

Auditee :

Dongguan Hengsheng Polybag Co.,Ltd

Audit Date From :

11/12/2019

Audit Date To :

11/12/2019

Expiry Date of the Audit :

Please refer to the producer profile in the amfori BSCI platform

Auditing Company :

BureauVeritas

Auditor's Name(s) :

Ivan Guan(Lead), Jane Li

Auditing Branch (if applicable) :



This is an extract of the on line Audit Report. The complete report is available in the amfori BSCI Platform.
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Rating Definitions

| Rating | A combination of ratings per Performance Area where: | Consequence | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A Very Good | <ul style="list-style-type: none"> • Minimum 7 Performance Areas rated A • No Performance Areas rated C, D or E <p>These are three examples:</p> <table border="1"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr> </table> | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | B | B | B | B | B | B | A | A | A | A | A | A | A | A | A | B | B | B | B | B | B | B | The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit. |
| A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A | A | A | A | A | A | A | A | A | A | B | B | B | B | B | B | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A | A | A | A | A | A | A | A | A | B | B | B | B | B | B | B | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B Good | <ul style="list-style-type: none"> • Maximum 3 Performance Areas rated C • No Performance Areas rated D or E <p>These are three examples:</p> <table border="1"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td></tr> <tr><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>C</td></tr> </table> | A | A | A | A | A | A | B | B | B | B | B | B | B | B | B | B | A | A | A | A | A | B | B | B | B | B | B | B | B | B | B | C | B | B | B | B | B | B | B | B | B | B | B | B | C | C | C | C | The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit. |
| A | A | A | A | A | A | B | B | B | B | B | B | B | B | B | B | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A | A | A | A | A | B | B | B | B | B | B | B | B | B | B | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B | B | B | B | B | B | B | B | B | B | B | B | C | C | C | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C Acceptable | <ul style="list-style-type: none"> • Maximum 2 Performance Areas rated D • No Performance Areas rated E <p>These are three examples:</p> <table border="1"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td><td>D</td></tr> <tr><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td></tr> </table> | A | A | A | A | A | A | A | A | A | C | C | C | C | C | C | C | A | A | A | A | B | B | B | B | B | C | C | C | C | D | D | D | C | C | C | C | C | C | C | C | C | C | C | C | C | C | D | D | The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days. |
| A | A | A | A | A | A | A | A | A | C | C | C | C | C | C | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A | A | A | A | B | B | B | B | B | C | C | C | C | D | D | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C | C | C | C | C | C | C | C | C | C | C | C | C | C | D | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| D Insufficient | <ul style="list-style-type: none"> • Maximum 6 Performance Areas rated E <p>These are three examples:</p> <table border="1"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>E</td></tr> <tr><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> </table> | A | A | A | A | A | A | A | A | A | A | D | D | D | D | D | D | A | A | A | B | B | B | C | C | C | D | D | D | D | D | D | E | D | D | D | D | D | D | D | D | D | E | E | E | E | E | E | E | The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days. |
| A | A | A | A | A | A | A | A | A | A | D | D | D | D | D | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A | A | A | B | B | B | C | C | C | D | D | D | D | D | D | E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| D | D | D | D | D | D | D | D | D | E | E | E | E | E | E | E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E Unacceptable | <ul style="list-style-type: none"> • Minimum 7 Performance Areas rated E <p>These are three examples:</p> <table border="1"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> <tr><td>A</td><td>A</td><td>B</td><td>B</td><td>C</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> <tr><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> </table> | A | A | A | A | A | A | E | E | E | E | E | E | E | E | E | E | A | A | B | B | C | D | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | amfori BSCI Participants shall closely oversee the auditee's progress as the producer may represent a higher risk than other business partners. |
| A | A | A | A | A | A | E | E | E | E | E | E | E | E | E | E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A | A | B | B | C | D | E | E | E | E | E | E | E | E | E | E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Zero Tolerance | A Zero Tolerance issue was identified [see amfori BSCI System Manual Part V – Annex 5: amfori BSCI Zero Tolerance Protocol] | Immediate actions are required. The amfori BSCI Zero Tolerance Protocol is to be followed. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



Main Auditee Information

| | | | |
|-----------------------------|--|-----------------|---|
| Name of producer : | Dongguan Hengsheng Polybag Co.,Ltd | | |
| DBID number : | 375590 | | |
| Audit ID : | 170091 | | |
| Address : | Lijiafang Industrial Park, Shipai Town Dongguan | | |
| Province : | Guangdong | Country : | China |
| Management Representative : | Jiehua Li | | |
| Contact person: | Jiehua Li | Sector : | Non-Food |
| Industry Type : | Plastic Industry | Product group : | Other plastic like products (please specify) |
| Product Type : | Polybag | | |



Audit Details

| | | |
|--|--|--|
| Audit Range : | <input checked="" type="checkbox"/> Full Audit | <input type="checkbox"/> Follow-up Audit |
| Audit Scope : | <input checked="" type="checkbox"/> Main Auditee | <input type="checkbox"/> Main Auditee & Farms |
| Audit Environment : | <input checked="" type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| Audit Announcement : | <input checked="" type="checkbox"/> Fully-Announced | <input type="checkbox"/> Fully-Unannounced |
| Random Unannounced Check (RUC) : | No | |
| Audit extent (if applicable) : | none | |
| Audit interferences or contingencies (if applicable) : | none | |
| Overall rating : | C | |
| Need of follow-up : | Yes | If YES, by : 11/12/2020 |

Rating per Performance Area (PA)

| PA 1 | PA 2 | PA 3 | PA 4 | PA 5 | PA 6 | PA 7 | PA 8 | PA 9 | PA 10 | PA 11 | PA 12 | PA 13 |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| C | A | B | C | B | D | A | A | A | A | B | A | A |

Executive summary of audit report

At the beginning of the audit, Mr. Li Jiehua / Admin. Manager and Ms. Hu Jinyou / Worker Representative attended the opening meeting.

The factory was established on March 14, 2011 and specialized in the manufacture of poly bags. Business license number was 914419005701450258. Factory name in English was Dongguan Hengsheng Polybag Co.,Ltd. Factory local name was 东莞市恒盛胶袋有限公司. Factory address in English was Lijiafang Industrial Park, Shipai Town, Dongguan. Factory local address was 广东省东莞市石排镇李家坊工业区. The factory rented one 3-storey production building, one 4-storey office building and one 5-storey dormitory building where canteen located on 1st floor. Total construction area was about 7,922.5 square meters. The main production processes included filming, printing, cutting and packing. There were a total of 95 employees with 53 production workers and 42 non-production staffs (including 3 subcontracted security guards) in the factory. The youngest employee noted during this audit was 20 years old. According to factory management representation, there was no obvious peak season in the factory during the year.

The factory adopted a fingerprint recording system to record employees' working hours. There was one working shift for office staff, QC and warehouse, two shifts for production workers, three shifts for security guards. Working hours for office staff, QC and warehouse were 8:00 to 12:00 and 13:30 to 18:00 including 0.5 overtime hour. Working hours for the 1st shift of production workers was 7:30 to 12:00, 13:00 to 17:30 and 18:30 to 19:30 including 2 overtime hours; Working hours for the 2nd shift of production workers was 19:30 to 24:00, 1:00 to 5:30 and 6:30 to 7:30 including 2 overtime hours. Working hours for the kitchen staff was 7:00 to 13:00 and 16:00 to 18:30 including 0.5 overtime hour.

Employees' wages were paid at the end of each month after the payment period by cash with wage stubs issued. Per payroll review and interviews with management and employees, all employees were paid by hourly rate.

During the audit, 30 employees' time records and payrolls were sampled as follows for working hour and wage testing: 10 samples from current paid month of October 2019, 10 samples from random month of August 2019, 10 samples from random month of February 2019. It was noted that all sampled employees were paid at least RMB9.89 per hour for normal working hours, which was in compliance with local minimum wage of RMB1720 per month or RMB9.89 per hours since July 1, 2018. Based on the samples, all employees were compensated with no less than 150%, 200% of normal wages for overtime hours on regular days and rest days respectively, which was compliance with legal requirement. No overtime was noted on statutory holidays. According to the sampled time records, the maximum monthly overtime hours were 84 hours while maximum daily overtime hours were 2 hours. All sampled employees obtained at least one day off every seven consecutive days.

According to the social insurance payment receipt provided by factory management, it was noted that only 31 out of 90 employees (34.44%) were provided with medical insurance, only 30 out of 90 employees (33.33%) were provided with accident insurance, only 29 out of 90 employees (32.22%) were provided with maternity insurance and only 24 out of 90 employees (26.67%) were provided with pension insurance and unemployment insurance in December 2019. The factory had provided commercial accident insurance to 45 employees with a valid period from July 30, 2019 to July 29, 2020.

Further, 10 employees were selected for private interviews from different workshops. No negative comment was issued during employee interviews. Interviewed employees were satisfied with the working environment, compensation, working hour and management team in the factory.

During the closing meeting, auditor provided the factory representatives with a general overview and explained all of the findings to them. Mr. Li Jiehua / Admin. Manager and Ms. Hu Jinyou / Worker Representative signed the onsite CAP and agreed to take corrective action.

Remark:

1. No agency or contractor was used by the auditee. No government waiver was obtained by the auditee. No Collective bargaining agreement in the auditee.

2. Audit Company: Bureau Veritas Consumer Products Service

Audit Company APSCA Number: 11600002

Lead Auditor Name: Ivan Guan

Member Auditor Name: Jane Li

APSCA Lead Auditor Registered Number: 21701179

APSCA Member Auditor Registered Number: 21701257



Ratings Summary

| Auditee's background information | | | |
|---|---|---|--------------------------------|
| Auditee's name : | Dongguan Hengsheng Polybag Co.,Ltd | Legal status : | Limited Company |
| Local Name : | 东莞市恒盛胶袋有限公司(统一社会信用代码: 914419005701450258) | Year in which the auditee was founded : | 2011 |
| Address : | Lijiafang Industrial Park, Shipai Town | Contact person (please select) : | Jiehua Li |
| Province : | Guangdong | Contact's Email : | hj@plasticbagchina.com |
| City : | Dongguan | Auditee's official language(s) for written communications : | Chinese(mandarin) |
| Region : | North East Asia | Other relevant languages for the auditee : | Nil |
| Country : | China | Website of auditee (if applicable) : | www.polybag-plastic.com |
| GPS coordinates : | N23°5'39.46" E113°55'28.46" | Total turnover (in Euros) : | 384575.00 |
| Sector : | Non-Food | Of which exports % : | 100.00 |
| Industry : | Plastic Industry | Of which domestic market % : | 0.00 |
| If other, please specify : | | Production volume : | 300 tons per year |
| Product Group : | Other plastic like products (please specify) | Production cost calculation : | Yes |
| If other, please specify : | Polybag | Lost time injury calculation cost : | No |
| Product Type : | Polybag | | |

| Auditee's employment structure at the time of the audit | | |
|--|---------------------|--|
| Total number of workers : | 95 | Total number of workers in the production unit to be monitored (if applicable) : |
| | MALE WORKERS | FEMALE WORKERS |
| Permanent workers | 53 | 42 |
| Temporary workers | 0 | 0 |
| In management positions | 20 | 17 |
| Apprentices | 0 | 0 |
| On probation | 0 | 0 |
| With disabilities | 0 | 0 |
| Migrants (national citizens) | 33 | 23 |
| Migrants (foreign citizens) | 0 | 0 |
| Workers on the permanent payroll | 53 | 42 |
| Production based workers | 0 | 0 |
| With shifts at night | 37 | 24 |
| Unionised | 0 | 0 |
| Pregnant | - | 0 |
| On maternity leave | - | 0 |



Finding Report

Performance Area 1 : Social Management System and Cascade Effect

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: C

Deadline date:10/06/2020

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The main auditee partially respects this principle because: The auditee had set up a series of procedures and policies that states their mission, vision and objectives to match the BSCI Code of Conduct and their dedication to comply with social responsibilities. The established procedures and records had included the overall social responsibility policies which consisted of anti-discrimination, freedom of association, no child labor, protection for young workers, wages and benefits, working hours, occupational health and safety, environment protection, anti-corruption and etc.; appointment documents for BSCI affair and various of training records such as legal requirements training, health and safety training and etc. The auditee had nominated one senior management who had clear understanding of BSCI standards, for the establishment, implementation and maintenance of the BSCI system. However, gaps had been identified in implementation.

被审核方部分尊重BSCI的本条原则,原因是: 被审核方建立了表明其使命、愿景和目标的且符合BSCI行为准则和社会责任需要的程序和政策。建立的程序和政策包括总体的社会责任政策比如反歧视、自由结社、禁止雇佣童工、未成年工保护、工资和福利、工作时间、职业健康安全、环境保护、反腐败等,以及BSCI事宜任命书,以及各种培训记录比如法规培训、健康安全培训等。被审核方指定了一名对BSCI要求有所了解的高级管理人员来负责BSCI系统的建立、施行和维护。但是,在实际执行过程中仍然存差距。

1.3 - It was noted that the security service were subcontracted to other companies, and the factory had maintained the payroll and time records of the security guards for review. However, according to the time records provided, it was noted that: a) 1 out of 1 subcontracted workers' monthly overtime in October 2019 reached 48 hours, b) 1 out of 1 subcontracted workers' monthly overtime in August 2019 reached 52 hours, c) 1 out of 1 subcontracted workers' monthly overtime in February 2019 reached 44 hours, which exceeded the legal limit of 36 hours per month. BSCI Code of Conduct: The auditee knows who its significant business partners are and assesses how they understand and apply the BSCI Code of Conduct Factory management represented that they would take corrective action as soon as possible.

工厂的保安服务由外部公司承包,工厂保留了保安的工资和考勤记录供查看。但是根据工厂提供考勤记录,审核员发现1/1名抽样的分包商员工在2019年10月加班达到48小时,在2019年8月加班均达到52小时,在2019年2月加班均达到44小时,超出法律36小时/月的规定。BSCI行为守则: 被审核方(生产商)了解谁是主要商业伙伴,并评估他们如何理解和应用BSCI行为守则。工厂表示会尽快做出整改。

1.4 - The facility's workforce capacity was not properly organized to meet the expectations of the delivery order and/or contracts either due to the overtime hours of employees exceeded the local law requirement. Please refer to checkpoint #6.2 for details. BSCI Code of Conduct: The auditee should organize its workforce capacity to meet the expectations of the delivery order and/or contracts. Factory management represented that they would take corrective action as soon as possible.

工厂的劳动力没有被正确安排以满足客人订单的期望,因为员工月加班时间超出了法律的规定,具体参考检查点6.2。BSCI行为守则: 被审核方(生产商)组织其劳工来达成交付订单和/或合同预期和要求。工厂表示会尽快做出整改。

Remarks from Auditee:

Performance Area 2 : Workers Involvement and Protection

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: A

Deadline date:10/02/2020

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The main auditee partially respects this principle because: The auditee had defined long-term goals to protect workers according to BSCI COC. The regular meeting between the management staffs and worker were held in the factory, suggestion box was provided in the factory. Trainings on the requirements of BSCI Code of Conduct were provided to workers. BSCI Code of Conduct was also provided onsite for employees' reference. However, gap was identified in implementation.

被审核方部分尊重BSCI的本条原则,原因是: 被审核方按照BSCI要求设立长期目标按照BSCI的要求保护员工。被审核方定期举行管理层和员工会议,并且设置了意见箱。被审核方为员工提供了关于BSCI行为准则要求相关培训。现场有张贴了BSCI行为守则供员工阅读。但是,工厂在BSCI体系执行上仍存在差距。

2.5 - It was noted that the factory had established or participated in an effective grievance mechanism for individuals, the grievance mechanism allowed worker to lodge suggestions or complaints related to the workers' rights, and individuals had alternative ways for lodging a complaint, such as through suggestion box, worker representative or directly to the management. However, the factory had not set up a channel for local communities' coming up with its suggestions or complaints to management for improvement. BSCI Code of Conduct: The auditee establishes or participates in an effective grievance mechanism for individuals and communities. Factory management represented that they would take corrective action as soon as possible.

审核员发现工厂建立和参与了有效的个人申诉机制,申诉机制赋予了工人提出建议,投诉的权利,并且开放了可替代的投诉方式,例如通过意见箱,工人代表或直接向管理层投诉。但是,工厂尚未创建给当地社区提供申诉的渠道。BSCI行为守则: 被审核方(生产商)建立或参与了有效的个人和团体申诉机制。工厂表示会尽快做出整改。

Remarks from Auditee:

Performance Area 3 : The rights of Freedom of Association and Collective Bargaining

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: B

Deadline date:10/02/2020

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The facility had set up the policies about allows employees to organize freely and elect representatives freely. The management of the factory is responsible for providing the site for the communication between the employee representatives and employees, and employees are free to express their opinions with the employee representatives. Worker representatives are familiar with their responsibilities and are responsible for communicating with employee and employer. According to the interview, worker representatives did not receive discrimination or other forms of unfair treatment.

工厂建立程序文件允许员工结社自由，员工可以自由选举员工代表。工厂管理层负责提供场地以便员工代表和员工进行沟通，员工可以自由的跟员工代表表达意见。员工代表熟悉自己的职责，负责双方沟通。访谈表示，员工代表没有收到歧视或者其他形式的不公平的对待。

3.1 - As per provided records, factory had elected 4 worker representatives according its procedure. But most workers did not know who was the worker representative and the date of election, which did not show it's democratic during election. BSCI Code of Conduct: The auditee respects the right of workers to form unions in a free and democratic way. Factory management agreed with the issue and would take corrective action as soon as possible

提供的记录显示，工厂依据员工代表选举制度选举了4名员工代表。但是大部分员工不了解谁是员工代表，也不了解最近一次的选举日期。不能证明选举的民主性。BSCI行为守则：被审核方（生产商）尊重工人以自由和民主的方式组建工会的权利。工厂同意该问题并表示尽快改善。

Remarks from Auditee:

Performance Area 4 : No Discrimination

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: C

Deadline date:10/02/2020

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The auditee partially respects the requirement of this performance area. The auditee had established non-discrimination policy and effectively cascade to all employees through trainings and posting BSCI code of conduct on the public board. All interview employees represented that no discrimination occurred in the auditee. However, the factory did not conduct satisfaction surveys on the grievance mechanism.

被审核方部分遵守本执行领域要求。被审核方建立了明确的反歧视政策并且清楚地通过培训，员工手册及BSCI行为守则张贴在公告栏等方式告知员工。所有受访员工都向审核员反映不存在歧视。然而，工厂没有进行申诉机制的满意度调查。

4.3 - It was noted that the factory did not conduct satisfaction surveys on the grievance mechanism. BSCI Code of Conduct: The auditee ensures workers are not disciplined, dismissed or discriminated against because of their complaints against infringements of their rights. The facility management represented that they would take corrective as soon as possible.

审核发现工厂没有对员工进行申诉机制的满意度调查。BSCI行为标准：被审核方（生产商）确保工人不因其对侵犯他们权利的投诉而受到惩戒、罢免或歧视。工厂管理层表示会尽快改善。

Remarks from Auditee:

Performance Area 5 : Fair Remuneration

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: B

Deadline date:10/02/2020

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The main auditee partially respects this principle because: The main auditee had set up wage and benefits paying system, which included paid statutory holidays, sick leave, annual leave, marriage leave and maternity leave etc. Based on the wages and time records provided by the main auditee, workers were paid by hourly rate. Employees minimum wage was paid at least RMB9.89 per hour, which was not less than local minimum wage standard of RMB9.89 per hour. Employees' wages were paid by 30th of each month after the payment cycle. During the audit, no unreasonable deduction or illegal deduction was found. Currently, the auditee was only able to provide social insurance to partial employees, but the auditee was willing to increase the coverage rate step by step.

被审核方部分尊重BSCI的本条原则,原因是: 被审核方制定了工资支付政策和福利政策,福利政策包括给员工提供法定节假日,病假,婚假,产假等假期。根据被审核方提供的工资和考勤记录显示,员工按计时计算工资。员工的最低工资是9.89元/小时,不低于当地最低工资标准(9.89元/小时)。员工的工资在工资核算周期后的30日以前发放。审核过程中,未发现被审核方有不合理或者非法扣款现象。目前被审核方仅能为部分员工提供社会保险福利,但是愿意逐步提高员工的社保参保率。

5.4 - It was noted that the auditee used the wrong formula to calculate living wage. BSCI Code of Conduct: The auditee provides sufficient remuneration that allows workers to meet a decent living standard. Factory management represented that they would take corrective action as soon as possible.

审核发现工厂使用错误的公式计算生活最低需求工资。BSCI行为标准: 被审核方(生产商)提供允许工人达到体面生活标准的足够报酬。工厂表示会尽快做出整改。

5.5 - According to the social insurance payment receipt provided by factory management, it was noted that only 31 out of 90 employees (34.44%) were provided with medical insurance, only 30 out of 90 employees (33.33%) were provided with accident insurance, only 29 out of 90 employees (32.22%) were provided with maternity insurance and only 24 out of 90 employees (26.67%) were provided with pension insurance and unemployment insurance in December 2019. In accordance with Article 73 of the Labor Law of the People's Republic of China No evidence indicated that the insufficient coverage of social insurance was caused by the employees' unwillingness to participate in the program. The factory had provided commercial accident insurance to 45 employees with a valid period from July 30, 2019 to July 29, 2020. Factory management represented that they could not provide all five types of insurances to all employees currently and would take corrective action as soon as possible.

审核员发现工厂的社会保险覆盖不足。根据厂方提供的2019年12月社会保险缴费单据显示工厂仅为31/90名员工(34.44%)购买了医疗保险,仅为30/90名员工(33.33%)购买了工伤保险,29/90名员工(32.22%)购买了生育保险,24/90名员工(26.67%)购买了养老保险和失业保险。根据《中华人民共和国劳动法》第73条没有记录显示员工不愿意购买社保。工厂有为45名员工购买了商业意外保险(有效期: 2019年7月30日-2020年7月29日)。工厂表示暂时未能为所有员工提供五险,将会尽快做出整改。

Remarks from Auditee:

Performance Area 6 : Decent Working Hours

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: D

Deadline date:10/06/2020

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The main auditee partially respects this principle because: The auditee respected local law and ILO requirement related to regular working hours. Regular working hours were Monday to Friday with 8 hours per day. The auditee adopted biometric fingerprint system to record employees' working hours. The maximum monthly overtime was 88 hours while maximum daily overtime was 2 hours. The auditee would ensure employee obtained at least 1 day off after 6 days consecutive working days. Factory admitted that they were unable to control the overtime hours within local law limit, but they granted workers the right to resting breaks in every working day, and meanwhile they had clearly communicated working hour policy to all employees through employee handbook. Interviewed employees confirmed that they could choose to OT or not. Besides, the auditee had paid overtime wages in accordance with law requirement.

被审核方部分尊重BSCI的本条原则,原因是: 被审核方尊重当地法规和ILO规定的关于工作时间的规定。员工正常工作时间是周一到周五,每天8小时。被审核方采取指纹系统记录员工的工作时间。员工月最大加班时间为88小时,日最大加班时间为2小时。被审核方确保员工连续工作6天后会有至少1天的休息日。工厂承认目前无法完全做到加班时间控制在法律规定范围内,但是,赋予工人在工作日休息的权利,同时,通过员工手册向员工传达了工厂关于工作时间的政策。面谈的员工证实加班是自愿的。并且,被审核方按照法规要求支付了加班工资。

6.2 - It was noted that 27 out of 35 sample population employees worked in excess of the statutory overtime hour limits. A review of 35 sample population employees' time records (10 samples from current paid month of October 2019, 10 samples from random month of August 2019, 10 samples from random month of February 2019 and additional 5 samples from complete attendance unpaid month November 2019) yielded the following: a) 5 out of 5 sample population employees' monthly overtime in November 2019 reached 72 hours, which exceeded the legal limit of 36 hours per month; b) 10 out of 10 sample population employees' monthly overtime in October 2019 reached 51 to 84 hours, which exceeded the legal limit of 36 hours per month; c) 9 out of 10 sample population employees' monthly overtime in August 2019 reached 52 to 62 hours, which exceeded the legal limit of 36 hours per month; d) 3 out of 10 sample population employees' monthly overtime in February 2019 reached 38 to 42 hours, which exceeded the legal limit of 36 hours per month. In accordance with Article 41 of the Labor Law of the PRC Factory management represented that they would take corrective action as soon as possible.

根据厂方提供的工时记录,审核员发现员工加班时间超出了法定标准。审核员从厂方提供的工资和考勤记录中工抽取35个样本(从最近工资支付月份2019年10月,从随机月份2019年8月,从随机月份2019年2月各抽取10个样本,另外,从最近考勤完整但工资未支付月2019年11月抽取5个样本),发现共有27名员工加班时间超出了法定标准,具体为: a) 5/5名抽样员工在2019年11月的加班时间为72小时,超过每月加班时间不能超过36小时的法律规定; b) 10/10名抽样员工在2019年10月的加班时间为51到84小时,超过每月加班时间不能超过36小时的法律规定; c) 9/10名抽样员工在2019年8月的加班时间为52到62小时,超过每月加班时间不能超过36小时的法律规定; d) 3/10名抽样员工在2019年2月的加班时间为38到42小时,超过每月加班时间不能超过36小时的法律规定。根据《中华人民共和国劳动法》第41条。工厂表示会尽快做出整改。

Remarks from Auditee:

Performance Area 7 : Occupational Health and Safety

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: A

Deadline date:10/02/2020

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The main auditee partially respects this principle because: Internal risk assessment had been conducted and control measures were in place. Warning sign on occupational hazards were posted onsite. Personal protective equipment is provided to employees at free cost. Regular health and safety training was provided to employees on work station safety, machine safety, use of chemicals, etc. Fire drills were conducted twice every year. Written accident and emergency protocol was set. Firefighting equipment, such as fire extinguishers, fire hydrants, fire alarms were sufficiently equipped at the facility. Evacuation signs and emergency lights were installed on the emergency exits and along the evacuation path. Sufficient first aiders, first aid supplies were available in workshops. Sufficient restrooms and clean drinking water were always accessible without restrictions. The temperature, humidity and lighting were satisfactory in the factory. However, gaps have been identified in implementation. 被审核方部分尊重BSCI的本条原则,原因是: 被审核方进行了内部风险评估,且采取了风险控制措施。职业危害因素的警示性标志也张贴在车间。被审核方有给员工免费提供劳动保护用品。提供定期的职业健康安全培训给员工,涉及到工位安全、机器安全、化学品使用等。消防演习每年进行两次。被审核方建立了书面的意外紧急预案。如灭火器、消防栓、消防警铃等消防设施在厂内配置充足。紧急逃生出口及逃生通道均有安装逃生标识和应急灯。车间有足够的急救员和急救用品。员工可以不受限制地使用卫生间和干净的饮用水。厂内温湿度及照明适宜。但是,工厂在BSCI体系执行上仍存在差距。

7.2 - According to the social insurance payment receipt provided by factory management, it was noted that only 30 out of 90 employees (33.33%) were provided with accident insurance in December 2019. In accordance with Article 73 of the Labor Law of the People's Republic of China No evidence indicated that the insufficient coverage of social insurance was caused by the employees' unwillingness to participate in the program. The factory had provided commercial accident insurance to 45 employees with a valid period from July 30, 2019 to July 29, 2020. Factory management represented that they could not provide all five types of insurances to all employees currently and would take corrective action as soon as possible.

审核员发现工厂的社会保险覆盖不足。根据厂方提供的2019年12月社会保险缴费单据显示工厂仅为30/90名员工(33.33%)购买了工伤保险。根据《中华人民共和国劳动法》第73条 没有记录显示员工不愿意购买社保。工厂有为45名员工购买了商业意外保险(有效期: 2019年7月30日-2020年7月29日)。工厂表示暂时未能为所有员工提供五险,将会尽快做出整改。

7.7 - It was noted that there was no anti-leakage facility (e.g. secondary container) in the chemical warehouse for 6 out of 6 barrels of thinner. In accordance with article 20 of Regulation for Safety of Hazardous Chemical Factory management represented that they would take corrective action as soon as possible.

审核员发现化学品仓6/6罐天那水没有提供二次容器防泄漏。根据《危险化学品安全管理条例》第20条 工厂表示会尽快做出整改。

7.23 - Remark: No transportation provided for review.

Remarks from Auditee:

Performance Area 8 : No Child Labour

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: A

Deadline date:

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The overall observation showed that the auditee fully respected the requirement of this performance area. The auditee established its child labor forbidden policy. It was noted that the HR related officer had to check the ID and age during the hiring process. Through management interview, worker representative interview and employee interview, all knew the child labor forbidden policy and confirmed no child labor in the factory. Through factory tour, there was no child labor looking face noted. Though the most recent employee roster and personnel files, the youngest worker in facility was 20 years old.

整体观察表明,受审核方满足这个部分的要求。工厂建立了禁止童工政策。负责招聘的相关HR人员知道他们必须严格核实新近员工的年龄。员工面谈,员工代表面谈和管理层面谈都证实清楚的知晓禁止童工政策并且确定工厂没有童工。审核现场没有发现童工,最小工人为20岁。

Remarks from Auditee:

Performance Area 9 : Special protection for young workers

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: A

Deadline date:10/02/2020

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The auditee had established related policies on young worker protection including limit young workers' working hours, providing health check regularly and not to contact with hazardous materials. However, the risk assessment on young workers issue did not meet the requirement.

被审核方建立了完整的未成年工保护政策,包括工作时间、定期提供身体检查和禁止未成年工接触有毒化学品等等。然而,被审核方的进行未成年工特殊保护的风险评估没有符合要求。

9.1 - It was noted that the risk assessment on special protection for young workers did not match with the current situation, for example the positions marked in the assessment included cutting and sewing, however, there was no such process in the factory. BSCI Code of Conduct: The auditee ensures that young people do not work at night and are protected against conditions of work which are prejudicial to their health, safety, morals and development. The facility management represented that they would take corrective as soon as possible.

审核发现被审核方进行的未成年工特殊保护的风险评估与事实不符,例如,该风险评估覆盖了裁断和针车工序,但事实上被审核方并没有该工序。BSCI行为标准,被审核方(生产商)确保青年工人无需在夜间工作,并且使工人免受影响其健康、安全、道德和发展的的工作条件伤害。工厂管理层表示会尽快改善。

Remarks from Auditee:

Performance Area 10 : No Precarious Employment

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: A

Deadline date:

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

Labour contracts were all concluded between the factory and workers. The contracts statement included the description of working hours, training, rest time and leave etc. which were in accordance with legal requirement and ILO. Meanwhile, the factory provided a copy of contract to every worker. Based on interview statement of workers, workers understood well of the content of labor contract and no illegal employment was identified during the audit.

工厂和每个员工均签订了劳动合同，劳动合同的内容包括工时，培训，休息时间和假期，报酬和支付条件，这些内容均符合法规以及国际标准。同时工厂提供了一份劳动合同副本给员工。通过员工访谈，员工均了解劳动合同内容，审核过程中，工厂无不符合法规的用工形式存在。

Remarks from Auditee:

Performance Area 11 : No Bonded Labour

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: B

Deadline date:10/02/2020

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The auditee partially respects the requirement of this performance area. The auditee had established written policies to forbidden bonded labour and disciplinary procedures, and explained these policies and procedures to all employees clearly through training to employees during orientation and refresh training to all existing employees. Confirmed through employee and employee representative interview, workers were not subjected to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse. However, per employees' interview, they did not acknowledge the terms of disciplinary procedure.

被审核方部分遵守本执行领域要求。被审核方建立了书面的禁止强迫劳动政策及惩戒程序，且通过新员工入职培训及老员工定期培训将此政策程序清晰地传达给所有员工。通过员工和员工代表面谈，确认员工没有受到非人道或有辱人格的待遇、体罚、精神或肉体胁迫和/或言语虐待。然而，通过员工访谈，员工对工厂相关的惩戒条款不了解。

11.4 - Per employees' interview, it was noted that employees did not acknowledge the terms of disciplinary procedure. BSCI Code of Conduct: The auditee establishes all applicable disciplinary procedures in writing and explains them verbally to workers in clear and understandable terms. Factory management represented that they would take corrective action as soon as possible.

审核员发现工厂员工对工厂相关的惩戒条款不了解。BSCI行为标准：被审核方（生产商）确立所有适用的书面惩戒程序，并以清晰和易于理解的方式向工人口头说明。工厂表示会尽快做出整改。

Remarks from Auditee:

Performance Area 12 : Protection of the Environment

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: A

Deadline date:

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

Factory had established environment protecting and energy saving policy, and relevant training were provided to workers. The land used by the factory was industrial land and water used by the factory was come from municipal water. Factory had conducted EIA and obtained EIA approval and environmental facilities inspection and acceptance approval from environmental authority.

工厂制定了环保政策，以及节能减排政策，并且给员工提供了相关环保和节约能源方面的培训，工厂主要使用当地市政提供的自来水，并且工厂用地属于工业用地。工厂进行了环评并获得环评批复和三同时验收。

Remarks from Auditee:

Performance Area 13 : Ethical Business Behaviour

Full Audit [Audit Id - 170091] Audit Date: 11/12/2019 PA Score: A

Deadline date:10/02/2020

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The overall observation showed that the auditee partially respected the requirement of this performance area. The auditee had established written ethic policy and none of any act of corruption, or any form of bribery in its activity was noticed during this audit. Meanwhile, they worked out the detailed measure on prevention of corruption and bribery according to the activities in this factory. The auditee kept accurate information regarding its own activities, structure and performance during this audit. However, the factory had conducted a risk assessment on business ethics, the assessment did not cover the risk of business ethics on job promotion.

整体观察表明，受审核方部分满足这个区的要求。被审核方制定了书面的廉政政策并且在审核过程中并没有发现任何腐败或贿赂的商业行为，同时结合工厂的具体运行活动制定详细的反腐败及贿赂的措施。在此次审核中受审核方保留了有关其商业活动、架构和绩效的准确信息。然而，被审核方进行了商业道德风险评估，但该评估没有覆盖职位升迁的道德风险。

13.1 - It was noted that although the auditee had conducted a risk assessment on business ethics, the assessment did not cover the risk of business ethics on job promotion. BSCI Code of Conduct: The auditee actively opposes any act of corruption, extortion or embezzlement, or any form of bribery in its activities as a business enterprise. The facility management represented that they would take corrective action as soon as possible. 审核发现尽管被审核方进行了商业道德风险评估，但该评估没有覆盖职位升迁的道德风险。BSCI行为守则：被审核方（生产商）主动反对商业企业活动中出现的任何腐败、敲诈或挪用公款、或贿赂行为。工厂管理层表示会尽快改善。

Remarks from Auditee:



Summary

| Audit Type | Date | Audit Id | PA1 | PA2 | PA3 | PA4 | PA5 | PA6 | PA7 | PA8 | PA9 | PA10 | PA11 | PA12 | PA13 | Overall Rating |
|------------|------------|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|----------------|
| Full Audit | 11/12/2019 | 170091 | C | A | B | C | B | D | A | A | A | A | B | A | A | C |



Producer Photos



External photo(s) of the production unit(s)
7-7 Missing secondary container.JPG



External photo(s) of the production unit(s)
Attendance recording system.JPG



External photo(s) of the production unit(s)
BSCI COC.JPG



External photo(s) of the production unit(s)
Canteen.JPG



External photo(s) of the production unit(s)
Chemical warehouse.JPG



External photo(s) of the production unit(s)
Cutting and packing workshop.JPG



External photo(s) of the production unit(s)
Dormitory building.JPG



External photo(s) of the production unit(s)
Dormitory room.JPG



External photo(s) of the production unit(s)
Drinking water.JPG



External photo(s) of the production unit(s)
Evacuation plan.JPG



External photo(s) of the production unit(s)
Evacuation sign.JPG



External photo(s) of the production unit(s)
Exit sign and emergency light.JPG



External photo(s) of the production unit(s)
Eye washing facility.JPG



External photo(s) of the production unit(s)
Factory gate.JPG



External photo(s) of the production unit(s)
Factory name.JPG



External photo(s) of the production unit(s)
Filming workshop.JPG



External photo(s) of the production unit(s)
Finished products warehouse.JPG



External photo(s) of the production unit(s)
Fire alarm.JPG



External photo(s) of the production unit(s)
Fire extinguishers.JPG



External photo(s) of the production unit(s)
Fire hydrant.JPG



External photo(s) of the production unit(s)
First aid kit.JPG



External photo(s) of the production unit(s)
MSDS.JPG



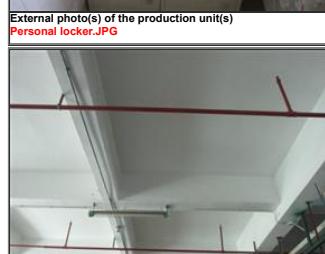
External photo(s) of the production unit(s)
Personal locker.JPG



External photo(s) of the production unit(s)
Printing workshop.JPG



External photo(s) of the production unit(s)
Production building.JPG



External photo(s) of the production unit(s)
Sprinkler system.JPG



External photo(s) of the production unit(s)
Suggestion box.JPG



External photo(s) of the production unit(s)
Testing of emergency light.JPG



External photo(s) of the production unit(s)
Testing of fire alarm.JPG



External photo(s) of the production unit(s)
Testing of fire hydrant.JPG



External photo(s) of the production unit(s)

Toilet.JPG



External photo(s) of the production unit(s)

Warning sign on electric box.JPG