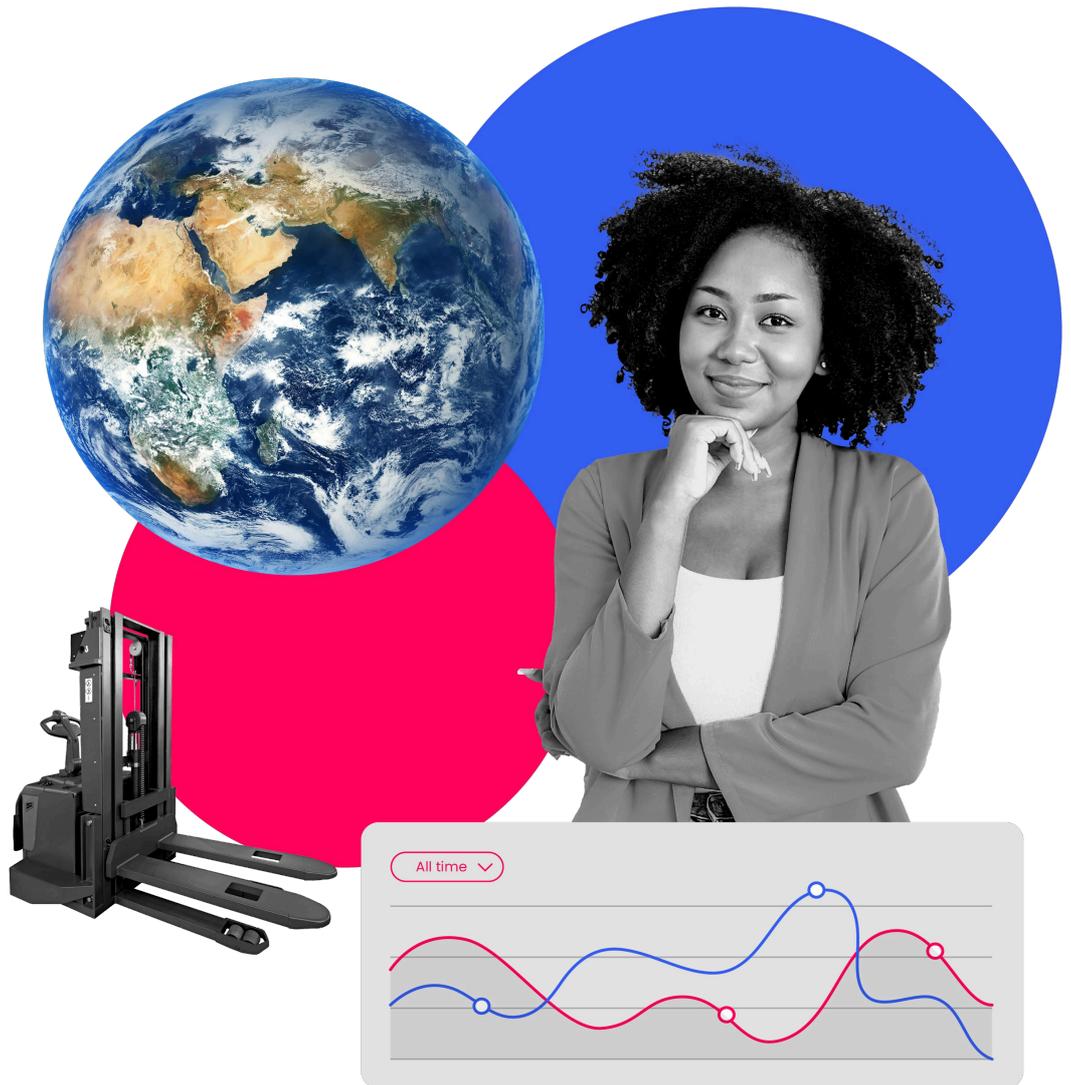


Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

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

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

2-pillar audits include:

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

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

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

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

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

Audit details

Site details

Sedex site reference	ZS1000054210	Site name	Yiwu City Magic Tree Gift Bag Co Ltd
Business name	Yiwu City Magic Tree Gift Bag Co Ltd.	Site address	3rd Floor, No. 19, Chang'e Road, Yiting Town, Yiwu City Jinhua City CN 322200

Audit details

Sedex company reference	ZC5000046023	Auditor company name	Benchmarks Company Limited
Audit company address	Unit 9-11, 7/F., Block B, Proficient Industrial Centre,, 6 Wang Kwun Road, Kowloon Bay, Hong Kong, HK, -		
Date of audit	2025-11-20	Audit conducted by	Carrie Cui
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		
Time in and out	Day 1	Day 2	
	In 09:00	In	09:00
	Out 17:00	Out	13:00
Audit type	Periodic		
Was the audit announced?	Semi announced		

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Was the Sedex SAQ available for review? Yes

Who signed and agreed CAPR? Ms. Wu Lanying / 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 Union in the factory.		
Reason for absence during the audit	There was no Union in the factory.		
Reason for absence at the closing meeting	There was no Union in the factory.		

SMETA declaration

Auditor team

SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

The semi-announced audit window was 4 Weeks(From Oct 27 to Nov 24, 2025).

Lead auditor

Carrie Cui

APSCA Number

32200665

Additional auditor

Date of declaration

2025-11-21

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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. Wu Lanying
Title	Manager
Date of declaration	2025-11-21

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601186710
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601186709
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601186707
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601186708

Management systems

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

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

[← Summary of findings](#)

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

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

[← Summary of findings](#)

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Site details

Company and site details

Sedex company reference	ZC5000046023	
Sedex site reference	ZS1000054210	
Company name	Yiwu City Magic Tree Gift Bag Co Ltd.	
Business ownership type	GOODS	
Site name	Yiwu City Magic Tree Gift Bag Co Ltd	
Site name in local language	义乌市奇树纸制品有限公司	
GPS location	GPS address	No. 19, Chang'e Road, Yiting Town, Yiwu City, Zhejiang, China
	Coordinates	E 119°57'15.577", N 29°14'25.696"
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. Wu Lanying
	Job title	Manager
	Phone number	13676801670
	Email	457495345@qq.com
Applicable business and other legally required business license numbers and documents	Business license No. 91330782MA2E6PC868 valid from Jan 18, 2019 with long term valid date.	

[← Management systems](#)

[Worker analysis →](#)

Site activities

Site function	Factory Processing/Manufacturer Finished Product Supplier	
Site activities	Primary	Manufacture of other articles of paper and paperboard
	Secondary	
	Other	
Product type	Paper gift bag	
Process overview	Main process: Burying thread-folding bottom-sealing bottom-punching-threading-packaging Main equipment: 3 automatic bag-making machines, 1 fully automatic embossing and hot stamping machine, 1 fully automatic flatbed die-cutting machine, 1 fully automatic vertical laminating machine, 1 paper cutting machine	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes
What is the area of audited site to its boundary?	3500m ²

[← Site details](#)

[Worker analysis →](#)

Site scope

Building 1	Last construction works on site	2011
	If building is shared, provide details	NA
	Number of floors	6
	Description of floor activities	1F: Cutting workshop 2F: Warehouse 3F: Bag folding workshop 4F: Warehouse 5F: Packaging workshop 6F: Warehouse
Building 2	Last construction works on site	2011
	If building is shared, provide details	NA
	Number of floors	7
	Description of floor activities	1F: Canteen and kitchen 2F: Office 3F-7F: Dormitory room
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	

[← Site details](#)

[Worker analysis →](#)

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	Yes
Is the accommodation within the perimeter of the site audited?	Onsite
Is the accommodation contractually mandated for workers?	Optional
Who provides the accommodation?	Site
Was all accommodation (whether directly or via third parties, off or onsite) included in this audit?	All About 50% employees lived in the dormitory.
Does the site organise worker transport to the worksite?	Not provided There is no legal requirement that the site must provide transport for workers.

Work patterns

Approximate workers on site per month (% of peak)	January	75-90%	February	75-90%
	March	95-100%	April	95-100%
	May	95-100%	June	95-100%
	July	95-100%	August	95-100%
	September	95-100%	October	95-100%
	November	95-100%	December	95-100%
Is there any night shift work at the site?	No			

[← Site details](#)

[Worker analysis →](#)

Site assessments

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

No

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

No

No, the site has not assessed for negative impacts on the human rights, lands, resources territories, livelihoods or food security of indigenous peoples or the local community.

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?

No

NA

[← Site details](#)

[Worker analysis →](#)

Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	18 (52.9%)	16 (47.1%)	- -	34 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	18 (52.9%)	16 (47.1%)	- -	34 (100%)
Temporary or fixed term employees	0 -	0 -	- -	0 (0%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Site details](#)

[Worker interviews →](#)

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	18 (54.5%)	15 (45.5%)	- -	33 (97.1%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	18 (54.5%)	15 (45.5%)	- -	33 (97.1%)

* % of total workforce

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

Jiangxi, Anhui, Hunan

Workers by age

	Men	Women	Other	Total
18 - 24 years old	0 (0%)	2 (100%)	- -	2 (5.9%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Worker analysis](#)

[Worker interviews →](#)

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

Describe how this may vary during peak periods There was no obvious 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	53%	47%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 -	0 -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 -	0 -	- -	0 (0%)
Workers paid hourly / daily rate	18 (52.9%)	16 (47.1%)	- -	34 (100%)
Salaried workers	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Worker analysis](#)

[Worker interviews →](#)

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	18 (52.9%)	16 (47.1%)	- -	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 (100%)	0 (0%)	- -	1
Supervisors or team leaders	3 (100%)	0 (0%)	- -	3
Administrative staff	3 (30%)	7 (70%)	- -	10

[← Worker analysis](#)

[Worker interviews →](#)

Worker interview summary

Gender disaggregated data available Men and women

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

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

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

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

Number and size of group interviews 1 group with 5

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)

No complaints were found in the interviews.

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

Accommodation standards
Contracts
Equal opportunities
Facilities (e.g. rest area, recreation, canteen)

Additional comments

According to the interview, the work condition in the company was great, and employees could raise concerns or complaints to the employee representative directly or to the management through suggestion box/ Wechat. They were satisfied with timely payment of wages, a pleasant workplace, and cooperative management. In addition to these elements, the employees valued the chances for development and promotion inside the company. The workplace offered consistent training programs and skill-development activities enabling staff members to improve their professional talents and advance in their careers.

Attitude of workers' committee/union representatives

The worker representatives were happy with the working conditions, and they stated that they could give suggestions on all parts of the site's practices. No negative information was found.

Attitude of managers

Management interview was conducted through the audit. The factory management agreed that the auditor could access to all facilities, compound documents and records requested by the audit; take photo of the factory, copy relevant document records and conduct confidential workers interview. No negative information was found.

Workers interviewed by type

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

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	3	2	-	5
Workers interviewed individually	3	3	-	6

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	6	4	-	10
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	6	4	-	10

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	2.0%	0.0%	-	2.0%
Last full calendar year (2024)	2.0%	0.0%	-	2.0%
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)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	4.0%	5.0%	-	9.0%
Previous full calendar year (2023)	3.0%	4.0%	-	7.0%

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

Are accidents recorded? Yes

No serious accident happened during last 12 months.

[← Worker interviews](#)

[Code area 0 →](#)

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

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

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

Lost day work cases (per 100 workers)*

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

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

Percentage of workers that work on average more than 48 total hours in a given week

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

[← Worker interviews](#)

[Code area 0 →](#)

Percentage of workers that work on average more than 48 total hours in a given week

Previous full calendar year (2023)	0.0%	0.0%	-	0.0%
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Percentage of workers that work on average more than 60 total hours in a given week

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>current systems:</p> <ol style="list-style-type: none"> 1. The factory management was cooperative and opening in the audit, all requested documents, interviewees and the facility itself are accessible, the auditor is provided with genuine and authentic records. 2. The factory did not offer bribes or threaten the auditor, nor in any way induce the auditor to be dishonest. 3. The factory provided an accurate site description and Sedex site profile declared prior to or during the audit. 4. The factory maintained a written human rights policy statement that was approved at the most senior level, communicated to all personnel, and trained to relevant personnel. 5. The facility has ensured accurate records are shown and audit has been conducted with full transparency and integrity. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1.Sedex SAQ Code of conduct 3. Appointment records 4. Complaint records. 5.ETI management manual 		

0. Enabling accurate assessment

Data points

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

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

1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The factory established a formal, written policy prohibiting forced labor, human trafficking, debt bondage, and other forms of modern slavery. The recruitment procedure require no deposits to be collected or ID cards seized and workers have the rights to freely resign and freedom of movement. The procedures were compiled by the Admi department, reviewed by the Administrative manager, and approved by the General Manager.
2. The factory designated the Manager as the person in charge of policy implementation. The Manager has a good understanding of the policy content and the situation of the factory. Workers have access to the grievance mechanism to report forced labor concerns.
3. The factory provided training on the risks of forced Labor and workers' rights, ensuring that workers are clearly aware of the terms of employment and their right to resign freely. In addition, the factory requires suppliers and subcontractors to sign notices of recruitment and forced labor risks. However, according to the cross check by document review and workers interview, some employees have not attended the training.
4. The factory conducted internal audit and risk assessment to check for indicators of forced labor and maintains detailed records of recruitment, employment contracts, wages and worker grievances. But the assessment did not include all procedural requirements.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

current systems:

There are no practices of forced or bonded labor observed during the audit.

No deposit or original identity papers were kept by the factory.

All workers are free to leave the factory or resign after reasonable notice.

Evidence examined:

Personnel files

Resignation records

Factory rules

Employee handbook

Management and worker interview

Employee training records

1. Employment is freely chosen

Data points

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

Does the site utilise any workers who are prisoners? No

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

1.A. Responsible recruitment and entitlement to work

Management systems

<p>Develop and maintain relevant policies and procedures to ensure workplace requirements are met</p>	<p>Robust Management Systems</p>
<p>Appoint a manager with sufficient seniority who is responsible for implementing procedures</p>	<p>Robust Management Systems</p>
<p>Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures</p>	<p>Some Improvements Recommended</p>
<p>Monitor the effectiveness of procedures to meet policy and workplace requirements</p>	<p>Some Improvements Recommended</p>
<p>Explanation for management systems grades</p>	<ol style="list-style-type: none"> 1. The factory established a non-formalized application procedure. The procedures stipulated that workers present their IDs for proof of age but only copies should be kept in the personnel files and the original would be given back to the workers and worker was free to leave the workplace outside of their working hours. The procedures were compiled by the Admi department, reviewed by the Admi Manager, and approved by the General Manager. 2. The factory designated the Manager as the person in charge of policy implementation. The Manager has a good understanding of the policy content and the situation of the factory. 3. New employees were required to attend on-boarding training from the Administrative manager. The factory informed workers of their working conditions, wages and rights before they are hired to ensure that information is transparent. However, according to the cross check by document review and workers interview, some employees have not attended the training. 4. The factory conducted audits and compliance checks on employees to ensure the legality of the hiring and employment process. But the audits and compliance checks did not include all procedure requirements.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>current systems:</p> <p>There are documented procedures for the recruitment of workers.</p> <p>No agency staff or foreign employee was used by the factory.</p> <p>There is no additional cost for hiring staff, and the travel expenses for migrant workers interviews were reimbursed by the factory.</p> <p>The employment contract contains a complete clause guaranteeing that the employee will not be charged additional fees.</p> <p>Evidence examined:</p> <p>Policy of prohibiting forced, bonded and prison labour</p> <p>Recruitment procedure including no recruitment fee requirements</p> <p>Employee handbook</p> <p>Personnel files and labour contracts</p> <p>Resignation records</p> <p>Onsite observation, management and employee interview</p> <p>Declaration signed by suppliers and partners</p>		

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

Does the site use labour providers and/or formal, temporary, seasonal or guest worker programmes?	Workers are recruited, selected, and hired directly by our company
How do the labour providers recruit and hire workers?	N/A - Recruitment providers not used
Where labour providers were used to recruit, what was the highest number of tiers identified in a workers recruitment journey?	0
Are there any subcontracted workers (excluding dispatched labour) on site?	No
Were all non-employee (e.g. agency or subcontracted) workers included within the scope of this audit for the purpose of document review and (if onsite on date of audit) interview?	Not Applicable
Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?	Not Applicable

Migrant workers

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

[← Code area 1.A](#)

[Code area 2 →](#)

Percentage of workers that are migrant 97%

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 Jiangxi, Anhui, Hunan

Recruitment fees

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

Were recruitment fees or costs identified during worker interviews? No

There was no recruitment fees or costs.

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	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The factory established employee representative election procedure and employee grades freedom of association procedure. The procedures stipulated that employee had the right to freely elect employee representatives. Freely form and participated in trade unions, and engaged in collective bargaining. The procedures were compiled by the Admi department, reviewed by the Administrative manager, and approved by the General Manager.
2. The factory designated the Manager to assist workers in electing worker representatives, regularly communicate with worker representatives, follow upon worker representative meetings, and report to the factory management. The Admi department held quarterly meetings with worker representatives to discuss and follow up on the decisions made during the meeting.
3. New employees were required to attend on-boarding training from the Admi department which included employee representative election procedure and employee freedom of association procedure. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone, including employee representative election procedure and employee freedom of association procedure. However, the communication channels between workers' representatives and management still have certain limitations, and the breadth and efficiency of information transmission need to be further improved.
4. The factory regularly reviewed its policies and practices to ensure compliance with the requirements of freedom of association and collective bargaining, and strives for continuous improvement in compliance. But workers participation was limited.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

current systems:

The facility established a policy on freedom of association and the right to collective bargaining signed by the top management.

All interviewed workers stated that they were not discriminated against and had access to carry out their representative functions in the workplace.

The facility has provided flexible time for the workers' representatives to carry out their representative functions during working hours.

The facility has provided a meeting room for the workers' representatives' activities.

There was no union in the factory.

The factory had employee representatives elected by the staff.

Evidence examined:

Site policy on freedom of association

Interviewed with workers/representatives

Interviewed with management

Employee representatives election records

Employee representatives 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

[← Code area 2](#)

[Code area 3 →](#)

3. Working conditions are safe and hygienic

Management systems

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

Robust Management Systems

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

Robust Management Systems

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

Some Improvements Recommended

Monitor the effectiveness of procedures to meet policy and workplace requirements

Some Improvements Recommended

Explanation for management systems grades

1. The factory established a health and safety policy and a health and safety committee grades was established. The policy stipulates that factories should provide employees with a safe and healthy working environment. and the related training should be provided to all employees. And there is a health and safety committee to execute and supervise.
2. The factory designated the Manager as the main person in charge of safety and healthy implementation. Regularly communicate with worker representative, follow up on worker representative meetings, and report to the factory management. The Manager has a good understanding of the policy content and the situation of the factory.
3. New employees were required to attend on-boarding training from the management which included facility safety and health policy. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone. However, a few employees are not particularly clear about specific requirements during the worker interview.
4. The factory monitors compliance through regular document checks, anonymous hotlines, exit interviews, and third-party surprise audits. There were also internal audits to verify the compliance of H&S requirements. Risk assessment was conducted, but workers participation was limited.

[← Code area 2](#)

[Code area 4 →](#)

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601186710
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601186709

Systems and evidence examined to validate this code section

current systems:
 All areas of the factory were toured during the assessment.
 There was a Health and Safety Committee on site.
 Exits were marked with signs and equipped with emergency lighting.
 Firefighting equipment were installed, emergency evacuation plan was posted in all areas.
 First aid kits were available for the workers.
 Overall, the factory had implemented health and safety system in average.
 Evidence examined:
 Health and safety policy
 Health and safety committee minutes
 Training records and certificates
 Fire equipment maintenance records
 Fire drill records
 Building structure safety certificates
 Fire safety certificates
 Trained first aid personnel register
 Accident reports
 Potable water testing certificates
 Interviews with Management & workers
 Special equipment inspection report and operators' certificate
 Occupational health examination report and physical examination form
 Occupational hazard factors test report
 Environmental test report

Findings: non-compliances

ZAF601186710

Non-compliance

Due 2024-12-28

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-11-21)*

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

277 - Workers are not issued with Personal Protective Equipment, or it is not appropriate to the risk - isolated

Verification method

Desktop audit

Description

Based on onsite observation, workers were using PPE during operation.

Area of non-compliance/non-conformance

Local law

Base code

Description (carried over)

An on-site audit found that one employee operating the bag folding machine was not wearing protective earplugs.现场审核发现，1名操作折袋机的员工未佩戴防护耳塞。

Corrective and preventative actions

NA

Corrective and preventative actions (carried over)

The factory should provide and supervise all employees to wear correct labor protection equipment.工厂应提供并监督所有员工佩戴正确的劳保用品。

Local law reference

Production Safety Law of the People's Republic of China (2014 Amendment), Article 42 A business entity must provide labor protection articles that meet the national standards or industrial standards to the employees, supervise and educate employees to wear and use these articles according to the prescribed rules.

Evidence

[← Code area 3](#)

[Code area 4 →](#)



[workers with PPE.jpg](#)



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ZAF601186709

Non-compliance

Due 2025-01-27

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.R Provide clean and secure toilets, wash areas, and worker changing facilities, with adequate hygiene supplies separated by gender or with effective privacy. Ensure potable water is easily accessible by workers and, where appropriate, clean storage facilities for food and personal belongings.

Time given to resolve

60 days

Verification method

Desktop audit

Issue title

327 - Storage of goods not in line with legal requirements (e.g. too high)

Area of non-compliance/non-conformance

Local law

Base code

Description

The on-site audit found that the gap between the finished products and the wall of the finished products warehouse was 0 meters, less than the 0.5 meters stipulated by local law.现场审核发现，成品仓库的成品和墙体的间隙为0米，小于当地法律规定的0.5米。

Description (carried over)

The on-site audit found that the gap between the finished products and the wall of the finished products warehouse was 0 meters, less than the 0.5 meters stipulated by local law.现场审核发现，成品仓库的成品和墙体的间隙为0米，小于当地法律规定的0.5米。

[← Code area 3](#)

[Code area 4 →](#)

Corrective and preventative actions

It is recommended that the factory management should adopt practices and controls to ensure that width of gap between materials and walls are in accordance with the local law. 建议工厂管理层应该采取措施和控制措施，确保材料与墙体之间的间隙宽度符合当地法律。

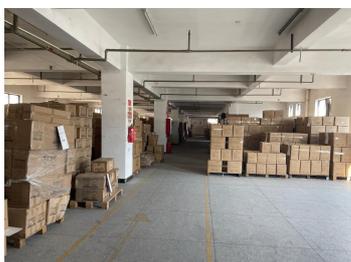
Corrective and preventative actions (carried over)

It is recommended that the factory management should adopt practices and controls to ensure that width of gap between materials and walls are in accordance with the local law. 建议工厂管理层应该采取措施和控制措施，确保材料与墙体之间的间隙宽度符合当地法律。

Local law reference

In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.

Evidence



[goods against wall.jpg](#)



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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?	Yes
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes There was lubricant oil and glue used in the factory.
Who organises accommodation for workers?	The company owns or operates worker accommodation (onsite) 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 There was no structural addition in the factory.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No

[← Code area 3](#)

[Code area 4 →](#)

Does the site have a structural engineer evaluation? Yes

[← Code area 3](#)

[Code area 4 →](#)

4. Child labour shall not be used

Management systems

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

Robust Management Systems

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

Robust Management Systems

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

Some Improvements Recommended

Monitor the effectiveness of procedures to meet policy and workplace requirements

Some Improvements Recommended

Explanation for management systems grades

1. The factory established a policy prohibiting child labor and the age of all job grades applicants must be strictly verified. The procedures stipulated that the factory prohibits the use of child labor and the age of applicant will be strictly verified. The procedures were compiled by the Admi department, reviewed by the Administrative manager, and approved by the General Manager.
2. The factory designated the Manager as the main person in charge of preventing child labor procedures. Regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The Manager has a good understanding of the policy content and the situation of the factory.
3. New employees were required to attend on-boarding training from the Management which included prohibiting child labor and age of applicants verification. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone. However, according to workers interview, some workers were not fully aware of child labour policies.
4. The factory monitors compliance through quarterly age document sampling, anonymous child labor hotlines, exit interviews, and third-party surprise age audits. There were also internal audit to verify the compliance of child labor requirements. But the child labour compliance records were incomplete.

[← Code area 3](#)

[Code area 5 →](#)

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>current systems:</p> <p>The facility has established a policy prohibiting child labor, including a remediation process if any child labor is found.</p> <p>No child labor or young workers were identified.</p> <p>A policy was installed about provided remediation and safeguarding of underage workers if applicable.</p> <p>The HR department is conducting worker interviews to verify the age of applicants and is checking legal documents for age verification.</p> <p>The youngest worker is 18 years old.</p> <p>Evidence examined:</p> <ul style="list-style-type: none"> Factory tour Latest list of employees Related recruitment policy Personnel files of all workers Workers/Management interview Measures for the administration of young workers Remedial measures when child Labour is found 		

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	5%
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?	No

[← Code area 4](#)

[Code area 5 →](#)

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	Fundamental Improvements Required

Management systems

Explanation for management systems grades

1. The factory established a policy about the wages requirement of workers. The grades procedures stipulated that the factory should pay employees' wages (including overtime) correctly according to local requirements and the wages should be above local minimum wage standard. The procedures were compiled by the Management, and approved by the General Manager.
2. The factory designated the Manager as the main person in charge of matters of wages. Regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The Manager has a good understanding of the policy content and the situation of the factory.
3. New employees were required to attend on-boarding training from the Management which included how to calculate the wages and so on. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone if some clause was updated. According to employee interviews, some employees asked for leave during training, but there was no supplementary training for them.
4. The factory regularly reviewed payroll records to ensure compliance with statutory minimum wages, overtime pay, deductions and benefit payments. The factory conducted wage verifications every month to ensure workers are receiving full pay. Some employees do not want to pay social insurance, and the company has not made any improvement on this issue.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601186707

[← Code area 4](#)

[Code area 5.A →](#)

Systems and evidence examined to validate this code section

current systems:

All workers were paid by hourly rate and the lowest wage was more than local legal minimum wage.

The factory paid the overtime wages as per legal requirement which were 150% and 200% of regular/normal pay for overtime work on regular weekdays and weekends respectively.

The factory provides legal benefits to workers.

Evidence examined:

Policies about the wages and the calculation way of wages was provided for review

Workers interview

Local and national laws

Wages and benefits policy

Local legal minimum wage documents

Payroll records from Oct 2024 to Sep 2025

Leave records

Labour contracts for all employees (to examine agreed wage rates)

Social insurance and payment receipts from the local labour department

Resignation records

Payroll of all workers interviewed

Findings: non-compliances

ZAF601186707

Non-compliance

Due 2025-01-27

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Follow up audit

Description

The factory did not pay social insurances for all employees.

Based on document review, the factory had a total of 48 employees, 9 employees over retirement age. 5 out of 39 employees participated in social insurance (13%).

工厂没有为所有员工缴纳社会保险。经文件审核，工厂共有员工48名，包括9名已到退休年龄员工。工厂只为5名员工缴纳了社保（13%）。

Area of non-compliance/non-conformance

Local law

Base code

Description (carried over)

The factory did not pay social insurances for all employees.

Based on document review, the factory had a total of 49 employees, 49 out of 43 employees had not participated in social insurance. The

factory paid commercial accident insurance for the other workers.

工厂没有为所有员工缴纳社会保险。经文件审核，工厂共有员工49名。49名员工中有43人没有参加社会保险。工厂为剩下的员工缴纳商业意外保险。

Corrective and preventative actions

It is recommended that the factory should provide social insurance to employees as per local social insurance administrative department requirement, and the records should be kept. 建议工厂应为所有员工提供社会保险并保留缴费证明。

Corrective and preventative actions (carried over)

It is recommended that the factory should provide social insurance to employees as per local social insurance administrative department requirement, and the records should be kept. 建议工厂应为所有员工提供社会保险并保留缴费证明。

[← Code area 5](#)

[Code area 5.A →](#)

Local law reference

In accordance with the Social Insurance Law of the People’s Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

Evidence



[social insurance evidence.jpg](#)

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5. Legal wages are paid

Data points

What is the basic wage paid to workers?	<ul style="list-style-type: none"> Wages meet a living wage The legal minimum wage Wages are based on job skills and experience
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	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	Non applicable

[← Code area 5](#)

[Code area 5.A →](#)

Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	176.0
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	64.0
Minimum legal wage	Min per hour	12.99
	Min per day	103.91
	Min per week	519.54
	Min per month	2260.0
Actual minimum wage	Actual per hour	17.24
	Actual per day	137.93
	Actual per week	689.66
	Actual per month	3000.0
Minimum legal overtime wage	Min per hour	19.49
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable

[← Code area 5](#)

[Code area 5.A →](#)

Actual minimum overtime wage	Actual per hour	25.86
	Actual per day	51.72
	Actual per week	431.04
	Actual per month	2000.0

Wage analysis

Number of workers' records checked 30

Provide the date and details of the records 10 samples from Dec 2024 (Random)
10 samples from Aug 2025 (Random)
10 samples from Sep 2025 (Current)

Are there different legal minimum/legally recognised CBAs wage grades? No

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

Indicate the breakdown of workforce per earnings 100% of workforce earning above minimum wage.

Are there any bonus schemes used? No

Were accurate records shown at the first request? Yes

Were any inconsistencies found? No

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>current systems:</p> <p>The factory provides legal benefits such as social insurance to workers. The living wage calculated the cost of a decent living plus a contingency fund with Anker method which was RMB2800 per month. The factory paid the monthly minimum wage of employees as RMB 3000, which was more than the living wage.</p> <p>Evidence examined:</p> <p>Documents about the Live wage include the Calculation way, result and Implementation Rules for Living Wage.</p> <p>Workers interview</p> <p>Local and national laws</p> <p>Wages and benefits policy</p> <p>Local legal minimum wage documents</p> <p>Payroll records from Oct 2024 to Sep 2025</p> <p>Leave records</p> <p>Labour contracts for all employees (to examine agreed wage rates)</p> <p>Social insurance and payment receipts from the local labour department</p> <p>Resignation records</p> <p>Payroll of all workers interviewed</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	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

Management systems

Explanation for management systems grades

1. The factory established a policy about the working time for each worker. The grades factory's employee handbook clearly records employees' working time requirements, including regular work hours and overtime hours. The manual specifically emphasizes that overtime should be voluntary. The procedures were compiled by the Management, and approved by the General Manager.
2. The factory designated the Manager as the main person in charge of matters of working time for each worker. Regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The Manager has a good understanding of the policy content and the situation of the factory.
3. New employees were required to attend on-boarding training from the Management and the handbook was provided which include the regular working time / overtime. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone if some clauses was updated. According to employee interviews, some employees asked for leave during training, but there was no supplementary training for them.
4. The factory monitors compliance through monthly attendance records audits, anonymous grievance hotlines, and third-party labor audits. According to factory management interview, worker representative meetings were held quarterly. According to the management interview. it was noted that workers' working hours depends on the number of factory orders. As a result, the monthly overtime hours exceeded the legal requirements. But no corrective actions were taken.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601186708

[← Code area 5.A](#)

[Code area 7 →](#)

Systems and evidence examined to validate this code section

current systems:

Electronic attendance machine (face scan/ finger print scan) was used in the factory and Financial staff will calculate wages.

Workers worked 8 hours per day and 5 days per week regularly, workers had overtime working on weekdays and Saturdays randomly.

Maximum monthly overtime hours were 64 hours and records showed that workers had at least 1 day off per week.

Maximum weekly working hours were 54 hours.

Evidence examined:

Factory policy and procedures on working hours

local and national law

Time records provided by the factory

Sampled employees' wage records and payment slips with recorded working hours

Employee/ management interview

Quality and other records for crosschecking

Findings: non-compliances

ZAF601186708

Non-compliance

Due 2025-01-27

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

Overtime hours exceeded the legal requirement. According to the factory's attendance record from Oct 1, 2024 to the day of the audit, auditor found that 10 randomly selected employees monthly overtime hours was 58h in Dec 2024(Random month); monthly overtime hours was 64h in Aug 2025 (Random month); monthly overtime hours was 58h in Sep 2025 (Most current month).

Area of non-compliance/non-conformance

Local law

Base code

加班时间超过法规要求。根据工厂提供的2024年10月1号到审核当天的考勤记录，审核员发现在10名随机抽取的员工考勤中2024年12月份（随机月）的月加班时间为58小时；2025年8月份（随机月）的月加班时间为64小时；2025年9月份（当前月）的月加班时间为58小时。

Description (carried over)

Overtime in excess of statutory requirements. Based on the attendance records provided by the factory from October 1, 2023 to the day of the audit, the auditor found that in the attendance drawn for September 2024 (current month), 10 of the 10 randomly selected employees were working 46 hours of overtime per month; In the attendance of March 2024 (random month), 26 of 26 randomly selected employees had 56 overtime hours per month; In the November 2023 (random month) attendance, 26 of 26 randomly selected employees had 46 hours of overtime per month.加班时间超过法规要求。根据工厂提供的2023年10月1日到审核当天的考勤记录，审核员发现在抽取的2024年9月份（当前月）的考勤中，10名随机抽取的员工中有10人的月加班时间为46小时；2024年3月份（随机月）的考勤中，26名随机抽取的员工中26人的月加班时间为56小时；2023年11月份（随机月）的考勤中，26名随机抽取的员工中26人的月加班时间为46小时。

[← Code area 6](#)

[Code area 7 →](#)

Corrective and preventative actions

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

建议企业应减少员工的加班时间确保每月的加班时间不超过36小时。

Corrective and preventative actions (carried over)

It is recommended that the facility should reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month.

建议企业应减少员工的加班时间确保每天的加班时间不超过3小时，每月的加班时间不超过36小时。

Local law reference

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

Evidence

[monthly OT exceed 36h.jpg](#)

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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?	54.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	54.0
Maximum number of days worked without a day off in sample	6

[← Code area 6](#)

[Code area 7 →](#)

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The factory established discrimination policy. The procedures stipulated that he grades factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political backgrounded. ; The factory had fully implemented a Gender Equity Development Program, which includes the following aspects: a.Equal Employment Mechanisms b.Pay Transparency Reforms c.Family-Friendly Facilities. d.Anti-Discrimination Training System. e.Female Leadership Program; Promotion was based on workers 'ability and skill; training was based on working requirement. The procedures were compiled by the Management, and approved by the General Manager.
2. The factory designated the Manager responsible for implementing policies. Regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The Manager has a good understanding of the policy content and the situation of the factory.
3. New employees were required to attend on-boarding training from the Management and the handbook was provided about the discrimination policy and no worker was required to do the examination of the Hepatitis B and HIV. According to factory management and workers interview, the factory also held an annual training on factory procedure documents. Case studies on gender pay gaps and disability inclusion. But partial workers have limited awareness of their rights regarding discrimination.
4. The factory monitors compliance through monthly contract audits, anonymous grievance hotlines, and third-party labor audits. The factory conducted regular internal audits of recruitment, salary, promotion and working conditions to ensure that there is no discrimination in the whole process; established a complaint tracking system to identify potential problems and develop improvement plans through data analysis of complaint cases; interviewed independent department one-on-one communication with employees to truly obtain feedback on workplace fairness. However, there is limited transparency in how hiring, wages, and promotions are reviewed.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

[← Code area 6](#)

[Code area 8 →](#)

Systems and evidence examined to validate this code section

current systems:

The facility established a procedure of prohibiting discrimination in the company's ethics policy.

The factory had fully implemented a Gender Equity Development Program, which includes the following aspects:

1. Equal Employment Mechanisms
2. Pay Transparency Reforms
3. Family-Friendly Facilities
4. Anti-Discrimination Training System
5. Female Leadership Program

The facility has taken measures to ensure that any employment decision, including hiring, firing, work assignments, pay scales, and promotions, is made without discrimination against employees based on their race, color, national origin, gender, sexual orientation, religion, disability, pregnancy, political opinion or affiliation, social status, or other similar factors.

Verified that all workers had equal job opportunities, positions, and compensation.

Verified that all workers had equal training and development chance.

Evidence examined:

prohibiting discrimination procedure

Gender Equity Development Program

Management and workers interview

The hiring and termination procedure, leave application records and employee handbook, recruitment procedure that requires equal employment opportunities

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)? 50%

Representation of women in managerial roles (ratio of women workers to women managers) 0%

Representation of women in supervisory roles (ratio of women workers to women supervisors) 0%

Three most common nationalities in managerial and supervisory roles Chinese

[← Code area 7](#)

[Code area 8 →](#)

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The factory established employment policy. The procedures stipulated that All grades employees should be recruited by the factory directly and receive training about employment policy when employed. No labor agency was used to hire worker. No temporary worker, apprenticeship schemes or home worker according to the policy. The procedures were compiled by the Management, and approved by the General Manager.
2. The factory designated the Manager responsible for implementing policies. Regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The Manager has a good understanding of the policy content and the situation of the factory.
3. New employees were required to attend on-boarding training from the Management and the handbook was provided about the employment policy. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone. But knowledge gaps existed in certain areas of employment law or contract management.
4. The factory regularly conducted systematic audits of labor contracts, payroll records and employment status. Collected employee feedback through anonymous questionnaires, confidential interviews and other means, and continuously evaluates employment legality. As soon as non-compliance is identified, rectification mechanisms are initiated to ensure that employment management always complies with legal requirements and industry best practices. However, worker feedback was collected, the process for addressing issues or making improvements was weak or slow.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

current systems:

The facility has established a recruitment policy and company regulations to avoid illegal labor recruiters and intermediaries.

Verified that the facility did not use agencies to recruit workers.

Verified that there were no international immigrant workers in the facility.

The employment relationship followed local regulations.

Verified that workers' contracts accurately reflected the agreed payment and terms in the recruitment process.

Verified that worker understood the terms of employment.

Verified that workers' contracts were signed by both parties (worker and the facility).

Verified that worker received copies of working agreements.

Evidence examined:

The hiring and termination procedure

Personal files

Payroll records were provided for review

Labour contracts

8. Regular employment is provided

Data points

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

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

Management systems

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

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

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

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

Explanation for management systems grades

1. The factory established Sub-contracting and homeworkers policy. The procedures stipulated that no sub-contracting or home working should be used in the factory. The procedures were compiled by the Management, and approved by the General Manager.
2. The factory designated the Manager responsible for implementing policies. Regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The Manager has a good understanding of the policy content and the situation of the factory.
3. The factory provides a comprehensive training program to ensure that employees understand and comply with the requirements on how to treat domestic workers and subcontracted workers ethically, the factory also ensures that workers are aware of their rights, and has well-established systems in place to enable workers to report issues related to subcontracting and working from home without fear of reprisals.
4. The factory monitors compliance through monthly contract audits, anonymous grievance hotlines, and third-party labor audits. According to worker interview, Through the training organized by the factory, they are clear about the specific requirements of the factory regarding Sub-contracting and homeworkers policy.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>current systems:</p> <p>The facility has established policy for subcontracting process.</p> <p>The facility has established policy of prohibiting homeworking.</p> <p>The facility did not use homeworking.</p> <p>Evidence examined:</p> <p>Production record</p> <p>Facility tour(Calculation on total production and estimated capacity)</p> <p>Management interview and employee interview</p> <p>Supplier assessment records</p>		

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

Data points

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

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
The suppliers did not use homeworkers.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No
Based on production records, the workers' capacity was reasonable.

Are any sub-contractors used?

No

[← Code area 8.A](#)

[Code area 9 →](#)

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	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The factory established no harsh or inhumane treatment policy. The procedures grades stipulated that no harsh or inhumane treatment in factory. If similar incidents occur, report to the management immediately. The procedures were compiled by the Management, and approved by the General Manager.
2. The factory designated the Manager responsible for implementing policies. Regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The Manager has a good understanding of the policy content and the situation of the factory.
3. New employees were required to attend on-boarding training from the Management and the handbook was provided about No harsh or inhumane treatment policy. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone. However, supervisors or managers may not receive training specific to handling harassment issues.
4. The factory conducted regular independent audits and confidential interviews with employees to thoroughly investigate possible harassment, abuse or inhumane treatment in the workplace; Established an anonymous complaint channel to ensure that employees can safely report misconduct and that all complaints are treated in strict confidence and investigated promptly; Systematic tracking of each complaint handling process and rectification results, through disciplinary action, training and education and other targeted measures to prevent recurrence. But monitoring systems was in place but not fully comprehensive, leading to missed issues.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

[← Code area 8.A](#)

[Code area 10.A →](#)

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

current systems:

The facility has established a procedure prohibiting harassment and abuse which was also part of the company code of ethic.

The disciplinary procedure has been established which was also part of the company rules.

Verified that there was no abuse or harassment observed.

Grievance system was also applied if workers appealed for the disciplinary practice used to them. This grievance system was also designed to allow workers to report issues anonymously.

Evidence examined:

The relevant policy on prevention of harassment and abuse

Internal grievance procedure documentation

Training records

Worker interview and management interview

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process The grievance process is available to all workers
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What type of grievance mechanism(s) are available?	Hot line and suggestion box was available.
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Number of grievances raised in the last 12 months	0
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Number of grievances resolved in the last 12 months	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	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	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. The factory has established clear written policies to ensure awareness of environmental laws at local, regional and national levels and to make these policies known to all concerned through effective communication mechanisms. Secondly, the factory has established an environmental management system (EMS) that complies with local, regional and national legal requirements, providing a systematic framework and support for environmental management. In terms of resource management and waste disposal, the plant maintains permits and documentation relating to the use of resources (e.g. water, energy) and waste disposal, ensuring that all operations are well documented. At the same time, the plant's environmental policy not only meets the customer's environmental standards, but also includes specific action plans to address environmental performance gaps, demonstrating its commitment to continuous improvement.
2. The factory designated the Manager responsible for implementing policies. The meeting minutes with employees especial the management level about the environment issues was kept properly. The Manager has a good understanding of the policy content and the situation of the factory.
3. New employees were required to attend on-boarding training from the Management and the handbook was provided about environmental management system. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone. However, communication about environmental policies or legal changes was limited or not regularly updated.
4. According to factory management interview and record review, environmental policy monitoring is already being implemented, but the monitoring items were not including all the requirements.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

current systems:

The factory has documented policy regarding environmental issues and the responsible staff was aware of local laws / regulations governing environment, keeps the law up to date.

No significant pollution was observed in the factory.

Evidence examined:

Documents related to environmental policies

Management and worker interview

Factory 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?

No. The factory did not have environmental or energy management certificate.

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

No

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

Yes

The factory installed fans for workers in the workshop.

[← Code area 10.A](#)

[Code area 10.B →](#)

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>current systems:</p> <p>The factory has documented policy regarding environmental issues (including hazardous waste disposal and handling SOPs) and the responsible staff was aware of local laws / regulations governing environment, keeps the law up to date.</p> <p>The factory did obtain the environmental impact assessment documents.</p> <p>No significant pollution was observed in the factory.</p> <p>Evidence examined:</p> <p>Environmental policy and procedure</p> <p>All legally required environmental documents were provided for review</p> <p>Worker and management interview</p> <p>Factory tour</p> <p>Pollutant Discharge Permit</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?	No
What additional specific environmental policies does the site capture?	Zero-waste and recycling protocols Switching to renewable energy sources Sustainable material sourcing
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The factory had an environmental policy and has a specialist to check and confirm the requirements in the destination countries regarding environmental and chemical issues.
Does the site have reduction targets in place to manage climate related risks?	None
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	No
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Yes Facility had checked business partners operating on the premises, which have appropriate permits and licenses and were conducting business in line with environmental expectations of the facility.

Usage/discharge analysis

Last full calendar year (2024)

Previous full calendar year (2023)

[← Code area 10.B](#)

[Code area 10.C →](#)

Total electricity consumption from non-renewable sources (kWh)	187,867	199,389
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None
Types of renewable energy used	Other (provide details)	Other (provide details)
	Nil	Nil
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	Nil	Nil
Has the site completed any carbon footprint analysis?	No	No
Water sources	local water authority	local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	746	924
Water discharged	urban sewage pipe	urban sewage pipe
Water volume discharged (m3)	746	924
Water volume recycled (m3)	0	0
Total waste produced (mt)	13.7	16.8
Total hazardous waste produced (mt)	0	0

[← Code area 10.B](#)

[Code area 10.C →](#)

Waste to recycling (mt)	13	16
Waste to landfill (mt)	0.7	0.8
Waste to other (mt)	0	0
Total product produced (mt)	1,424	1,471

[← Code area 10.B](#)

[Code area 10.C →](#)

10.C. Business ethics

Management systems

<p>Develop and maintain relevant policies and procedures to ensure workplace requirements are met</p>	<p>Robust Management Systems</p>
<p>Appoint a manager with sufficient seniority who is responsible for implementing procedures</p>	<p>Robust Management Systems</p>
<p>Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures</p>	<p>Some Improvements Recommended</p>
<p>Monitor the effectiveness of procedures to meet policy and workplace requirements</p>	<p>Some Improvements Recommended</p>
<p>Explanation for management systems grades</p>	<ol style="list-style-type: none"> 1. The factory has a clear business ethics policy covering bribery, corruption, fraud or unethical business practices and ensures compliance with relevant laws and regulations. The factory communicates this policy to all high-risk parties, including suppliers, ensuring that ethical conduct in all business operations is in line with standards. The factory also has detailed procedures for dealing with unethical conduct, including specific actions to prevent bribery, corruption and other fraud, providing clear behavioral guidance for employees and interested parties. 2. The factory designated the Manager responsible for implementing policies. The meeting minutes with employees especial the management level about the business ethics was kept properly. The Manager has a good understanding of the policy content and the situation of the factory. 3. New employees were required to attend on-boarding training from the Management and the handbook was provided about business ethics. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone. But no update training record was provided for review. 4. According to factory management interview and record review, business ethics policy monitoring is already being implemented, but the monitoring items were not including all the requirements.

[← Code area 10.B](#)

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>current systems:</p> <p>The factory has developed covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties. The system including transparent system in place for confidentially reporting and dealing with unethical Business Ethics without fear of reprisals towards the reporter.</p> <p>Evidence examined:</p> <p>The company business ethics policy including: bribery, corruption</p> <p>Ethics training records</p> <p>Worker handbook & Social accountability policy</p>		

[← Code area 10.B](#)

10.C. Business ethics

Data points

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

No

Provide any certified anti-bribery management systems for the site

There was no certified anti-bribery Management Systems for the site. But the company established a business ethics policy which was communicated to workers through posters and training.

[← Code area 10.C](#)

Attachments



[ZAA600169579_BMHZ0253
73-01B_Yiwu City Magic
Tree Gift Bag Co.,
Ltd._Periodic_Nov 20 21,
2025_Photo Form\(4P\).pdf](#)



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73-01B_Yiwu City Magic
Tree Gift Bag Co.,
Ltd._Periodic_Nov 20 21,
2025_Signed CAPR\(4P\).pdf](#)

