

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

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

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

Included in a 2-Pillar audit:

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

Included in a 4-Pillar audit:

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

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

Audit and site details

Audit details

Sedex company reference	ZC408762878	Auditor company name	TUV Rheinland (TUEV Rheinland)
Date of audit	2025-01-06	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS408771755	Site name	Ningbo zhenhai Liu he Plastics Co Ltd
Business name	Ningbo zhenhai Liu he Plastics Co Ltd	Site address	315207 NO. 568 FENGSHOU ROAD,JIAOCHUAN STREET,ZHENHAI DISTRICT,NINGBO,CHINA 浙江省宁波市镇海区蛟川街道丰收路568号, Ningbo, CN
Site phone	13816443928	Site email	huxiaoyan@liuhesujiao.com

Audit parameters

Time in and out	Day 1		Day 2	
	In	13:00	In	08:30
	Out	17:00	Out	17:00
Audit type	Periodic			
Was the audit announced?	Announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	Ms. Hu Xiaoyan / General Manager			
Any conflicting information SAQ/Pre-Audit Info	No			
Is further information available?	No			

Audit attendance

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

Alan Wu

APSCA Number

21703494

Additional auditor

Date of declaration

2025-01-07

Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Ms. Hu Xiaoyan
Title	General Manager
Date of declaration	2025-01-07





































Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	§1	NC ZAF600774548
	3.A Ensure a safe working environment. Put in...	§2	NC ZAF600774549
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§3	NC ZAF600774550

Local law issues

§1	Law of the PRC on Work Safety (2021 amendment), Article 45. Production and business units must provide employees with labour protection products that comply with national standards or industry standards, and supervise and educate employees to wear and use them in accordance with the rules of use.
§2	Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Article 35. For employees conducting operations with exposure to occupational disease hazards, an employer shall organize pre-job, on-the-job, and off-the-job occupational health examination of employees according to the provisions of the work safety administrative department and health administrative department of the State Council and inform in writing employees of the examination results. The expenses for the occupational health examination shall be assumed by the employer. Employers shall not assign employees who have not undergone the pre-job occupational health examination to operations with exposure to occupational disease hazards; shall not assign employees with occupational contraindications to operations causing such contraindications; shall transfer employees who are found during occupational health examination to have suffered health injuries related to their jobs from such jobs and settle such employees appropriately; and shall not rescind or terminate labour contacts with employees who have not undergone the off the-job occupational health examination. The occupational health examination shall be conducted by medical health institutions approved by the health administrative departments of the people's governments at and above the provincial level.
§3	PRC Labour Law, Article 41. The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Management systems

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



Not addressed



Fundamental improvements required







Some improvements recommended



Robust management systems

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

-  Not addressed
-  Fundamental improvements required
-  Some improvements recommended
-  Robust management systems

Site details

Company and site details

Sedex company reference	ZC408762878	
Sedex site reference	ZS408771755	
Company name	Ningbo zhenhai Liu he Plastics Co Ltd	
Business ownership type	GOODS	
Site name	Ningbo zhenhai Liu he Plastics Co Ltd	
Site name in local language	宁波市镇海六合塑胶制品有限公司	
GPS location	GPS address	No.568 Fengshou Road, Jiaochuan Street, Zhenhai District, Ningbo City, Zhejiang Province, China. 浙江省宁波市镇海区蛟川街道丰收路568号。
	Coordinates	Latitude: N: 29°58'52", Longitude: E:121°39'4".
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. Hu Xiaoyan
	Job title	General Manager
	Phone number	13816443928
	Email	huxiaoyan@liuhesujiao.com
Applicable business and other legally required business license numbers and documents	Business License Number: 913302117588780287. Valid from March 29, 2004 to long term.	

Site activities

Site function	Factory Processing/Manufacturer
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Site activities

Site activities	Primary	Manufacture of plastics products
	Secondary	
	Other	
Product type	Shelf label holders	
Process overview	The factory main products were shelf label holders. The main production processes were listed as follows: Extrusion moulding, cutting, inspection and packing. The main machines used in the factory were: 14 extrusion molding machines, 2 packing machines etc.	
What level of mechanization best describes the work at this site?	High mechanisation / low manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	15281m ²	
Building 1	Last construction works on site	2023
	If building is shared, provide details	It was not a shared building.
	Number of floors	4
	Description of floor activities	1F: Office area, finished product warehouse area, extrusion molding workshop, cutting and packing workshop. 2F: Office area, packing workshop and canteen area. 3F: Raw material warehouse and office area. 4F: Small canteen for the boss.
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	

Site scope

Is any activity conducted onsite not included within the scope of the audit? No

Worker accommodation and transport

Are there any site-provided worker accommodation buildings? No

Does the site organise worker transport to the worksite? Not provided
The factory did not provide transport for workers.

Work patterns

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

Is there any night or back shift work at the site? Yes
There were 2 shifts for extrusion molding and cutting workers: 8:00-20:00 and 20:00-8:00 with two 1-hour meal breaks and one 2-hours overtime of each shift.

What percentage of the workforce, including temporary and agency workers, work during the night/ back shift? 71%

Was the audit conducted across all shift times, and did it include a representative sample of workers from each shift time in interviews and sampling? Yes
There were two shifts, day shift and night shift, the day shift and night shift were turned on weekly basis, 34 among the total 48 workers took the shift turning workings, and 7 shift turning workers, 4 in the day shift of the audit week, 3 in the night shift of the audit week, were sampled for interview.

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	<p>ISO 14001 (Environmental management), Other certification</p> <p>The factory obtained ISO14001:2015 management certificate, certification #: NOA2400974, valid from Jan. 26, 2024 to Jan. 25, 2027.</p> <p>The factory obtained ISO9001:2015 management certificate, certification #: NOA2312948, valid from Nov. 01, 2023 to Oct. 31, 2026.</p>
Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?	<p>No</p> <p>The factory did not assess for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.</p>
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	<p>No</p> <p>The factory did not conduct HRIA.</p>

Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	29 (60.4%)	19 (39.6%)	- -	48 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	29 (60.4%)	19 (39.6%)	- -	48 (100%)
Temporary or fixed term employees	0 (0%)	0 (0%)	- -	0 (0%)
Agency or subcontracted workers	0 (0%)	0 (0%)	- -	0 (0%)
Seasonal workers	0 (0%)	0 (0%)	- -	0 (0%)
Self-employed workers	0 (0%)	0 (0%)	- -	0 (0%)
Informal workers including home workers	0 (0%)	0 (0%)	- -	0 (0%)
Apprentices, trainees or interns	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	22 (45.8%)	12 (25%)	- -	34 (70.8%)
International migrant workers	0 (0%)	0 (0%)	- -	0 (0%)
Total migrant workers	22 (45.8%)	12 (25%)	- -	34 (70.8%)

* % of total workforce

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

The migrant workers from other provinces of China, e.g.: Jiangxi province, HeNan province, Anhui province, Hubei province.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	1 (2.1%)	0 (0%)	- -	1 (2.1%)
15 - 17 years old	0 (0%)	0 (0%)	- -	0 (0%)
Under 15 years old	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

Is the worker analysis data relevant for peak season and current to the audit?	No
Describe how this may vary during peak periods	The peak season was not obviously in the past year.
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	60%	40%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 (0%)	0 (0%)	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 (0%)	0 (0%)	- -	0 (0%)
Workers paid hourly / daily rate	29 (60.4%)	19 (39.6%)	- -	48 (100%)
Salaried workers	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 (0%)	0 (0%)	- -	0 (0%)
Paid weekly	0 (0%)	0 (0%)	- -	0 (0%)
Paid monthly	29 (60.4%)	19 (39.6%)	- -	48 (100%)
Other	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details

No other payment cycle.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	2 (4.2%)	3 (6.3%)	- -	5
Supervisors or team leaders	6 (12.5%)	5 (10.4%)	- -	11
Administrative staff	3 (6.3%)	14 (29.2%)	- -	17

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.

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) N/A, no concern raised.
What did the workers like the most about working at this site?	Communication (e.g. from management) Pay Equal opportunities Freedom of movement
Additional comments	During interview, workers showed clear opinions on their most like aspects of the factory to the auditor.
Attitude of workers' committee/union representatives	Interviewed worker representative satisfied with the working environment and management behaviors and no negative information was raised.
Attitude of managers	The management was cooperative throughout the process of the audit. All requested documents were provided in a timely manner, all necessary areas were allowed access for tour, and a private room was arranged for employees' interview. In the closing meeting, the management accepted the current findings and did not raise any negative feedback.

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
Total number of workers interviewed	10

Workers interviewed by group/individual

	Men	Women	Other	Total
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Workers interviewed by group/individual

Workers interviewed in groups	3	2	-	5
Workers interviewed individually	3	2	-	5

Migrant workers interviewed

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

Measuring workplace impact

Gender disaggregated data available

Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	4.6%	3.5%	-	4.1%
Last full calendar year (2024)	5.3%	4.2%	-	4.9%
Previous full calendar year (2023)	5.6%	4.3%	-	5.1%

* 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)	3.7%	3.2%	-	3.5%
Last full calendar year (2024)	3.3%	3.6%	-	3.4%
Previous full calendar year (2023)	5.2%	4.5%	-	4.9%

* 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 happened in the past one year.

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

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

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

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

Lost day work cases (per 100 workers)*

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

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

Percentage of workers that work on average more than 48 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 (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

Percentage of workers that work on average more than 60 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 (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	1. The factory published a human rights statement and posted in notice board. 2. Ms. Hu / General manager was responsible for implementing standards concerning Human Rights. 3. There were formal trainings provided to all employees and their suppliers on the need to protect human rights. 4. The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter. Evidence examined: Employee handbook with ETI Code, written policies and procedures, social responsibility management manual contained details of Code and Business Ethics, the commitment of compliance, management interview, worker interview.		

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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures 'Employment is freely chosen', taken regularly review & update and posted on employee notice board. The factory policies and procedures were appropriate for the site context and were very likely to lead to sustainable in the Base Code Area now and over time through regular review.</p> <p>2. Resources: SIR There was a responsible person available for ensuring implementation of site policies, however, no regular training was available to ensure the management meet the requirement.</p> <p>3. Training and communication: SIR The factory had developed an annual training plan and trains employees according to the plan, but they had not evaluated the effectiveness of employee training, and isolated interviewee didn't know the requirement.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

1. The site had policy which prohibited force labour and prison labour was available for review.
 2. The hiring procedures stated that the ID cards should be presented upon hiring but only the copies of identification card will be kept in the personal files. The original one would be returned to workers. As per the interview, most of them get the hiring information from posters or internet. No deposit was collected by the factory.
 3. The factory policy also stated that it was free for resignation from the site with one month's prior written applications. The statutory holidays, benefits, wages, working hours were also included in the factory regulations.
 4. The procedures also stated that the employees were free to have water break and rest during the work. Workers can refuse to conduct overtime work by notification in advance. All above were also confirmed by management interview.
- Evidence examined: Hiring procedures, HR employment system, employee manual, payrolls, personal data files (to check for if original documentation was held by factory), resignation documents of resigned employee, management interview, worker interview.

1. Employment is freely chosen

Data points

If required under local law, is there a published 'modern slavery' or similar statement?	Not Applicable
Does the site utilise any workers who are prisoners?	No
Does the site use the labour of persons required to work under any government scheme?	No

1.A. Responsible recruitment and entitlement to work

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on recruitment, take regularly review & update and posted on employee notice board. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: R There was a responsible person available for ensuring implementation of site policies, and regular training was available for her to ensure the management meet the requirement. It can be effectiveness of the management structure to achieve compliance sustainably over time.</p> <p>3. Training and communication: SIR The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

1. Per document review, factory management interview and employee interview, all employees in the facility were Chinese.
 2. All employees had the proper legal rights to work in this region.
 3. All employees were recruited directly by the factory, no agency was involved in factory's recruitment processes, no labour provider or on-site subcontractor used by the factory, and no worker was found paid any recruitment fee or related cost.
 4. No agency staff or foreign employees were used by the factory.
- Evidence examined: Hiring procedure, employees handbook, personal files and contracts, interview with management and workers.

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	71%
Do any workers migrate from other states, provinces or regions within the country to work at this site?	Yes
List the sending states/provinces/regions	The migrant workers from other provinces of China, e.g.: Jiangxi province, HeNan province, Anhui province, Hubei province.

Recruitment fees

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

Yes

What recruitment fees and costs do workers pay during the recruitment and employment process?

Workers do not pay any recruitment costs (Please provide details)

The factory recruited workers through advertising or job fair, the factory had responsible staffs in charge of the recruitment process, and the factory afforded all relevant fees.

Were recruitment fees or costs identified during worker interviews?

No

No recruitment fee or cost requested to be paid by the workers.

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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on freedom of association, take regularly review & update the policy and posted on employee notice board. The factory policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: R There was a responsible person available for ensuring implementation of site policies, the responsible person had relevant working experience and received regular training. It can be effectiveness of the management structure to achieve compliance sustainably over time</p> <p>3. Training and communication: SIR The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review, however, the elected worker representatives was not posted for the acknowledge of all employees.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

1. The factory management always respected workers' choice and the freedom of association and never interfered with workers to join the trade union or any other kind of workers committee.
 2. There was no union but worker representatives in the facility.
 3. There were worker representatives who were democratically elected by the production workers. The worker representatives normally would have a meeting on a trimonthly basis to summarize the concerns and complaints from production workers.
 4. All interviewed workers stated that they could report their concerns to the worker representative or directly to the supervisor or upper management.
 5. In addition, workers could also respond their concerns through suggestion boxes. And all complaints or suggestions would be tackled within a short time.
 6. Per worker representative' interview, he said that he could collect workers' opinions through holding meetings without interference.
- Evidence examined: Policy on freedom of association and right to collective bargaining, social accountability manual included worker representative election program and the responsibility of the worker representative, interview with workers, interview with management.

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

Data points

Are trade unions allowed by law in the national context?	Yes
Are there any registered trade unions in the workplace?	No
Are they active?	
Does the employer recognise the trade union?	Not Applicable
Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)?	Yes
Are the worker representatives freely elected by the workforce as a whole?	Yes
Does union/worker committee membership reflect the gender composition of the workforce?	Not Applicable
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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on health and safety, take regularly review & update the policy and posted on employee notice board. The factory policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: SIR There was a responsible person available for ensuring implementation of site policies and the responsible person had trained by local authority and obtained the Safety production management certificate, meanwhile, regularly training was required to meet the requirement. However, the responsible person may be negligent in the implementation process, resulting in non-compliance.</p> <p>3. Training and communication: SIR The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training.</p> <p>4. Monitoring: FIR The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. However, the non-compliance on PPE using and occupational health examination were identified, and it is recommended that improvements should be made to strengthen the management system and enhance its overall effectiveness.</p> <p>For the plastic product manufacturing factory, normally, there was a risk of PPE using management and occupational health examination, and most factory didn't ensure the PPEs were continuous using by workers and didn't ensure complete, pre-job, on-job, and off-job health examination.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
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3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	§1	NC	ZAF600774548
	3.A Ensure a safe working environment. Put in...	§2	NC	ZAF600774549

Systems and evidence examined to validate this code section

1. General Health and Safety management
 - Health & Safety policy was established in the factory and the factory managers were familiar with it.
 - There were two certificate safety officers in the factory.
 - Ms. Hu / General manager was appointed to be responsible for the factory's safety and health conditions.
 - Convenient drinking water supply stations were available, the test report of drinking water was provided for review.
 - Lavatory facilities were accessible and adequate in number, segregated for men and women.
 - Ventilation, temperature and lighting were adequate for the production processes.
 - Minutes of meetings showed that there were trimonthly meetings between the H&S committee (workers) and the H&S manager, and each point was acted on.
 - The on-job occupational health examinations were provided for workers, however, the pre-job, and off-job occupational health examinations were not provided for workers.
 - For PPE using, all workers were found wearing dust mask properly as per health and safety practice, but not all workers wearing earplugs properly prepared for the noise over 85dB.
 2. Fire Safety
 - There were at least 2 exits from each work area and these were clearly marked.
 - Firefighting equipment was adequate and checks were up-to-date.
 - Sprinkle system was installed per industrial requirement.
 - Evacuation floor plans were posted in all areas and understood by all workers interviewed.
 - Fire drills were organized and recorded every 6 months for production unit. The last fire drill was conducted on Sep. 30, 2024.
 - Training has been given to all employees.
 3. Electrical safety
 - There was one certified electrician in the factory.
 - The electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse board.
 4. Medical services
 - There were adequate first aid kits in each production area and they were well stocked.
 - There were 2 trained first aiders on site.
 5. Machine safety
 - Trainings on safety operation of machinery were provided for relevant workers, operation skills and safety knowledge were assessed for the workers before machine operation stations arrangement.
 - Machine safety examinations were conducted on monthly basis, and the machine safety examination records were maintained for at least one year.
- Evidence examined: Health and safety policy, health and safety manual, health and safety meeting minutes, training records and certificates, special equipment inspection report, fire equipment maintenance records, fire drill and evacuation records, building structure safety certificate, fire safety certificate, first aider certificates, accident reports, interview with H&S manager, interview with workers, site tour.

Findings: non-compliances

ZAF600774548

Non-compliance

Due 2025-02-14

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

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

Time given to resolve

30 days

Issue title

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

Verification method

Desktop audit

Description

Relevant PPEs provided by the factory, but around 20% molding workers were found did not wear earplugs. 工厂有准备相关的劳保用品，但是约20%的成型工人没有带耳塞。

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

The management should supervise and train the molding workers on wearing earplugs. 管理层应该监督和教成型工人佩戴耳塞。

Local law reference

Law of the PRC on Work Safety (2021 amendment), Article 45. Production and business units must provide employees with labour protection products that comply with national standards or industry standards, and supervise and educate employees to wear and use them in accordance with the rules of use.

Evidence



[Molding worker did not wear earplugs.JPG](#)



* PDF generated at 15:04 (UTC) on 15 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600774549

Non-compliance

Due 2025-03-16

Code area

3 Working conditions are safe and hygienic

Status

Open*

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.

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)

Description

The factory provided on-job occupational diseases examination for workers contact occupational health hazard, such as cutting workers contacted noise, but no pre-job and off-job occupational health examination provided for the workers. 工厂有给接触职业病危害因素的工人提供在岗职业病体检, 如接触噪声的裁切工人, 但是没有给接触职业病危害因素的工人提供岗前和岗后体检。

Corrective and preventative actions

The factory should provide pre-job, on-job and off-job occupational diseases examination for workers exposed to occupational diseases hazards. 工厂应该给接触职业病危害的工人提供岗前, 在岗和离岗职业病检查。

Local law reference

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Article 35. For employees conducting operations with exposure to occupational disease hazards, an employer shall organize pre-job, on-the-job, and off-the-job occupational health examination of employees according to the provisions of the work safety administrative department and health administrative department of the State Council and inform in writing employees of the examination results. The expenses for the occupational health examination shall be assumed by the employer. Employers shall not assign employees who have not undergone the pre-job occupational health examination to operations with exposure to occupational disease hazards; shall not assign employees with occupational contraindications to operations causing such contraindications; shall transfer employees who are found during occupational health examination to have suffered health injuries related to their jobs from such jobs and settle such employees appropriately; and shall not rescind or terminate labour contacts with employees who have not undergone the off the-job occupational health examination. The occupational health examination shall be conducted by medical health institutions approved by the health administrative departments of the people's governments at and above the provincial level.

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

* PDF generated at 15:04 (UTC) on 15 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

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

4. Child labour shall not be used

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on forbidden to recruited child labor, and special protection on young worker, take regularly review & update the policy and posted on employee notice board. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: R There was a responsible person available for ensuring implementation of site policies and he had good awareness and taken periodic training to ensure to meet the requirement. It can be effectiveness of the management structure to achieve compliance sustainably over time.</p> <p>3. Training and communication: R The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review. The policy was published to workers, and the interviewees knew the basic requirement of child labor and special protection on young worker. Upon effective assessment of understanding of those receiving training and/ or communications, factory can ensure a high level of efficacy.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

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

1.The complete hiring procedure was established in the factory, which required that the minor under 16 years old was not allowed to join the factory.
2.The factory would verify all employees' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files. The system was effectively implemented.
3.The child labour remediation policy was established in the factory.
4.There was no student or apprentice at the factory.
Evidence examined: The recruitment policy on child labour, recruitment procedure, latest employee list, personnel files of all workers, interview with management and workers, site tour.

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	2%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	19
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on salary and welfare, took regularly review & update the policy and posted on employee notice board. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: R There was a responsible person available for ensuring implementation of site policies, the responsible person had relevant working experience on managing salary and welfare, and received relevant support surrounding salary and welfare from management, those can be effectiveness of the management structure to achieve compliance sustainably over time.</p> <p>3. Training and communication: SIR The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

1. All employees' wages were calculated by hourly rate basis through bank transfer on or before the 15th of each month for previous month. The pay slip with proper information including workers name, department, wage level, regular working hours, regular work payment, overtime hours, overtime payment, gross wages, deductions, net wages, staff signature etc. was provided to each worker.
 2. During this audit, the payroll records from December 2023 to November 2024 and attendance records from December 01, 2023 to audit day were provided for review. As per review of 10 sampled employees' payrolls and attendance records from March 2024, August 2024 and November 2024 (current month), it was noted that all workers were paid at least RMB3500 per month (i.e RMB20.12 per hour) which above the legal minimum wage as RMB2490 per month (i.e.: RMB14.31 per hour).
 3. All sampled workers were properly paid 150%, 200%, and 300% of normal rate for overtime on normal working days, rest days and holidays.
 4. Paid annual leave benefit was also entitled to the employees who worked more than one year in the facility according to legal law.
 5. During this audit, no unreasonable deduction was found.
 6. The factory provided social insurance to all employees according to legal requirements.
- Evidence examined: Wages and benefits policy and procedure, local and national laws, local legal min wage documents, overtime premiums records, labour contracts of workers, resignation records, production records, social insurance payment receipts, commercial insurance receipt, worker interview and management interview.

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	Other (provide details) Wages meet a living wage As per review of 10 sampled employees' payrolls and attendance records from March 2024, August 2024 and November 2024 (current month), it was noted that all workers were paid at least RMB3500 per month (i.e RMB20.12 per hour) which above the legal minimum wage as RMB 2490 per month (i.e RMB14.31 per hour) effective from January 01, 2024.
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Only digital payments
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker remuneration

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

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	174.0
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	184.0

Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	2.0
	Max hours per week	20.0
	Max hours per month	94.0
Minimum legal wage	Min per hour	14.31
	Min per day	114.48
	Min per week	572.41
	Min per month	2490.0
Actual minimum wage	Actual per hour	20.12
	Actual per day	160.92
	Actual per week	804.6
	Actual per month	3500.0
Minimum legal overtime wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	30.17
	Actual per day	60.35
	Actual per week	321.84
	Actual per month	1609.2

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 sampled employees from March 2024 (random month). 10 sampled employees from August 2024 (random month). 10 sampled employees from November 2024 (current paid month).

Are there different legal minimum/ legally recognised CBAs wage grades?

No

For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?

Above legal minimum

Indicate the breakdown of workforce per earnings

100% workforce earning above the legal minimum wage.

Are there any bonus schemes used?

No

Were accurate records shown at the first request?

Yes

Were any inconsistencies found?

No

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>1. The factory established wages and benefits policy and procedure, which ensure all employees' minimum wage exceeded the legal requirement.</p> <p>2. The factory had a wage improvement plan for all employees.</p> <p>3. There was an annual review on the basic wage of workers against the legal minimum wage standard.</p> <p>4. The minimum wage was RMB3500/month (i.e RMB20.12/hour) was paid by the factory, which exceeded the living wage calculated as RMB2695/month by the factory, the calculation method: living expenses (food, e.g.: rice, egg, meat, vegetable; education, transportation, clothes etc.) for the worker themselves and the average dependents (2 working labors afford 5 persons per family: one child and two old people).</p> <p>Evidence examined: Wages and benefits policy and procedure, local legal min wage documents, living wage calculation result, wage payment records, worker interview and management interview.</p>		

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on Attendance Management, Overtime regulations and etc, take regularly review & update the policy and posted on employee notice board. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: SIR There was a responsible person available for ensuring implementation of site policies, however, no regular training was available to ensure the management meet the requirement.</p> <p>3. Training and communication: SIR The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training.</p> <p>4. Monitoring: FIR The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. However, the non-compliance on monthly overtime hours was identified, and it is recommended that improvements should be made to strengthen the management system and enhance its overall effectiveness.</p> <p>For the plastic product manufacturing factory, normally, there was a risk of exceeded monthly overtime hours, most factory didn't ensure the workers' monthly overtime hours control within 36hours.</p>

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 ZAF600774550

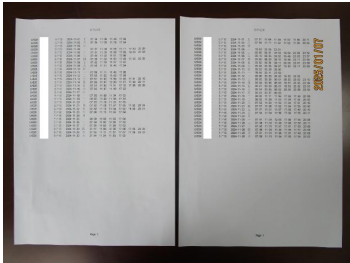
Systems and evidence examined to validate this code section

1. Through worker interview, employees volunteered to work overtime.
 2. The facility adopted ID card identification system to record working hours for all employees.
 3. Normally employees worked for 5 days and 8 hours per day a week. There were 2 shifts for extrusion and cutting workers, shift 1: 8:00~20:00 (with two rest breaks: 11:00-12:00, and 17:00-18:00), shift 2: 20:00~08:00 (with two rest breaks: 23:00-24:00, and 5:00-6:00). And 1 shift for other worker: 8:00-11:00, 12:00-17:00, with overtime: 18:00~20:00 if necessary.
 4. There was no obvious peak month in the past one year.
 5. Based on attendance records from Dec. 01, 2023 to audit day review, it was found that workers' monthly overtime hours exceeded 36 hours. In the three sampled months: Nov. 2024 (current paid month), Aug. 2024 and Mar. 2024 were randomly selected. It was found that 10 out of 10 workers' monthly overtime working hours over 36 hours with the max reached 92 hours in Nov. 2024, 10 out of 10 workers' monthly overtime working hours over 36 hours with the max reached 94 hours in Aug. 2024, 10 out of 10 workers monthly overtime working hours over 36 hours with the max reached 92 hours in Mar. 2024.
- Evidence examined: Working hours management procedure, local and national laws, labour contracts, attendance records, production and quality records to cross check hours, management interview and worker interview.

Findings: non-compliances

ZAF600774550	Non-compliance	Due 2025-03-16
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 Based on attendance records from Dec. 01, 2023 to audit day review, it was found that workers' monthly overtime hours exceeded 36 hours. In the three sampled months: Nov. 2024 (current paid month), Aug. 2024 and Mar. 2024 were randomly selected. It was found that 10 out of 10 workers' monthly overtime working hours over 36 hours with the max reached 92 hours in Nov. 2024, 10 out of 10 workers' monthly overtime working hours over 36 hours with the max reached 94 hours in Aug. 2024, 10 out of 10 workers monthly overtime working hours over 36 hours with the max reached 92 hours in Mar. 2024. 工人每月加班时间超过36小时。在随机抽取2024年11月（当前月）、2024年8月和2024年3月的三个抽样月中发现：2024年11月，抽样的10个工人的月加班时间超过36小时，最高92小时，2024年8月，抽样的10个工人中的月加班时间超过36小时，最高为94小时，2024年3月抽样的10个工人的月加班时间超过36小时，最高为92小时。	Area of non-compliance/non-conformance Local law Base code	
Corrective and preventative actions It is recommended that the factory should ensure the overtime working of workers be in accordance with the legal requirements. 建议工厂应确保工作时间符合国家法律。		
Local law reference PRC Labour Law, Article 41. The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.		

Evidence



[Monthly over time working hours over 36 hours.JPG](#)

* PDF generated at 15:04 (UTC) on 15 Jan 2025. [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?	NA, overtime premium was more than 125%.
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?	56.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	60.0
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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on discrimination, take regularly review & update the policy and posted on employee notice board. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: R There was a responsible person available for ensuring implementation of site policies, and regular training was available to ensure the management meet the requirement. It can be effectiveness of the management structure to achieve compliance sustainably over time.</p> <p>3. Training and communication: SIR The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review. The policy was published to workers, however, however, they had not evaluated the effectiveness of employee training.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

1. As informed by interviewed employees, most employees spoke highly of the facility owner.
 2. No employee was required to do the examination of the hepatitis B virus or HIV. Female workers in this facility were not required to take pregnant tests before or during their employment.
 3. Anti-discrimination procedures for hiring, compensation, promotion and access to training were available during the audit, gender divisions did not exist in the factory, both female and male employees were distributed in all types of work.
 4. Workers had equal opportunities on recruitment, training, career development and promotion were stated in the anti-discrimination procedures, interviewed workers stated that they were informed on the equal opportunities through trainings provided by the factory.
 5. Ms. Hu, the responsible person, the general manager, was responsible for the implementation and monitoring of equal opportunities practices, she was aware the responsibilities, and she had necessary skills and seniority to manage this issue.
 6. There was an internal grievance process. All sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
- Evidence examined: Anti-discrimination policy and social accountability manual, the hiring and termination procedure, leave application records and employee handbook, attendance records, training records, termination records, interview with management and workers.

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)?	0%
Representation of women in managerial roles (ratio of women workers to women managers)	
Representation of women in supervisory roles (ratio of women workers to women supervisors)	
Three most common nationalities in managerial and supervisory roles	The managerial and supervisory roles were Chinese.

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on regular employment, take regularly review & update the policy and posted on employee notice board. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: R There was a responsible person available for ensuring implementation of site policies, and regular training was available to ensure the management meet the requirement. It can be effectiveness of the management structure to achieve compliance sustainably over time.</p> <p>3. Training and communication: SIR The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
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No findings

Systems and evidence examined to validate this code section

1. All workers were recruited by the factory directly and had signed contracts with the factory. Workers did not have to pay recruitment fee at any stage of the recruitment process.
 2. No labour agency was used to hiring workers.
 3. No temporary worker or home worker was identified by auditor.
 4. HR manager took charge of the entire recruitment process. The relevant HR personnel had been trained and assessed on legal and ethical requirements and followed the recruitment management procedure.
 5. All interviewed workers confirmed all terms of employment contract and were properly provided with one copy of the labour contract for his or her reference.
- Evidence examined: Recruitment policy, the hiring and termination practices, personal files and labour contracts, interview with management interview and workers.

8. Regular employment is provided

Data points

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

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on sub-contracting and homeworkers, take regularly review & update the policy and posted on employee notice board. The factory policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: R There was a responsible person available for ensuring implementation of site policies, and regular training was available to ensure the management meet the requirement. It can be effectiveness of the management structure to achieve compliance sustainably over time.</p> <p>3. Training and communication: R The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review. Upon effective assessment of understanding of those receiving training and/ or communications, factory can ensure a high level of efficacy.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

1. Supplier management procedure was established.
 2. A site tour showed that all production processes were presented in the factory.
 3. No sub-contracting or home-working was used in the factory.
- Evidence examined: List of approval suppliers, production records, interview with management and workers, site tour.

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
Through supplier control documents review and management interview, it was noted that their suppliers did not use homemaker.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No
Through factory tour, worker and management interview, it was noted that the production capability was sufficient, and no additional process need to be subcontracted.

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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on harsh or inhumane treatment, take regularly review & update the policy and posted on employee notice board. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: R There was a responsible person available for ensuring implementation of site policies, and regular training was available to ensure the management meet the requirement. It can be effectiveness of the management structure to achieve compliance sustainably over time.</p> <p>3. Training and communication: SIR The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review. However, they had not evaluated the effectiveness of employee training.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

1. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehavior which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that employees were aware of the disciplinary procedure.
 2. As per management interview, document review and worker interview, there was a policy on harsh treatment.
 3. There was an internal process for grievance, which was an anonymous suggestion box, where employees could report any grievances (harassment, bullying and discrimination). Any received complaint would be handled by management, without any reprisal for the employee in question. All sampled employees were aware the system.
- Evidence examined: The relevant policy on prevention of harassment and abuse, internal grievance procedure documentation, disciplinary action records, grievance records, training records, interview with management and workers.

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process
What type of grievance mechanism(s) are available?	Hotline, worker representatives, suggestion box etc.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on environment protection, and obtained ISO14001:2015 management certificate, there were updated policies posted on employee notice board. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.</p> <p>2. Resources: R There was a responsible person available for ensuring implementation of site policies, had good awareness on environment protection and regular training was available to ensure the management meet the requirement. It can be effectiveness of the management structure to achieve compliance sustainably over time.</p> <p>3. Training and communication: R The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review. Upon effective assessment of understanding of those receiving training and/ or communications, factory can ensure a high level of efficacy.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

- 1.The facility established the written policies and procedures on environmental protection.
 - 2.The EIA with the approval of EIA, and fixed pollution discharge registration receipt were obtained per legal requirements.
 - 3.Ms. Hu / General manager was responsible for legal compliance on the environment issues.
 4. Regular boundary waste discharge monitoring on waste air discharge, waste water discharge, and waste noise discharge was performed.
 - 5.There no any fines or prosecutions for noncompliance to environmental regulations for the past year in the factory.
 - 6.The factory had collected the related laws of environmental protection and they were updated regularly.
- Evidence Examined: Policy and procedure on environment management, list of environmental impact factors, legal required certificates, training records, boundary waste discharge monitoring report, hazard waste handling records, interview with management and workers, site tour.

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	The factory obtained ISO14001:2015 management certificate, certification #: NOA2400974, valid from Jan. 26, 2024 to Jan. 25, 2027.
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))?	No
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	No

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>1.The factory established environment management system, and obtained ISO14001:2015 management system certificate.</p> <p>2.Ms. Hu / General manager was responsible for continuous improvements on the environment factors management.</p> <p>3.Risk assessment has been conducted for better identification and management of environment impact factors.</p> <p>4.The factory learned about the environmental impact factors of the site and conducted training for all employees.</p> <p>5.There was energy usage and water usage saving goals defined, and the goals achievement were monitored and analyzed annually.</p> <p>6.The recyclable wastes generated in the factory were the waste plastic scraps generated in extrusion molding process, the factory had plan to put the waste into recycle.</p> <p>7.The factory had required its suppliers to commit to be compliant with local environment regulation.</p> <p>Evidence examined: ISO14001:2015 management system certificate and the established procedures, training records, risk assessment on environment protection, site tour, water receipts and electricity receipts, energy usage saving policy and water usage saving policy.</p>		

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Zero-waste and recycling protocols Prioritising local suppliers Packaging optimization
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes This was included in the site's internal management system.
Does the site have reduction targets in place to manage climate related risks?	Yes, to reduce scope 1 greenhouse gases (GHGs)
Are any of these science-based targets?	No, but we anticipate setting one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes Air emissions, water and energy usage, and waste were monitored with reduction targets to reduce costs.
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 had checked business partners operating on the premises have appropriate permits and licenses and were conducting business in line with environmental expectations of theirs.

Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	3,296,390	2,560,000
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None

Types of renewable energy used	Data not available	Data not available
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	Data not available	Data not available
Has the site completed any carbon footprint analysis?	No	No
Water sources	Urban water supply system	Urban water supply system
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	5,955	7,488
Water discharged	Urban water drainage system	Urban water drainage system
Water volume discharged (m3)	5,955	7,488
Water volume recycled (m3)	0	0
Total waste produced (mt)	125.5	87.6
Total hazardous waste produced (mt)	1	1
Waste to recycling (mt)	106	75
Waste to landfill (mt)	0	0
Waste to other (mt)	18.5	11.6
Total product produced (mt)	4,317	2,817

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies and Procedures: R Factory had established documented policy and procedures on business ethics, take regularly review & update the policy and posted on employee notice board. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with in the Base Code Area now and over time through regular review.</p> <p>2. Resources: R There was a responsible person available for ensuring implementation of site policies, had good awareness on business ethics was available to ensure the management meet the requirement. It can be effectiveness of the management structure to achieve compliance sustainably over time.</p> <p>3. Training and communication: R The factory had developed an annual training plan, trains employees according to the plan and the training records were provided for review. According to management and workers interview, they knew well about the business ethics. Due to effective assessment of understanding of those receiving training and/ or communications, factory can ensure a high level of efficacy.</p> <p>4. Monitoring: R The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits, and take active actions for the non-compliances. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

Systems and evidence examined to validate this code section

1. Ms. Hu / General manager was the designated person responsible for implementing standards concerning Business Ethics, and ensured that site practices were conducted without any corruption and/or bribery.
 2. The factory established business ethics policy which was communicated to workers through posters and training.
 3. The factory had received and read the Business Ethics policy of the auditor/audit company.
 4. The Business Ethics policy, worker handbook and the training record were provided to auditor for review.
 5. The factory had a transparent system in place for confidentially reporting and dealing with unethical business behaviors without fear of reprisals towards the reporter.
- Evidence examined: Business ethics policy including anti-bribery and anti-corruption, training records, worker handbook, unethical behavior report, worker interview and management interview.

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?	No
Provide any certified anti-bribery management systems for the site	No certification on anti-bribery management system was obtained, but the factory established business ethics policies which were communicated to employees through posters and trainings. Ms. Wu Yifei / Administration manager was responsible for implementing standards concerning Business Ethics.

Attachments



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CAP.pdf](#)



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