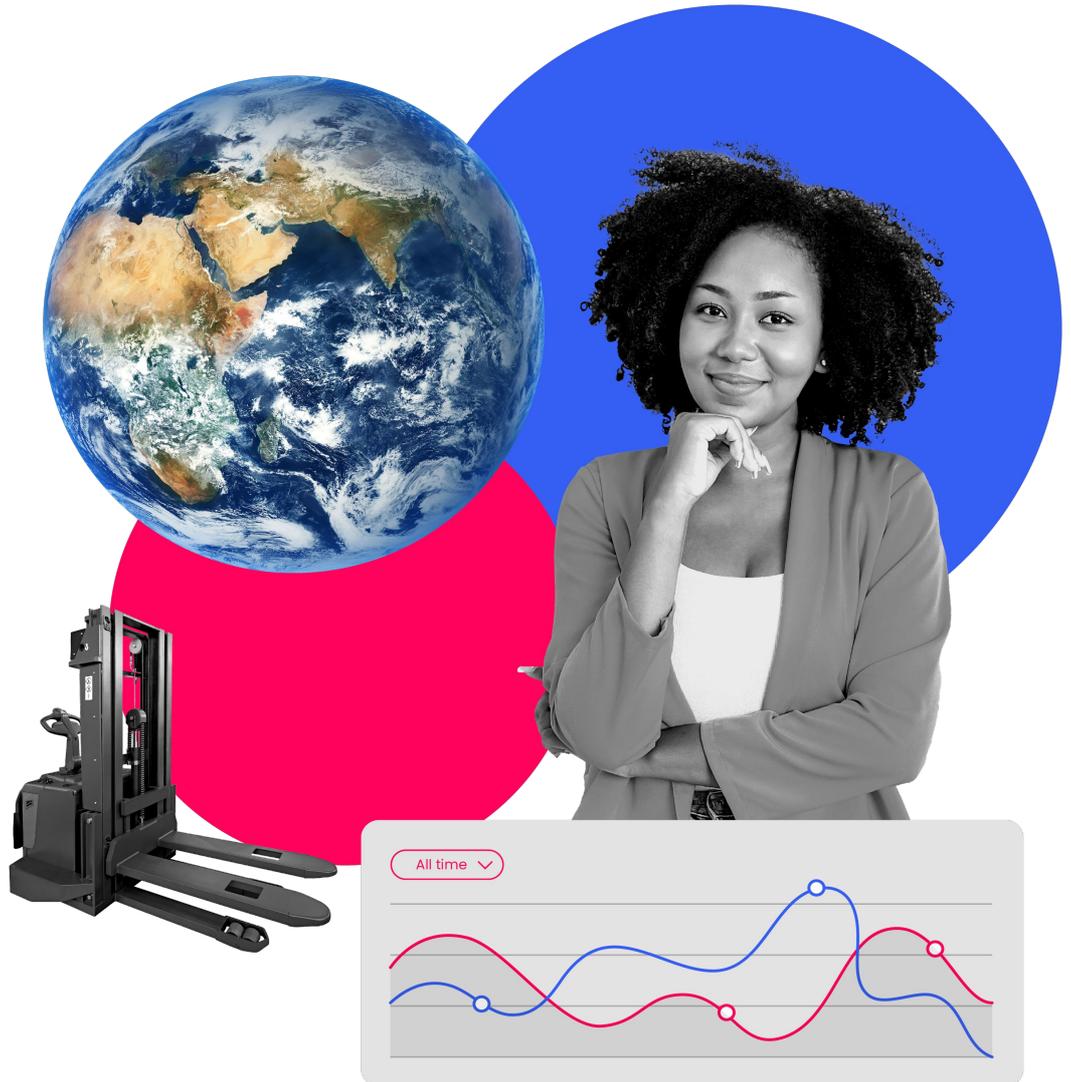


# Sedex Members Ethical Trade Audit Report

Version 7



# Contents

[Audit content](#)

[Audit and site details](#)

[Audit parameters](#)

[Audit attendance](#)

[SMETA declaration](#)

[Summary of findings](#)

[Management systems](#)

[Site details and data points](#)

[Site details](#)

[Worker analysis](#)

[Worker interviews](#)

[Measure workplace impact](#)

[0. Enabling accurate assessment](#)

[1. Employment is freely chosen](#)

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

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

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

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

[5. Legal wages are paid](#)

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

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

[7. No discrimination is practiced](#)

[8. Regular employment is provided](#)

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

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

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

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

[10.C. Business ethics](#)

[Attachments](#)

## Audit content

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

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

### Included in a 2-Pillar audit:

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

### Included in a 4-Pillar audit:

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

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

# Audit and site details

## Audit details

<b>Sedex company reference</b>	ZC419516569	<b>Auditor company name</b>	LRQA
<b>Date of audit</b>	2024-10-17	<b>Audit conducted by</b>	Sedex member
<b>Audit pillars</b>	Labour Standards   Health and safety   Environment 4-Pillar   Business ethics		

## Site details

<b>Sedex site reference</b>	ZS419563930	<b>Site name</b>	GUIZHOU FUDING RUBBER AND PLASTIC CO LTD
<b>Business name</b>	GUIZHOU FUDING RUBBER AND PLASTIC CO LTD	<b>Site address</b>	555200 XIAOYUN VILLAGE, ELING STREET, THE MIAO AUTONOMOUS COUNTY, TUJIAZU, YINJIANG, TONGREN CITY, GUIZHOU PROVINCE 贵州省铜仁市印江土家族苗族自治县峨岭街道小云村, TongRen, CN
<b>Site phone</b>	+86-18661201982	<b>Site email</b>	sunny@fudingrubber.com

# Audit parameters

Time in and out	Day 1		Day 2	
	In	08:50	In	07:30
	Out	17:00	Out	11:30
Audit type	Periodic			
Was the audit announced?	Announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	Ms.Li Jianping / Manager			
Any conflicting information SAQ/Pre-Audit Info	No			
Is further information available?	No			

# Audit attendance

	Senior management	Worker representative	Union representative
<b>A: Present at the opening meeting?</b>	Yes	Yes	No
<b>B: Present at the audit?</b>	Yes	Yes	No
<b>C: Present at the closing meeting?</b>	Yes	Yes	No
<b>Reason for absence at the opening meeting</b>	There is no union in the factory.		
<b>Reason for absence during the audit</b>	There is no union in the factory.		
<b>Reason for absence at the closing meeting</b>	There is no union in the factory.		

# 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

Lynch Li

APSCA Number

32200512

Additional auditor

Date of declaration

2024-10-18

## Site representation

<b>Declaration</b>	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.
<b>Full name</b>	Ms.Li Jianping
<b>Title</b>	Manager
<b>Date of declaration</b>	2024-10-18

## Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC <a href="#">ZAF600659014</a>
	6.F Ensure that where overtime is used, it is...	§2	NC <a href="#">ZAF600667900</a>
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§3	NC <a href="#">ZAF600659015</a>
	5.B Ensure that workers receive the insurance...	§4	NC <a href="#">ZAF600667901</a>
3. Working conditions are safe and hygienic	3.A Ensure a safe working environment. Put in...	§5	NC <a href="#">ZAF600659016</a>
	3.M Ensure all machinery is installed, mainta...	§6	NC <a href="#">ZAF600659017</a>

## Local law issues

§1	In accordance with the People's Republic of China Occupational Disease Prevention Law article 35, the employ unit should provide occupational disease health check for laborers with exposure to occupational disease harm. The employ unit should provide health check to these laborers at the time of employment, position take-up period and at time of off position; the laborers should be informed with health check result without deceit. The occupational disease health check fee should be paid by employer. Workers who are found to have health damage after occupational health inspections shall be transferred from their original jobs and properly arranged; workers who have not undergone post-job occupational health inspections, their contract shall not be dismissed or terminated.
§2	In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the external part or dangerous part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels and electric saw that is within 2 meters height of the plane where the operator is operating such device shall be equipped with safety devices.
§3	In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.
§4	In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.
§5	In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, 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 laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.
§6	In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, 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 laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

# Management systems

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

Not addressed

Fundamental improvements required

Some improvements recommended

Robust management systems

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

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

# Site details

## Company and site details

<b>Sedex company reference</b>	ZC419516569	
<b>Sedex site reference</b>	ZS419563930	
<b>Company name</b>	GUIZHOU FUDING RUBBER AND PLASTIC CO LTD	
<b>Business ownership type</b>	GOODS	
<b>Site name</b>	GUIZHOU FUDING RUBBER AND PLASTIC CO LTD	
<b>Site name in local language</b>	贵州富鼎橡塑有限公司	
<b>GPS location</b>	<b>GPS address</b>	XIAOYUN VILLAGE, ELING STREET, THE MIAO AUTONOMOUS COUNTY, TUJIAZU, YINJIANG, TONGREN CITY, GUIZHOU PROVINCE
	<b>Coordinates</b>	Latitude: 27.98089 Longitude: 108.395058
<b>Is the worksite in a remote location, far from habitation?</b>	No	
<b>Site contact</b>	<b>Contact name</b>	Li Jianping
	<b>Job title</b>	Manager
	<b>Phone number</b>	+86-18661201982
	<b>Email</b>	sunny@fudingrubber.com
<b>Applicable business and other legally required business license numbers and documents</b>	Business license No: 91520625097615510A Valid from March 31, 2014 to long-term	

## Site activities

<b>Site function</b>	Finished Product Supplier
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## Site activities

Site activities	Primary	Manufacture of plastics and synthetic rubber in primary forms
	Secondary	
	Other	
Product type	Mouse pad, door mat and yoga mat etc.	
Process overview	Rubber mixing, forming, cutting, thermal transfer printing, sewing, inspection and packing	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

## Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	12960m <sup>2</sup>	
Building 1	Last construction works on site	2012
	If building is shared, provide details	NA
	Number of floors	4
	Description of floor activities	Production building#1 1F: cutting 2F: thermal transfer printing, sewing, inspection, Packing 3F: warehouse 4F: warehouse
Building 2	Last construction works on site	2012
	If building is shared, provide details	NA
	Number of floors	4
	Description of floor activities	Production building#2 1F: Rubber mixing, Forming 2F: warehouse 3F: warehouse 4F: warehouse

## Site scope

<b>Building 3</b>	<b>Last construction works on site</b>	2012
	<b>If building is shared, provide details</b>	NA
	<b>Number of floors</b>	4
	<b>Description of floor activities</b>	Production building#3 1F: rubber mixing 2F: thermal transfer printing, sewing, inspection, Packing 3F: office 4F: warehouse

Is there any difference between the site scope of the audit and the Sedex site profile?

No

Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?

No

Is any activity conducted onsite not included within the scope of the audit?

No

## Worker accommodation and transport

Are there any site-provided worker accommodation buildings?

No

Does the site organise worker transport to the worksite?

Not provided

No transport is provided for workers.

## Work patterns

<b>Approximate workers on site per month (% of peak)</b>	<b>January</b>	25-50%	<b>February</b>	75-90%
	<b>March</b>	75-90%	<b>April</b>	95-100%
	<b>May</b>	90-95%	<b>June</b>	90-95%
	<b>July</b>	90-95%	<b>August</b>	95-100%
	<b>September</b>	95-100%	<b>October</b>	95-100%
	<b>November</b>	95-100%	<b>December</b>	95-100%

## Work patterns

Is there any night or back shift work at the site? No

## 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? Yes  
The factory has conducted those negative impacts assessment each year in their internal audit.

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site? Yes  
The factory had established and implemented Human Rights Impact Assessment system and conducted the HRIA once per year in their internal audit.

# Worker analysis

Gender disaggregated data available

Men and women

## Worker totals

	Men	Women	Other	Total
Number of workers	18 (32.7%)	37 (67.3%)	- -	55 (100%)

## Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	18 (32.7%)	37 (67.3%)	- -	55 (100%)
Temporary or fixed term employees	- -	- -	- -	0 (0%)
Agency or subcontracted workers	- -	- -	- -	0 (0%)
Seasonal workers	- -	- -	- -	0 (0%)
Self-employed workers	18 (32.7%)	37 (67.3%)	- -	55 (100%)
Informal workers including home workers	- -	- -	- -	0 (0%)
Apprentices, trainees or interns	- -	- -	- -	0 (0%)

\* % of total workforce

## Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	2 (3.6%)	2 (3.6%)	- -	4 (7.3%)
International migrant workers	- -	- -	- -	0 (0%)
<b>Total migrant workers</b>	<b>2 (3.6%)</b>	<b>2 (3.6%)</b>	<b>- -</b>	<b>4 (7.3%)</b>

\* % of total workforce

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

The ethnic background of all management and production workers was mainland Chinese, No migrant workers. All workers were recruited directly by the factory.

## Workers by age

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

\* % of total workforce

## Workers by employee type

	Men	Women	Other	Total
Employees in management positions	1 (1.8%)	2 (3.6%)	- -	3 (5.5%)
Supervisors or team leaders	1 (1.8%)	2 (3.6%)	- -	3 (5.5%)
Administrative staff	4 (7.3%)	2 (3.6%)	- -	6 (10.9%)

\* % of total workforce

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

Describe how this may vary during peak periods There was no obvious peak or non-peak month in the factory.

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	33%	67%	-	100%

## Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	- -	- -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	- -	- -	- -	0 (0%)
Workers paid hourly / daily rate	18 (32.7%)	37 (67.3%)	- -	55 (100%)
Salaried workers	- -	- -	- -	0 (0%)

\* % of total workforce

## Workers by payment cycle

	Men	Women	Other	Total
Paid daily	- -	- -	- -	0 (0%)
Paid weekly	- -	- -	- -	0 (0%)
Paid monthly	18 (32.7%)	37 (67.3%)	- -	55 (100%)
Other	0 (0%)	0 (0%)	- -	0 (0%)

\* % of total workforce

If other payment cycle entered, please provide details Nil

# 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      1 group of 5 workers each

Did workers understand the purpose of the audit?      Yes

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

Was there any indication that workers had been 'coached' in how they should respond to questions?      No

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

## Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details) Nil
What did the workers like the most about working at this site?	Job security Overtime Pay
Additional comments	NA
Attitude of workers' committee/union representatives	As per factory information, no union established in the factory, but a worker committee was available in factory and there was one members for worker committee. He was cooperative during the interview process, and all the interviewees did not raise any positive and negative comment with the management and the working condition.
Attitude of managers	The facility management was positive in collaboration during the audit. All documents were provided timely as per request. The facility management gave the full access to all necessary areas for tour, and a private room was arranged for employees' interview.

## Workers interviewed by type

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

## Workers interviewed by group/individual

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

### Workers interviewed by group/individual

Workers interviewed individually	3	2	-	5
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### Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	2	2	-	4
International migrant workers interviewed	0	0	-	0
<b>Total migrant workers interviewed</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>4</b>

# Measuring workplace impact

Gender disaggregated data available      Men and women

## Annual worker turnover (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2023)	1.0%	1.0%	-	2.0%
Previous full calendar year (2022)	1.0%	1.0%	-	2.0%

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

## Rate of absenteeism (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2023)	1.0%	1.0%	-	2.0%
Previous full calendar year (2022)	1.0%	1.0%	-	2.0%

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

Are accidents recorded?      Yes  
 No accident occurred in the factory during last year.

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

	Men	Women	Other	Total
--	-----	-------	-------	-------

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

Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2023)	0.0%	0.0%	-	0.0%
Previous full calendar year (2022)	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 (2023)	0.0%	0.0%	-	0.0%
Previous full calendar year (2022)	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 standard hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2023)	0.0%	0.0%	-	0.0%
Previous full calendar year (2022)	0.0%	0.0%	-	0.0%

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

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

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

Last full calendar year (2023)	0.0%	0.0%	-	0.0%
Previous full calendar year (2022)	0.0%	0.0%	-	0.0%

# 0. Enabling accurate assessment

## Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
<b>Systems and evidence examined to validate this code section</b>	<p>Current systems:            The factory has established written policy and procedures to meet the Code, human rights and labour standards required by local law and customers. Ms. Li / Supervisor was responsible for compliance with the Code, human rights and labour standards to all appropriate parties, including its own suppliers, and the implementation, communication to all employees through trainings, handbooks and postings at the facility.</p> <p>Details:            1. Business license            2. Employee Handbook            3. Factory Manual contains details of Code and labour standards required by local law and customers.            4. The written policy including human rights.            5. Appointment book of person responsible for implementing standards concerning Human rights            6. Factory rules            7. Social compliance management handbook            8. Training records of the Code, social compliance, human rights            9. Employee interview, employees could raise the human rights issues by suggestion box confidentially or call the hotline to the management who was responsible for implementing standards concerning Human rights directly.</p>		

0. Enabling accurate assessment

## Data points

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

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

Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review? 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	Auditor found that the facility had established employment management procedure, and it was implemented properly.

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

**Systems and evidence examined to validate this code section**

**Current systems:**

The factory has established hiring policy and hiring procedures in place. Ms. Li / Supervisor was familiar with local law regarding prison labour, deposit, and wages deductions etc. Workers are not required to stay at the factory if they do not want to, and overtime is voluntary as well. No deposits or any original ID are required to be detained during employment. Resignation is free and wages are paid to resigned workers on time after reasonable notice (usually 30 days in advance).

1. The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
2. The employees obtained their job by friend's recommendation or by the factory recruitment.
3. Workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
4. The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
5. No forced, bonded or involuntary prison labour was identified during the audit.

**Details:**

The facility's policy to ensure employment is freely chosen was reviewed. The policy includes the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded, or involuntary prison labour; and employees are free to leave their employer after reasonable notice.

Labour contracts with notice periods.

Training of forced, bonded or involuntary prison labour for all employees at the time employee, and re-fresh training was conducted once per year for all employees.

As per workers interview, it was noted that they are free to leave their working stations once their shifts end; all overtime workings were voluntary; and they are not required to pay any 'deposits' or leave their ID cards.

1. Employees' manual, Factory rules
2. Personnel files records
3. Resignation records
4. Management and worker interview.

1. Employment is freely chosen

## Data points

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If required under local law, is there a published 'modern slavery' or similar statement?	Not Applicable
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Does the site utilise any workers who are prisoners?	No
--	----

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

# 1.A. Responsible recruitment and entitlement to work

## Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Auditor found that the facility had established employment management procedure, and it was implemented properly.

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems: The factory had established the effective employment policies &amp; program to meet the Code and labour standards required by local law and customers. Ms. Li / Supervisor was responsible for compliance with the Code implementation and the Code was communicated to all employees through trainings, handbooks and postings at the facility.</p> <p>Details: 1. Employees' manual, Factory rules 2. Personnel files records 3. Training records 4. Labor contracts 5. Management and worker interview</p>		

## 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 (including dispatched labour) on site?	No
Were all non-employee (e.g. agency or subcontracted) workers included within the scope of this audit for the purpose of document review and (if onsite on date of audit) interview?	Not Applicable
Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?	Not Applicable

#### Migrant workers

Do any workers migrate across international borders to work at this site?	No
Percentage of workers that are migrant	0%
Do any workers migrate from other states, provinces or regions within the country to work at this site?	No

#### 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

There was no such cost during employment as per interview.

## 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	Auditor found that the facility had established freedom of association and right to collective bargaining management procedure, and it was implemented properly.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems: The factory has written policy on freedom of association, which states that workers are free to form any union or any form of other workers organization in the facility. Currently, no labor union was established in the factory. There was no collective bargain agreement signed in the factory. A worker committee was available, 2 worker representatives were selected by workers. All employees have the right to join worker committee. Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace. The workers could raise any issue or express their concerns through suggestion box. There was a relevant written policy / procedure documented in place. The meeting between factory management and worker committee was conducted quarterly.</p> <p>Details: 1.The policy on freedom of association 2.Worker representative elected records 3.Interview with workers committee members 4.Management and worker interview</p>		



## 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?	Not Applicable
Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years?	No

### 3. Working conditions are safe and hygienic

#### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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	Some Improvements Recommended
Explanation for management systems grades	Auditor found that the facility had established Environment, Health and Safety management procedure onsite, however it was not implemented properly and related finding was raised.

#### Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.A Ensure a safe working environment. Put in...	§1	NC <a href="#">ZAF600659016</a>
	3.M Ensure all machinery is installed, mainta...	§2	NC <a href="#">ZAF600659017</a>

**Systems and evidence examined to validate this code section****Current systems:**

The facility generally provided an adequate work environment and maintains a comfortable temperature throughout. The electrical system was in a good condition. All switches in the electrical control panels have been labelled. The factory posted the evacuation plans at work floors, which indicates escape routes. Exit signs were installed. The facility has provided enough fire extinguishers in all working sections. A functional fire alarm system can be found in the facility. The facility's policy and procedures were communicated through the notice board in the local language. Drinking water was provided and installed in workshops. Sufficient and proper supplies/items were stocked in part of the first aid kits.

**Details:**

1. Fire-fighting equipment inspection and maintenance records
2. PPE training
3. Workplace occupational hazards factor testing report
4. License for special operation
5. Registration of special equipment
6. Inspection certificate of special equipment
7. Certificate of special equipment operator
8. Fire drills were organised and recorded every 6 months, and the latest fire drill was conducted on May 13, 2024.
9. First aider certificates
10. Drinking water testing report
11. Interviews with EHS manager

# Findings: non-compliances

ZAF600659016

Non-compliance

Due 2023-11-14

## Code area

3 Working conditions are safe and hygienic

## Status

Closed (2024-10-17)\*

## Workplace requirement

3.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.

## Time given to resolve

60 days

## Issue title

318 - Inadequate/isolated failure in conducting medical examinations or occupational health checks, including disease checks, of workers in hazardous situations(e.g. exposed to noise or dust) or working with hazardous substances (e.g. chemicals and pesticides)

## Verification method

Desktop audit

## Area of non-compliance/non-conformance

Local law

## Description

It was noted that the factory had provided annual occupational disease health check to its workers at thermal transfer printing position (contact to Benzene, toluene, xylene) and rubber mixing position (contact to noise and other inorganic dust). However, no pre-job and post job occupational disease health check provided to above workers. 在此次审核过程中, 审核员发现工厂给从事热转印作业的员工 (接触苯, 甲苯, 二甲苯) 和炼胶作业的员工 (接触其他无机粉尘和噪音) 提供年度岗中职业病健康检查, 但没有给以上员工提供岗前跟离岗职业病健康体检。

## Description (carried over)

It was noted that the factory had provided annual occupational disease health check to its workers at thermal transfer printing position (contact to Benzene, toluene, xylene) and rubber mixing position (contact to noise and other inorganic dust). However, no pre-job and post job occupational disease health check provided to above workers. 在此次审核过程中, 审核员发现工厂给从事热转印作业的员工 (接触苯, 甲苯, 二甲苯) 和炼胶作业的员工 (接触其他无机粉尘和噪音) 提供年度岗中职业病健康检查, 但没有给以上员工提供岗前跟离岗职业病健康体检。

## Corrective and preventative actions

It is recommended that the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection, provide occupational health check to workers exposing to occupational disease harm.

## Corrective and preventative actions (carried over)

It is recommended that the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection, provide occupational health check to workers exposing to occupational disease harm.

## Local law reference

In accordance with the People's Republic of China Occupational Disease Prevention Law article 35, the employ unit should provide occupational disease health check for laborers with exposure to occupational disease harm. The employ unit should provide health check to these laborers at the time of employment, position take-up period and at time of off position; the laborers should be informed with health check result without deceit. The occupational disease health check fee should be paid by employer. Workers who are found to have health damage after occupational health inspections shall be transferred from their original jobs and properly arranged; workers who have not undergone post-job occupational health inspections, their contract shall not be dismissed or terminated.

\* PDF generated at 10:24 on 19 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600659017

Non-compliance

Due 2023-10-15

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2024-10-17)\*

**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 6 out of 6 sewing workers did not use safety eye-shields for the over-locking sewing machines in the factory. 在此次审核过程中，审核员发现6位员工使用锁边机没有使用安全护眼挡板。

**Area of non-compliance/non-conformance**

Local law

**Description (carried over)**

It was noted that 6 out of 6 sewing workers did not use safety eye-shields for the over-locking sewing machines in the factory. 在此次审核过程中，审核员发现6位员工使用锁边机没有使用安全护眼挡板。

**Corrective and preventative actions**

It is recommended that the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection equip safety eye-shields to all over-locking sewing machines to comply with the law. The factory shall develop and implement procedures to reduce or eliminate the risk of an injury from moving machinery parts.

**Corrective and preventative actions (carried over)**

It is recommended that the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection equip safety eye-shields to all over-locking sewing machines to comply with the law. The factory shall develop and implement procedures to reduce or eliminate the risk of an injury from moving machinery parts.

**Local law reference**

In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the external part or dangerous part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels and electric saw that is within 2 meters height of the plane where the operator is operating such device shall be equipped with safety devices.

**Evidence**



[No use eye-shield.JPG](#)



\* PDF generated at 10:24 on 19 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

### 3. Working conditions are safe and hygienic

## Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	No
Who organises accommodation for workers?	Not applicable
Who organises worker transportation between accommodation and worksite?	Not applicable
Who organises worker transportation while at work?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Yes  The factory has obtained valid structural permit and inspection report for their buildings as per local law.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No
Does the site have a structural engineer evaluation?	Yes

## 4. Child labour shall not be used

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Auditor found that the facility had established anti-child labour management procedure, and it was implemented properly.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems: The factory would verify all workers' original ID cards at the time of recruitment and keep the photocopies of ID cards in the personnel files. All employees' personal files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth. Hiring procedure and related protection policy of young workers were also kept in place. No child labour or juvenile workers was working at the factory currently.</p> <p>Details: 1. Personal file 2. Roster of employees 3. Management and employee interview</p>		

4. Child labour shall not be used

## Data points

Percentage of workers that are age 24 or younger	0%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	29
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%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

## 5. Legal wages are paid

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	Auditor found that the facility had established wages and benefits management procedures onsite, however, it was not implemented properly because insufficient social insurance participation finding was noted.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§1	NC <a href="#">ZAF600659015</a>
	5.B Ensure that workers receive the insurance...	§2	NC <a href="#">ZAF600667901</a>

**Systems and evidence examined to validate this code section**

**Current systems:**

Written wage & benefits policy (involved relevant local law regarding Minimum Wages, Overtime wage and social insurance policy, paid annual leave, sick leave etc.) in place stated in the social compliance management manual which had clearly been communicated to all workers via labour contracts, factory rules (covered disciplinary measures policy / deductions from wages) posting and training etc.

During this audit, the factory provided 12 months' payrolls (from September 2023 to August 2024) for review. A sampling of these provided records for the months of August 2024 (most recent pay period), May 2024 (random month) and April 2024 (random month) were reviewed. As per factory management and provided payrolls, wages for all workers were calculated on hourly-rated basis and paid by cash on or before the 30th of each month. Based on provided payrolls and time attendance records, both workers' basic wages and overtime wages met legal requirements, the hourly wage was paid of RMB 14.37, which was higher than the local legal minimum wage standard of RMB 1660 per month.

Overtime wage was paid at 150%, 200% and 300% of employee actual wage deducted overtime wages of last month for overtime on normal working days, rest days and official public holidays respectively, and total paid wages ranged from RMB 4128 to RMB 4391 per month. The gap between reported wages and legal requirements was nil and the percentage of workers being paid below the minimum wage was nil.

For social insurance, a total of 67 employees were eligible to receive five types of social insurances in October 2024 according to the law. However, through review of social insurance enrollment list, all employees were enrolled in occupational injury insurance and 8 employees were enrolled in pension insurance, unemployment insurance. No employee enrolled in child-bearing insurance and medical insurance. A wage slip detailing: basic wages, hourly wage rate, normal working hours, overtime working hours, holiday working hours, normal working hours wage, overtime working hours wage, statutory holidays allowance, paid leave, allowance (working position, full attendance and high temperature allowance), total monthly wages, deduction (social insurance and tax) and net wage was provided to each worker.

**Details:**

1. Employee handbook
2. Wages and benefits policy
3. Annual leave records
4. Resigned workers payroll records
5. Payroll and attendance records
6. Social insurance and payment receipts

# Findings: non-compliances

ZAF600659015

Non-compliance

Due 2023-11-14

## Code area

5 Legal wages are paid

## Status

Open\*

## Workplace requirement

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

## Time given to resolve

60 days

## Issue title

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

## Verification method

Follow up audit

## Description

It was noted that a total of 66 employees were eligible to receive five types of social insurances in August 2023 according to the law. Through review of social insurance enrolment list, all employees were enrolled in injury insurance. However, no employee enrolled in pension insurance, medical insurance, child-bearing insurance and unemployment insurance. 在此次审核过程中, 审核员发现在66名符合参保条件的员工中, 所有员工参加工伤导致残疾保险或者职业疾病保险, 但没有员工参加养老保险、医疗保险、生育保险和失业保险。

## Area of non-compliance/non-conformance

Local law

## Description (carried over)

It was noted that a total of 66 employees were eligible to receive five types of social insurances in August 2023 according to the law. Through review of social insurance enrolment list, all employees were enrolled in injury insurance. However, no employee enrolled in pension insurance, medical insurance, child-bearing insurance and unemployment insurance. 在此次审核过程中, 审核员发现在66名符合参保条件的员工中, 所有员工参加工伤导致残疾保险或者职业疾病保险, 但没有员工参加养老保险、医疗保险、生育保险和失业保险。

## Corrective and preventative actions

It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.

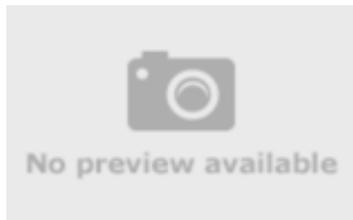
## Corrective and preventative actions (carried over)

It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.

## Local law reference

In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.

## Evidence



[Insurance records.JPG](#)



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**ZAF600667901**

**Non-compliance**

Due 2024-12-18

**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**

It was noted that a total of 67 employees were eligible to receive five types of social insurances in October 2024 according to the law. However, through review of social insurance enrollment list, all employees were enrolled in occupational injury insurance and 8 employees were enrolled in pension insurance, unemployment insurance. No employee enrolled in child-bearing insurance and medical insurance.

**Area of non-compliance/non-conformance**

Local law  
Base code

在此次审核过程中，审核员发现在67名符合参保条件的员工中，所有员工都参加了工伤保险，只有8名员工参加了养老保险，失业保险；没有人参加生育保险和医疗保险。

**Corrective and preventative actions**

It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.

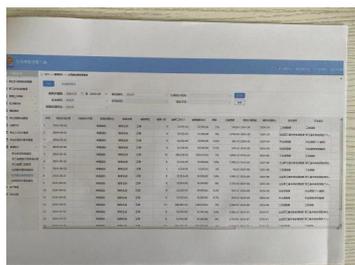
**Corrective and preventative actions (carried over)**

It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.

### Local law reference

In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc.  
Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.

### Evidence



[NC insufficient social insurance.jpg](#)



\* PDF generated at 10:24 on 19 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

## 5. Legal wages are paid

### Data points

What is the basic wage paid to workers?	Wages are based on job skills and experience
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Does not use digital payments (give details) The factory paid the wages by cash.
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

### Worker remuneration

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

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	Non applicable
Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0

<b>Actual overtime hours</b>	<b>Max hours per day</b>	1.5
	<b>Max hours per week</b>	Non applicable
	<b>Max hours per month</b>	73.0
<b>Minimum legal wage</b>	<b>Min per hour</b>	9.54
	<b>Min per day</b>	76.32
	<b>Min per week</b>	Non applicable
	<b>Min per month</b>	1660.0
<b>Actual minimum wage</b>	<b>Actual per hour</b>	14.37
	<b>Actual per day</b>	114.94
	<b>Actual per week</b>	Non applicable
	<b>Actual per month</b>	2500.0
<b>Minimum legal overtime wage</b>	<b>Min per hour</b>	Non applicable
	<b>Min per day</b>	Non applicable
	<b>Min per week</b>	Non applicable
	<b>Min per month</b>	Non applicable
<b>Actual minimum overtime wage</b>	<b>Actual per hour</b>	Non applicable
	<b>Actual per day</b>	Non applicable
	<b>Actual per week</b>	Non applicable
	<b>Actual per month</b>	Non applicable

## Wage analysis

<b>Number of workers' records checked</b>	10
<b>Provide the date and details of the records</b>	10 samples from August 2024 (most current month) 10 samples from May 2024 (random month) 10 samples from April 2024 (random month)
<b>Are there different legal minimum/ legally recognised CBAs wage grades?</b>	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	Based on the payroll records and attendance records provided by the factory, workers' minimum wages were paid above the local legal requirement, which was RMB 1660 per month as equivalent to RMB 9.54 per hour since February 1, 2023.
Are there any bonus schemes used?	Yes Full attendance and working efficiency bonus; Food and accommodation fee.
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	Local law	Finding
No findings			
<b>Systems and evidence examined to validate this code section</b>	<p>Current systems:            As per factory management and provided payrolls, wages for all workers were calculated on hourly rate basis and paid at around 30th of each month in cash, and the payment cycle was from 1st to end of month. Based on provided payrolls and time attendance records, the workers earned a monthly wage of RMB 4128 ~ RMB 4391, higher than the local living wages.</p> <p>Details:</p> <ol style="list-style-type: none"> <li>1. Payroll records</li> <li>2. Attendance records</li> <li>3. Local legal minimum wage documents</li> <li>4. Wages and benefits policy</li> <li>5. Labor contracts for all employees</li> <li>6. Pay slips of all interviewed workers</li> <li>7. Workers and management interview</li> </ol>		

## 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	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	Auditor found that the facility had established working hours management procedure onsite, however, it was not implemented properly because excessive monthly overtime finding was noted.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC <a href="#">ZAF600659014</a>
	6.F Ensure that where overtime is used, it is...	§2	NC <a href="#">ZAF600667900</a>

**Systems and evidence examined to validate this code section**

**Current systems:**

There's a written policy concerning working hours and overtime hours, as well as a system for monitoring working hours and overtime hours. The factory keeps a finger scan attendance system to ensure the attendance system to be accurate. Policy and Procedures for special terms for young workers and pregnant women are also in place.

During this audit, the factory provided 14 months' time attendance records (from September 2023 to October 2024) for review. A sampling of these provided records for the months of August 2024 (most recent month), May 2024 (random month) and April 2024 (random month) were reviewed. Based on provided time attendance records, workers' working hours were 8-9.5 hours a day, 55.5 hours a week, with the average being 55 hours per week. The most continuous working days without rest were 6 while the average continuous working days without rest were 6.

**Details:**

Employee handbook  
Wages and benefits policy  
Annual leave records  
Resigned workers time records  
Payroll and attendance records  
Production records

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# Findings: non-compliances

ZAF600659014

Non-compliance

Due 2023-11-14

## Code area

6 Working hours are not excessive

## Status

Open\*

## Workplace requirement

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

## Time given to resolve

60 days

## Issue title

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

## Verification method

Follow up audit

## Area of non-compliance/non-conformance

Local law

## Description

It was noted that the monthly overtime hours of 10 out of 10 randomly selected workers exceeded 36 hours in July 2023 (corresponding with the most recent payroll records) with the highest of 71.5 hours; 10 out of 10 exceeded 36 hours in March 2023 (random month) with the highest of 66.5 hours; 10 out of 10 exceeded 36 hours in December 2022 (random month) with the highest of 73 hours. 在此次审核中, 审核员发现在随机抽取的10名工人中, 有10名工人的月加班时间在2023年7月(当前月)超过36小时, 最高达到71.5小时; 在2023年3月(随机), 随机抽取的10名工人中有10名工人月加班时间超过36小时, 最高达到66.5小时; 在2022年12月(随机), 随机抽取的10名工人中有10名工人月加班时间超过36小时, 最高达到73小时。

## Description (carried over)

It was noted that the monthly overtime hours of 10 out of 10 randomly selected workers exceeded 36 hours in July 2023 (corresponding with the most recent payroll records) with the highest of 71.5 hours; 10 out of 10 exceeded 36 hours in March 2023 (random month) with the highest of 66.5 hours; 10 out of 10 exceeded 36 hours in December 2022 (random month) with the highest of 73 hours. 在此次审核中, 审核员发现在随机抽取的10名工人中, 有10名工人的月加班时间在2023年7月(当前月)超过36小时, 最高达到71.5小时; 在2023年3月(随机), 随机抽取的10名工人中有10名工人月加班时间超过36小时, 最高达到66.5小时; 在2022年12月(随机), 随机抽取的10名工人中有10名工人月加班时间超过36小时, 最高达到73小时。

## Corrective and preventative actions

It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.

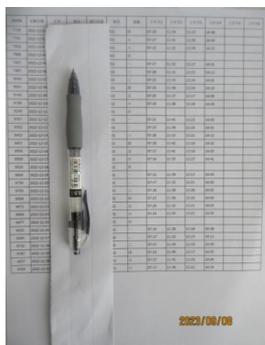
## Corrective and preventative actions (carried over)

It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.

## Local law reference

In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, 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 laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

## Evidence



[OT hours.JPG](#)



\* PDF generated at 10:24 on 19 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600667900

Non-compliance

Due 2024-12-18

### 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 the monthly overtime hours of 10 out of 10 randomly selected workers exceeded 36 hours in April 2024 with the highest of 63.5 hours; 10 out of 10 exceeded 36 hours in May 2024 with the highest of 65 hours; 10 out of 10 exceeded 36 hours in August 2024 with the highest of 73 hours.

在此次审核中，审核员发现在随机抽取的10名工人中，有10名工人的月加班时间在2024年4月超过36小时，最高达到63.5小时；在2024年5月，随机抽取的10名工人中有10名工人月加班时间超过36小时，最高达到65小时；在2024年8月，随机抽取的10名工人中有10名工人月加班时间超过36小时，最高达73小时。

### Area of non-compliance/non-conformance

Local law  
Base code

### Corrective and preventative actions

It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.

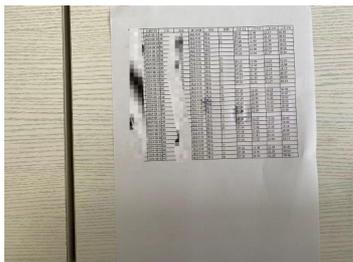
### Corrective and preventative actions (carried over)

It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.

### Local law reference

In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, 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 laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

### Evidence



[NC monthly OT more than 36.jpg](#) 

\* PDF generated at 10:24 on 19 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

## 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?	150%, 200% and 300% of normal rate for overtime hours on normal working days, rest days and public holidays respectively.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	55.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	55.5
Maximum number of days worked without a day off in sample	6

## 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	Auditor found that the facility had established Anti-discrimination management procedure and it was implemented properly.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems: The factory has written policy on anti-discrimination as well as policy on compensation, promotion, and training etc. New staff hiring policy and advertise indicates that no pregnancy or health check (HIV testing, HB check) was required. Gender and ethnic balance between workers and middle management is proper. There's grievance channel (suggestion box or anonymous phone line etc.) for workers to report any discrimination.</p> <p>Details: 1.Factory policy, hiring procedure. 2.Employee handbook. 3.Payrolls, training records. 4.Contracts, termination records.</p>		

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)?	82%
Representation of women in managerial roles (ratio of women workers to women managers)	5%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	5%
Three most common nationalities in managerial and supervisory roles	All managements and supervisors were from Chinese.

## 8. Regular employment is provided

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Auditor found that the facility had established employment management procedure, and it was implemented properly.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems:            Work performed was on the basis of recognized employment relationship established through national law and normal practice. The factory never used any home-workers or agency workers. No apprentice or temporary worker was working in the factory. The factory signs labour contracts with employees within 30 days since employment, and all workers can have their own a copy of the contract and pay slip. HR staff was aware of local law concerning above worker pattern.</p> <p>Details:            1.Factory policy, employee handbook            2.Labour contracts            3.Hiring and termination records            4.Personal files            5.Management and worker's interview</p>		

8. Regular employment is provided

## Data points

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Percentage of workers that are permanently or temporarily employed	100.0%
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Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment	100.0%
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Percentage of workers employed as apprentices, trainees or interns	0.0%
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## 8.A. Sub-contracting and homeworkers are used responsibly

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Auditor found that the facility had established subcontracting management and anti-using home workers procedures and they were implemented properly.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems: The factory has customer policy on sub-contracting, homeworking, and external processing, as well as written policy and procedure in place to control external working. The factory posted customers' Code of Conduct in the facility. Through site tour, documents review and management &amp; workers interview, no external working was being used currently.</p> <p>Details: 1.Factory policy, 2.Quality records and management &amp; workers interview 3.Site tour (check production process)</p>		

## 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 factory didn't allow their suppliers to use homemaker as per the policy and no homemaker was noted as per the suppliers' assessment reports.

#### Sub-contracting

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

No

There was no such concern as per onsite tour, document review and interview.

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	Auditor found that the facility had established Anti-harsh and inhumane treatment management procedures, and they were implemented properly.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current systems:            The factory has established an anti-harsh or inhumane treatment policy. The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited in this facility.            The disciplinary procedure only includes oral warning, written warning and education, which was confirmed through worker's interview.            The factory has established grievance mechanism with non-retaliation policy and allow workers to report issues anonymously. Related training records and grievance records / documented evidence were maintained in place.            Security practices were humane and comply with customers' expectation.</p> <p>Details:            1.Policy of prevention of harassment and abuse.            2.Internal grievance procedure documentation.            3.Training records            4.Employee interviewBottom of Form</p>		



9. No harsh or inhumane treatment is allowed

## Data points

<p><b>Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?</b></p>	<p>Yes, there is a formal grievance process          The grievance process is available to all workers          The grievance process is available to members of the local community</p>
<p><b>What type of grievance mechanism(s) are available?</b></p>	<p>Suggestion box had been installed in the workshop and workers could also choose to report any concern to manager if needed.</p>
<p><b>Number of grievances raised in the last 12 months</b></p>	<p>0</p>
<p><b>Number of grievances resolved in the last 12 months</b></p>	<p>0</p>

## 10.A. Environment 2-Pillar

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Auditor found that the facility had established environmental management procedure, and it was implemented properly.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

**Systems and evidence examined to validate this code section**

**Current systems:**

The site has established Environmental policy concerning environment issue (including hazardous waste disposal handling procedures), and the responsible management staff was aware of local laws / regulations governing environment, keeps the law up to date.

The factory has got the environmental impact assessment documents examined and approved by authorized environmental protection department. No pollution observed in the factory.

The factory conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks.

The factory also established emergency reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and so on.

**Details:**

- 1.Environmental policy
  - 2.Pollutant Discharge Registration
  - 3.Risk assessment records
  - 4.Emergency reduction target
  - 5.Environmental impact report
  - 6.Environmental project completion acceptance report
  - 7.Hazardous waste disposal records
  - 8.Workers and Factory management interview
  - 9.Factory tour
-

10.A. Environment 2-Pillar

## Data points

<p>Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?</p>	<p>No</p>
<p>Does the site have any valid environmental or energy management certificates?</p>	<p>Nil</p>
<p>Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?</p>	<p>No</p>
<p>Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?</p>	<p>Yes The factory has established reduction targets for water consumption and discharge, waste, energy and green-house gas emissions.</p>

## 10.B. Environment 4-Pillar

### Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
<b>Systems and evidence examined to validate this code section</b>	<p>The factory management maintained all legally required environmental documents in place. There was no significant environmental impact per the local environmental law. Based on worker's interview &amp; document review, they were trained on environmental protection. All pollution were observed treated properly in the factory.</p> <ul style="list-style-type: none"> <li>•The legally required environmental documents were provided for review.</li> <li>•Environmental policy</li> <li>•Energy bills</li> <li>•Water bill</li> <li>•Renewal energy specification</li> <li>•Worker and management interview.</li> <li>•Site tour</li> </ul>		

## 10.B. Environment 4-Pillar

### Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Zero-waste and recycling protocols Responsible use and management of water
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The factory has set up EHS committee to supervise and manage.
Does the site have reduction targets in place to manage climate related risks?	None
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	No
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Yes The factory has a corresponding agreement with the supplier.

### Usage/discharge analysis

	Last full calendar year (2023)	Previous full calendar year (2022)
Total electricity consumption from non-renewable sources (kWh)	1,200,000	1,180,000
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	Data not available	Data not available
Types of renewable energy used	Data not available	Data not available
Total natural gas consumption (kWh)	0	0

Usage of other purchased fuels	Data not available	Data not available
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)	200	180
Water discharged	Municipal sewage	Municipal sewage
Water volume discharged (m3)	190	170
Water volume recycled (m3)	0	0
Total waste produced (mt)	100	80
Total hazardous waste produced (mt)	10	8
Waste to recycling (mt)	0	0
Waste to landfill (mt)	0	0
Waste to other (mt)	90	72
Total product produced (mt)	10,000,000	10,000,000

## 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
Explanation for management systems grades	Auditor found that the facility had established Business Ethics management procedure, and it was implemented properly.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>The company manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery. The company established a business ethics policy which was communicated to workers through posters and training. The site had received and read the Business Ethics policy of the auditor/audit company. There is an internal grievance process, which is suggestion box or communicating with worker representatives.</p> <ul style="list-style-type: none"> <li>•Bribery</li> <li>•Corruption</li> <li>•Training records</li> <li>•Worker handbook</li> <li>•Opening records of suggestion box</li> </ul>		

10.C. Business ethics

## Data points

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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
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Provide any certified anti-bribery management systems for the site	NA
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## Attachments



[LRQA-CN-SMTA-287953\\_Signed CAPR\\_Guizhou Fuding Rubber And Plastic Co., Ltd. October 17-18, 2024.pdf](#)



[LRQA-CN-SMTA-287953\\_Photo Form\\_Guizhou Fuding Rubber And Plastic Co., Ltd. October 17-18, 2024.pdf](#)



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