

Monitoring Activity
**amfori Social Audit -
Manufacturing**

Monitoring Type
Full Monitoring

Submission Date
06/09/2024

Monitoring Start Date
30/08/2024

Closing Meeting Finished Date
30/08/2024

Expiration Date
06/09/2025

Announcement Type
Fully Announced

Site
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Site amfori ID
XXXXXXXXXXXXXXXXXXXX

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A horizontal bar chart with six segments labeled A through None. Segment C is highlighted in yellow and has a black downward-pointing arrow above it.

| | | |
|--|---|--|
| 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 | |

GENERAL DESCRIPTION

Name of lead auditor: Yajuan(Lisa) Xie; APSCA membership number: CSCA 21701997

Monitoring partner name: TUV Rheinland

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

Audit announcement: it's a fully-announced full audit.

Business partner information: The auditee was located at xxxxxxxxxxxxxxxxxxxxxxxx. The auditee was established on 3 Aug. 2023. The products manufactured in the auditee were Car charger, mobile power supply, wireless charger, wireless charger mobile power supply, U disk, HUB, small fan, Bluetooth speaker, LED lamp, data cable, thermometer hygrometer, industrial endoscope, customs lock, household charger plug, humidifier, mirrors, etc. Production processes included UV-printing, assembly, inspection and packing. According to the factory management, peak season was not obvious. No subcontractor was used by the auditee. Remark: The address in the business license was xxxxxxxxxxxxxxxxxxxxxxxx, the management confirmed that they used the address of xxxxxxxxxxxxxxxxxxxxxxxx for external. It's the same place, just simple descriptions.

Audited location information: The auditee used the 3rd floor of two 9-storey production buildings (#3, #4) as office, warehouse and production areas. Total buildings areas were about 3500 square meters.

For the #3 building, the 3rd floor was used as production areas, office and finished goods warehouse by auditee. The 1st floor, 4th to 9th floors were idle and the 2nd floor was used by one plastic factory.

for the 4th building, the 3rd floor was used as material warehouse by auditee. The 1st floor was used by one injection factory, the 2nd and 4th and 5th floor was used by one new material factory, the 6th floor was used by one package factory, the 7th and 8th floor were idle, the 9th floor was used by one plastic factory.

Based on site tour, management and worker interview, they had independent business licenses, and did not share worker, machine or management with auditee, and no business relationships. Therefore, it was out of scope of this audit.

The auditee did not provide the dormitory and canteen to all workers.

The security guards service were provided by the industrial zone.

Remark: The auditee changed the address from xxxxxxxxxxxxxxxxxxxxxxxx to xxxxxxxxxxxxxxxxxxxxxxxx, there was about 27KM distance, and the management confirmed they only used the current address, the previous address has not leased and used.

Operating shifts and hours: One shift: 8:00 to 12:00, 13:00 to 17:00.

Time recording system: The attendance system was face detection working hours system to record working time.

Salary payment details: Workers wages were calculated on hourly rate and paid at 15th each month for previous month by cash.

Worker number information:

- There was total 30 workers on site, which covered 28 production and 2 non-production workers.
- There were total 19 female and 9 male Production workers.
- There was 8 female and 5 male domestic migrant workers. There was no foreign migrant, young, pregnant, seasonal, temporary, disabled, home-based workers.
- There was no interns, apprentices etc.

Good practices: Nil

Worker organization details: There was no a trade union in the factory. Workers freely elected 2 worker representatives in Nov. 2023.

Circumstances: There was no special circumstance during the audit. The auditee management and workers were cooperative with the audit. No negative comment was issued during the audit. A closing meeting was held with the factory representatives and all of the findings were discussed.

Summary of findings:

PA1: insufficient management system and capacity planning;

PA2: insufficient CSR goals management;

PA5: insufficient social insurance purchased;

PA6: insufficient monthly overtime management;

PA7: insufficient health and safety management, e.g. lacked physical examination of occupational diseases and detection of occupational hazards, insufficient work-related injury insurance, and insufficient PPE management.

Living wage calculation:

#LivingWage:

- a. No anker wage available for the producers 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:

1. 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.
2. Agency labour contract was not reviewed as no agency was used. No contractor license/permit was reviewed as no contractor was used during audit period. The auditee had not got any government waiver. There was no signed the CBA with the auditee and workers or worker representatives.

SITE DETAILS

Site

XXXXXXXXXXXXXXXXXXXX

Site amfori ID

XXXXXXXXXXXXXXXXXXXX

GICS Classification

Sector

Consumer Discretionary

Industry Group

Consumer Durables & Apparel

Industry

Household Durables

Sub Industry

Consumer Electronics

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

Manufacture of consumer electronics

Water Stress Situation

N.A.

METRICS

Key Metrics

| | | |
|---|----------|---------|
| Total workforce | 30 | Workers |
| Legal minimum wage in local currency | 1,900 | Monthly |
| Lowest wage paid for regular work at the site | 1,900 | Monthly |
| Calculated living wage in local currency | 2,233.62 | Monthly |
| Total sample | 6 | Workers |

Other Metrics

| | | |
|--|----|---------|
| Male workers | 9 | Workers |
| Female workers | 21 | Workers |
| Non-binary workers | 0 | Workers |
| Permanent workers - Male | 9 | Workers |
| Permanent workers - Female | 21 | 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 | 5 | Workers |
| Domestic migrant workers - Female | 8 | 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 | 9 | Workers |
| Workers hired directly - Female | 21 | 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: xxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxx

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 complied with this principle, because based on interviews with managers, employee and worker representatives, document review and on-site observations, it was found that the factory had established a social responsibility management system in accordance with the amfori BSCI Code of Conduct and local regulations, but some of the amfori BSCI chapters were still not fully and effectively implemented, with reference to PA1/2/5/6/7, for example, the monthly overtime hours of the 6 sampled workers all exceeded the legal range of 36 hours, and the social insurance did not cover all employees, some health, safety and environmental issues, etc. Management, employees and employee representatives confirmed that due to the tight delivery time of customer orders, the small number of employees in the factory, and most of the production process was manual work, they needed to work overtime to meet the customer's delivery time on time. It violated the requirements of the amfori BSCI system manual. | 被审核方部分遵守该原则，因为基于管理人员，员工和工人代表访谈，文件审查和现场观察发现，工厂依据amfori BSCI行为准则 和当地法规建立了社会责任管理体系，但部分amfori BSCI章节仍然没有完全有效执行，具体参考PA1/2/5/6/7，例如6名抽样工人的月加班时间全部超出法定36小时的范围，社保没有覆盖全部员工，部分健康安全和环保问题等。管理层，员工和员工代表确认由于客户订单交期需要紧张，工厂员工人数少，生产工序大部分都是手工作业，他们需要按期加班以准时完成客户的交期。它违反了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 complied with this principle, because based on interviews with management and workers, document review, and on-site observations, it was found that although the factory had established a capacity planning control procedure, the monthly overtime was still not effectively controlled, resulting in a sample of 6 employees working more than the statutory 36 hours of overtime per month, as specified in 6.2. Interviews with managers and employees | 被审核方部分遵守该原则，因为基于管理层和工人访谈、文件审查和现场观察发现，工厂虽然建立了产能规划控制程序，但月加班的仍然没有有效控制，导致抽样6名员工的月加班时间超过法定36小时，具体参考6.2。管理人员和员工访谈确认由于客户订单交期紧张，工厂员工人数少，生产过程的自动化程度不高，他们需要安排员工加班等。它违反了amfori BSCI系统手册的要求。 |

Finding

confirmed that due to the tight delivery time of customer orders, the number of employees in the factory was small, the degree of automation in the production process is not high, and they needed to arrange employees to work overtime. It violated the requirements of the amfori BSCI system manual.

PA 2: Workers Involvement and Protection

Site: xxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxx

Question: 2.2 Is there satisfactory evidence that the auditee defines long-term goals for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct?

ENGLISH

LOCAL LANGUAGE

Finding

The auditee partially complied with this principle, because based on interviews with management and worker representatives, and a review of documents, the auditee had set long-term social responsibility goals to protect employees in accordance with the amfori BSCI Code of Conduct, but the factory did not effectively monitor the performance of the target since Aug. 2023, and the employee representatives confirmed that had involved in the development of the target, but no clear the detail goals. Managers confirmed that they would continuously improve the management of objectives. It violated the requirements of the amfori BSCI system manual.

被审核方部分遵守该原则，因为基于管理层和工人代表访谈、文件审查发现，被审核方依据amfori BSCI行为准则制定了社会责任长期的目标以保护员工，但工厂没有对自从2023年8月至今目标的绩效进行有效的监控，员工代表确认有参与该目标的制定，但不清楚具体的目标。管理人员确认他们会持续改善目标的管理。它违反了amfori BSCI系统手册的要求。

PA 5: Fair Remuneration

Site: xxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxx

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 complied with this principle because, based on interviews with management and workers' representatives, document review, and worker interviews, it was found that the factory did not provide social insurance for all employees.

被审核方部分遵守该原则，因为基于管理层和工人代表访谈、文件审查,工人访谈发现,工厂没有为所有员工提供社保。工厂共有30名员工，其中达到退休年龄的有1名员工，1名员工所有入职没有满1个月，符合社保购买条件的员工为28名。工厂社保系统内

Finding

The factory has a total of 30 employees, of which 1 employee had reached retirement age, 1 employee had not been employed for more than 1 month, and 28 employees were eligible for social insurance purchase. According to the factory's social insurance system, the number of social insurance purchasers in August 2024 was 17. The auditee did not purchase medical insurance, maternity insurance, pension insurance, unemployment insurance, and work-related injury insurance for 11 employees. Through interviews with management, workers and employees, social insurance was voluntary, and some employees had purchased NCMS insurance in their hometowns, and they were reluctant to buy social insurance in the factory. Note: The factory purchased commercial accident insurance for 11 employees who did not have social insurance, which was valid from August 30, 2024 to August 19, 2025. It violated articles 10, 23, 33, 44 and 53 of the People's Republic of China Social Insurance Law.

显示2024年8月份社保购买人数为17人。被审核方没有为11名员工购买医疗保险，生育保险，养老保险，失业保险和工伤保险。通过管理层，工人和员工访谈，社保为自愿购买，部分员工在老家购买了新农合保险，他们不愿意在工厂购买社保。备注：工厂给11名没有购买社保的员工购买了商业意外保险，有效期从2024年8月30日至2025年8月19日。它违反了中华人民共和国社会保险法，第10条，第23条，第33条，第44条和53条。

PA 6: Decent Working Hours

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxx

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

The auditee did not comply with this principle, because based on interviews with management and workers' representatives, document review, worker interviews and on-site observations found that the monthly overtime of the sampled 6 employees exceeded the statutory 36 hours. The factory provided attendance for the assessment from August 2023 to August 30, 2024. Based on the sample, the 6 employees worked 69 hours, 70 hours, and 70 hours of overtime per month in July 2024, March 2024, and January 2024, all exceeding the statutory requirement of 36 hours. Interviews with managers, employees and employee representatives confirmed that they understood that the regulatory requirement for overtime was a maximum of 36 hours per month, but due to the tight and unstable delivery time of

被审核方没有遵守该原则，因为基于管理层和工人代表访谈、文件审查,工人访谈和现场观察发现,抽样的6名员工的月加班均超过法定36小时。工厂提供了2023年8月至2024年8月30日的考勤进行评估。基于抽样的6名员工在 2024年7月，2024年3月和2024年1月的月加班为69小时，70小时和70小时，均超过法定36小时的要求。管理人员，员工和员工代表访谈确认他们了解月加班的法规要求是最多36小时，但是且由于客户订单交期紧张且不稳定，大部分生产工序都是手工作业，自动化程度不高，他们需要安排员工加班以准时交货，员工也需要加班以增加收入。它违反中华人民共和国劳动法第41条。备注：2024年8月1日至30日的月加班为57小时。

Finding

customer orders, most of the production processes were manual and not highly automated process, they needed to arrange for employees to work overtime to deliver on time, and employees also needed to work overtime to increase revenue. It violated Article 41 of the Labor Law of the People's Republic of China.

Remark:

The monthly overtime from August 1 to 30, 2024 was 57 hours.

PA 7: Occupational Health and Safety

Site: xxxxxxxxxxxxxxxxxxxxxxxx | 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

The auditee partially complied with this principle, because based on interviews with management, workers and workers' representatives, on-site observations found that the soldering in the factory produced soot, but the factory did not provide the occupational hazard test report for the position, and the occupational disease physical examination of the employees in these positions, such as the pre-job, on-job and off-job occupational disease physical examination. Managers and representatives of employees and workers confirmed that the factory had not arranged medical examinations and tests for occupational diseases, and that the problem would be improved in the future. It violated Article 20 of the Regulations on the Administration of Occupational Health in the Workplace and Article 35 of the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases.

被审核方部分遵守该原则，因为基于管理层、工人和工人代表访谈，现场观察发现，工厂的焊锡岗位会产生烟尘，但工厂没有提供该岗位的职业危害因素检测报告，和在这些岗位员工的岗职业病体检，例如岗前，在岗和离职的职业病体检。管理人员和员工和工人代表确认工厂还没有安排职业病体检和检测，后续会改善此问题。它违反了工作场所职业卫生管理规定 第二十条和中华人民共和国职业病防治法 第三十五。

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 | |
|--|--|
| The auditee partially complied with this principle, because based on interviews with management and workers, the document evaluation found that the factory had 30 employees but had not purchased workers' injury insurance for all of them in the past year. For example, there was no work-related injury insurance or commercial accident insurance for 1 employee in August 2024. Interviews with managers and workers confirmed that the factory did not provide workers' injury insurance for all employees. It violated Article 33 of the People's Republic of China Social Insurance Law. | 被审核方部分遵守该原则，因为基于管理层和工人访谈，文件评估发现，工厂有30名员工，但过去一年没有为全部员工购买工伤保险。例如在2024年8月，没有为1名员工购买工伤保险或商业意外保险。管理人员和工人访谈确认工厂还没有为全部员工提供工伤保险。它违反了中华人民共和国社会保险法，第33条。 |

Question: 7.8 Is there satisfactory evidence that the auditee has developed and implemented accident and emergency procedures?

| ENGLISH | LOCAL LANGUAGE |
|--|--|
| Finding | |
| The auditee partially complied with this principle, because based on interviews with management and workers and on-site observations, it was found that the laser position needed to avoid direct and scattered exposure to the eyes and skin, but the employees did not wear goggles when working, and the managers and workers explained that the factory provided goggles, but it was inconvenient to wear them because the workers were nearsighted. It violated Article 45 of the People's Republic of China Work Safety Law. | 被审核方部分遵守该原则，因为基于管理层和工人访谈和现场观察发现，激光镭射岗位需要避免眼睛和皮肤受到直射和散射，但员工在工作时没有佩戴防护眼镜，管理人员和工人解释工厂有提供防护眼镜，但因为工人近视，佩戴不方便。它违反了中华人民共和国安全生产法 第45条。 |