

Monitored Party CHARISMA HOUSEWARE (HUIZHOU) CO., LIMITED	amfori ID 156-007111-000	Address No.598, Zhongkai eighth Road, Lilin Town, Zhongkai High-tech Zone, Huizhou city, Guangdong ,China, 516000 Huizhou, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner Bureau Veritas Hong Kong Limited
Monitoring Start Date 12/05/2023	Closing Meeting Finished Date 12/05/2023	Submission Date 19/05/2023
Expiration Date 19/05/2024	Announcement Type Semi Announced	
Site CHARISMA HOUSEWARE (HUIZHOU) CO., LIMITED	Site amfori ID 156-007111-001	

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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	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

The factory was established on Mar.28, 2018 and specialized in the production of plastic flocking hanger, non-slip hanger and storage box. Business license number was 91441300MA51FXTX30. Factory name in English was CHARISMA HOUSEWARE (HUIZHOU) CO., LIMITED. Factory name on business license was 惠州市吉曜家居用品有限公司. Factory address in English was No.598, Zhongkai eighth Road, Lilin Town, Zhongkai High-tech Zone, Huizhou city, Guangdong, China. Factory address on business license was 惠州仲恺高新区沥林镇迭石龙村惠樟公路北侧厂房（金山厂旁）. The factory rent and used two 3-storey production buildings, 2F-4F of one 4-storey production building (about 100 meters from current location). There was no canteen/kitchen, transportation or dormitory was provided by the factory. The total construction floor area of is around 4500 square meters.

The main production processes included injection, hook pulling, flocking, sewing, assembling and packing. There was a total of 43 employees with 36 production workers and 7 non-production staffs hired by the factory. In addition, no outsourced employees worked in the factory. The youngest employee noted during this audit was 20 years old. According to factory management, the peak season was not obvious.

The factory adopted finger print device to record employees' working hours. Per management and document review, all employees conducted 1 shift: 8:00 to 12:00, 13:30 to 17:30. Wages of employee were paid at or before 30th of the next month via cash with wage stubs issued to employees and the employees' signatures on the payrolls. Per payroll review and interviews with management and employees, all production employees were paid by hourly rate.

During the audit, the time and payrolls records of 15 employees were sampled as follows for working hour and wage testing: 5 sample employees from current paid month March 2023, 5 sample employees from January 2023 and 5 sample employees from July 2022. It was noted that all sampled employees were paid at least RMB10.35 per hour during the testing period, which above the local minimum wage standard of RMB1720 per month or RMB9.89 per hour since December 1, 2021. And all sampled employees were paid 150% and 200% of normal wages for the overtime worked on weekday and weekends in the test period, which met the legal overtime compensation rate. No overtime working was noted on statutory holidays. Sample population employees worked at most 68 overtime hours per month, 2 overtime hours per day and could receive at least one day off per seven-day period.

According to the social insurance payment receipt provided by factory management, it was noted that 5 out of 43 employees (11.63%) were provided with accident insurance, medical insurance (including maternity insurance), unemployment and pension insurance in April 2023. The factory provided a group commercial insurance to 40 employees with valid period from Mar.22, 2023 to Mar.21, 2024.

Further, 5 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.

At the beginning of the audit, Mr. Yu Guangcai / General Manager, Ms. Li Xiufen/Worker Representative attended the opening meeting and the closing meeting, auditor provided the factory representatives with a general overview and explained all of the findings to them. Mr. Yu Guangcai / General Manager, signed the onsite CAP and agreed to take corrective action.

Remarks:

1. There was no contractor/agency/government waiver/collective bargaining used or available by the auditee, which made the contractor license/agency labor contract/government waiver/collective bargaining agreement not applicable.
2. Audit Company: Bureau Veritas Consumer Products Service;
Audit Company APSCA Number: 11600002
Lead Auditor Name: Amanda Zhang; APSCA Auditor Registered Number: CSCA 21701123
3. Audit Announcement Type: Semi-announced full audit; Monitoring Date: May 12, 2023.
4. Remark: BV has used the methodology which is similar with Anker Benchmark methodology to estimate the living wage by estimating the cost of a basic but decent life style for a worker and his/her family. This involves adding up the cost of three expenditure groups: food (for a low-cost nutritious diet), housing (for basic healthy housing), and other essential

expenses for a family, and then adding a small margin for sustainability and emergencies. The reason BV does not use Anker benchmark is no data in GLWC for the area where the factory is located. The data source: onsite audit information collection (BV BNW).

5. Remark: Factory address was “No.598, Zhongkai eighth Road, Lilin Town, Zhongkai High-tech Zone, Huizhou” as per onsite observation. Per business license review, the address on the business license was “building near the Jinshan Factory, the north side of Huizhang Road, Dieshilong Village, Lilin Town, Zhongkai High-tech Zone, Huizhou”. As confirmed onsite, both address descriptions were indicating the same location. The factory commonly used the description “No.598, Zhongkai eighth Road, Lilin Town, Zhongkai High-tech Zone, Huizhou” as contact address for business.

6. Remark: The auditee shared one 4-storey production building with another factory named Huizhou Xinrui Precision Co., Ltd, which was used 1F. This factory had different name plate on the gate, different time recording system and management system. Individual business license was provided and no shared workers were provided, thus the auditor did not include this factory into audit scope.

SITE DETAILS

Site

CHARISMA HOUSEWARE
(HUIZHOU) CO., LIMITED

Site amfori ID

156-007111-001

GICS Classification

Sector	Industry Group	Industry
Industrials	Capital Goods	Industrial Conglomerates
Sub Industry		
Industrial Conglomerates		

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	43	Workers
Legal minimum wage in local currency	1720	Monthly
Lowest wage paid for regular work at the site	1800	Monthly
Calculated living wage in local currency	2171	Monthly
Total sample	5	Workers

Other Metrics

Male workers	24	Workers
Female workers	19	Workers
Permanent workers - Male	24	Workers
Permanent workers - Female	19	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	3	Workers
Management - Female	0	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	24	Workers
Domestic migrant workers - Female	19	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	24	Workers
Workers hired directly - Female	19	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	3	Workers
Sample - Female	2	Workers

FINDINGS

PA1: Social Management System

Site: CHARISMA HOUSEWARE (HUIZHOU) CO., LIMITED | Site amfori ID: 156-007111-001

ENGLISH	LOCAL LANGUAGE
Finding(s)	
The social management system established in the factory was not fully effective since some non-compliance issues were detected regarding Workers Involvement and Protection, Fair Remuneration, Decent Working Hours, Occupational Health and Safety etc. This violated Clause 1.1 of BSCI requirement.	工厂的社会责任管理体系尚待完善，因为在此次审核中，发现了关于工人参与和保护、公平报酬、体面劳动时间、职业健康与安全等方面的问题。根据BSCI条款1.1。
The factory did not recruit enough employees or effectively organize its workforce capacity to meet the expectations of the delivery order and/or contracts although the relevant procedure was established, so that employees' overtime hours exceeded legal limit. This violated Clause 1.4 of BSCI requirement.	审核发现工厂虽然有建立产能规划的相关程序文件，但是，仍然没有聘用足够的员工或者进行有效的生产组织来达成交付订单和/或合同预期，以至于员工月加班超出法律规定。根据BSCI条款1.4。

PA 2: Workers Involvement and Protection

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
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. This violated Clause 2.5 of BSCI requirement.	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。根据BSCI条款2.5。

PA 5: Fair Remuneration

Site: CHARISMA HOUSEWARE (HUIZHOU) CO., LIMITED | Site amfori ID: 156-007111-001

ENGLISH	LOCAL LANGUAGE
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Finding(s)

It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that 5 out of 43 employees (11.63%) were provided with accident insurance, medical insurance (including maternity insurance), unemployment and pension insurance in April 2023. The factory provided a group commercial insurance to 40 employees with valid period from Mar.22, 2023 to Mar.21, 2024. This violated Article 73 of the Labor Law of the People's Republic of China.

审核员发现工厂的社会保险覆盖不足。根据厂方提供的2023年4月的社会保险缴费单据显示工厂仅为5/43名员工（11.63%）购买了工伤、医疗(含生育)保险、失业和养老保险。工厂为40名员工购买了团体商业保险，有效期为2023年3月22日至2024年3月21日。根据《中华人民共和国劳动法》第73条。

PA 6: Decent Working Hours

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ENGLISH

LOCAL LANGUAGE

Finding(s)

It was noted that 10 out of 15 sample population employees worked in excess of the statutory overtime hour limits. A review of 15 sample population employees' time records (5 samples selected from March 2023 as current paid month, 5 samples selected from January 2023 as random selected month, 5 samples selected from July 2022 as random selected month) yielded the following: a) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 64 hours) in March 2023, b) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 68 hours) in July 2022, which was not in compliance with the legal requirement. This violated Article 41 of the Labor Law of the PRC. Employees could refuse to work for overtime freely, without penalty. Employees were compensated with overtime wage in accordance with legal requirement.

根据被审核方提供的工时记录，审核员发现员工加班时间超出了法定标准。审核员从被审核方提供的工时记录中抽取15个样本(其中最近工资支付月2023年3月5个，从随机月份2023年1月抽5个，从随机月份2022年7月抽5个)，发现共10个样本加班时间超出了法定标准，具体为：a) 5/5名抽样员工在2023年3月的加班时间为64小时，b) 5/5名抽样员工在2022年7月的加班时间为68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。员工可以自由地拒绝加班工作，没有被处罚。工厂按照法规要求支付了加班费。

PA 7: Occupational Health and Safety

Site: CHARISMA HOUSEWARE (HUIZHOU) CO., LIMITED | Site amfori ID: 156-007111-001

ENGLISH

LOCAL LANGUAGE

Finding(s)	
It was noted that the factory provided the occupational health checks to employees in workshop who were in contact with hazardous materials yearly. However, the occupational health checks were not provided to employees before they take the posts or leave the posts. This violated Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases.	审核员发现厂方有每年为在车间接触有毒有害物质的员工提供职业病体检，但工厂并没有组织这些员工在上岗前和高岗时进行职业病体检。根据《中华人民共和国职业病防治法》第35条。
It was noted that 1 out of 2 employees working in injection workshop who in contact with high noise were not wearing earplugs provided by the factory during the working hours. This violated Article 42 of Law of the People's Republic of China on Production Safety.	审核员发现工厂注塑车间1/2名接触高噪声的员工在工作时间没有佩戴工厂提供的耳塞。根据《中华人民共和国安全生产法》第42条。
<p>1. It was noted that 50% of chemical (e.g. glue) materials containers used and stored in the production workshop of the factory were not posted with safety labels. This violated Article 14 of the Regulation For Chemical Usage Safety in Work Place.</p> <p>2. It was noted that chemical (e.g. glue) containers used and stored in the production workshop of the factory were not installed with secondary containers. This violated Article 20 of Regulation for Safety of Hazardous Chemical.</p>	<p>1. 审核员发现工厂生产车间使用和存放的50%的化学品（例如，胶水）容器没有张贴安全标签。根据《工作场所安全使用化学品规定》第14条。</p> <p>2. 审核员发现工厂生产车间使用和存放的化学品（例如，胶水）没有设置二次容器。根据《危险化学品安全管理条例》第20条。</p>
It was noted that the transmission belts of 2 out of 2 high speed sewing machines in the sewing workshop were not equipped with pulley guards. This Violated Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene.	审核员发现缝制车间2/2台高车没有为外露的传动皮带安装皮带保护罩。根据《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条。
Remark: The factory did not provide the food service.	备注：工厂没有提供食堂。
It was noted that no soap or toilet paper was provided in the toilet for workers. This violated Clause 7.22 of BSCI requirement.	审核发现工厂洗手间未为员工提供肥皂和纸巾。根据BSCI第7.22条。
Remark: The factory did not provide the transportation service.	备注：工厂没有提供班车服务。
Remark: The factory did not provide the dormitory.	备注：工厂没有提供宿舍。