 14 or 15 years (depending on local legislation), except for apprentices, summer jobs, school or education related internships employed? Please state the age of the youngest employee at the sites and offices in scope.	Yes	Based on employee roster, site tour and workers interview, no child labor was identified during this audit. All workers in the factory were more than 18 years old.
L1.3	Does the company make sure that young workers below 18 years of age are exempt from overtime, night work and hazardous work?	n/a	Based on employee roster, site tour and workers interview, neither child labor nor young worker was identified during this audit. The factory established young workers management procedure, and it showed that young worker could not have overtime, night work and hazardous work. The factory conducted regular training on requirements for personnel responsible for recruitment and management, and these personnel are aware of these requirements.
L1.4	Is it ensured that young workers below 18 are not harmed with regard to health, safety, security or physical / psychological integrity?	n/a	Based on employee roster, site tour and workers interview, neither child labor nor young worker was identified during this audit. The factory established young workers management procedure, and it showed that young worker could not have overtime, night work and hazardous work. The factory conducted regular training on requirements for personnel responsible for recruitment and management, and these personnel are aware of these requirements.
L1.5	Does the company ensure that employees below 18 years have no conflict with compulsory education or vocational training? Do the combined hours of transportation (to and from work and school), school attendance and work amount to less than 10 hours a day?	n/a	Based on employee roster, site tour and workers interview, neither child labor nor young worker was identified during this audit. The factory established young workers management procedure, and it showed that young worker's working hours in line with law and client's requirement.
L1.6	Does the company develop or adhere to policies and take part in programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child?	Yes	The factory had established Child labor remedy procedure.
L1.7	Are risks of forced or child labour (especially the 'worst forms of child labour') in the supply chain identified and mitigated?	Yes	Based on documents review, risks of forced or child labour (especially the 'worst forms of child labour') in the supply chain identified and mitigated.

L2. Forced and Compulsory labor

It is expected that collaboration of the employees is freely chosen. Forced and bonded labor (including bondage or involuntary prison labor) according to the definition of the ILO Convention 29 are declined. Original documents of the employees must not be in the possession of the company for a medium-term or long-term period, but only for as long as the company needs them for administrative purposes. For this purpose, employees shall receive a receipt when they hand over such documents to the company, with a description of the document, indication of the purpose, and time of return. If by way of exception it is in the interest of the employee for the employer to administer the original documents (e.g. due to lack of security at accommodation), a written agreement shall be made on custody of the documents, if possible with involvement of employees' representatives. In order to avoid any misunderstandings, the employer should transfer the task of administration as a trustee for such documents to an independent third party or institution, to which the employee can have recourse directly.

No.	Criteria and Guidance	Answer	Explanation of audit results
L2.1	Does the company ensure that no forced, bonded or involuntary prison labor is employed?	Yes	Based on management interview, workers interview and checking personal files, the factory did not employ any forced, bonded or involuntary prison labour.
L2.2	Does the company ensure that there is no money (deposit, credits) of its employees kept as a condition of employment in the company or does the company ensure that credits do not create dependencies for the workers?	Yes	Based on checking worker manual, the factory established the policy that they prohibited to keep the original ID cards, original passports / documents or money of its workers as a condition of employment in the factory, and no such negative evidence was identified during this audit.
L2.3	Does the company have a written contract of employment for every directly employed worker and provide a copy of the contract in a language that they can understand?	Yes	Based on workers & management interview and document review, the factory had signed the labor contracts with all workers, all needed terms were involved in the labor contracts and in accordance with legal requirements. And the factory also provided copies of labor contracts for all workers.
L2.4	Are all employees in the company free within the legal framework and upon the discussion with their employer to terminate their employment on their own decision? Are employees informed about conditions of contract termination?	Yes	Based on document review and workers interview, all workers in the factory were free within the legal framework and upon the discussion with their employer to terminate their employment on their own decision.
L2.5	Are all employees allowed to leave the company property after contracted hours/regular working time?	Yes	Based on workers interview, they were allowed to leave the factory after contracted hours/regular working time.
L2.6	Are all workers provided with written and understandable information about their employment conditions with respect to wages (e.g. weekly or monthly payment periods) before they enter employment? Are workers informed about the particulars of their wages for the pay period?	Yes	Based on workers interview, all of them knew employment condition with respect to wages including payment period, wage calculating method, etc.

L3. Working Hours

The company has to have processes and procedures in place to ensure compliance with national law or international standards (ILO) regarding legal hours of work (e.g. time recording, responsibility of supervisors/management to observe standards, etc.). Standard working time should not exceed 48 hours per week or when considering voluntary overtime 60 hours per week. Additionally, 1 day (24 consecutive hours) off per week. Only extraordinary business circumstances allow for mandatory overtime (which can then even exceed 60 hours per week); those do include machinery breakdown, mechanical failures and others, but not ordinary production deadlines.

No.	Criteria and Guidance	Answer	Explanation of audit results
L3.1	Are the working hours recorded? If yes, please explain how.	Yes	The factory used facial recognition attendance records to record workers' attendance information, the factory provided all sampled workers' the attendance records from June 1, 2024 to the audit day for review.
L3.2	Does the average number of weekly hours per person (including overtime) not exceed 60 hours (ILO standard of maximum weekly working time)?	Yes	Through reviewing the attendance records provided by the factory and interview with sampled employees and management, it was noted that the maximum weekly working hours of all employees were 56 hours, and it within 60 hours.
L3.3	Do working hours comply with national laws?	No (major)	The audited company provided the attendance records from June 1, 2024 to audit day for review, 40% sampled workers monthly overtime hours exceed 36 hours and up to 74 hours in July 2024. The audited company did not obtain the Consolidated Working Hours System Approval.
L3.4	Do employees have one day off (24 consecutive hours) per week on a regular basis?	Yes	Based on the attendance records provided by the factory from June 1, 2024 to the audit day, it was noted that all sampling workers' continuous working days did not exceed 6 days.
L3.5	Does the company demand overtime only exceptionally and on a voluntary basis (except for legally defined situations of urgency or emergency that require full employment of the workforce)?	Yes	Based on management interview and workers interview, the factory arranged OT to workers on a voluntary basis, workers could refuse to overtime work if they did not want.

L4. Minimum Wages

The lowest basic wage paid in the company for the regular monthly working time of a regular full-time employee is to be entered here. The information basis for this are the wage lists of the last 6 months. Regular full-time employees receive the nationally or regionally stipulated minimum wage for the regular working time and/or if the company's guaranteed regular working wage is below the applicable minimum wage. Calculation of gross wages - before deductions - and net wages - after deductions - should be included.

No.	Criteria and Guidance	Answer	Explanation of audit results
L4.1	Is the minimum salary paid by the company in compliance with legal minimum wage?	Yes	All workers' wage were higher than the local minimum wage.
L4.2	Does the minimum salary paid by the company provide the employee with a basic salary that allows for making a living according to local standards?	Yes	All workers' wage were higher than the local living wage.
L4.3	Are wages paid either with money directly to the employees in cash, check payment or by bank transfer as well as at regular intervals at least once per month? Are pay slips provided to the employees?	Yes	All workers' wage were paid by bank transfer on about 10th of next month.
L4.4	Is it ensured that there are no unjustified deductions made from wages, e.g. for required safety protection equipment, medical expenses, transport, accommodation, meals, training and disciplinary measures?	Yes	No deductions for workers except for the social insurance and tax.
L4.5	After deductions are made, is it ensured that no workers receive less than the legally applicable minimum wages?	Yes	After all deductions (social insurance and tax), all workers' wage were higher than the local minimum wage.
L4.6	Is overtime compensated (money, time) according to national law and benchmark industrial standards, whatever is higher?	Yes	Based on the attendance records from June 1, 2024 to the audit day and payrolls from June 2024 to May 2025, all workers' OT pay were in accordance with local law.
L4.7	Are all workers provided with paid annual leave, statutory holiday, maternity leave as per local legal requirements?	Yes	Based on the attendance records from June 1, 2024 to the audit day and payrolls from June 2024 to May 2025, the factory provided paid annual leave, statutory holiday, etc.
L4.8	Are all workers provided with other benefits, such as medical insurance, pensions, social insurance as per local legal requirements?	Yes	Based on document review, the factory had provided five kinds of social insurance for all workers.

L5. Freedom of Association

The ILO Conventions 87 and 98 ensure the right to freedom of association as well as the right to conclusion of collective-bargaining agreements (e.g. the right to found independent trade unions or other organizations representing their own group, protection from discrimination because of the membership in a workers representation / trade union etc.) The employees are entitled to choose the organization and the form of organization. The employer is not expected to promote trade union structures. On the other hand, the employer must not prevent the organization/membership of free and independent trade unions neither directly nor indirectly in so far as this is done within the statutory regulations of the respective country. Please check carefully.

No.	Criteria and Guidance	Answer	Explanation of audit results
L5.1	Do workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively, which includes the right to strike?	Yes	According to workers interview, they have the right to join labour unions or other collective bargaining organizations. According to management interview, employees have the right to join labour unions or other collective bargaining organizations.
L5.2	Does the employer have a constructive attitude towards the activities of trade unions and their organizational activities?	Yes	Based on management interview, they had a constructive attitude towards the activities of trade unions and their organizational activities.
L5.3	Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace?	Yes	Based on interview with union representative, he was not discriminated against and have access to carry out their representative functions in the workplace.
L5.4	Where the right to freedom of association and collective bargaining is restricted under law, does the employer facilitate, and not hinder, the development of parallel means for independent and free association and bargaining?	Yes	A trade union was established in the factory, worker representatives were elected by workers, and Regular meeting was held.
L5.5	Are employees engaged on Safety and Health issues through Unions, Worker Committees or any other worker voice mechanism?	Yes	All employees could engage on safety and health issues through the union representatives committee.

L6. Discrimination and Harassment

According to ILO Core Convention 111 equal treatment of all employees is expected to be a fundamental principle of the company's corporate policy. No employee should be unfairly disadvantaged, favored or ostracized because of ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental status.

No.	Criteria and Guidance	Answer	Explanation of audit results
L6.1	Does the company assure compliance with policies on harassment and discrimination in hiring, promotion, equal pay, benefits, and training based on ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental or marital status?	Yes	According to management interview, the factory assured the prevention of harassment and discrimination in hiring, promotion, equal pay, benefits, and training based on ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental status.
L6.2	Does the company clearly and strictly forbid any form of verbal, physical or psychological threats, abuse or harassment in your company?	Yes	According to management interview and employees' interview, the factory clearly and strictly forbidden any form of verbal, physical or psychological threats, abuse or harassment.
L6.3	Does the company ensure no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers?	Yes	According to management interview and employees interview, the factory ensured no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees.

L7. Special Work Contracts

The company is expected to have work contracts for every kind of employer-employee relationship. Special work contracts may be of concern if labor standards fall below those workers and employees employed through standard work contracts. It is expected that workers and employees in special work contracts working for the organization do not fall below minimum labor standards as defined by law or industry norms. Contractors in the widest sense include: individual workers contracted from staff agencies, sub-contractors (on-site / off-site) for core production processes, on-site service providers (building, engineering, cleaning, canteen, maintenance, etc.)

No.	Criteria and Guidance	Answer	Explanation of audit results
L7.1	Do above defined labor requirements also apply to contract workers?	n/a	Based on document review, the factory had outsourced the security and cleaning work, during the audit, the factory did not provide the documents of security and cleaning workers, such as attendance records, payrolls, labor contract, etc.
L7.2	Are systems and processes in place to manage sub-contracting, homeworking and external processing?	n/a	No sub-contracting, no homeworking, no external processing in the factory.

L8. Facilities & Dormitories

The company is expected to provide unlimited access to clean drinking water during working hours and also adequate sanitary facilities.

No.	Criteria and Guidance	Answer	Explanation of audit results
L8.1	Does the company provide unlimited access to free clean drinking water during working hours?	Yes	Free clean drinking water was provided for the workers at any time.
L8.2	Does the company provide adequate sanitary facilities e.g. low risk of infection, fixed equipment to wash hands?	Yes	Based on site observation, adequate clean toilets and washing facilities were provided to workers.
L8.3	If living accommodation / dormitories are provided for employees or contractors, are they safe and clean, and do they meet relevant basic requirements?	n/a	No dormitory in the factory.

Governance Assessment

G1. Business Integrity

The company is expected not to practice or tolerate any form of corruption, extortion or embezzlement. The company does not offer or accept bribes or other unlawful incentives to/from its business partners. It is expected that the company ensures that adequate procedures are in place in order to prevent corruption.

No.	Criteria and Guidance	Answer	Explanation of audit results
G1.1	Has the company established internal controls to prevent and identify any form of corruption, extortion or embezzlement (e.g. four-eye principle, separation of functions, job rotation)?	Yes	The factory had established the policy and adequate procedure to prevent and to identify corruption and bribery (e.g. separation of functions and job rotation).
G1.2	Can the auditor confirm that no indication for fraudulent or corrupt behavior has been observed in the entire audit process?	Yes	No such negative case was found during this audit.

G2. Special Risk Area: Sourcing from Civil War Zones & Conflict Minerals

In this section questions to special risk areas are addressed. These questions may not be applicable to all suppliers, but if suppliers are affected by these topics, the questions have to be addressed.

No.	Criteria and Guidance	Answer	Explanation of audit results
G2.1	Does the company have a policy and a due diligence process in place for the responsible supply of minerals from conflict-affected and high-risk areas?	Yes	The factory had a policy to prevent sourcing from civil war zones or other areas with severe human rights infringements. And all goods were purchased out of the mentioned areas.
G2.2	Does the company have a due diligence process in place to prevent sourcing from civil war zones or with history of armed conflicts or other areas with severe human rights infringements and propagated child or forced labor issues (e.g. Democratic Republic of Congo and their neighboring countries)? E.g., Conflict Minerals Due Diligence, Human Rights DD, Responsible Sourcing Management System, etc.	Yes	The factory had a process in place to check business partners against any international/regional/national sanction party lists. And all goods were purchased out of the mentioned areas.
G2.3	Does the company have a public policy in place to set boundaries on trading with supplier and business partners against any international/regional/national sanction party lists (e.g. lists related to product risks (e.g. arms and weapons) or country risks (e.g. terrorism, war perpetrator, ethnic genocide))?	Yes	The company have a public policy in place to set boundaries on trading with supplier and business partners against any international/regional/national sanction party lists.

G3. Special Risk Area: Animal Testing

In this section questions with regard to special risk areas are addressed. These questions may not be applicable to all suppliers, but if suppliers are affected by these topics, the questions have to be addressed.

Animals shall be treated humanely with pain and stress minimized. Animal testing should be performed after consideration to replace animals, to reduce the numbers of

No.	Criteria and Guidance	Answer	Explanation of audit results
G3.1	Is animal testing relevant for the company's business? If so, does the company have policies in place with regard to protecting animal health?	n/a	Animal testing is not relevant for the factory's business by management interview.
G3.2	If the company works with animals as a part of its business, does the company follow industry standards to assure animals are treated respectfully / humanely and that the number of animal tests is reduced?	n/a	Refer to 3.1

G4. Privacy and Intellectual Property

The company is expected to safeguard the rights of its customer. These include the tangible and intangible things owned by the company over which the customer has exclusive and absolute legal rights, such as special product information, copyrights, patents etc. Private Property can be transferred only with its owners' consent.

No.	Criteria and Guidance	Answer	Explanation of audit results
G4.1	Does the company have a process to ensure confidentiality with customers in relation to contracted products, projects under development, and related product information?	Yes	Based on document review, the factory had set up the procedure to ensure confidentiality with customers in relation to contracted products, projects under development, and related product information.

G5. Fair Competition

The company should not enter into any agreements with competitors with regard to prices, price components and terms and conditions that are used with customers or suppliers. The company should not agree on any joint price policy, not even for individual price components, calculation positions or cost positions. This applies equally to verbal and/or informal agreements as well as concerted practices. This guideline must also be observed in confidential private meetings and discussions.

The company should not share the market with competitors according to regions or products, customers or suppliers.

The company should not share any confidential information relevant to the market with competitors. Terms of conditions, costs, sales/transport volumes, names of customers, capacities, prices, margins and discounts should not be shared with competitors. Also, changes of the company strategy or price policy must not be shared with competitors.

No.	Criteria and Guidance	Answer	Explanation of audit results
G5.1	Does the company have a policy and a process to ensure that applicable laws and regulations of fair business, including advertising and competitive marketing, are upheld (e.g. antitrust)?	Yes	The factory had established the standards of fair business, including advertising and competitive marketing.

G6. Disciplinary and Complaint Procedures

The company should provide means for their employees to report concerns or potentially unlawful activities in the workplace. Any report should be treated in a confidential manner. The company should investigate such reports and take corrective action if needed. As a best practice, the company has engaged an independent body (e.g. lawyer) that collects reports of concern and ensures confidentiality to whistle blowers. The mechanism ensures that reporting issues of concern will not be disadvantageous for whistle blowers.

No.	Criteria and Guidance	Answer	Explanation of audit results
G6.1	Does the company have any disciplinary policies in place in order to respond to cases of misconduct of employees (including management)? Have they been clearly communicated to all employees?	Yes	No negative evidence found.
G6.2	Has the company implemented disciplinary and complaint procedures in earlier cases of identified misconduct (if any)?	Yes	Based on management interview and workers interview, the factory implemented disciplinary procedure in earlier cases of identified misconduct, they were properly handled in accordance with legal requirements.
G6.3	Does the company have a grievance mechanism for workers to report any complaints or cases of concern? If yes, is the reporting system designed to help identifying cases of misconduct and to promote reporting of misbehavior for prosecution (e.g. anonymous reporting / external point of contact that protects the whistle blower)?	Yes	The factory established the grievance procedure in place and the reporting system designed to help identifying cases of misconduct and to promote reporting of misbehavior for prosecution.
G6.4	Is the mechanism implemented by the company, robust to keep information as confidential and to avoid any possibility of retaliation?	Yes	Based on documents review and workers interview, the mechanism implemented by the company, robust to keep information as confidential and to avoid any possibility of retaliation.

DMNV_id T_DMNV_Managementcount

6 Yes	22	25	46	32	11
7 No	0	0	0	0	0
11 N/A	0	0	1	6	2
9 No (major)	0	0	1	1	0
10 No (minor)	5	1	0	0	0
12 No (critica	0	0	0	0	0
13 Yes					
14 n/a					
Not answe	0	0	0	0	0

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