

| | | |
|---|--|---|
| Monitored Party xxxxxxxxxxxxxxxxxxxxxx | amfori ID xxxxxxxxxxxxxxxxxxxxxx | Address xxxxxxxxxxxxxxxxxxxxxx |
| | | Monitoring Partner TÜV NORD CERT GmbH |
| Monitoring Activity amfori Social Audit - Manufacturing | Monitoring Type Follow-up Monitoring | Submission Date 08/07/2024 |
| Monitoring Start Date 03/07/2024 | Closing Meeting Finished Date 08/07/2024 | |
| Expiration Date 10/07/2025 | Announcement Type Fully Announced | |
| Site xxxxxxxxxxxxxxxxxxxxxx | Site amfori ID xxxxxxxxxxxxxxxxxxxxxx | |

This is an extract of the online Monitoring Result, generated on 10/07/2024, and is only valid as an acknowledgement of the result. To see all the details, review the full monitoring result, which is available on the [amfori Sustainability Platform](#) - The English version is the legally binding one.

amfori does not assume any liability with regard to the compliance of this extract, or any versions of this extract, with the Regulation (EU) 2016/679 (General Data Protection Regulation).








All rights reserved. No part of this publication may be reproduced, translated, stored in a retrieval system, or transmitted, in any form or by any means electronic, mechanical, photocopying, recording or otherwise, be lent, re-sold, hired out or otherwise circulated without the amfori consent. © amfori, 2021

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 | A | |
| PA 5: Fair Remuneration | B | |
| PA 6: Decent Working Hours | D | |

| | | |
|--|----------|---|
| PA 7: Occupational Health and Safety | B |  |
| PA 8: No Child Labour | A |  |
| PA 9: Special Protection for Young Workers | A |  |
| PA 10: No Precarious Employment | A |  |
| PA 11: No Bonded Labour | A |  |
| PA 12: Protection of the Environment | A |  |
| PA 13: Ethical Business Behaviour | A |  |

GENERAL DESCRIPTION

Announced Type: Fully Announced

Monitoring Type: Follow-up Monitoring

Monitoring Partner: TÜV NORD CERT GmbH (APSCA Firm Member: 11600051)

Auditor: Johnson Zhang, APSCA Auditor Number: CSCA 21703890

Monitoring Schedule Details: 1 auditor x 1 day onsite

[Location and size]:

xxxxxxxxxxxxxxxxxxxxxxxxxxxx is located at xxxxxxxxxxxxxxxxxxxxxxxx. The Uniform Code of Social Credit is xxxxxxxxxxxxxxxxxxxxxxxx , valid from 24 Jan. 2019 to long term.

[Structure of facility]:

One 3-storey production building, the complete 2F/3F/4F & partial 1F of one 4-storey production building and the 1F of one 5-storey office building were used by the auditee for its operation. The auditee did not provide dormitory or canteen/kitchen facility for employees.

The total area of structure used by the auditee was about 19,500 S.Q. meters.

[Process of facility]:

The main products manufactured by the auditee were vacuum cups, and the main process was listed as below: Raw materials – Polishing process – Painting process – Coating process – Printing process – Injection process – Assembly & packing process –The finished goods.

No production process was subcontracted to other factories. No homemaker was used by the auditee.

[Employee analysis]:

A total of 96 employees including 41 male employees and 55 female employees were currently working in the auditee, including 90 migrants from other provinces of China. There were 82 production employees including 36 males and 46 females. There were 14 non-production employees including 5 males and 9 females. No children or young workers worked in the factory.

There was no Trade Union available in the factory, but there were 2 worker representatives elected by workers.

[Summary of working hours]:

Attendance records from Jun. 2023 to the current month were reviewed in this audit.

The working time was recorded by electronic attendance recorder and every worker must scan the working hours when on and off duty.

The regular working hour was carried out for 8 hours a day and 40 hours a week in the factory.

There was only 1 shift production from 7:30 to 17:00 with 1.5-hour lunch break from 11:00 to 12:30, and the workers generally had overtime work for 2 hours/night (18:00-20:00) & 2-3 nights/week on weekdays and 8 hours/day (7:30-17:00) on Saturdays.

All workers always had 1-day off in a week.

According to the sampled attendance records, the maximum overtime hours for workers were 2 hours/day and 58 hours/month, and the maximum working hours were 54 hours a week.

[Summary of compensation]:

Payroll records from Jun. 2023 to May 2024 were reviewed during the audit.

All employees' wages were paid by hourly rate, and the lowest wage for regular work was RMB3000 per month which was higher than legal minimum wage i.e. RMB2070 per month before Jan. 2024 and RMB2260 per month since Jan. 2024 respectively.

For overtime premium, 150% and 200% of basic wages were paid to employees for their overtime hours on workdays and rest days respectively, and no overtime was arranged on public holidays.

The wages were paid in cash at the end of the following month.

The auditee only provided social accident insurance for 37.5% employees and only provided social retirement, unemployment, medical and maternity insurances for 71.6% of employees. The auditee did not provide any kind of

commercial accident insurance for all employees without social accident insurance.

[Note for living wage calculation]:

This was a follow-up audit. So, the value of living wage which was calculated during the last full monitoring audit was remained unchangeably.

[Summary of Interview]:

Worker interviews were conducted individually and in group.
Randomly selected 8 employees, no complaints were raised.

[Overall Circumstances]:

The auditee management and workers (representative) showed a positive attitude to this audit during the whole process. There was no abnormal levels of production or workforce composition identified during the audit. The audit was basically fulfilled according to the audit plan sent prior to the audit. At the end of the audit, all the findings were accepted by the auditee. The performance areas needed improvements were as follows: PA1-2 and PA5-7.

[Special scene during on site observed]:

1. There was no contractor and agency used by the auditee, so the agency labor contract or contractor license/permit was not applicable for the auditee.
2. The auditee did not obtain any government waiver.
3. There was no collective bargaining agreement in the auditee.
4. Environmental license was not applicable for this follow-up audit as there was no finding in PA12 during last audit.
5. The auditee rented the operation site from the landlord i.e. Dongyang Xincheng Leisure Products Co., Ltd / 东阳市欣诚休闲用品有限公司. The rest parts/floors of the above buildings were used by the landlord for its operation. There was no shared worker used by the auditee. This audit scope did not include the parts not used by the auditee in the same buildings.
6. Due to personal data protection law/requirement, the personal information related to attached documents had been treated confidentially on the BSCI platform.

SITE DETAILS

Site
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
x

Site amfori ID
XXXXXXXXXXXXXXXXXXXX

GICS Classification

| | | |
|---|--|---------------------------------------|
| Sector Consumer Discretionary | Industry Group Consumer Durables & Apparel | Industry Household Durables |
| Sub Industry Household Appliances | | |

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

| | | |
|---|-------|---------|
| Total workforce | 96 | Workers |
| Legal minimum wage in local currency | 2,260 | Monthly |
| Lowest wage paid for regular work at the site | 3,000 | Monthly |
| Calculated living wage in local currency | 2,215 | Monthly |
| Total sample | 8 | Workers |

Other Metrics

| | | |
|------------------------------------|----|---------|
| Male workers | 41 | Workers |
| Female workers | 55 | Workers |
| Permanent workers - Male | 41 | Workers |
| Permanent workers - Female | 55 | Workers |
| Temporary workers - Male | 0 | Workers |
| Temporary workers - Female | 0 | Workers |
| Seasonal workers - Male | 0 | Workers |
| Seasonal workers - Female | 0 | Workers |
| Management - Male | 5 | Workers |
| Management - Female | 9 | Workers |
| Apprentices - Male | 0 | Workers |
| Apprentices - Female | 0 | Workers |
| Workers on probation - Male | 0 | Workers |
| Workers on probation - Female | 0 | Workers |
| Workers with night shift - Male | 0 | Workers |
| Workers with night shift - Female | 0 | Workers |
| Workers with disabilities - Male | 0 | Workers |
| Workers with disabilities - Female | 0 | Workers |
| Domestic migrant workers - Male | 39 | Workers |
| Domestic migrant workers - Female | 51 | Workers |
| Foreign migrant workers - Male | 0 | Workers |
| Foreign migrant workers - Female | 0 | Workers |
| Workers hired directly - Male | 41 | Workers |
| Workers hired directly - Female | 55 | Workers |
| Workers hired indirectly - Male | 0 | Workers |
| Workers hired indirectly - Female | 0 | Workers |
| Unionised workers - Male | 0 | Workers |
| Unionised workers - Female | 0 | Workers |
| Workers under CBA - Male | 0 | Workers |
| Workers under CBA - Female | 0 | Workers |
| Pregnant workers | 0 | Workers |

| | |
|------------------------------------|-----------|
| Workers on parental leave - Male | 0 Workers |
| Workers on parental leave - Female | 0 Workers |
| Sample - Male | 4 Workers |
| Sample - Female | 4 Workers |

FINDINGS



PA1: Social Management System

Site:xxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxxx

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 | |
| <p>Follow up Audit (3 Jul. 2024): Corrective action not taken.</p> <p>The auditee partially respects this principle. The auditee has set up a social compliance management system and established systemic related policies and procedures. However, it was found that the management system was not operated effectively. E.g. in PA6.2, no effective plans and actions were taken to ensure the monthly overtime of workers meet legal requirements. In PA7, the OHS procedures were not implemented effectively, which resulted in some OHS findings were identified in PA7.</p> | <p>跟进审核（2024年7月3日）：纠正措施未执行。被审核方部分遵守本原则。被审核方已建立了社会责任管理系统和系统性的社会责任相关政策及程序文件。然而，被审核方的社会责任管理体系没有有效运行。例如，在PA6.2，被审核方未采取有效的计划和行动以确保工人的月加班时间符合法规要求。在PA7，职业健康安全程序未被有效执行，导致在PA7发现一些职业健康安全方面的问题点。</p> |

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 | |
| <p>Follow up Audit (3 Jul. 2024): Corrective action not taken.</p> <p>The auditee partially respects this principle. The auditee has calculated the production costs, labor costs and delivery time and made the workforce plan. However, it was found that the auditee did not organize its workforce capability reasonably and effectively to meet its operation needs. E.g. according to the finding on PA6.2, workers' monthly overtime hours exceeded legal limits systematically.</p> | <p>跟进审核（2024年7月3日）：纠正措施未执行。被审核方部分遵守本原则。被审核方已经计算了生产成本、劳动力成本和交付时间以及制定了劳动力计划。然而，被审核方未合理有效地安排其员工劳动力以满足其运作需求。例如，根据PA6.2的审核发现，工人的月加班时间系统地超出法规要求。</p> |



PA 2: Workers Involvement and Protection

Site:xxxxxxxxxxxxxxxxxxxxxd | Site amfori ID:xxxxxxxxxxxxxxxxxxx

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 | |
| <p>Follow up Audit (3 Jul. 2024): Corrective action not taken.</p> <p>The auditee partially respects this principle. The auditee has set up the grievance mechanism, and there were workers' representatives and one suggestion box in place. However, it was found that there was no grievance case in recent 12 months according to the provided grievance records and the interview with management and workers. No regular survey was carried out to ensure and improve the effectiveness on the grievance mechanism.</p> | <p>跟进审核 (2024年7月3日) : 纠正措施未执行。被审核方部分遵守本原则。被审核方已经建立了申诉机制, 有员工代表以及设置了意见箱。然而, 根据提供的申诉记录和管理层及员工的访谈, 被审核方在过去12个月内未发生过申诉案例。被审核方未进行定期的调查以确保并改善申诉机制的有效性。</p> |

PA 5: Fair Remuneration

Site: xxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxxxx

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted?

| ENGLISH | LOCAL LANGUAGE |
|---|---|
| Finding | |
| <p>Follow up Audit (3 Jul. 2024): Corrective action not taken.</p> <p>The auditee does not respect this principle. According to the provided social insurance receipts, it was found that the auditee only provided social accident insurance for 37.5% employees and only provided social retirement, unemployment, medical and maternity insurances for 71.6% of employees. No any social insurance waiver was obtained for review. The auditee did not provide any kind of commercial accident insurance for all employees without social accident insurance. (The PRC Labor Law, Article 72 & 73)</p> | <p>跟进审核 (2024年7月3日) : 纠正措施未执行。被审核方未遵守本原则。根据被审核方提供的社保票据, 发现被审核方只为37.5%的员工提供了社会工伤保险以及只为71.6%的员工提供了社会养老、失业、医疗和生育保险。被审核方没有获得相关社保批文。被审核方没有为所有无社会工伤保险的员工提供任何的商业意外保险。(《中华人民共和国劳动法》第72&73条)</p> |

PA 6: Decent Working Hours

Site: xxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxxxx

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

Follow up Audit (3 Jul. 2024): Corrective action not taken.
 The auditee does not respect this principle. It was found that the monthly overtime hours of workers did not meet legal requirement systematically.
 Based on the sampled working time records of May 2024, Dec. 2023 and Aug. 2023, it was found that the monthly overtime hours for 8 out of 8 sampled workers were 58 hours in May 2024, the monthly overtime hours for 8 out of 8 sampled workers were 56 hours in Dec. 2023, and the monthly overtime hours for 8 out of 8 sampled workers were 58 hours in Aug. 2023, which exceeded legal limit i.e. maximum 36 hours/month. (The PRC Labor Law, Article 41)

跟进审核（2024年7月3日）：纠正措施未执行。被审核方未遵守本原则。员工的月加班时间系统地未遵守法规要求。根据抽样的2024年5月、2023年12月和2023年8月的工时记录，发现：在2024年5月，8/8个抽样的工人的月加班时间为每月58小时；在2023年12月，8/8个抽样的工人的月加班时间为每月56小时；在2023年8月，8/8个抽样的工人的月加班时间为每月58小时，超出法规允许的上限（即最大36小时/月）。（《中华人民共和国劳动法》第41条）

PA 7: Occupational Health and Safety

Site: xxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxxxxxx

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>Follow up Audit (3 Jul. 2024): Corrective action not taken. The auditee partially respects this principle. It was found that the OHS procedures were not implemented effectively, which resulted that some findings in PA7 regarding violations on legal OHS regulations and/or BSCI requirements were identified during the audit, such as findings in PA7.2, 7.4, 7.6-7.7, 7.9 & 7.11.</p> | <p>跟进审核（2024年7月3日）：纠正措施未执行。被审核方部分遵守本原则。被审核方的职业健康安全程序没有被有效的执行，导致在PA7发现一些违反法定的职业健康安全和/或BSCI要求的问题点。例如在PA7.2, 7.4, 7.6-7.7, 7.9 & 7.11发现问题点。</p> |

Question: 7.2 Is there satisfactory evidence that the auditee seeks to improve workers' protection in case of accident, including through compulsory insurance schemes?

| ENGLISH | LOCAL LANGUAGE |
|---|--|
| Finding | |
| <p>Follow up Audit (3 Jul. 2024): New finding added in this audit. The auditee does not respect this principle. According to the provided social insurance receipts and confirmed by the interview with management</p> | <p>跟进审核（2024年7月3日）：此次审核发现新问题。被审核方未遵守本原则。根据被审核方提供的社保票据及管理层与员工的访谈确认，发现被审核方只为37.5%的员工提供了社会工伤保险，以及被审核方</p> |

| Finding | |
|---|---|
| and workers, it was found that the auditee only provided social accident insurance for 37.5% employees, and the auditee did not provide any kind of commercial accident insurance for all employees without social accident insurance. (The PRC Labor Law, Article 72 & 73) | 没有为所有无社会工伤保险的员工提供任何的商业意外保险。（中华人民共和国劳动法 第72&73条） |

Question: 7.4 Is there satisfactory evidence of active cooperation between management and workers (and/or their representatives) when developing and implementing systems towards ensuring OHS?

| ENGLISH | LOCAL LANGUAGE |
|---|--|
| Finding | |
| <p>Follow up Audit (3 Jul. 2024): Corrective action not taken.</p> <p>The auditee partially respects this principle. The auditee had conducted the OHS risk assessment and drafted the OHS policies or procedures. However, according to documents review and confirmed by the interview with management and workers, it was found that workers or their representatives were not involved in conducting the OHS risk assessment and drafting the OHS policies or procedures.</p> | <p>跟进审核（2024年7月3日）：纠正措施未执行。被审核方部分遵守本原则。被审核方进行了健康安全风险评估，并制定了相关的制度和程序。然而，根据文件查阅及与管理层和工人的访谈确认，发现员工或其代表未参与到健康安全风险评估及制定健康安全的政策或程序中。</p> |

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 | |
| <p>Follow up Audit (3 Jul. 2024): Corrective action not taken.</p> <p>The auditee partially respects this principle. The auditee has provided PPE and the training on PPE use to workers but did not monitor the use. During site tour, it was noted that 3 painting workers who contacted hazardous chemicals were wearing goggles and anti-poison masks but did not wear the provided rubber gloves and aprons during work. (Production Safety Law of the People's Republic of China, Article 45)</p> | <p>跟进审核（2024年7月3日）：纠正措施未执行。被审核方部分遵守本原则。被审核方给工人提供了劳保用品和使用劳保用品的培训，但没有监督劳保用品的使用。走访现场时，发现工作中3名接触有害化学品的喷漆工人佩戴了护目镜和防毒口罩，但未佩戴工厂提供的橡胶手套和围裙。（中华人民共和国安全生产法 第45条）</p> |

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 | |
| <p>Follow up Audit (3 Jul. 2024): Corrective action not taken.</p> <p>The auditee partially respects this principle. The auditee established the procedure about chemical safety, provided the training for employees and the MSDSs of chemicals were available for review on site. However, during site tour, it was noted that:</p> <p>1) there were no safety labels for about 10% of chemicals (such as printing ink and cleanser etc.) used or stored in the factory. (Regulations on Safety in Workplaces Where Chemicals Are Used, Article 19)</p> <p>2) about 10% of chemicals (such as paint and printing ink etc.) in the production area were not placed in the anti-leak device. (Regulations on the Safety Administration of Dangerous Chemicals, Article 20)</p> | <p>跟进审核（2024年7月3日）：纠正措施未执行。被审核方部分遵守本原则。被审核方建立了关于化学品安全的程序，给员工提供了相关培训，现场可获得化学品的物料安全数据表供查阅。然而，走访现场时，发现：</p> <p>1）约10%在厂内使用或存储的化学品（如印刷油墨和清洁剂等）没有安全标签。（《工作场所安全使用化学品规定 第19条》）</p> <p>2）生产区域约10%的化学品（如油漆和印刷油墨等）未放置在防泄漏设施内。（《危险化学品安全管理条例 第20条》）</p> |

Question: 7.9 Is there satisfactory evidence that the auditee makes visible potential hazards to the workers and visitors through signs and warnings?

| ENGLISH | LOCAL LANGUAGE |
|--|--|
| Finding | |
| <p>Follow up Audit (3 Jul. 2024): Corrective action not taken.</p> <p>The auditee partially respects this principle. Relevant warning signs about fire safety, dangerous equipment and PPE use etc. were displayed in place at the workplace. However, according to site observation, it was noted that there was no warning sign of "Caution Heat" at the drinking areas. (Law of the PRC on Work Safety, Article 35)</p> | <p>跟进审核（2024年7月3日）：纠正措施未执行。被审核方部分遵守本原则。工作场所已设置了关于消防安全、危险设备和劳保用品使用等相关警告标识。然而，根据现场观察，发现被审核方没有在饮水区域张贴“小心烫伤”标识。（《中华人民共和国安全生产法 第35条》）</p> |

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 | |
| <p>Follow up Audit (3 Jul. 2024): Corrective action not taken.</p> <p>The auditee partially respects this principle. It seems that the building and equipment used for production was stable and safe in general.</p> | <p>跟进审核（2024年7月3日）：纠正措施未执行。被审核方部分遵守本原则。生产所用的建筑和设备总体上是稳定和安全的。工作场所已安装了足够的消防设备并保持良好状态。然而，根据现场观察，仓库内部分货物靠墙/柱存放。（《仓库防火安全管理</p> |

Finding

Sufficient firefighting equipment was installed in place and maintained in good conditions at the workplace. However, according to site observation, it was noted that partial goods were stored against wall or pillar in the warehouses. (Rules Concerning Warehouse Safety and Fire Control, Article 18)

规划 第18条)