

Monitored Party XXXXXXXXXXXXXXXXXXXXXXX XXXXX	amfori ID 156-023529-000	Address XXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX China
Monitoring Activity amfori Social Audit -Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TUV Rheinland
Monitoring Start Date 22/08/2024	Closing Meeting Finished Date 23/08/2024	Submission Date 31/08/2024
Expiration Date 31/08/2025	Announcement Type Fully Announced	
Site XXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXX	Site amfori ID 156-023529-002	

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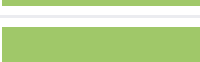

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OVERALL RATING



SECTION RATING

PA1: Social Management System	C	
PA 2: Workers Involvement and Protection	A	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination, Violence or Harassment	A	
PA 5: Fair Remuneration	A	
PA 6: Decent Working Hours	D	

PA 7: Occupational Health and Safety	A	
PA 8: No Child Labour	A	
PA 9: Special Protection for Young Workers	A	
PA 10: No Precarious Employment	A	
PA 11: No Bonded, Forced Labour or Human Trafficking	A	
PA 12: Protection of the Environment	C	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Elina Hu; APSCA membership number: CSCA 21701929

Monitoring partner name: TUV Rheinland

Audit schedule details: The audit is planned for 1 auditor x 1 day.

Announcement Type: Fully-Announced

Business partner information:

The auditee was founded on 12 May 2015, which was located at XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX China. The main products manufactured by the auditee were Car cup; the main production processes included metalworking, injection molding, assembling and packing. Currently the painting process was subcontracted to other unit, the painting line was installing. No obvious peak season. The factory moved to current location in June 2024, and updated the address in August 2024, the previous site was - XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX, which was around 7kms away. Per site observation and management interview, the previous site was not used any more. The current registered address was - XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX, the management stated that there was no need to show the landlord's name. They confirmed to use "XXX China-" as the final address.

Audited location information:

There were 3 main buildings inside the individual boundary, which all belonged to the landlord (real estate company), including two 5-storey buildings and one 4-storey building. The auditee only rented part of 1F, whole 2-4F of one 5-storey building: 1F used as metalworking and injection molding workshop; 2F used as assembling workshop; 3F used as packing workshop, office and warehouse; 4F used as polishing workshop, the painting line was plan to install. The total used areas were around 10700 m2.

The rest part of 1F had been rented by a carton factory (but locked during the assessment), the 5F was idle, the rest buildings were not used now.

The two factories inside the same boundary (including the auditee) were owned by different bosses, produced different products, the auditee did not share workers or workshops with the glass factory. No canteen or dormitory were provided.

Operating shifts and hours:

There was one shift in factory: 8:00-11:30, 12:30-17:00, regular overtime would be arranged from 18:00-20:00 if needed. Time records from 1 July 2023 to the audit day was provided for review, randomly selected 6 sampled workers' time records from December 2023, March 2024 and June 2024, as per sampled time records, the maximum daily overtime hours were 2 hours, weekly overtime hours were 18 hours, monthly overtime hours were 72 hours.

Time recording system: fingerprinting system

Salary payment details: Local legal minimum wage was RMB 2010/month since 1 January 2024, was RMB 1840/month before 1 January 2024. Wages paid by bank transfer at the end of each month, wage was calculated by hourly rate. The auditor randomly selected the payroll records of 6 sampled workers (from different positions) in December 2023, March 2024 and June 2024, the payment included basic wage, overtime wage. Workers were paid 150% of normal rate for overtime work on weekdays, 200% of normal rate for overtime work on Saturdays and 300% of normal rate for overtime work on statutory holidays.

Worker number information: There were total 28 employees (10 males and 18 females) in the factory currently, including 5 non-production and 23 (8M/15F) production workers. There were 19 domestic migrant workers, no foreign migrant workers. There was no young worker, pregnant worker, seasonal workers, temporary worker, disabled worker, home-based worker, interns, apprentices, contractor worker. All workers were hired by the factory directly.

Good practices: Nil

Worker organization details: There was no labor union. 1 worker representative was elected in July 2024. Circumstances:

There was no special circumstance during the audit. During the assessment, the management was cooperative. Full access was allowed including the worker interview and take photo, etc.

Summary of findings:

PA1 insufficient management system, insufficient capacity planning;

PA2 failed to conduct satisfaction survey on the grievance mechanism;

PA5 not all the employees were provided with social insurance;

PA6 monthly overtime working hours exceeded legal limit of 36 hours,

PA7 insufficient HS management system (lack occupational hazard factor testing and occupational disease examinations, improper PPE wearing, improper chemical management, lack fence),

PA12 insufficient environmental management system (lack EIA documents, failed to update the address information of the fixed pollution source emission registration, lack of inspection for the waste gas and boundary noise)

Refer to finding table for details.

Living wage calculation:

#LivingWage

a. No anker wage available for the producer location, so we used the data provided by auditing company;

b. The calculation methodology refers to anker living wage structure;

c. The data comes from the local bureau of statistics for the current year.

Attachment:

The Personal Information Protection Law of the People's Republic of China was effective as of 1 November 2021, the producer signed General Terms and Conditions of Business of TUV Rheinland in China before the audit and ensured that relevant personal data and information provided to TUV Rheinland auditor(s) had been obtained the individual's consent during the audit.

No agency labor was used by factory. No contractor permit/ license or any kind of waivers were obtained by factory. No collective bargaining agreements were established by factory. Thus, all above mentioned documents were not applicable for this auditee.

Remark: The closing meeting button was clicked on 23 August 2024 due to the breakdown of network on assessment day.

SITE DETAILS

Site
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXX

Site amfori ID
156-023529-002

GICS Classification

Sector Consumer Discretionary	Industry Group Consumer Durables & Apparel	Industry Household Durables
Sub Industry Housewares & Specialties		

amfori Process Classifications

N.A.

NACE Classification

Manufacture of other fabricated metal products

GS1 Classifications

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	28	Workers
Legal minimum wage in local currency	2,010	Monthly
Lowest wage paid for regular work at the site	3,480	Monthly
Calculated living wage in local currency	2,589.73	Monthly
Total sample	6	Workers

Other Metrics

Male workers	10	Workers
Female workers	18	Workers
Non-binary workers	0	Workers
Permanent workers - Male	10	Workers
Permanent workers - Female	18	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	1	Workers
Management - Female	1	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	0	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	9	Workers
Domestic migrant workers - Female	10	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	10	Workers
Workers hired directly - Female	18	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	0	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	0	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	2	Workers
Sample - Female	4	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: XXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-023529-002

Question: 1.1 Is there satisfactory evidence that the auditee has set up an effective management system to implement the amfori BSCI Code of Conduct?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle because based on the onsite observation, worker interview, management interview and document review, it was noted that the factory had established written policy and procedure regarding amfori BSCI management, but it did not implement effectively, also had non-conformance found in some PA. (E.g. Overtime exceeding legal requirement, insufficient social insurance), the management did not identify these issues during their daily work. The factory management stated that there was a lack of management on above issues, and they would correct as soon as possible. It violated the requirement of amfori BSCI system manual.	被审核方部分遵守该原则因为基于现场观察、员工访谈、管理人员访谈和文件审核，审核发现工厂已经建立了关于amfori BSCI管理的书面政策和程序，但是没有有效实施，有些执行部分仍然发现不符合项（加班超出法定要求，不足的社会保险等），管理层在日常工作中也未能识别出这些问题。工厂管理表示他们在上述方面缺乏管理，会尽快改善。违反了amfori BSCI 系统手册的要求。

Question: 1.4 Is there satisfactory evidence that the auditee's workforce capacity is properly organised to meet the expectations of the delivery order and/or contracts?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle because based on the onsite observation, worker interview, management interview and document review, It was noted that the factory did not effectively evaluate the production capacity, human resource and equipment status against the delivery requirement to avoid the excessive overtime work. As claimed by factory management, due to the frequent turnover, it was hard to effectively evaluate the production capacity. It violated the requirement of amfori BSCI system manual.	被审核方部分遵守该原则因为基于现场观察、员工访谈、管理人员访谈和文件审核，工厂接受订单时未能根据客户的交货期，及时有效的评估自己的生产能力，人员和设备情况，以避免出现加班超时的情况。根据工厂管理人员，由于频繁的人员流动，很难去有效的评估自己的生产能力。违反了amfori BSCI 系统手册的要求。



PA 2: Workers Involvement and Protection

Site: XXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-023529-002

Question: 2.5 Is there satisfactory evidence that the auditee has established, or participates in, an effective operational-level grievance mechanism for individuals and communities?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle because based on the worker interview, management interview and document review, the factory had no complaints in the past year. The factory failed to conduct satisfaction survey on the grievance mechanism. It violated the requirement of amfori BSCI system manual.	被审核方部分遵守该原则因为基于员工访谈、管理人员访谈和文件审核，工厂在过去一年内没有任何申诉事件。工厂未能针对申诉机制进行满意度调查。违反了amfori BSCI 系统手册的要求。

PA 5: Fair Remuneration

Site: XXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-023529-002

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted without negative impact on their pay, level of seniority, position, or promotion prospects?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle because based on the worker interview, management interview and document review, the factory has a total of 28 workers, including 2 retired workers. Therefore, 26 workers need to be provided with social insurance. From August 2023 to July 2024, the social insurance system provided for access. In July 2024, the factory failed to provide pension, unemployment, and work-related injury insurance for 21 workers, failed to provide medical and maternity insurance to 22 workers. The factory management explained that they are willing to purchase social insurance for their workers, but they respect the opinions of the workers. Some workers reported voluntarily giving up social insurance due to personal reason. Reference regulations: Article 10, Article 23, Article 33, Article 44, and Article 53 of the Social Insurance Law of the People's Republic of China. Note: The factory provides PINGAN Group Accident Insurance for workers did not participate in work-related injury insurance (including retired workers), which is valid from 6 August 2024 to 5 August 2025.	被审核方部分遵守该原则因为基于员工访谈、管理人员访谈和文件审核，工厂共有28名员工，包含2名退休员工。因此，26名员工需要被提供社保。自2023年8月至2024年7月的社保系统提供查看，在2024年7月，工厂未能给21名员工提供养老、失业和工伤保险，未能给22名员工提供医疗和生育保险。工厂管理解释说他们愿意给员工购买社保，但是他们尊重工人的意见。部分员工汇报他们由于个人原因主动放弃社保。参考法规：《中华人民共和国社会保险法》第十条，第二十三条，第三十三条，第四十四条，第五十三条。备注：工厂给未参加工伤保险的员工（含退休员工）提供了中国平安的团体意外险，有效期自2024年8月6日至2025年8月5日。

PA 6: Decent Working Hours

Question: 6.2 CRUCIAL: Is there satisfactory evidence that the auditee request of overtime is in line with the requirements of the amfori BSCI Code of Conduct?	
ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee did not respect this principle because based on the worker interview, management interview and document review, Time records from 1 July 2023 to the audit day was provided for review, randomly selected 6 sampled workers' time records from December 2023, March 2024 and June 2024, it was noted that the maximum monthly overtime had reached 70 hours, 72 hours and 64 hours respectively. The total monthly overtime hours from 1 August 2024 to audit day were 52 hours at most. Based on document review, the factory established working hour control procedure, but was not implemented effectively by workshop. As interviewed with workshop supervisor, sometimes, the workshop had to conduct overtime work to finish the order in time. As interviewed with workers, they knew the monthly overtime hours should not exceed 36 hours as per local regulation, but they were still willing to conduct overtime work, for they could earn more money. Reference law: Article 41, PRC Labor Law.</p>	<p>被审核方未遵守该原则因为基于员工访谈、管理人员访谈和文件审核，自2023年7月1日至审核当天的考勤提供查看，随机挑选了6名抽样员工在2023年12月、2024年3月和2024年6月的考勤来查看，审核发现在最大月加班分别达到70小时、72小时和64小时。自2024年8月1日至审核当天的最大月加班时数为52小时。根据文件审核，工厂建立了工时控制程序，但是车间未能有效落实。根据车间主管访谈，有时候，车间不得不进行超时加班来按时完成订单。根据员工访谈，他们知道根据当地法规月加班不应超出36小时，但是他们仍然乐意进行加班工作，因为可以获得更多报酬。参考法规：《中华人民共和国劳动法》第41条。</p>

PA 7: Occupational Health and Safety

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?	
ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respected this principle because based on the onsite observation, worker interview, management interview and document review, the factory did not conduct regular testing for the workzone noise level and air quality in metalworking workshop and injection molding workshop. Since no testing was arranged, it was not sure whether the relevant workers should receive occupational health examination. Reference law: Provisions on the Administration of</p>	<p>被审核方部分遵守该原则因为基于现场观察、员工访谈、管理人员访谈和文件审核，工厂未能对金工车间和注塑车间的工作场所噪声值和空气质量进行定期的检测。由于未进行检测，不确定相关员工是否需要接受职业病体检。参考法规：《工作场所职业卫生管理规定》（2021）第二十条&《中华人民共和国职业病防治法》第三十五条。备注：工厂尚未给员工提供职业病体检。</p>

Finding	
Occupational Health at Work Sites (2021) Article 20&Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Article 35. Remark: The factory had not yet provided workers with occupational disease examinations.	

Question: 7.6 Is there satisfactory evidence that the auditee enforces the use of PPE to provide protection to workers alongside other controls and safety systems?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle because based on the onsite observation, worker interview and management interview, The factory provided training to workers on PPE wearing, however, the factory provided disposable masks instead of dust-proof masks to the polishing workers, and it was observed on site that 2 polishing workers did not wear the provided earplugs. The factory failed to provide protective goggles for the polishing workers. 1 worker in the metalworking workshop failed to wear the earplugs provided by the factory during operation. The factory stated that they will purchase the correct PPE in the future. Workers reported that the weather was hot and wearing PPE was uncomfortable. Reference regulation: Article 45 of the Safety Production Law of the People's Republic of China (2021)	被审核方部分遵守该原则因为基于现场观察、员工访谈和管理人员访谈，工厂给员工提供了关于PPE穿戴的培训，然而，工厂给抛光员工提供了一次性口罩，而不是防尘口罩，且现场观察到2名抛光员工均未佩戴工厂提供的耳塞。工厂未能给抛光员工提供护目镜。金工车间一名员工在操作时未能佩戴工厂提供的耳塞。工厂表示今后会购买正确的PPE。员工表示天气热，佩戴PPE不舒适。参考法规：《中华人民共和国安全生产法》（2021）第四十五条

Question: 7.7 Is there satisfactory evidence that the auditee implements engineering and administrative control measures to avoid or minimise the release of hazardous substances into the work environment, keeping the level of exposure below internationally established or recognised limits?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle because based on the onsite observation, worker interview and management interview, 1 large barrel of hydraulic oil used in the injection molding workshop was not equipped with secondary container, was not posted with MSDS. The factory expressed that they would correct soon. The worker stated that no chemical leakage incidents	被审核方部分遵守该原则因为基于现场观察、员工访谈和管理人员访谈，注塑车间有1桶液压油未能配备二次容器，未能张贴物质安全资料表。工厂表示会尽快改善。员工表示未发现化学品泄漏事件。参考法律法规：《危险化学品安全管理条例》第二十条&《工作场所安全使用化学品规定》第十二条。

Finding	
were found. Reference Law: Regulation for Safety of Hazardous Chemical, Article 20&Regulation of Chemical Safety Usage in Workplace, Article 12.	
Question: 7.11 Is there satisfactory evidence that the auditee confirms that the equipment and buildings used for production are stable and safe?	
ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle because based on the onsite observation, worker interview and management interview, the injection molding workshop has a feeding platform with a missing fence, approximately 1.5 meters wide. The factory stated that they will install it as soon as possible. Reference law: Article 7.1 of "Safety of Machinery - Fixed Facilities for Entering Machinery - Part 3: Stairs, Steps and Guardrails" (GB17888.3-2020)	被审核方部分遵守该原则因为基于现场观察、员工访谈和管理人员访谈，注塑车间有一个喂料平台，缺失部分围栏，大约1.5米宽。工厂表示会尽快安装。参考法律：《机械安全进入机械的固定设施第3部分：楼梯、阶梯和护栏》（GB17888.3-2020）第7.1条

PA 12: Protection of the Environment

Site: XXXXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-023529-002

Question: 12.1 Is there satisfactory evidence that the auditee continuously identifies the significant impacts and environmental implications associated to its activity?	
ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle because based on the worker interview, management interview and document review, the factory did not conduct Environmental Impact Assessment, did not obtain the EIA approval, did not obtained the environmental protection acceptance check report for their completed construction project. The factory stated that it is in the application process. Reference law: Law of the People's Republic of China on the Environmental Impact Assessment, Article 16 and Article 22& Article 17 of Management Regulations for Environmental Protection of Construction Projects. Note: The factory currently has workshops for metalworking (including polishing), injection molding, etc. in production, and plans to install	被审核方部分遵守该原则因为基于员工访谈、管理人员访谈和文件审核，工厂尚未进行环境影响评估，未获得环评批复，未获得建设项目竣工环境保护验收报告。工厂表示在申请中。参考法规：《中华人民共和国环境影响评价法》第16条和22条&《建设项目环境保护管理条例》第十七条。备注：工厂目前有金工（含抛光）、注塑等车间在生产，且计划安装喷漆线。

Finding	
spray painting lines.	

Question: 12.3 Is there satisfactory evidence of the auditee's required environmental permits and licences?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle because based on the onsite observation, management interview and document review, the factory relocated its address in August 2024, but after the relocation, the factory failed to update the address information of the fixed pollution source emission registration in a timely manner. The factory stated that they will update as soon as possible. Reference law: Pollution Permit Management Measures (trial) Article 3	被审核方部分遵守该原则因为基于现场观察、管理人员访谈和文件审核，工厂在2024年8月搬迁了地址，搬迁之后工厂未能及时更新固定污染源排放登记的地址信息。工厂表示会尽快更新。参考法规：《排污许可管理办法（试行）》第三条

Question: 12.4 Is there satisfactory evidence that waste is managed in a way that does not lead to the pollution of the environment?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle because based on the onsite observation, management interview and document review, the factory did not conduct regular inspections on the boundary noise generated by the metalworking workshop and the exhaust emissions from the injection molding workshop. The factory has just relocated and will make arrangements gradually in the future. Reference law: Article 23 of Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise& Measures for the Administration of Environmental Surveillance, Article 21.	被审核方部分遵守该原则因为基于现场观察、管理人员访谈和文件审核，工厂没有对金工车间产生的厂界噪声以及注塑车间排放的废气进行定期的检测。工厂表示刚刚搬厂不久，今后会陆续安排。参考法规：《中华人民共和国环境噪声污染防治法》第二十三条&《环境监测管理办法》第21条。