



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1043245	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1019257	
Business name (Company name):	YILAI ENLIGHTING LIMITED			
Site name:	YILAI ENLIGHTING LIMITED			
Site address:	Floor 6-8, Yilai building, No 3 Commercial Street, 3rd industrial Zone, Wuguishan Town, Zhongshan, Guangdong, China zhongshan 528400 CN	Country:	CN	
Site contact and job title:	Liu Wen Jun / Office supervisor			
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2023-03-06			

Audit Company Name:
Benchmarks Company Limited

Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. 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.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Auditor Team			
Lead Auditor:	Beyond Geng	APSCA Number:	21702059
Additional Auditors:	Echo Wu		
Date of declaration:	2023-03-06		

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

Site Representation	
Full Name:	Liu Wen Jun
Title:	Office supervisor
Date of declaration:	2023-03-06
Comments:	Nil

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1	§1	1	0	0	NC - ZAF600027522
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§2	1	0	0	NC - ZAF600027523
6 - Working hours are not excessive	6.1	§3	1	0	0	NC - ZAF600027524
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	Equipping Standards of Personal Protective Equipment (Trial Implementation) (2000), Article 8. This Standard requires providing dustproof mask for operator of specified category of work. Gauze masks shall not be used as dustproof mask.
§2	Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.
§3	Labor Law of the People's Republic of China (2018 Amendment), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.

Site Details

Site Details		
Company Name	YILAI ENLIGHTING LIMITED	
Site Name	YILAI ENLIGHTING LIMITED	
GPS location (if available)	GPS Address:	Floor 6-8, Yilai Building, No. 3 Commercial Street, 3rd Industrial Zone, Wuguishan Town, Zhongshan, Guangdong, China
	Coordinates:	N 22°27'18" E 113°24'33"
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license number: 91442000789434323A Valid from 6 Jun 2006 to long term	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Electronic scale	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>YILAI ENLIGHTING LIMITED was located Floor 6-8, Yilai Building, No. 3 Commercial Street, 3rd Industrial Zone, Wuguishan Town, Zhongshan, Guangdong, China. They started their operation at the existing location since 6 Jun 2006. The factory rented the 6F, 7f and 8F in one 8- storey building as production and warehouse, other floors were used by other factory, there was no canteen and dormitory building provided to workers. Total 79 employees including 4 managers were currently working in the factory. Normally employees worked for 5 days a week with one shift. The normal working hour was from 08:00 to 17:30 with 1.5 hours break time from 12:00 to 13:30. The overtime hour was from 18:00 to 20:00. There was no obvious peak month or non-peak month in the factory. Fingerprint attendance system was used for time recording. Workers were paid on hourly wage basis by bank transfer before the 15th of the next month. The main products of the factory was electronic scale. The monthly capacity was 50,000 pcs. The main processes included assembly and packing.</p>	

Structure and number of buildings	Building Name:		Building 1	
	Floor	Description	Remark	
	1	Si Rui Optics Co., Ltd.	Nil	
	2	Si Rui Optics Co., Ltd.	Nil	
	3	Si Rui Optics Co., Ltd.	Nil	
	4	Si Rui Optics Co., Ltd.	Nil	
	5	Si Rui Optics Co., Ltd.	Nil	
	6	Assembly and packing	Nil	
	7	WH for materials	Nil	
8	Office room and WH for finished products	Nil		
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The building was properly maintained, no any cracks was found.			
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had obtained the building structure safety reports for all buildings.			
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor			
Months of peak season				
Process overview	The main product: Electronic balance The main processes: Assembly and packing. The main production equipment: 4 assembly lines etc.			
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None			
Please give details:	There were 2 worker representatives			
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:			

Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA

Audit Parameters		
Time in and time out	Day 1	
	In	09:30
	Out	16:30
Audit type:	FULL_INITIAL	
Was the audit announced?	SEMI_ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Liu Wen Jun / Office supervisor	
Is further information available	No	

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
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
<i>Reason for absence at the opening meeting</i>	There was no union in factory		
<i>Reason for absence during the audit</i>	There was no union in factory		
<i>Reason for absence at the closing meeting</i>	There was no union in factory		

Worker Analysis

The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	0	0	0	30	0	0	0	30
Worker numbers – female	0	0	0	45	0	0	0	45
Total	0	0	0	75	0	0	0	75
Number of Workers interviewed – male	0	0	0	5	0	0	0	5
Number of Workers interviewed – female	0	0	0	5	0	0	0	5
Total – interviewed sample size	0	0	0	10	0	0	0	10

Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese	approx %: 100%
Was this list completed during peak season?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	100%
	Salaried:	0%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	100%
	Other:	0%
	Details for other:	NA

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No workers complained nothing during the interview.
What did the workers like the most about working at this site?	The working environment and condition were comfortable.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	The interviewees verified that they had the choice to decide whether worked OT or not according to the voluntary principle.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

The employees were assured of confidentiality and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility and they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors.

Attitude of worker's committee/union reps:

The worker representatives said they were satisfied with their employment at the factory and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.

Attitude of managers:

The factory management showed a positive attitude to this audit during the whole process. At the end of the audit, all findings and suggested corrective actions were accepted by the factory management.

0A - Universal Rights covering UNGP
[Summary of Findings]

0A: Compliance Requirements

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1 The factory had a written human rights policy covering human rights impacts and issues, which was published by the general manager.

2 The facility had its grievance mechanism for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

3 No adverse impact evidence on human rights within any of their stakeholders was detected.

4 Mr Liu Wen Jun/office supervisor was responsible for implementing standards concerning Human rights.

Evidence examined:

1 Human rights policy

2 Employee handbook

3 Anonymous grievance records from suggestion box

4 Appoint letter of human right representative.

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

he factory's policy showed that they committed to the employees' universal rights. The policy was approved by general manager.

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

It was confirmed by documents review.

Does the business have a designated person responsible for implementing standards concerning Human Rights?

☒ Yes ☐ No

Please give details:

The factory established a committee for implementing the standards concerning employees' universal rights. Name: Liu Wen Jun Job title: Office supervisor

Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0%	
Lost day work cases per 100 workers[(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0%
	This year	0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0%
	12 month	0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0%
	12 month	0%

0B - Management Systems and code Implementation
[Summary of Findings]

0B: Compliance Requirements

0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.

0.B.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.

0.B.3 Suppliers are expected to communicate this Code to all employees.

0.B.4 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.

0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1 The factory had established policies and written procedures which ensured the site met in particular freedom of association, discrimination, child labour prohibition and general human rights standards.

2 The appointment letter of management representative for management of ETI compliance was also provided for review, and one senior manager was responsible for compliance with the Code.

3 Based on talking with factory management, they were familiar with local laws concerning labour standards such as wages, working hours, health and safety and so on.

4 Through the records review, the factory had communicated this Code to all employees.

5 The factory conducted the internal audit on its social accountability, and the latest one was conducted on 11 June 2022.

Evidence examined:

1 Employee handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees.

2 Company manual contained details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.

3 Management interview and worker interview.

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

☐ Yes ☒ No

Please give details:

No such record was noted in any public information channel. And this was confirmed through employee and management interview.

Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes ☐ No

Please give details:

Policies existed for Forced labour, Child Labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment, Recruitment, Discrimination and Sub-contracting.

If Yes, is there evidence (an indication) of effective implementation? Please give details.	<p>Policies existed for some of these areas (Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment, Recruitment, Discrimination and Sub-contracting), and these were communicated to workers via poster and annual training.</p> <p>Workers stated no forced labour, no child labour was found (through interview and document checks), there were both female and male among management/supervisors.</p>
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The training records were available in the factory.</p>
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Training records:</p> <ul style="list-style-type: none"> - Training for management/supervisors. - Introductory training record for new employees. - Confirmed via management and worker interview.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>NA</p>
Is there a Human Resources manager/department?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Mr. Liu Wen Jun/Office supervisor</p>
Is there a senior person /manager responsible for implementation of the code?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Mr. Liu Wen Jun/Office supervisor</p>
Is there a policy to ensure all worker information is confidential?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory established confidential procedure and HR Depart performed this system.</p>
Is there an effective procedure to ensure confidential information is kept confidential?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>All worker information was kept locked in files in the personnel office and only viewed by the top manager and authorized personnel.</p>
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had written risk assessment procedure and/or records such as job analysis records for pregnant women.</p>
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Any problems found at internal audit were brought to the attention of senior management and corrective action was taken.</p>

Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had supplier management procedure with requirements for them to implement ETI code.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All required land rights licenses were provided. Like the report of inspection for completed building construction projects and the certificate of inspection for completed building construction projects etc.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory set up the procedure and appointed executive department to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: All the areas of factory were legal according to the interview and document review.

1 - Freely chosen Employment

[Summary of Findings]

1: Compliance Requirements

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1 The factory rules and policy showed that there was no forced, bonded labour. No prison labour would be used.

2 Workers were not required to lodge deposit or their personal identity cards and were free to leave their employer after reasonable notice.

3 The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.

4 The above was confirmed in management and worker interview.

Evidence examined:

1 Through the employee interview, the factory did not require to deposit or withhold employees' ID card; employees were free to go if they had reasonable noticed; there was no forced, bonded or involuntary prison labour; the factory did not limit employees' freedom.

2 Resignation records

3 Factory rules

4 Employee handbook

5 Management and worker interview

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Are there any restrictions on workers' freedom to terminate employment?

☐ Yes ☒ No

Please give details:

The employee handbook stated that employees had the freedom to terminate employment without any restriction.

If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?

☐ Yes ☐ No ☒ Not Applicable

Please give details:

NA

<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>The terms and conditions of employment in the handbook stated that the employees were free to leave the workplace outside of their working hours.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>The factory representative understood the risks of forced / trafficked / bonded labour in its supply chain, and no forced labor was used.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory recruited the new workers through posting the advertisements usually.</p>

2 - Freedom of Association and Right to Collective Bargaining are Respected

[Summary of Findings]

2: Compliance Requirements

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

- 1 Workers had the right to join or form trade union of their own choosing and to bargain collectively.
- 2 There was no union at the site.
- 3 There was one workers committee, and workers could raise their suggestions through suggestion kit and Wechat.
- 4 The factory committee members were chosen by fellow workers.
- 5 Worker interview confirmed that the members of the workers committee had been elected by fellow workers.

Evidence examined:

- 1 Through employee interview, workers were free to join or form trade union by their own choosing for collective bargaining.
- 2 Interview with workers
- 3 Interview with workers committee members
- 4 Interview with managers
- 5 The employers had an open attitude toward the activities of trade unions and their organizational activities.

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	There were two worker representatives in factory.	
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box, phone call, go to communicate with team leader	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a room available for the worker's committee to have a meeting, and the members were allowed 2 hours per month for a meeting.
Name of union and union representative, if applicable:	NA
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committee
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on workers interview, they all knew the worker representatives.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2022-07-08
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The last meeting of worker committee was held on 28 Feb 2022, workers' satisfaction improvement action plan was discussed.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

3 - Working Conditions are Safe and Hygienic [Summary of Findings]

3: Compliance Requirements

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1. General Health and Safety Management

Mr. Liu Wen Jun was appointed as Health & Safety Manager for the site.

Potable water was available and free to approach in all areas of the factory.

Toilets were segregated by gender and clean, which were available for use by employees all the time.

Ventilation, temperature and lighting were adequate for the production areas.

H&S committee was established. And workers joined the committee.

Monthly meetings were held between the H&S committee (workers) and the H&S manager.

2. Fire Safety

There were at least 2 exits from each work area and were clearly marked.

Fire-fighting equipment was adequate. And checking records were kept and up-to-date.

Evacuation plans were posted in all areas and understood by all workers interviewed.

Fire drills were organized and recorded twice per year. Last one was conducted on 9 Dec 2022.

Fire license and building acceptance certificate was available for all production buildings

3. Electrical and Machine Safety

- Electrical equipment was maintained in good condition.

4. Medical Services

There were adequate first aid kits in each production area.

There were 2 first aiders in the factory. And they were trained at a local hospital.

5. Chemical Safety

The chemical was mainly lube oil, there was no storage in factory.

Evidence examined:

Facility tour
Management and Employee Interview
Health and safety policy
Health and safety committee meeting minutes
Training records and employees' relevant certificates
Fire-fighting equipment maintenance records
Fire drill records
Building completion acceptance report
Fire license
Certificate of trained first aider
Accident reports
Lube oil was used for maintenance the machines during production.
Potable water testing report
Routine inspection report for special equipment
Certificate for special equipment operation and special operation

Any other comments:

Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had the general H&S and occupational Health & Safety policies and procedures, and the factory had an H&S manager and an H&S committee who met regularly.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The worker's manual included the EHS policy.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No any structural additions.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: H&S policy was orally informed to visitors by the site.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not provide medical room, but the first aid kits were provided in every workshop. And the hospital was near rooms suitable for the number of workers.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: First aid medicine was provided on site.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No transport was provided.

Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no dormitory room provided by factory.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory performed risk assessment for the workplace and based on different positions.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided the registration form of environmental impacts of the construction, the approval document of environment impact assessment, and the approval document for on-site inspection and acceptance of completed environmental protection facilities for review. And the factory disposed the solid waste appropriately.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No banned chemical was used in this site. Environmental register for discharging was in place for this factory.

Non-Compliance

Evidence

[\[Back to findings summary\]](#)

Non-Compliance	
Status	OPEN
Reference	ZAF600027522
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate
Subcategory	Personal Protective Equipment/Clothing
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other
Root cause - Other	
Local law issue	Equipping Standards of Personal Protective Equipment (Trial Implementation) (2000), Article 8. This Standard requires providing dustproof mask for operator of specified category of work. Gauze masks shall not be used as dustproof mask.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	It was noted that one worker who worked in soldering process did not wear dust proof mask and she was provided temporary medical mask in 6th floor. 在工厂6楼焊锡岗位一名员工佩戴的口罩非防尘型口罩，工厂提供了一次性医用口罩给相关员工。
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other
Actions	It is recommended that the facility should provide dust proof mask to soldering worker. 建议工厂给焊锡岗位员工提供防尘类型口罩。



TC_07237.JPG

4 - Child Labour Shall Not Be Used [Summary of Findings]

4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1 Written recruitment procedure was established for checking ages of workers at the application stage, and this included checking ID's.

2 All employees should be only hired by the HR department of the factory but not by any other department.

3 Based on the management review, employees' ID and photo should be checked at the point of recruitment. The employee without valid ID certificate should not be hired.

4 Checked all worker files and found that all workers' ID copies were in files, and the youngest worker was age 22 years old, who was born on 14 Sep 2000 and entered the audited factory on 9 Feb 2023.

Evidence examined:

1 Recruitment procedure

2 Latest employee list

3 Personnel files of all workers

4 Interview with management and workers

5 Site tour

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	22
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No young worker in factory.

5 - Living Wages are Paid [Summary of Findings]

5: Compliance Requirements

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1 Legal minimum wage was paid; the local legal minimum wage was CNY 1900 per month (CNY 10.92 per hour).

2 Correct OT wage was paid, workers were paid 150% of the normal wages if the extension of working hours was arranged on weekdays; workers were paid 200% of the normal wages if the extended working hours were arranged on days of rest; workers were paid 300% of the normal wages if the extended working hours were arranged on statutory holidays.

3 The wages office was well organized with a good, controlled set of processes which were understood by all employees.

4 All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5 Benefits of paid, annual leave was given to all workers and child-bearing leave to appropriate workers.

All workers were paid on or before the 15th of next month by bank and each worker was given a pay slip and signed for their wages.

6 The factory provided partial employees with five kinds of social insurance.

Evidence examined:

1 Wages and benefits policy and procedure

2 Local and national laws

3 Local legal min wage documents

4 Payroll records and corresponding attendance records

5 Overtime premiums records

6 Labour contracts for all workers

7 Resignation records

8 Production records

9 Worker interview and management interview

Any other comments:

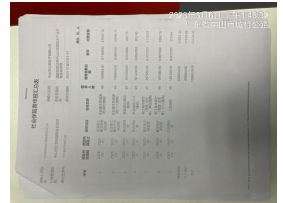
Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 174.0	NO

Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 14.0 Per Month: 78.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 1900.0	Actual Per Day: 87.36 Per Week: 436.78 Per Month: 1900.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 32.76 Per Week: 273.52 Per Month: 677.04	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from Feb 2022(at random) 10 samples from Aug2022 (at random) 10 samples from Jan 2023 (the most recent month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	1900		
Please indicate the breakdown of workforce per earnings	0% of workforce earning under minimum wage 100% of workforce earning minimum wage 0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:Job subsidies and meal allowance Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Incoming tax and social insurance		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	Incoming tax and social insurance		
Please list all deductions that have not been made.	NA		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: According to the records provided by factory management and employee interview, all time worked was recorded and paid.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Every year after the minimum wage was defined by local government.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The wage was based on workers' experience and technical, based on workers interview, it confirmed that equal rates were paid for equal work.
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

Non-Compliance		Evidence																															
[Back to findings summary]																																	
<table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>ZAF600027523</td> </tr> <tr> <td>Clause</td> <td>5 - Living Wages are Paid</td> </tr> <tr> <td>Issue Title</td> <td>423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic</td> </tr> <tr> <td>Subcategory</td> <td>Benefits & Insurance</td> </tr> <tr> <td>New or carried over?</td> <td> <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over </td> </tr> <tr> <td>Root cause</td> <td> <input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>Local law issue</td> <td>Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.</td> </tr> <tr> <td>ETI code</td> <td>5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</td> </tr> <tr> <td>Explanation to the non compliance</td> <td>Inadequate social insurance provided to employees. Based on review the social insurance in Jan 2023, it was noted that the factory provided 5 types of social insurance to 49 employees, and there were total 79 eligible employees in this month 根据2023年1月份社保记录显示, 工厂给49名员工提供了5种类型社保, 工厂共有79名符合条件员工。</td> </tr> <tr> <td>Follow up method</td> <td> <input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit </td> </tr> <tr> <td>Timescale</td> <td> <input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other </td> </tr> <tr> <td>Actions</td> <td>It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law. 建议企业应保证所有员工均参加全部五种社会保险。</td> </tr> </tbody> </table>			Non-Compliance		Status	OPEN	Reference	ZAF600027523	Clause	5 - Living Wages are Paid	Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	Subcategory	Benefits & Insurance	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.	ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	Explanation to the non compliance	Inadequate social insurance provided to employees. Based on review the social insurance in Jan 2023, it was noted that the factory provided 5 types of social insurance to 49 employees, and there were total 79 eligible employees in this month 根据2023年1月份社保记录显示, 工厂给49名员工提供了5种类型社保, 工厂共有79名符合条件员工。	Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	Actions	It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law. 建议企业应保证所有员工均参加全部五种社会保险。	 <p><u>TC_07245.JPG</u></p>
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6 - Working Hours are not Excessive [Summary of Findings]

6: Compliance Requirements

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1 Through employees' interview, overtime was voluntary. And the facility paid 150% and 200% of normal rate for overtime on normal workdays and rest days respectively; no work was arranged on holidays.

2 The normal working time in the factory was arranged from 8:00 to 12:00, 13:30 to 17:30. If there was overtime, it was normally arranged from 18:00 to 20:00. There was one shift for production workers.

3 The factory provided all records for working hours and wages.

4 Working hours were recorded by fingerprint/face identification attendance system. The factory provided attendance records from Feb 1, 2022 to Mar 6, 2023 to auditor for review.

5 The employees were provided one day off in every 7-day period.

6 Working hours were 8 hours per day, 40 hours per week with no more than 2 hours overtime on week days and no more than 60 hours per month.

Evidence examined:

1 Through employees' interview, overtime was voluntary. And the facility paid 150% and 200% of normal rate for overtime on normal workdays and rest days respectively; no work was arranged on holidays.

2 Employees' wages were paid above local minimum wage with payment slip each month.

3 All employees were signed contracts with the employer.

4 Quality and production records to cross check hours

5 Sample pay slips with recorded hours all workers interviewed.

6 Workers' contracts

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used?

Fingerprint/Face identification attendance machine

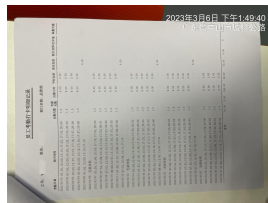
Is sample size same as in wages section?

☒ Yes ☐ No

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Feb 2022: 2 hour per day, 14 hours per week, 50 hours per month. Aug 2022: 2 hour per day, 14 hours per week, 78 hours per month. Jan 2023: 2 hour per day, 14 hours per week, 36 hours per month.
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: It's confirmed by workers interview and documents review.
Approximate percentage of total workers on highest overtime hours:	100%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: The factory's policy, procedures and employees' handbook stated the overtime was voluntary. Employees had right to choose working for overtime or not. And during the employee interview, employees confirmed that. No clause of forced overtime work was noted in any documents, e.g. labour contracts, procedures, regulations or handbook.
Overtime premium	

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime, 300% of normal wage rate for statutory holiday overtime
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% workers in every month
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	NA
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	NA
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	NA
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600027524	
Clause	6 - Working Hours are not Excessive	
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	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	Labor Law of the People's Republic of China (2018 Amendment), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	Monthly overtime hours exceeded the legal requirement (maximum 36 overtime hours per month). During document review, it was noted that sampled employees worked in excess of the statutory overtime hour limits. A review of attendance records for Feb 2022, Aug 2022 and Jan 2023 as the following: (1) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 50 hours) in Feb 2022. (2) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 78 hours) in Aug 2022. (3) 10 out of 10 sampled employees did not exceed 36 overtime hours (i.e. maximum 36 hours) in Jan 2023, it is compliance with legal requirement. 月加班时间超过法规要求（最高每月 36 小时）。审核发现，抽样的员工加班时间超过了法定标准，抽样 2022 年2月、2022 年8月和 2023年1 月的考勤发现：（1）10/10名抽样员工的 2022 年 2月加 班时间超过了每月法定的 36 小时标准，最高为50小时。（2）10/10 名抽样员工的 2022年8	
		 <u>TC_07261.JPG</u>

	月加 班时间超过了每月法定的 36 小时标准，最 高为 78小时 （ 3 ） 10/10 名抽样员工的 2023年 1月加 班时间均不超过法定的 36 小时标准，最 高为36小时 ，符合法规要求。	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility should ensure the overtime of workers be in accordance with the legal requirements. 建议企业应确保工作 时间符合国家法律	

7 - No Discrimination is Practiced [Summary of Findings]

7: Compliance Requirements

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

- 1 The Anti-discrimination policy and social accountability manual had been established by the factory.
- 2 One senior manager was responsible for the management of this item of the code.
- 3 The factory provided the same pay to male/female employees, if they engaged for the same work.
- 4 All interviewees stated they were treated fair despite of their native place, sex, age and so on. And they did not experience and never heard of reporting issues of discrimination.
- 5 There was no discrimination in hiring, compensation, access to training, promotion, termination or retirement.
- 6 No worker was required to do the examination of the hepatitis B virus and HIV.
- 7 Written anti-discrimination procedure on hiring, compensation, promotion, training, etc. was provided for review.

Evidence examined:

- 1 Anti-discrimination policy and social accountability manual
- 2 The hiring and termination procedure, leave application records and employee handbook
- 3 Attendance records
- 4 Payrolls
- 5 Training records
- 6 Termination records
- 7 Interview with management and workers

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50%		Female: 50%	
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	3 female employee was working as skilled role.			
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring	<input type="checkbox"/> Compensation	<input type="checkbox"/> Access to training	
	<input type="checkbox"/> Promotion	<input type="checkbox"/> Termination or retirement	<input checked="" type="checkbox"/> No evidence of discrimination found	
Please give details	It is confirmed by workers and management interview.			
Professional Development				
What type of training and development are available for workers?	PPE using training, machine operating training, human right training etc.			
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

8 - Regular Employment Is Provided

[Summary of Findings]

8: Compliance Requirements

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

All Workers were employed by the factory directly. No dispatched worker, temporary worker, apprenticeship schemes or home worker was identified by the auditors. The factory had kept the labor contract for these dispatched workers and one copy of the labor contract was provided to worker for reference.

Evidence examined:

1 During manager and employee interview, it was noted that most workers were employed by the factory directly, and no home-working existed in the facility.

2 During document review and employee interview, it was noted that the facility signs labour contracts with employees within 30 days after employment.

Any other comments:

Nil

Responsible Recruitment

All Workers

Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?

☒ Terms & Conditions presented ☒ Understood by workers
☒ Same as actual conditions

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)

☐ Yes ☒ No

Migrant Workers

Type of work undertaken by migrant workers:

All types of works in the factory.

Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Is there any observation on this finding?	No
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No There were 13 migrant workers in skilled and technical role.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	0
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agencies used by factory
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA

8A - Sub-Contracting and Homeworking [Summary of Findings]

8A: Compliance Requirements

8.A.1 There should be no sub-contracting unless previously agreed with the main client.

8.A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

It was verified through document review, facility tour, management interview and employee interview that no sub-contract or home-working worker was used by this facility.

Evidence examined:

- 1 Factory tour
- 2 Management interview and employee interview

Any other comments:

Nil

Summary of sub-contracting – if applicable

Is there any sub-contracting at this site? ☐ Yes ☒ No

Summary of homeworking – if applicable

Is homeworking used at this site? ☐ Yes ☒ No

9 - No Harsh or Inhumane Treatment is Allowed
[Summary of Findings]

9: Compliance Requirements

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

9.2 companies should provide access to a confidential grievance mechanism for all workers

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1 The facility established anti-harsh or inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

2 Through the facility management and employee interview, it was noted that no physical abuse or discipline happened in the facility and the disciplinary procedure of the facility was verbal warning and education.

3 There was an internal process for grievance, which was an anonymous email address, where workers can report any grievances (harassment, bullying, discrimination etc.), any received complaint would be handled by management, without any reprisal for the worker in question.

Evidence examined:

1 The relevant policy on prevention of harassment and abuse

2 Internal grievance procedure documentation

3 Disciplinary action records

4 Grievance records

5 Training records

6 Interview with management and workers

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box was provided.
If yes, are workers aware of these channels and have access? Please give details.	100% workers knew suggestion box.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Confidential mail, suggestion box, issues were discussed at senior management level and investigated.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	Employees could raise their grievances directly to supervisors, worker representatives, or put letters in suggestion box to state their opinions and suggestions, and then the management would post corresponding feedback on the bulletin board.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

10A - Entitlement to Work and Immigration
[Summary of Findings]

10A: Compliance Requirements

10.A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10.A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1 Per document review, factory management representation and worker interview, all workers in the factory were Chinese, all workers came from local counties. All workers had the proper legal rights to work in this region. The youngest worker was 30 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes.

2 No agency staff or foreign worker was used by the factory.

3 All workers were employed by the factory directly. The factory recruited new workers by advertisement or workers' recommendation.

4 Employment contracts were reviewed, and they contain the clause that only employees with a legal right to work will be employed by the facility.

Evidence examined:

1 Hiring procedure

2 Worker handbook

3 Personal files and contracts

4 Interview with management and workers

Any other comments:

Nil

10B4 - Environment 4–Pillar [Summary of Findings]

10B4: Compliance Requirements

10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10.B4.3 Businesses shall be aware of their end client's environmental standards/code requirements

10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

10.B4.7 Businesses shall make continuous improvements in their environmental performance.

10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.

10B4: Guidance for Observations

10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1 The factory establishes the written environmental policy, manual and a series of procedures.

2 Factory had worked out environmental impact register record.

3 No Hazardous waste was generated from this factory.

4 Industry waste water was discharged from the factory. Routine monitoring was conducted.

5 The factory had provided environment training for relative management and workers per year and kept relative training records.

6 Factory Manager was responsible for coordinating the site's efforts and continuous improvements in their environmental performance.

7 The factory manager understood most of local environment laws and regulations.

8 Factory management basically understood the end client's environmental standards/code requirements according to interview.

9 The factory was not subjected to any fines/prosecutions for non-compliance to environmental regulations.

Evidence examined:

1 Environment policy, manual& procedures.

2 Environmental impact register.

3 Environmental protection facility acceptance report

4 Fixed discharging source register

5 Routine monitoring report for wasted water, air emission and boundary noise

6 General solid waste handling records

7 Environmental training records

8 Energy bills and water bills

9 Renewal energy specification

10 Management interview and worker interview

11 Site tour

Any other comments:

Nil

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Mr Zhang Chun Liang/GM
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site conducted a risk assessment on the environmental impact of the site annually.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The site did not have recognized any environmental system certification.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: General solid waste and wastewater, air emission, etc.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environmental impact register record and fix pollution register record.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: No hazardous chemicals used in factory.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The reduction target for water consumption and discharge, energy usage were available.

Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Refer to the Usage/Discharge analysis sheet	
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The detail data of water and power provided by the factory. Refer to the blow sheet.	
Has the facility 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA	
Usage/Discharge analysis		
Criteria	Previous year: 2022	Current year: 2023
Electricity Usage: Kw/hrs	940000	980000
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Tape water	Tape water
Water Volume Used	3600	3300
Water Discharged	Municipal pipeline	Municipal pipeline
Water Volume Discharged	0	0
Water Volume Recycled	0	0
Total waste produced	2 t	2 t
Total hazardous waste produced	0	0
Waste to recycling	0	0
Waste to landfill	0	0
Waste to other	1.9	1.7
Total Product Produced	1,000,000	1,200,000

10C - Business Ethics – 4-Pillar Audit
[Summary of Findings]

10C: Compliance Requirements

10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C: Guidance for Observations

10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current Systems:

1 A senior manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.

2 The company established a business ethics policy, which met national regulations / law concerning the relative standards.

3 The business ethics policy was communicated to workers through posters and training.

4 The site had received the Business Ethics policy of the auditor/audit company.

5 There was an internal grievance process, and there was a suggestion box sited in the workshop.

6 No integrity case was detected during this audit.

7 The factory was not subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations.

8 The management was interviewed on business ethical issues.

Evidence examined:

1 The company business ethics policy

2 Position description

3 Training records

4 Training records

5 Worker handbook

6 Interview with management and workers

7 Supplier list

Any other comments:

n/L

<p>Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy</p> <p><input type="checkbox"/> Policy for third parties including suppliers</p> <p>Please give details:</p> <p>The factory had established the business integrity policy according to national regulations / law concerning the relative standard.</p>
<p>Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Training records were provided for review.</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Once per year</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Third parties including suppliers were required to complete their own business ethics training.</p>

Attachments



ZAA600005528 BMXM010079-01B YILAI
ENLIGHTING LIMITED Initial audit Mar 6,
2023 Photo 4P.pdf



ZAA600005528 BMXM010079-01B YILAI
ENLIGHTING LIMITED Initial audit Mar 6,
2023 Signed CAP 4P.pdf



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Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

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