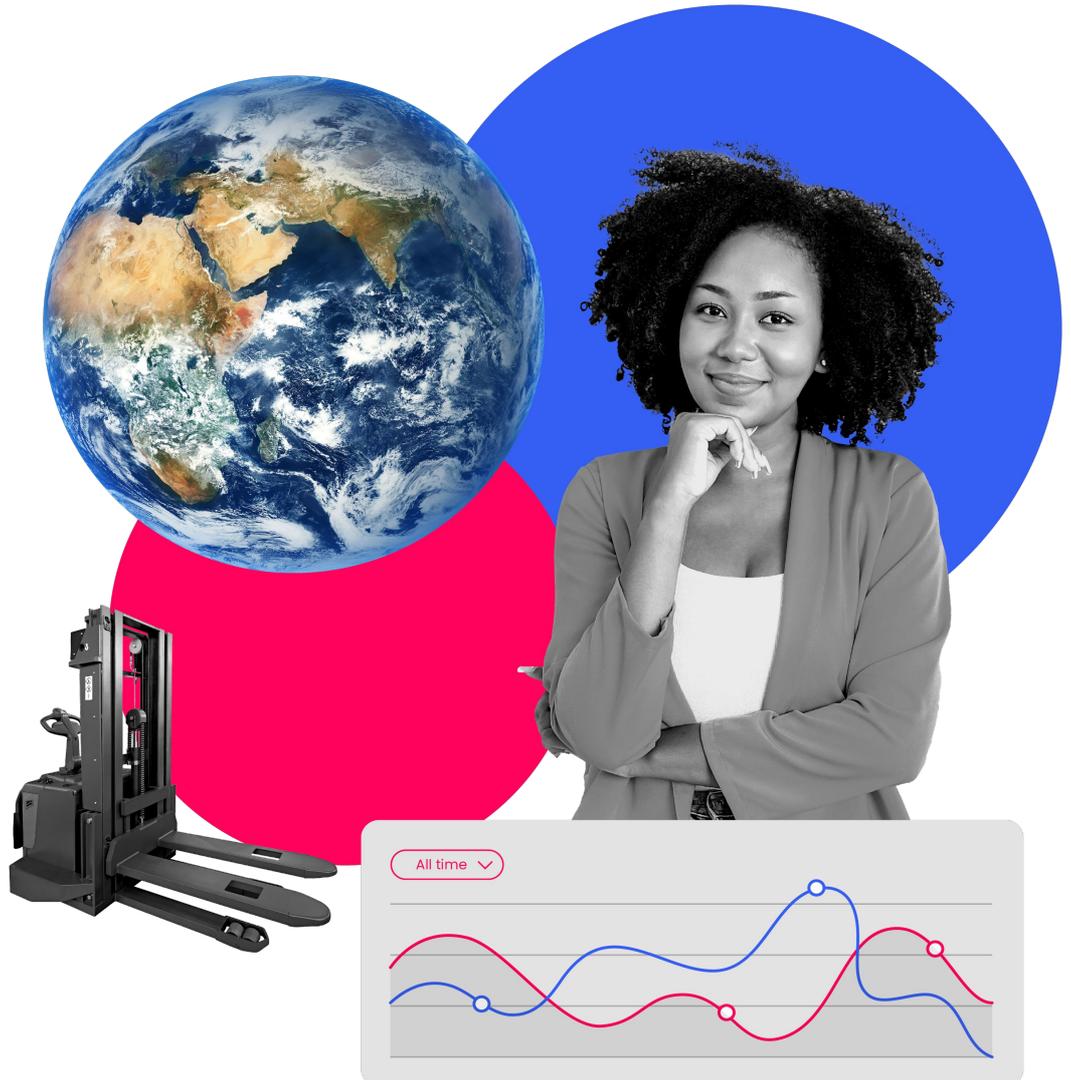


# Sedex Members Ethical Trade Audit Report

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

<b>Sedex company reference</b>	ZC418073826	<b>Auditor company name</b>	SGS_China
<b>Date of audit</b>	2025-04-08	<b>Audit conducted by</b>	Sedex member
<b>Audit pillars</b>	Labour Standards   Health and safety		

## Site details

<b>Sedex site reference</b>	ZS418091877	<b>Site name</b>	Taizhou Dedao Industry Co Ltd
<b>Business name</b>	Taizhou Dedao Industry Co Ltd	<b>Site address</b>	317000 No.17, Bingang Road, Hairun Street, Sanmen County, Taizhou City, Zhejiang Province, China, Taizhou, CN
<b>Site phone</b>	15000405598	<b>Site email</b>	sales12@dedaomats.com

# Audit parameters

Time in and out	Day 1	
	In	08:35
	Out	16:35
Audit type	Full initial	
Was the audit announced?	Semi announced	
Was the Sedex SAQ available for review?	Yes	
Who signed and agreed CAPR?	Zhang Xianlong / Factory director	
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

<b>SMETA declaration</b>	I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.		
	<ol style="list-style-type: none"> <li>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.</li> <li>2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.</li> </ol>		
	<p>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.</p>		
<b>Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)</b>	This audit is Semi-announced with 4 weeks window (Apr 1- Apr 29, 2025).		
<b>Lead auditor</b>	Will Ling	<b>APSCA Number</b>	32400234
<b>Additional auditor</b>			
<b>Date of declaration</b>	2025-04-08		

## 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>	Zhang Xianlong
<b>Title</b>	Factory director
<b>Date of declaration</b>	2025-04-08

## 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="#">ZAF600883339</a>
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§2	NC <a href="#">ZAF600883340</a>

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## Local law issues

- 
- §1 Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing.
- 
- §2 Labor Law of the People's Republic of China (2018 Amendment), 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 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				

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

## Site details

### Company and site details

Sedex company reference	ZC418073826	
Sedex site reference	ZS418091877	
Company name	Taizhou Dedao Industry Co Ltd	
Business ownership type	GOODS	
Site name	Taizhou Dedao Industry Co Ltd	
Site name in local language	台州德道塑业有限公司	
GPS location	GPS address	No.17, Bingang Road, Hairun Street, Sanmen County, Taizhou City, Zhejiang Province, China.
	Coordinates	Longitude:121.471503 Latitude: 29.111055
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Zhang XianLong
	Job title	Factory director
	Phone number	15000405598
	Email	sales12@dedaomats.com
Applicable business and other legally required business license numbers and documents	Business license number:91331022MA2K7MCR45. Valid time was from Jan 12,2021 to long-term. Registration of discharge from fixed pollution sources: No: 91331022MA2K7MCR45001Y. Valid time was from May 8,2022 to May 7,2027.	

### Site activities

Site function	Factory Processing/Manufacturer
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## Site activities

<b>Site activities</b>	<b>Primary</b>	Manufacture of plastics products
	<b>Secondary</b>	
	<b>Other</b>	
<b>Product type</b>	PVC floor mat, PC floor mat	
<b>Process overview</b>	The products manufactured in this unit was PVC floor mat, PC floor mat. The main processes were: Raw material- Mixing - Extrusion molding – Cutting – Carving - Packing - Finish goods. The main equipment used in the factory were listed as below: 1 mixing machine, 1 extrusion molding machine, 1 cutting machine, 1 engraving machine, 2 packaging lines, etc.	
<b>What level of mechanization best describes the work at this site?</b>	Fair mechanisation / manual Labour	

## Site scope

<b>Is the audited site a physically continuous area?</b>	No	The factory leased the entire third floor of a three-story partial four-story building from Zhejiang Zhongye Packaging Co., Ltd. for office use, and the first floor part, second floor part and the entire third floor of a three-story building for workshop and warehouse. Based on worker interviews, management interviews and field observations, there was no mixing of workers and management.
<b>Building 1</b>	<b>Last construction works on site</b>	2013
	<b>If building is shared, provide details</b>	The factory leased the entire third floor of a three-story partial four-story building from Zhejiang Zhongye Packaging Co., Ltd. for office use.
	<b>Number of floors</b>	4
	<b>Description of floor activities</b>	1F: Landlord's canteen 2F: Landlord's office 3F: Office of the audited factory 4F: Landlord's vacant area

## Site scope

<b>Building 2</b>	<b>Last construction works on site</b>	2013
	<b>If building is shared, provide details</b>	The factory leased part of the 1st floor, part of the 2nd floor and the whole 3rd floor of a three-story building from Zhejiang Zhongye Packaging Co., Ltd. for workshop and warehouse.
	<b>Number of floors</b>	3
	<b>Description of floor activities</b>	1F: Part of the audit factory is the mixing workshop, extrusion molding workshop, engraving workshop, packing workshop. The rest is the landlord's warehouse. 2F: Part is the warehouse of the audited factory, and the rest is the warehouse of the landlord. 3F: The warehouse and packing workshop of the audited factory.

**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  
The factory does not provide transportation. Workers live in different places and arrange their own transportation.

## Work patterns

Approximate workers on site per month (% of peak)	January	95-100%	February	95-100%
	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  
 The workers(Except for Mixing, Extrusion molding, Cutting, Part of the packaging workers) worked in one shift workers, which was from 07:30-11:30 and 13:00-17:00, Mixing, Extrusion molding, Cutting, Part of the packaging workers have 2 shifts, 07:30-15:30;15:30-23:30.

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

Was the audit conducted across all shift times, and did it include a representative sample of workers from each shift time in interviews and sampling? Yes  
 Among the 10 samples, 5 workers are selected from daily shift and 5 back shift workers were also include in interview and document sampling.

## Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact? Other social audit  
 BSCI audit conducted on 17/04/2024

Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community? No  
 NA

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site? No  
 There was no HRIA within the last three years at this site.

# Worker analysis

Gender disaggregated data available      Men and women

## Worker totals

	Men	Women	Other	Total
Number of workers	19 (55.9%)	15 (44.1%)	- -	34 (100%)

## Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	19 (55.9%)	15 (44.1%)	- -	34 (100%)
Temporary or fixed term employees	- -	- -	- -	0 (0%)
Agency or subcontracted workers	- -	- -	- -	0 (0%)
Seasonal workers	- -	- -	- -	0 (0%)
Self-employed workers	- -	- -	- -	0 (0%)
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	16 (55.2%)	13 (44.8%)	- -	29 (85.3%)
International migrant workers	- -	- -	- -	0 (0%)
<b>Total migrant workers</b>	<b>16 (55.2%)</b>	<b>13 (44.8%)</b>	<b>- -</b>	<b>29 (85.3%)</b>

\* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from Anhui, Jiangsu, Yunnan.

## Workers by age

	Men	Women	Other	Total
18 - 24 years old	3 (100%)	0 (0%)	- -	3 (8.8%)
15 - 17 years old	- -	- -	- -	0 (0%)
Under 15 years old	- -	- -	- -	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 There is no peak season 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	56%	44%	-	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	- -	- -	- -	0 (0%)
Salaried workers	19 (55.9%)	15 (44.1%)	- -	34 (100%)

\* % of total workforce

## Workers by payment cycle

	Men	Women	Other	Total
Paid daily	- -	- -	- -	0 (0%)
Paid weekly	- -	- -	- -	0 (0%)
Paid monthly	19 (55.9%)	15 (44.1%)	- -	34 (100%)
Other	0 -	0 -	- -	0 (0%)

\* % of total workforce

If other payment cycle entered, please provide details NA

## People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	1 (50%)	1 (50%)	- -	2
Supervisors or team leaders	1 (100%)	0 (0%)	- -	1
Administrative staff	4 (66.7%)	2 (33.3%)	- -	6

# 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) NA. No negative feedback.
What did the workers like the most about working at this site?	Communication (e.g. from management) Freedom of movement Job security Pay
Additional comments	All workers said they were satisfied with the working conditions at the factory and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. The workers could raise their suggestions effectively to the supervisor, factory manager, general manager or worker representative, and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as working condition to worker representative who would take it to the worker management committee.
Attitude of workers' committee/union representatives	Interviewed with the worker representative, he said factory management were very care about workers and paid more attention to deal with workers' suggestion or complain. The worker representative showed that the management was kind and the workplace was comfortable. No negative information was identified.
Attitude of managers	The factory management agreed that the auditors could access to all facilities, compound documents and records requested by the auditors, to take photo of the factory, to copy relevant document records and to conduct confidential worker's interview. During the audit, management showed they were willing to gradually improve all issues found onsite.

## 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
Workers interviewed in groups	3	2	-	5
Workers interviewed individually	4	1	-	5

### Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	4	5	-	9
International migrant workers interviewed	0	0	-	0
<b>Total migrant workers interviewed</b>	<b>4</b>	<b>5</b>	<b>-</b>	<b>9</b>

# Measuring workplace impact

Gender disaggregated data available      Men and women

## Annual worker turnover (%)\*

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

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

## Rate of absenteeism (%)\*

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

\* 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

The factory had provided accidents records in past one year to auditor for review, there were no accident happened.

## 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			
<b>Systems and evidence examined to validate this code section</b>	<p>Current systems:</p> <ul style="list-style-type: none"> <li>• The factory management was co-operative during the audit time, and allowed by the management that photos were taken and enclosed as support evidence. The factory provided the genuine and authentic records for review.</li> <li>• There were no tampering or inconsistent documents found.</li> <li>• The Sedex SAQ was available for review, and no conflicting information was founded.</li> <li>• The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensured it is communicated to all appropriate parties, including its workers and own suppliers.</li> <li>• Mr. Zhang/ Factory director was a designated person responsible for implementing standards concerning Human rights.</li> </ul> <p>Evidence examined:</p> <ul style="list-style-type: none"> <li>• Employee handbook</li> <li>• Business licenses of the factory and the property owner.</li> <li>• Procedures on social accountability</li> <li>• Management and worker interview</li> </ul>		

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?

Yes

Employees are employed directly by the factory.

# 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	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. The factory's Prevention of forced labor, discrimination, and harassment control procedures in place to manage this issue at the site includes all relevant requirements of the code area, and further detail can be found in the 'Recruitment and Onboarding' procedure. Employees are free to choose whether to work overtime or not, employees can easily apply for leave and no cases of forced labor have been found.</p> <p>2. There is a designated individual responsible for ensuring the implementation of the site policies. Nevertheless, there is a lack of regular training to guarantee that the management meets the requisite standards.</p> <p>3. All employees involved in the recruitment process receive regular training on unbiased hiring practices. They are educated on how to avoid unconscious biases during interviews and evaluations. Internal communication within the recruitment team is also enhanced to ensure everyone is aligned with the principles of free choice in employment. All employees have done a series of relevant training and verified the effectiveness of the training.</p> <p>4. Employees report relevant issues to the factory management representative through the appeal mechanism, and monitor and implement relevant policies effectively.</p>

## 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 had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- The employees obtained their job by job AD or by friend's recommendation.
- The workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- And according to onsite observation and interview statement of workers, workers confirmed that there was no any force labor exited in the factory, for example, they could resign according to legal requirement and they could leave the factory freely without being searched, etc. Besides, no inhumane or degrading treatment was found during the audit and according to interview with workers.

**Evidence examined:**

- Personnel files sampling review
  - Resignation records sampling review
  - Factory rules review
  - Employee manual review
  - Management and workers interviews
-

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
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# 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	<ol style="list-style-type: none"> <li>1. The factory's Human Resource Management Procedure outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area. Employees can freely choose their careers without any recruitment fees.</li> <li>2. A senior director is assigned responsibility for implementation, and aware of the responsibilities. HR specialists are responsible for the recruitment of workers in accordance with the requirements of the relevant regulations. Procedure documentation is met for every worker recruited.</li> <li>3. All employees have done a series of relevant training. They are trained to recognize genuine and fake documents. There are also mechanisms to communicate with government agencies if needed for additional information or clarifications.</li> <li>4. By reporting to the responsible person the compliance of the relevant departments to monitor the process and developing relevant mechanisms to monitor whether the operators have implemented the process, the factory retains relevant training records. Management conducts regular spot checks on the monitored situation to ensure that no violations of procedures have occurred.</li> </ol>

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

- All workers in the factory were Chinese. All workers had the proper legal rights to work in this region.
- No foreign worker was used by the factory.
- The factory does not charge any fees during the recruitment process.
- No agency worker or contractor worker was used by the factory.
- The factory had established recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
- All workers were presented with terms of employment at the time of recruitment, and understand them.

Evidence examined:

- Hiring procedure
  - Personnel files and labor contracts
  - Worker and management interview
  - The hiring and termination procedure
-

## 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	85%
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	Anhui, Jiangsu, Yunnan.

## Recruitment fees

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

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Were recruitment fees or costs identified during worker interviews? No

NA. No other fees.

## 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. The factory's Freedom of Association and the Right to Collective Bargaining policy outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area. Documents clearly assign responsibilities, processes in place and address all code areas - they can be considered robust.</p> <p>2. The documentation clearly assigns responsibilities, processes, and addresses all code areas - they are considered Robust. Mr. Zhang/ Factory director is responsible for execution. Those responsible fully understood their duties and were helping workers understand their right to freedom of association.</p> <p>3. Those in charge received training on freedom of association and used their knowledge to develop effective processes. For example, when an employee's right to freedom of association is infringed upon, he or she can report it to the general manager, who will handle it personally. The human resources department should record the whole process. However, the frequency of training is too low, and there is no relevant training for workers every year.</p> <p>4. The Human Resources Department is responsible for enforcing the freedom of association of employees and recording relevant incidents, which can be learned from training records and meeting minutes. The workers were present at the meeting and used their rights.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

## Current systems:

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- 2 worker representative were available in the factory, 1 worker representative attended the opening and closing meeting during this audit.
- The worker representative meeting was conducted when needed.
- Through worker interview, the worker could raise their grievances or complaint through worker representatives or management directly.

## Evidence examined:

- The policy on freedom of association
- Interview with workers and management
- Interview with worker representative
- Election and meeting minutes

## 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	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. The factory's "Health and safety Policy" document Outlines the system for managing this problem on site, including all relevant requirements in the area of the code, further details of which can be found in the procedure. The procedures document contains all health and safety risks of the plant.</p> <p>2.The documentation clearly assigns responsibilities, processes, and addresses all code areas - they are considered Robust. Mr. Zhang/ Factory director is responsible for execution, and he knows his responsibilities. The person in charge of health and safety has obtained the corresponding certificate and has studied health and safety knowledge every year.</p> <p>3. The factory set up an EHS safety committee, conducted communication and training for personnel in related positions, and evaluated the training effect. Regularly organize workers to conduct health and safety training every year, including fire protection, electrical appliances, etc., but it does not include risk identification training for each position.</p> <p>4. The factory has established and implemented relevant monitoring procedures to identify health and safety risks. The responsible department regularly checks the health and safety claims of the factory, and deals with any problems found in time.</p>

#### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

**Current systems:**

1. General Health and Safety management
  - Mr. Zhang/ Factory director was responsible for issue of Health & Safety in the factory.
  - Minutes of meetings show that there were regularly meetings between H&S committee and H&S manager.
  - Ventilation, temperature and lighting were adequate for the production processes.
  - Sufficient clean toilets segregated by gender were available at all times to workers.
  - The factory provided potable water to workers free of charge in workshop.
2. Fire Safety
  - Evacuation plans were posted in all workshops and understood by all interviewed workers.
  - The adequate emergency exits for all workshops.
  - Sufficient fire-fighting equipment such as fire extinguishers and hydrants in production building. Regular inspection was taken by the factory per month.
  - Fire drill was conducted in the factory twice per year, the records were provided for review.
3. Electrical safety
  - All parts of electrical equipment were maintained in good condition such as sockets, plugs, switches and main fuse boards.
  - There are qualified electricians on site and certificates are available for review.
4. Chemical safety
  - Chemical inventory list was available.
  - Workers in the chemical store area confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.
5. Medical services
  - Sufficient first aid kits in each production area and they were well stocked.
  - Sufficient first aiders were available in the factory and the certificate was provided for review.

**Evidence examined:**

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Fire equipment maintenance records
- Training records and certificates
- Fire acceptance certificates or records
- The completion acceptance reports or records
- Fire drill records
- Trained first aider register
- Accident records
- Onsite observation
- Worker and management interview

### 3. Working conditions are safe and hygienic

## Data points

Is someone within the company responsible for health and safety?	Yes, qualified safety officer
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?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Yes There were no structural additions without required
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. The position of the company is clearly stated in the Child Labour Prevention and Remediation Policy which meets all Workplace Requirements in this code area. The Policy makes reference to the Hiring Procedure, which outlines the key mechanisms in place for preventing underage work and the placement of young workers in unsuitable positions. This procedure includes provision for non-employee (agency) workers. The Remediation Procedure outlines processes and responsibilities, including financial, for undertaking remediation.</p> <p>2. The Senior Director is named within the Child Labour Prevention and Remediation Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental HR leads are allocated responsibility to implement the Hiring Procedure in named areas, which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>3. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The Child Labour Prevention and Remediation Policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed.</p> <p>4. The factory has developed relevant policies and monitoring procedures, including during recruitment, pre-entry, post-entry, and resignation process, the factory conducts regular monitoring and assessment to identify relevant risks in the area, which can be reflected in its training records and risk identification records. The head of recruitment checks identity cards before entry, and management regularly reviews worker information to ensure that child Labour is not used.</p>

### 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 established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their original copies of ID card were kept in their personnel file. And the policy stated that the factory never employed and used any child labour under the age of 16 years old.
- The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, also did not arrange young workers to hazardous post.
- Checks of all workers files showed that no child labour or young worker was identified during the audit.
- The youngest worker in the factory was 18 years old. he was born on Apr 24, 2006 and joined the factory on Feb 14, 2025.
- Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labour.

Evidence examined:

- Policy on workers recruitment
  - Personnel files including the ID card copies of workers
  - Roster and labour contracts of all workers
  - Worker and management interview
-

4. Child labour shall not be used

## Data points

Percentage of workers that are age 24 or younger	8%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	18
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

## 5. Legal wages are paid

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Fundamental Improvements Required
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Fundamental Improvements Required
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>1.The factory has established a system on "Working Hours, Payroll Management Control Procedures" that Outlines the management of this issue on site, including all relevant requirements in the code area, further details can be found in the procedures. The factory has established effective system control to provide social insurance for all workers. But the process fails to include training for workers who do not want to contribute to social security.</p> <p>2.The factory appointed Mr. Zhang/ Factory director to carry out the relevant procedures, which clearly defined responsibilities and policies. However, the responsible department did not carry out relevant training, were not familiar with the legal requirements, and failed to fully perform their duties, which led to the problem of insufficient social insurance.</p> <p>3. The factory has trained key personnel to implement the requirements, communicated these requirements to employees. However, the effectiveness of the training of responsible departments and workers has not been verified. The responsible department did not fully understand the procedural requirements and did not fully implement the procedural requirements, and the workers did not understand the regulatory requirements. This leads to insufficient social insurance.</p> <p>4.The Human Resources Department is responsible for the implementation of employee welfare elements such as social security and other related employee benefits, and documenting related events, which can be learned from training records and meeting minutes. Major gaps in monitoring of procedures that does not ensure sufficient management of Workplace Requirements on an ongoing basis. Failure to identify the problem of inadequate social security in the internal audit of social responsibility.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
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5. Legal wages are paid

5.B Ensure that workers receive the insurance... §1

NC [ZAF600883339](#)

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

Current systems:

- The local legal minimum wage was RMB2010/month since Jan 1,2024.
- All workers' wages were calculated by monthly salary. The factory paid at least CNY3880 per month as minimum wage. The minimum wages met the local legal requirement.
- All workers' overtime wages were paid 150%, 200% and 300% of the normal wage rate for overtime on weekdays, weekends and statutory holidays respectively.
- The wage was paid on 15th of following month by cash and each worker was given a pay slip and signed for their wages.
- All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

Evidence examined:

- Payroll records from Mar 2024 to Feb 2025.
- Local legal minimum wage documents
- Wages and benefits policy
- Labour contracts for all employees (to examine agreed wage rates)
- Leave records and resignation records
- Pay slips of all interviewed workers
- Payment receipts of social insurance
- Workers and management interview

# Findings: non-compliances

ZAF600883339

Non-compliance

Due 2025-07-13

## 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

90 days

## Issue title

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

## Verification method

Follow up audit

## Description

The cover of social insurance was insufficient at the facility. Based on the provided social insurance receipt of past three month, there were totally 43 employees (include 2 managements and 41 workers), 41 workers including 13 retired workers and 2 new workers, 7 workers (26.9%) were provided with pension, unemployment, medical, maternity and work-related injury insurance. Remark; The factory provided commercial accident insurance for other all workers, valid from Feb 24, 2025 to Feb 23, 2026. 工厂的社会保险覆盖不足。根据工厂提供的过去三个月的社会保险缴费单据显示，工厂共有43名员工（包含2名管理层和41名工人）其中41名工人包含了13名退休工人和2名新工人，工厂为7名工人（26.9%）提供养老、失业、医疗、生育和工伤保险。备注：工厂为其他所有工人提供了商业意外险，保期从2025年2月24日至2026年2月23日。

## Area of non-compliance/non-conformance

Local law  
Base code

## Corrective and preventative actions

The factory should provide social insurance to all employees as per the legal requirement. 工厂应按法律要求给所有员工提供社保。

## Local law reference

Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing.

## Explanation of difference in resolution time or verification method from the SMETA issue title recommendation

Timescales was confirmed by factory.

## Evidence



[Inadequate social insurance.jpg](#)



\* PDF generated at 03:16 (UTC) on 14 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

## 5. Legal wages are paid

### Data points

What is the basic wage paid to workers?	The legal minimum wage Wages are based on job skills and experience Wages meet a living wage
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 wage was paid on 15th of following month by cash and each worker was given a pay slip and signed for their wages.
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	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	14.0
	Max hours per month	66.0
Minimum legal wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2010.0
Actual minimum wage	Actual per hour	Non applicable
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	3880.0
Minimum legal overtime wage	Min per hour	17.33
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	33.45
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

## Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples from Feb 2025 (Current month); 10 samples from Aug 2024 (Random month); 10 samples from May 2024 (Random month).

Are there different legal minimum/ legally recognised CBAs wage grades?	No
For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?	Above legal minimum
Indicate the breakdown of workforce per earnings	100% workers were paid above the legal minimum.
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			
<b>Systems and evidence examined to validate this code section</b>	<p><b>Current systems:</b></p> <ul style="list-style-type: none"> <li>•The factory reviewed workers' total pay yearly and compared it with a credible 'living wage' to calculate a 'living wage gap'.</li> <li>•The gap analysis includes all employees, and the wage income in the gap analysis is consistent with the reality.</li> <li>•The factory made a wage improvement plan.</li> </ul> <p><b>Evidence examined:</b></p> <ul style="list-style-type: none"> <li>•Living wage gap analysis record( Calculation method: Living wage for US Monthly Methodology)</li> <li>•Wage improvement plan</li> </ul>		

## 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	Fundamental Improvements Required
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Fundamental Improvements Required
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

### Explanation for management systems grades

1. The factory has formulated written policies and procedures regarding attendance management, overtime regulations, overtime remuneration, production contingency plan, and so forth. The policies make reference to the Employees Manual, which outlines the key mechanisms in place for preventing workers from excessive working hours. Those procedures include provision for young workers, female workers and pregnant workers. It regularly undertakes reviews and updates of these policies and posts them on the employees' noticeboard.
2. The factory appointed Mr. Zhang/ Factory to carry out the relevant procedures, which clearly defined responsibilities and policies, but the management structure was not in line with the relevant requirements of the region. The responsible department did not plan capacity correctly, resulting in employees working more overtime than required by regulations.
3. All employees have received an internal training on working hours and overtime of training programs and have used their knowledge to develop effective processes in place. Regular communication channels, such as team meetings, bulletin boards, and internal messaging systems, are used to remind employees of the working hour limits and to update them on any changes in the schedule. Due to workers' incomprehension of the training content and incomplete communication, the training results are different from the ideal results.
4. The factory had established monitoring procedures to monitor risks in terms of working hours, wages, etc. However, the responsible department did not fully perform its duties and did not take correct measures to rectify the problem after monitoring and identifying the occurrence of overtime.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
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**6. Working hours are not excessive**

6.F Ensure that where overtime is used, it is... §1

NC [ZAF600883340](#)

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

**Current systems:**

- The factory provided all workers' attendance records from Mar 1, 2024 to the audit date.
- The working time of workers were recorded by fingerprint.
- Normally, the factory conducted 8 hours per day and 40 hours per week of work time from Monday to Friday. The workers(Except for Mixing, Extrusion molding, Cutting, Part of the packaging workers) worked in one shift workers, which was from 07:30-11:30 and 13:00-17:00, Mixing, Extrusion molding, Cutting, Part of the packaging workers have 2 shifts, 07:30-15:30;15:30-23:30. All workers had at least one day off per seven days.
- Based on attendance records review, the max daily OT was 2 hours, and the max weekly OT was 14 hours, and the max monthly OT was 66 hours.
- The factory did not obtain any Comprehensive Working Hour System Approval.
- Through employees' interview, overtime is voluntary.

**Evidence examined:**

- Factory policy on working hours
- Local and national laws
- Computerized time logging system
- Workers contracts
- Sample pay slips with recorded hours all interviewed workers
- Attendance records showing highest and lowest hours over all employees.
- Quality and production records to cross check working hours
- Interview with workers and management

# Findings: non-compliances

ZAF600883340

Non-compliance

Due 2025-07-13

## 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

90 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

Workers' overtimes exceeded legal requirement. The factory provided attendance records from Mar 1, 2024 to the audit date for review. Workers' monthly overtimes exceeded 36 hours. Auditor randomly selected 10 workers as samples in Feb 2025 (current month), Aug 2024 (random month), and May 2024 (random month). And found: 1) In Feb 2025, the monthly overtime hours of all sampled workers (from all positions) exceeded 36 hours and reached maximum 38 hours. 2) In Aug 2024, the monthly overtime hours of all sampled workers (from all positions) exceeded 36 hours and reached maximum 66 hours. 3) In May 2024, the monthly overtime hours of all sampled workers (from all positions) exceeded 36 hours and reached maximum 50 hours. 生产员工的加班时间超过法律法规要求。工厂提供了员工2024年3月1日-审核当天的考勤记录,发现员工的月加班时间超过36小时,审核员在 2025.2 (当前月)、2024.8 (随机月)、2024.5 (随机月) 随机抽10名工人作为样本,发现: 1) 2025.2, 抽取的所有工人(来自所有工序)的月加班时间均超36小时,最大达38小时。2) 2024.8, 抽取的所有工人(来自所有工序)的月加班时间均超36小时,最大达66小时。3) 2024.5, 抽取的所有工人(来自所有工序)的月加班时间均超36小时,最大达50小时。

## Area of non-compliance/non-conformance

Local law  
Base code

## Corrective and preventative actions

The factory should ensure workers' overtimes in line with legal requirement. 工厂应确保员工的加班时间符合法律法规要求。

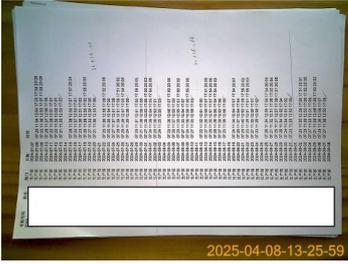
## Local law reference

Labor Law of the People's Republic of China (2018Amendment), 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 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.

## Explanation of difference in resolution time or verification method from the SMETA issue title recommendation

Timescales was confirmed by factory.

## Evidence



[overtime.jpg](#)



\* PDF generated at 03:16 (UTC) on 14 Apr 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
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?	50.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	54.0
Maximum number of days worked without a day off in sample	6

## 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	<p>1.The factory has established a system for managing this issue on site outlined in the "Anti-Discrimination Management Procedure", including all relevant requirements in the area of the Code, further details can be found in the procedure. The policy addresses a variety of possible scenarios.</p> <p>2.The program file summarizes and processes all code areas. Mr. Zhang/ Factory director is responsible for execution and knows his duties. Over time, management structures achieve sustainability compliance. The responsible departments are aware of possible discrimination and know how to deal with it.</p> <p>3. The factory has provided corresponding anti-discrimination training, including how to protect themselves from discrimination and how to report to management after being discriminated against. the frequency of training needs to increase.</p> <p>4.Monitor the regular collection of employee feedback to the responsible person, which can be understood from the relevant employee feedback records. Responsible departments collect information on possible discrimination through regular suggestion boxes, regular worker meetings and interviews with vulnerable workers.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

- According to management interview and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions; promotion was based on workers' ability and skill; training was based on working requirement.
- There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found.
- There was no evidence of sexual harassment.
- The management generally knew the requirement of Non-Discrimination.
- As informed by interviewed workers, most employees spoke highly of the factory management.
- The factory has developed a fair approach specifically for recruitment/training/development/promotion.
- In terms of employee promotion, the factory has established multi-party decision-making by HR, various functional departments and employee representatives to avoid personal decision-making.

**Evidence examined:**

- The hiring and termination procedure, leave application records and employee handbook.
- Payroll records
- Attendance records
- Termination records
- Training records

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)	6%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	0%
Three most common nationalities in managerial and supervisory roles	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	<p>1. The factory's Human Resource Management Procedure outlining the systems in place to manage this issue at the site includes all relevant requirements, such as defines the types of employment contracts offered with details regarding job security and renewal conditions. The procedures for hiring are streamlined and transparent, with a clear selection process that emphasizes fairness.</p> <p>2. The documentation clearly assigns responsibilities, processes, and handles all areas of code - they can be considered robust. Mr. Zhang/ Factory director is in charge of execution and knows his duties. The responsible department understands the requirements of the procedure and treats all workers equally in terms of training and promotion requirements.</p> <p>3. All employees have done a series of relevant training, such as comprehensive training programs for new hires to ensure they can quickly adapt to their roles and perform well. and verified the effectiveness of the training.</p> <p>4. Monitor compliance with the process by reporting to the responsible person and develop mechanisms to monitor whether the operator has implemented the process, which can be understood from the relevant training records. Management personnel regularly check the implementation of the program to ensure the effective implementation of the policies.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

- The formal employees at the factory were recruited by the factory directly.
- No agency worker was used by the factory.
- No temporary worker, apprenticeship schemes or home worker was identified.
- All interviewed workers had received a signed labour contract.
- Workers' personal files were provided for review.

Evidence examined:

- The hiring and termination procedure
  - Personal files
  - Payroll records
  - Labour contracts
  - Worker and management interview
-

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	0.0%
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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	Some Improvements Recommended
Explanation for management systems grades	<p>1. The factory's Supplier and subcontractor management regulations policy outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area. This includes a comprehensive evaluation of potential subcontractors' qualifications, financial stability, and ethical practices. For homeworkers, the policy is an absolute prohibition. There are procedures in place to ensure that no part of the production process involves home - based work.</p> <p>2. Program files summarize and process all code areas. Mr. Zhang/ Factory director is in charge of execution and knows his duties. A dedicated procurement officer is appointed to conduct regular audits of the social responsibility of suppliers and subcontractors.</p> <p>3. The Purchasing department is responsible for the management of suppliers under the guidance of Mr. Zhang/ Factory director and takes actions to request and assist suppliers and subcontractors in the social responsibility management of sub-suppliers. The Purchasing Department should arrange on-site audits of suppliers/subcontractors at least once a year to evaluate the social responsibility performance of suppliers/subcontractors.</p> <p>4. By reporting the social responsibility monitoring and evaluation records of suppliers/subcontractors to the responsible person on a regular basis for monitoring, the monitoring situation can be understood from the social responsibility monitoring and evaluation records of relevant suppliers/subcontractors. However, there were no follow-up improvement measures for the problems identified by the supplier evaluation.</p>

### 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 had established social accountability manual including sub-contracting control procedure.
- A site tour showed that no sub-contracting present in the factory.
- Cross check showed that no home working present in the factory.

Evidence examined:

- Site tour
  - Materials in/out records
  - Interview with management and workers
  - Social accountability manual
-

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

### Data points

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

Gender disaggregated data available

#### Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homeworker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? Information not available  
The facility does not track the information in the supply chain.

#### Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No  
NA. No sub-contractor was used.

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	<p>1. The factory's Employee Complaint Procedure outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area, including bullying, harassment, and excessive punishment. The policy also outlines strict disciplinary actions for perpetrators found guilty of such behavior to act as a deterrent.</p> <p>2. Program files summarize and process all code areas. Mr. Zhang/ Factory director is in charge of execution and knows his duties. The system, implementation and monitoring of discrimination are regularly evaluated by a dedicated personnel manager.</p> <p>3 Designate personnel responsible for effectively communicating, implementing and monitoring the prohibition of corporal punishment or abuse of workers. Establish effective management systems, for example, responsible for safeguarding the legitimate rights and interests of employees. Implement measures to prevent all forms of harassment, ill-treatment and corporal punishment; Receive and handle employee complaints of harassment, abuse and corporal punishment, and keep records.</p> <p>4. Adherence to the processes is monitored via departmental reporting to the manager, and the factory has established a complete mechanism to verify implemented by operational staff. The personnel in charge regularly collects employees' opinions on discrimination through suggestion boxes and direct interviews with workers.</p>

### 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 management had established a disciplinary procedure for workers' misbehaviour 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 workers were aware of the disciplinary procedure.
- The factory had established a policy on Harsh Treatment. Based on workers interview, there was no such negative evidence happened in the past.
- There was an internal process for grievance, which was an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.

Evidence examined:

- The relevant policy on prevention of harassment and abuse.
  - Internal grievance procedure documentation
  - Training records
  - Worker and management interview
-

9. No harsh or inhumane treatment is allowed

## Data points

<b>Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?</b>	<p>Yes, there is a formal grievance process</p> <p>The grievance process is available to all workers</p> <p>The grievance process is available to members of the local community</p>
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<b>What type of grievance mechanism(s) are available?</b>	There were a suggestion box and Hotline available.
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<b>Number of grievances raised in the last 12 months</b>	0
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<b>Number of grievances resolved in the last 12 months</b>	0
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## 10.A. Environment 2-Pillar

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
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	Some Improvements Recommended
Explanation for management systems grades	<p>1. The factory's Health&amp;Safety and Environmental policy outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area. It includes clear guidelines for waste management, with procedures for sorting, storing, and disposing of different types of waste in an environmentally friendly manner. Procedures for handling environmental incidents are in place, including emergency response plans to quickly address any spills, leaks, or other accidents that could harm the environment. But current environmental policy did not mention any commitment or goal to climate change.</p> <p>2. The program file summarizes and processes all code areas. Mr. Zhang/ Factory director is in charge of execution and knows his duties. Over time, management structures achieve sustainability compliance. Responsible departments regularly collect environmental regulatory requirements and implement them effectively.</p> <p>3. All employees have done a series of relevant training, such as how to properly dispose of waste, and how to identify and report environmental risks. The factory uses posters to keep employees informed about environmental goals, initiatives, and any updates to policies or procedures. But the training program was lack of sustainable development and climate change topics.</p> <p>4. Adherence to the processes is monitored via departmental reporting to the vice manager, and the factory conducted regular environmental audits to ensure compliance with internal policies and external regulations. Based on the monitoring results, the factory makes necessary adjustments to its environmental system, whether it's implementing new technologies, modifying procedures, or providing additional training. But the monitoring for its impact to climate change was not carried out yet.</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**

Current systems:

- The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
- Based on document review and confirmed with factory management, the factory obtained EIA report, EIA approval, and acceptance approval of environmental facility and Registration of discharge from fixed pollution sources.
- Based on workers interview, they were trained on environmental protection.
- Based on document review, the factory collected related environmental regulations.
- The factory had procedure on environment protection and Mr. Zhang/ Factory director was appointed as response for environment performance.

Evidence examined:

- Environmental policy and procedure
  - Legally required environmental documents were provided for review
  - Worker and management interview
  - Site tour
  - EIA report and EIA approval
-

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?

NA

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

## Attachments



[SMETA-JSASCN25866383-Taizhou Dedao Industry Co Ltd-Apr 8,2025-Initial-Photo Report.pdf](#)



[SMETA-JSASCN25866383-Taizhou Dedao Industry Co Ltd-Apr 8,2025-Initial-Onsite Cap.pdf](#)



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