

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	ZS1034564	Site name	Pretty Arts products Co Ltd
Business name	Pretty Arts Import&ExportCo Ltd	Site address	No.6, Fuqiang Road, Industrial Park (North District), Zhitang Town, Changshu City, Suzhou, Jiangsu,China Changshu CN 215531

Audit details

Sedex company reference	ZC1049864	Auditor company name	TUV Rheinland (TUEV Rheinland)
Audit company address	Am Grauen Stein, Cologne, DE, 51105		
Date of audit	2026-07-28	Audit conducted by	Nancy Zhang
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		
Time in and out	Day 1		Day 2
	In	09:20	In 09:30
	Out	17:20	Out 13:30
Audit type	Periodic		
Was the audit announced?	Semi announced		

Was the Sedex SAQ available for review? Yes

Who signed and agreed CAPR? Ms. Zeng Yan / 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	The factory did not establish the union.		
Reason for absence during the audit	The factory did not establish the union.		
Reason for absence at the closing meeting	The factory did not establish the union.		

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 window of this audit is from July 1, 2026 to July 29, 2026 (4 weeks).

Lead auditor

Nancy Zhang

APSCA Number

21701223

Additional auditor

Date of declaration

2026-07-29

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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. Zeng Yan
Title	Manager
Date of declaration	2026-07-29

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601547105
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601547104

Management systems

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



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

Site details

Company and site details

Sedex company reference	ZC1049864	
Sedex site reference	ZS1034564	
Company name	Pretty Arts Import&ExportCo Ltd	
Business ownership type	GOODS	
Site name	Pretty Arts products Co Ltd	
Site name in local language	常熟市钟意工艺品有限公司	
GPS location	GPS address	No.6, Fuqiang Road, Industrial Park (North District), Zhitang Town, Changshu City, Suzhou City, Jiangsu Province, China
	Coordinates	Latitude: N 31°36'20", Longitude: E 120°56'42"
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. Zeng Yan
	Job title	Manager
	Phone number	86-512-52513693
	Email	Rheashen@pretty-arts.com

[← Management systems](#)

[Worker analysis →](#)

Company and site details

Applicable business and other legally required business license numbers and documents

1. Business License No.: 91320581799087185U
Valid from March 26, 2007 to long term
2. Taxpayer identification No.: 91320581799087185U
Valid from June 1, 2008 to long term
3. Pollutant discharge registration receipt No.: 91320581799087185U001Y
Valid from July 16, 2025 to July 15, 2030
4. Food business license No.: JY33205810514395
Valid from Aug. 4, 2025 to Aug. 3, 2030

[← Management systems](#)

[Worker analysis →](#)

Audit company:
TUV Rheinland (TUEV Rheinland)

Audit reference:
ZAA600219748

Start Date:
2026-07-28

End Date:
2026-07-29

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	Primary	Manufacture of luggage, handbags and the like, saddlery and harness
	Secondary	
	Other	
Product type	Bags	
Process overview	Main products: Bags Main process: Cutting, printing, sewing, inspection, packing Production line: 4 lines Main equipment: 2 automatic cutting machines, 2 digital printing machines, 55 sewing machines, etc.	
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?	3824m ²

[← Site details](#)

[Worker analysis →](#)

Site scope

Building 1	Last construction works on site	2013
	If building is shared, provide details	No
	Number of floors	3
	Description of floor activities	1F: office, sewing, inspection, packing workshop 2F: printing workshop 3F: office, sample showroom
Building 2	Last construction works on site	2007
	If building is shared, provide details	No
	Number of floors	1
	Description of floor activities	1F: cutting workshop, warehouses
Building 3	Last construction works on site	2007
	If building is shared, provide details	No
	Number of floors	1
	Description of floor activities	1F: canteen
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?	No
Does the site organise worker transport to the worksite?	Not provided Most workers lived not far from the factory, and they also thought that it was more convenient for them to arrange their own transportation. So no transport was provided.

Work patterns

Approximate workers on site per month (% of peak)	January	90-100%	February	90-100%
	March	90-100%	April	90-100%
	May	90-100%	June	90-100%
	July	90-100%	August	90-100%
	September	90-100%	October	90-100%
	November	90-100%	December	90-100%

Is there any night shift work at the site? No

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	ISO 14001 (Environmental management), Other certification The audited factory obtained the ISO14001 certificate with No.114226E00189R010 valid from Jan. 27, 2026 to Jan. 26, 2029, and ISO9001 certificate with No.114226Q00188R010 valid from Jan. 27, 2026 to Jan. 26, 2029.
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[← Site details](#)

[Worker analysis →](#)

Site assessments

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 negative impacts assessment was conducted 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 No Human Rights Impact Assessment (HRIA) was conducted.

[← Site details](#)

[Worker analysis →](#)

Worker analysis

Gender disaggregated data available

Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	5 (14.7%)	29 (85.3%)	- -	34 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	5 (14.7%)	29 (85.3%)	- -	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	1 (12.5%)	7 (87.5%)	- -	8 (23.5%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	1 (12.5%)	7 (87.5%)	- -	8 (23.5%)

* % of total workforce

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

Anhui, He'nan, Fujian Province

Workers by age

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

N/A. The audited factory did not have obvious peak season.

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	15%	85%	-	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	5 (14.7%)	29 (85.3%)	- -	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	5 (14.7%)	29 (85.3%)	- -	34 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details

N/A. No other payment cycle was found.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	0 (0%)	1 (100%)	- -	1
Supervisors or team leaders	1 (33.3%)	2 (66.7%)	- -	3
Administrative staff	0 (0%)	10 (100%)	- -	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 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

[← Worker analysis](#)

[Measuring workplace impact →](#)

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)

Workers did not raise significant concerns or complaints.

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

Equal opportunities

Freedom of movement

Work environment – comfort (e.g. temperature, noise or dust levels)

Additional comments

In the interview process, they were frank; no hint or coaching by management was noted. The workers' attitudes to factory management were favorable. They were satisfied with the working condition and they could go to toilet or drink water during working hours. No negative information was raised.

Attitude of workers' committee/union representatives

Attitude of the worker representative was favorable. He was free to communicate with workers and factory management, communication meeting was conducted quarterly.

He indicated that workers were satisfied with the payment, working hours and working condition. No obvious complaint or grievance was raised from workers. He was not being discriminated by the factory, and not being restricted with the movement area.

Attitude of managers

At the opening meeting, auditor explained the audit scope and the audit standard to the factory representatives.

Factory tour, document review, interviews with management members and workers were conducted as scheduled in the audit programs, a full audit was finished under the co-operation of the factory representatives.

At the end of the audit, auditor had a closing meeting with factory representatives and all findings were discussed. Factory management signed the CAP and was given a copy.

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	2	3	-	5
Workers interviewed individually	2	3	-	5

[← Worker analysis](#)

[Measuring workplace impact →](#)

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	1	2	-	3
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	1	2	-	3

Measuring workplace impact

Gender disaggregated data available

Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	2.0%	-	2.0%
Previous full calendar year (2024)	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 (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

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

Are accidents recorded?

Yes

The factory obtained accident records of the recent 2 years and noted that there was no work-related accident occurred.

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 (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	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 (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	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 (2025)	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 (2024)	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 (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	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	Current System: 1. All requested documents were provided. All used areas were allowed to visit. The worker interview was conducted without restriction. All provided information was accurate. 2. The audit was conducted smoothly. 3. The management had a basic knowledge of Human Rights. And the policies and procedures were established in the factory. 4. The factory nominated Mr. Zhou Zhi / General Manager to be responsible for the implementation of the human rights standards. Evidence examined: Human Rights policies and procedures Communicate records of Human rights standards to workers and suppliers Worker and management interview		

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?	No
Did any workers selected by the auditor decline to be interviewed?	No
Were any external stakeholders such as consultants, customer representatives, industry experts etc. present during the audit?	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	Robust Management Systems

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established documented forced labor policies and procedures, which were regularly reviewed, updated and posted on the employee bulletin board. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review. However, some employees were not familiar with the policy.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

Current System:

1. No forced labor, human trafficking, debt bondage/ bonded labor or any other form of modern slavery was identified in the facility. The procedures were established which were communicated to all workers. The related laws were collected and known by the managements.
2. There were no threats, penalties, coercion, physical force, violence, or harsh or inhumane treatment.
3. Based on workers interview, all workers were not required to lodge "deposits" or their identity papers with their employer. The workers could keep their identify cards by themselves.
4. All workers were free to leave at end of the work. Overtime was voluntary.
5. There was no restriction for the workers to leave their employer.
6. The workers could move in the workshop freely e.g. drink water, go to toilet etc.
7. The payment was in time.

Evidence examined:

Forced, bonded or involuntary prison labor policy
Recruitment policy
Employee labor contract
Employee interview

1. Employment is freely chosen

Data points

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

1.A. Responsible recruitment and entitlement to work

Management systems

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

[← Code area 1](#)

[Code area 2 →](#)

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established documented recruitment policies and procedures, which were regularly reviewed, updated and posted on the employee bulletin board. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review. However, some employees were not familiar with the policy.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

Current System:

1. The original ID cards of all workers were required to provide to verify the legal rights. And the copies were kept for review.
2. All workers were informed of the working conditions, living conditions, employment terms, living costs, wages and benefits etc.
3. The facility knew it was illegal to hire child labor and should provide special protection for the young workers.
4. The facility did not use third-party employment agencies or other recruitment brokers.
5. The facility had added the provisions to ensure no recruitment fees or related costs are incurred or charged to workers in labor contract. The facility had appointed a person to responsible for reimbursing workers accordingly if they incur fees or costs.
6. No recruitment fees or related costs were identified.

Evidence examined:

Personal files

Labor contract

Worker and management interview

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? Directly

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 24%

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 8 workers migrated from Anhui, He'nan, Fujian Provinces to work at this site.

Recruitment fees

Have any workers who started at this site in the last 12 months (new workers) paid any recruitment fees or associated costs, such as visas or travel, which have not been fully repaid? No - there are no new workers

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

Management systems

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

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established documented freedom of association and collective bargaining policies and procedures, which were regularly reviewed, update and posted onsite. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training. But no training materials were distributed so that employees could consolidate their learning.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

Current System:

1. There was no union in the facility.
2. Two worker representatives were elected by all employees freely in the factory on Sept.4, 2025. The worker representatives could carry out the functions in the factory without discrimination. All employees could raise their rights with worker representatives freely. Sufficient meetings were conducted among the worker representatives and managements to solve the workers' complaints, and the latest meeting was conducted on June 24, 2026.
3. The factory established a policy on freedom of association and communicated the policy to all workers. No collective bargaining agreements were signed.

Evidence examined:

Workers representative selection procedure and selection record
Meeting minutes between management and worker representatives
Worker and worker representative interview

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 there alternative worker representative bodies in place?	Yes, worker committee
Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)?	Yes
Are the worker representatives freely elected by the workforce as a whole?	Yes
Does union/worker committee membership reflect the gender composition of the workforce?	Yes
Does the membership reflect the nationality composition of the workforce?	Yes

[← Code area 2](#)

[Code area 3 →](#)

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	Fundamental Improvements Required

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established documented EHS policies and procedures, which were regularly reviewed, updated and posted onsite. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training. However, partial workers were not familiar with the requirement.

4. Monitoring: FIR

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis. However, the monitoring for health and safety was insufficient. The factory still has non-compliance issues, such as goods were placed against the walls.

For bag manufacturing factories, there was always a risk of goods stacking, and most factories placed the goods against the walls.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601547105
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601547104

[← Code area 2](#)

[Code area 4 →](#)

Systems and evidence examined to validate this code section

Current System:

1. The facility had established the health and safety policy. Mr. Zhou Zhi / General Manager was appointed to take charge of health and safety issues. The training on EHS was provided for all workers and the new employees received the training at beginning of the employment.
2. The working environment was safe and hygienic. The temperature was appropriate for the workers in the workplace.
3. The first aid kits were available on each workshop with adequate medicines. The factory inspected it monthly and replaced it when invalid. There were 2 trained first aiders in the factory.
4. Based on site observation, firefighting equipment such as fire alarm, fire hydrant, fire extinguishers, emergency lights etc. was adequate and well maintained in the factory. Monthly inspection was conducted, and the records were posted onsite for review. All evacuation passages were marked clearly and kept clean.
5. A certificated electrician was in charge the electric maintains in the facility.
6. The building was solid, and no cracks were identified.
7. Potable water was provided for all workers. And the drinking water test report was available for review which met the legal requirement.
8. The clean toilets with privacy doors were available for the workers at all times.
9. The fire drills were organized twice a year. And the latest one was conducted on May 8, 2026.
10. The factory provided the accident records for review. No accidents happened in past 1 year.
11. The canteen was provided, and the dormitory was not provided.
12. All machines were well protected.
13. The appropriate PPEs were provided for the workers.

Evidence examined:

Health and safety policy and procedure
 Health and safety committee meeting records
 Health and Safety training records
 Work-related Accident and Injury records
 Workers interview
 First aider certificates
 Electrician certificate and agreement
 Safety manager certificate
 Fire drill records
 Fire control acceptance check
 Construction project completion acceptance check

Findings: non-compliances

ZAF601547105

Non-compliance

Due 2026-09-04

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

Time given to resolve

30 days

Verification method

Desktop audit

Issue title

233 - Hazardous substances (e.g. chemicals and pesticides) are stored unlabelled or labelling is incorrect

Area of non-compliance/non-conformance

Local law

Description

It was noted that some chemical containers (such as thinner containers) being used in printing workshop on the 2nd floor were only posted with the chemical name instead of the safety label. 审核员发现2楼印刷车间部分盛装化学品的容器（比如：盛装慢干水的容器）上仅张贴了化学品名称而不是安全标签。

Base code

Intended corrective and preventative actions, based on root cause analysis

It is recommended that management adopt practices and controls to ensure that all hazardous chemicals stored or being used in the factory are posted with safety labels with complete information.

建议所有在工厂内储存和使用的危险化学品都有张贴安全标签，且标签的内容要完整。

Local law reference

In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.

根据《工作场所安全使用化学品规定》第14条：(1)使用单位购进的化学品需要转移或分装到其他容器时，应标明其内容。对于危险化学品，在转移或分装后的容器上应贴安全标签；(2)盛装危险化学品的容器在未净化处理前，不得更换原安全标签。

[← Code area 3](#)

[Code area 4 →](#)

Evidence



[No safety label was posted..JPG](#)



* PDF generated at 11:44 (UTC) on 05 Aug 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601547104

Non-compliance

Due 2026-10-04

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

It was noted that the gap between stacks and walls was 0 meter in the warehouse, which was less than the legal requirement of 0.5 meter.

审核员发现仓库库存物品垛与墙的间距为0米，小于法定0.5米的要求。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that management adopt practices and controls to ensure that the width of gap between stacks and walls is in accordance with the legal requirement.

建议工厂确保库存物品垛与墙的间距符合法律要求。

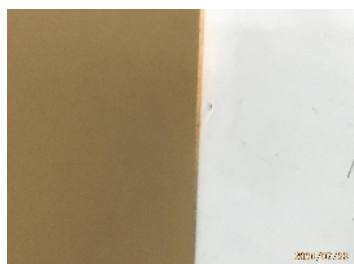
[← Code area 3](#)

[Code area 4 →](#)

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. 根据《仓库防火安全管理规则》第18条：库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。

Evidence



[No gap between stacks and walls..JPG](#) 

* PDF generated at 11:44 (UTC) on 05 Aug 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes The workers in printing workshop had access to hazardous chemicals, such as paint, thinner, etc.
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?	No No structural addition was found.
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
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Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
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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
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Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established documented child labor policies and procedures, which were regularly reviewed and updated and posted on the employee bulletin board. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: R

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current System:

1. The child labor policy that never hiring child labor under 16 years old was established in the factory.
2. There was an age verification procedure in place that would check the ID cards of all workers before recruitment.
3. The factory established the child labor remediation policy in place in case of child labor identified. If child labor identified, the facility would stop the work of them immediately, provide a free health examination for them, contact the parents of the labor work and return them back to their parents, paid traveling expenses and paid adequate financial and other support to enable the child to attend and remain in school until no longer a child.
4. Based on the document review, the youngest worker in the facility was 31 years old.
5. There was a policy on special protection of young workers in the factory.
6. No child or young workers were found during the audit.

Evidence examined:

Child labor policy
 Age verification procedure
 Child labor remediation policy
 Worker and management interview
 Personnel files
 Special protection of young workers policy

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	0%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	31
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

[← 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	Robust Management Systems

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established documented wage and benefit policies and procedures, which were regularly reviewed, updated and posted onsite. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training. But no training materials were distributed so that employees could consolidate their learning.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

[← Code area 4](#)

[Code area 5.A →](#)

Systems and evidence examined to validate this code section

Current System:

1. The local minimum wage standard was RMB 2660 per month equivalent to RMB 15.29 per hour since Jan. 1, 2026 and RMB 2490 per month equivalent to RMB 14.31 per hour before Jan. 1, 2026.
2. Based on the payrolls from June 2025 to May 2026 and attendance records from June 2025 to audit day for review, the workers were paid on hourly rate at least RMB 16.38 per hour, which were higher than the legal requirement.
3. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment.
4. All workers were paid by cash at the end of following month. And the workers stated that they received the payroll each month.
5. All workers' overtime wages were paid 150% of normal wage rate for overtime on weekdays and 200% of normal wage rate for overtime on weekend. No overtime was arranged on statutory holidays.
6. The sick leave, annual leave, maternity leave was defined in worker manual and would be provided to the workers when applicant.
7. Based on wage review and worker interview, there was no illegal deduction in the wage.
8. The factory's social insurance coverage was sufficient. According to the name list and social insurance payment receipts provided by factory management, it was noted that there were 48 employees in the factory currently, including 14 retirees. And all 34 out of 34 (100%) employees were provided with pension, medical, maternity, unemployment and accident insurance in July 2026. In addition, factory provided the commercial accident insurance from Jan. 5, 2026 to Jan. 4, 2027 for all employees.

Evidence examined:

Policy and procedure on wages and benefits

Payrolls records from June 2025 to May 2026

Attendance records from June 2025 to audit day

Social insurance receipts

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	Other (provide details) The legal minimum wage Wages meet a living wage Wages are based on job skills and experience The lowest wage paid to workers were higher than the legal minimum 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) Wages were paid by cash.
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None
Where the site has undertaken a Living Wage gap analysis against a credible Benchmark which Benchmark have they used?	Fair Wage Network Typical Family Methodology

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
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[← Code area 5](#)

[Code area 5.A →](#)

Is actual wage data available on site for any of these options?

Monthly

Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	174.0
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	168.0
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	10.0
	Max hours per month	32.0
Minimum legal wage	Min per hour	15.29
	Min per day	122.32
	Min per week	611.6
	Min per month	2660.0
Actual minimum wage	Actual per hour	16.38
	Actual per day	131.04
	Actual per week	655.2
	Actual per month	2850.0

[← Code area 5](#)

[Code area 5.A →](#)

Minimum legal overtime wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	24.57
	Actual per day	49.14
	Actual per week	311.22
	Actual per month	982.8

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples from Nov. 1-30, 2025 10 samples from Jan. 1-31, 2026 10 samples from May 1-31, 2026
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 the legal minimum wage.
Are there any bonus schemes used?	No

[← Code area 5](#)

[Code area 5.A →](#)

Were accurate records shown at the first request? Yes

Were any inconsistencies found? No

[← Code area 5](#)

[Code area 5.A →](#)

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	Current System: 1. The facility had established the living wage investigation procedure. 2. The facility used the fair wage network typical family methodology to calculate the living wage, which was RMB 2788.5. The facility had collected the information from the website and did the survey from the workers about their monthly cost, workforce and family member etc. The factory had calculated the cost of home education, transportation, food, clothing, utilities, housing, emergency preparedness and household savings etc. 3. The facility had compared the workers' wage with the living wage. The lowest remuneration paid by the facility was RMB 2850 per month, which was higher than the calculated living wage. Evidence examined: Worker interview Wage records from June 2025 to May 2026 Living wage investigation procedure Living wage investigation form		

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	Robust Management Systems

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established documented working hour management policies and procedures, which were regularly reviewed, updated and posted onsite. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented, and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training. But no training materials were distributed so that employees could consolidate their learning.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current System:

1. The factory provided attendance records from June 2025 to audit day for review. All employees worked for 5 days per week and 8 hours per day for standard working hour.
2. The working hour of all workers was 8:00 to 17:00 with 1 hour break from 11:30 to 12:30, if needed overtime was arranged from 18:00 to 20:00 on normal day and 8 hours on Saturday. The factory used the face recognition and fingerprint identification combined system to record the attendance. It would be recorded 4 times per day for all workers, if overtime needed, it would be recorded 6 times per day.
3. There was at least one day off per 7 days.
4. Overtime was voluntary. The overtime wages were paid per legal requirement.
5. The maximum weekly overtime working hour was 10 hours, and the maximum monthly overtime working hour was 32 hours.

Evidence examined:

Workers and managements interview

Attendance records from June 2025 to audit day

Production record

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?	Nil. No such case was found.
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?	46.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	50.0
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	Robust Management Systems

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established documented anti-discrimination policies and procedures, which were regularly reviewed, updated and posted onsite. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training. But no training materials were distributed so that employees could consolidate their learning.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current System:

1. The anti-discrimination policy was established in the factory. There was no discrimination issue identified during the audit.
2. Based on workers interview and wage review, the migrant workers stated that they obtained the same benefits as the local workers.
3. Based on payrolls review, equal rates were paid for equal work.
4. Female and male were distributed in all types of work.
5. All employees were not required to do the examination of the hepatitis B virus and HIV before employment.
6. The factory had established a fair recruitment mechanism, multi-channel recruitment, and adopted a fair screening process. The details were as follows:
 1. The principle of fairness in the recruitment process:
 - 1) Objective standards based on positions: Clear job description and Uniform screening criteria; 2) Diversified recruitment channels; 3) Structured interview process: Uniform interview questions, Interview panel system and Skills Test/Practical Operation Assessment; 4) Decisionmaking Transparency and Feedback Mechanism: Record the interview assessment and Provide constructive feedback (as requested by the candidate).
 2. The principle of fairness in the training process:
 - 1) Inclusive onboarding training; 2) Demandoriented skills training: Public training plan, Fair application opportunities and Diversified training formats.
 3. The Principle of Fairness in the Development process:
 - 1) Clear career development path; 2) Regular performance and development interviews; 3) Mentoring System and Job Rotation Opportunities.
 4. The principle of fairness in the Promotion process:
 - 1) Public promotion opportunities and standards; 2) Centered on performance and capability: Establish an objective performance management system and Ability assessment; 3) Decision-making process combining democracy and centralization; 4) Transparent communication and appeal mechanism: Publicize the promotion results and the main basis (without involving others' privacy) to the relevant teams, Provide one-on-one feedback to the unsuccessful employees, explain the reasons for their decisions, and guide them on the direction of their next efforts, and Establish a formal complaint channel.

Evidence examined:

Anti-discrimination policy
Workers interview

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)	3%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	6%
Three most common nationalities in managerial and supervisory roles	Only Chinese.

8. Regular employment is provided

Management systems

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

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established the policies and procedures regarding regular employment, which were regularly reviewed, updated and posted onsite. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training. But no training materials were distributed so that employees could consolidate their learning.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

[← Code area 7](#)

[Code area 8.A →](#)

Systems and evidence examined to validate this code section

Current System:

1. There was a recruitment policy in place. And admin department was in charge of the related issues and had a full understanding of the recruitment processes.
2. All workers were hired by the factory directly. No agency workers were verified in the factory.
3. No home-workers were used in the factory.
4. All workers were not required to pay recruitment fee at any stage of the recruitment process.
5. The factory had signed the labor contracts with all workers, and all workers obtained a copy. The labor contracts reflected the agreed payment and terms in the recruitment process which were understood and signed by workers.

Evidence examined:

Labor contracts

Recruitment policy

Worker and management interview

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

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established the policies and procedures to manage subcontracting and homeworking, which were regularly reviewed, updated and posted onsite. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training. But no training materials were distributed so that employees could consolidate their learning.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

Current System:

1. Based on factory tour and management interview, the facility did not use the subcontractors.
2. No home worker was used by the factory according to production record review.

Evidence examined:

Management interview and worker interview
Factory tour
Production records

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

Based on document review, onsite walkthrough, management and workers' interview, the factory did not buy products and services from suppliers that use homeworkers.

Sub-contracting

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

No

No unrecorded work or undeclared sub-contracting were found during the audit.

[← Code area 8.A](#)

[Code area 9 →](#)

Are any sub-contractors used? No

[← Code area 8.A](#)

[Code area 9 →](#)

Audit company:
TUV Rheinland (TUEV Rheinland)

Audit reference:
ZAA600219748

Start Date:
2026-07-28

End Date:
2026-07-29

9. No harsh or inhumane treatment is allowed

Management systems

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

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established the policies and procedures against harsh or inhuman treatment, which were regularly reviewed, updated and posted onsite. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training. But no training materials were distributed so that employees could consolidate their learning.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

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 System:

1. The factory had a policy on harsh and inhumane which was communicated to all workers.
2. The factory established several channels for the workers to report harsh and inhumane issues, such as suggestion box and worker representatives etc. All workers could raise their rights with a confidential grievance mechanism.
3. No physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were identified.

Evidence examined:

Harsh and inhumane treatment policy
Workers 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
What type of grievance mechanism(s) are available?	Worker representative, suggestion box, etc.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

10.A. Environment 2–Pillar

Management systems

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

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established documented environment protection policies and procedures, which were regularly reviewed, updated and posted onsite. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training. But no training materials were distributed so that employees could consolidate their learning.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current System:

1. The factory had collected relevant laws on environment which were the latest version. The facility had established the procedures on how these laws were updated and communicated.
2. The facility had provided the environment impact assessment report form, approval and environmental protection facility completion acceptance report for review. The procedures on resource use (e.g. water, energy, material) and waste disposal were established.
3. The facility had awareness of the requirement on environment of its clients and established the procedure to identify and remediate the gaps between their clients' environmental standards and the environmental impact of their own operations.

Evidence examined:

Environment protection policy

Laws on environment

Management interview

Environment impact assessment report form, approval and environmental protection facility completion acceptance report

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	The audited factory obtained the ISO14001 certificate with No.114226E00189R010 valid from Jan. 27, 2026 to Jan. 26, 2029.
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 made a plan for energy conservation and emission reduction to implement the adaptive measures to protect workers from the impact of climate change.

[← 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	Current System: 1. The facility had identified and monitored potential negative environment impacts on its own production activities and supply chain. There were systems to prevent, mitigate or remedy the impacts of their own production activities. 2. The facility had established the procedure to protect the environment which were communicated to the workers. 3. The facility had established the plan to reduce the discharge and save the energy. 4. The records of the usage of the water and electricity were provided. Evidence examined: - Environment protection policy - Laws on environment - Management interview		

[← Code area 10.A](#)

[Code area 10.C →](#)

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Responsible use and management of water
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The audited factory established the system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.
Does the site have reduction targets in place to manage climate related risks?	Yes, to increase low-carbon energy consumption or production
Are any of these science-based targets?	No, but we anticipate setting one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes The factory had defined a three-year (2024-2026) plans with targets (including baseline and phased goals) and adaptive action measures in place for the environmental aspects (E.g. water consumption and discharge, energy consumption and wastes). Water consumption and discharge: the factory had set the reduction target by 5% in 3 years (2024-2026). Energy consumption: the factory had set the reduction target by 5% in 3 years (2024-2026). Wastes: the factory had set the reduction target by 5% in 3 years (2024-2026).

Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Yes The audited factory checked business partners's permits and licenses before the cooperation and reviewed them annually to ensure that they were conducting business in line with environmental expectations of the facility.
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Usage/discharge analysis

	Last full calendar year (2025)	Previous full calendar year (2024)
Total electricity consumption from non-renewable sources (kWh)	218,579	220,578
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	Data not available	Data not available
Types of renewable energy used	Data not available	Data not available
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	Data not available	Data not available
Has the site completed any carbon footprint analysis?	No	No
Water sources	Local water authority	Local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	2,407	2,588

Water discharged	Sewage disposal plant	Sewage disposal plant
Water volume discharged (m3)	2,165	2,330
Water volume recycled (m3)	0	0
Total waste produced (mt)	38.8	42.2
Total hazardous waste produced (mt)	2.8	3.2
Waste to recycling (mt)	0	0
Waste to landfill (mt)	0	0
Waste to other (mt)	36	39
Total product produced (mt)	2,460,800	2,678,000

[← Code area 10.B](#)

[Code area 10.C →](#)

10.C. Business ethics

Management systems

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

[← Code area 10.B](#)

Management systems

Explanation for management systems grades

1. Policies and procedures: R

The factory had established policies and procedures on business ethics, which were regularly reviewed, updated, and posted onsite. The policies and procedures were appropriate for the site environment and were likely to result in ongoing compliance with the basic code area now and over time through periodic reviews.

2. Resources: R

A person in charge was responsible for ensuring that on-site policies were implemented and regularly trained to ensure that management met the requirements. The effectiveness of the management structure could be sustained over time to achieve compliance.

3. Training and communication: SIR

The factory had developed an annual training plan, conducted staff training according to the plan, and provided training records for review and evaluated the effect of staff training. But no training materials were distributed so that employees could consolidate their learning.

4. Monitoring: R

The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and took proactive action against non compliance. Effective monitoring ensures that workplace requirements for this basic code area were adequately managed on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 10.B](#)

Systems and evidence examined to validate this code section

Current System:

1. The factory had a policy on business ethics without bribery, corruption and it was communicated to related workers and their suppliers.
2. Key workers had signed the anti-bribery and anti-corruption commitments.
3. The factory had a transparent system in place for confidentially reporting business ethics.
4. The factory provided the training on ethical Business behavior to key workers, such as sales, purchasing, etc.
5. The factory communicated the Business Ethics policy to its suppliers.
6. There were no any fines/prosecutions for non-compliance to Business Ethics regulations.
7. Mr. Zhou Zhi / General Manager was a designated person responsible for business ethics in the facility.
8. No bribery or corruption activities were identified.

Evidence examined:

Policy on business ethics

Local law about business ethics

Communication records about business ethics with relevant

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	The factory did not have certified anti-bribery Management Systems.

[← Code area 10.C](#)

Attachments



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