

Monitored Party Shenzhen Margotan Tech Co.,Ltd. Dongguan Branch	amfori ID 156-040635-000	Address Room 901,Building #1, 1438 Tai'an Road, Chang an Town, Dongguan, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner Bureau Veritas Hong Kong Limited
Monitoring Start Date 26/09/2023	Closing Meeting Finished Date 26/09/2023	Submission Date 09/10/2023
Expiration Date 09/10/2024	Announcement Type Fully Announced	
Site Shenzhen Margotan Tech Co.,Ltd. Dongguan Branch	Site amfori ID 156-040635-001	

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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	C	
PA 6: Decent Working Hours	D	

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

GENERAL DESCRIPTION

Name of lead auditor: Inphy Wang; APSCA membership number: CSCA 21701775

Name of team auditor (if applicable): Nil; APSCA membership number: NA

Name of observers, translators, trainees, advisors/consultants (if applicable): NA

Monitoring partner name: Bureau Veritas Consumer Products Service; APSCA Number: 11600002

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

Announcement Type: Announced Full audit

Monitoring date: September 26, 2023

Business partner information: Shenzhen Margotan Tech Co.,Ltd. Dongguan Branch (深圳市美高途科技有限公司东莞分公司, 91441900MAA4JR5E26) was established on December 14, 2021. And the address was Room 901, Building #1, 1438 Tai'an Road, Chang an Town, Dongguan, China. (广东省东莞市长安镇太安路长安段1438号1号楼901室). The factory specialized in manufacturing home use beauty instruments and tools. And the main production processes included assembly and packing.

Audited location information: The factory consists of 9F of one 10-storey production building was used as office, workshops and warehouse with total about 2000 square meters. No dormitory, canteen/kitchen was provided for employees.

9F: Assembly process, packing process and storage area.

This building was rented by the factory.

Operating shifts and hours: There was only 1 working shift for production employees and working hours were from 8:00 to 17:30 with a rest from 12:00 to 13:30.

Working days from Monday to Friday and rest on Sunday.

Time recording system: The factory adopted electronic attendance system to record employees' working hours.

Salary payment details: Employees' wages were paid before 30th day of the following month by bank with wage stubs issued. Per payroll review and interviews with management and employees, all employees were paid by hourly rate.

Worker number information:

- Total of 46 employees with 11 non-production staffs and 35 production workers
- Total 35 production workers with 10 males and 25 females
- Total 31 domestic employee with 9 males and 22 females, no any foreign migrant, young, women pregnant, seasonal, temporary, disabled, home-based workers
- No any other special group workers (interns, apprentices, contractor workers etc.)

Good practices: The factory provided some benefit to employees, such as annual leave.

Worker organization details: There was worker representative selected in 2023.

Circumstances: There was no special circumstance during the audit.

Summary of findings: Non-compliances were found in PA1, PA2, PA5, PA6 and PA7. Detailed findings refer to the report.

Living wage calculation: Living Wage please refer to BNW in attachment. BV had used the methodology which was 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 involved 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 did not use Anker benchmark is no data in GLWC for the area where the factory was located. The data source: onsite audit information collection (BV BNW).

Minimum Content MEMO (MEMO (AC's 2018/06 1) There was a personal data protection law/requirement in China.

Therefore, all attachments were involved in employees' personal data would be hidden during this audit.

Remark:

1. There are no contractor/agencies/government waivers/collective bargaining used or available by the auditee, which makes the contractor license/agency labour contract/government waivers/collective bargaining agreements not applicable.
2. There were 9 other factories in the same building with audited factory. Rented contracts and business license were available for review. No worker exchange was noted. Thus only auditee occupied areas were included in audit scope.

SITE DETAILS

Site
**Shenzhen Margotan Tech Co.,Ltd.
Dongguan Branch**

Site amfori ID
156-040635-001

GICS Classification

Sector	Industry Group	Industry
Consumer Discretionary	Consumer Durables & Apparel	Household Durables

Sub Industry
Housewares & Specialties

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	46	Workers
Legal minimum wage in local currency	1,900	Monthly
Lowest wage paid for regular work at the site	2,000	Monthly
Calculated living wage in local currency	2,398.23	Monthly
Total sample	5	Workers

Other Metrics

Male workers	14	Workers
Female workers	32	Workers
Permanent workers - Male	14	Workers
Permanent workers - Female	32	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	4	Workers
Management - Female	7	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	9	Workers
Domestic migrant workers - Female	22	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	14	Workers
Workers hired directly - Female	32	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	2	Workers
Sample - Female	3	Workers

FINDINGS



PA1: Social Management System

Site: Shenzhen Margotan Tech Co.,Ltd. Dongguan Branch | Site amfori ID: 156-040635-001

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>Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory had set up management system to compliance with the BSCI Code of Conduct. However, some policies were improperly implemented and the factory did not monitor the management system accurately. This question was rated as partially compliance because there were only some gaps between the factory in some performance areas and the requirement of Amfori BSCI. Please refer to BSCI PA1.1</p>	<p>基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现工厂已经建立了社会责任管理体系以符合BSCI行为准则，但部分制度没有执行到位，并且对其社会责任体系执行情况监管不到位。因为工厂仅仅只是在某些执行领域和Amfori BSCI的要求之间存在某些差距，所以这个问题点判为部分符合。请参看BSCI PA1.1</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>Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory had established overtime management policy. This question was rated as partially compliance because the factory did not conduct production capacity evaluation, so that employees' overtime hours exceeded legal limit. Please refer to BSCI PA 1.4</p>	<p>基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现工厂审核发现工厂虽然有建立加班管理程序，因为工厂没有进行产能评估，以至于员工加班超出法律规定。因此这个问题点判定为部分符合。请参看BSCI PA1.4</p>



PA 2: Workers Involvement and Protection

Site: Shenzhen Margotan Tech Co.,Ltd. Dongguan Branch | Site amfori ID: 156-040635-001

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
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Finding	
Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory established internal operational level grievance mechanism. This question was rated as partially compliance because the factory did not establish an effective operational level grievance mechanism for stakeholder (e.g. subcontractor, suppliers). Please refer to BSCI PA 2.5	基于文件查阅、管理层访谈、员工代表访谈和员工访谈，审核发现工厂建立了内部申诉机制。因为工厂没有建立有效的针对利益相关方（如：外包商、供应商等）建议和申诉机制，所以这个问题点判定为部分符合。 请参看BSCI PA2.5

PA 5: Fair Remuneration

Site: Shenzhen Margotan Tech Co.,Ltd. Dongguan Branch | Site amfori ID: 156-040635-001

Question: 5.4 Is there satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living?	
ENGLISH	LOCAL LANGUAGE
Finding	
Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory did not collect the information and calculate the basic needs wages to identify possible gaps existing between the actual remuneration and the basic needs wages. Therefore, this question was rates as non-compliance. Please refer to BSCI PA 5.4	基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现工厂没有进行基本需求工资信息收集和计算以识别其实际支付的工资和基本需求工资之间的差距，因此这个问题点判定为不符合。 请参看 BSCI PA 5.4

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted?	
ENGLISH	LOCAL LANGUAGE
Finding	
Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that 13 out of 46 (28%) employees were provided with accident, unemployment, maternity, pension and medical insurance in September 2023. Further, factory provided commercial accident insurance for all employees from June 16, 2023 to June 15, 2024. This question was rated as non-compliance because less than 80% employees were provided with social insurance.	基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现工厂在2023年9月为13/46（28%）名员工提供工伤，失业，生育，养老和医疗保险。此外，工厂为所有员工提供商业保险，有效期从2023年6月16日到2024年6月15日。因为少于80%的员工提供了社保，所有这个问题点判定为不符合。 请参看《中华人民共和国劳动法》第73条。

Finding

Please refer to Article 73 of the Labor Law of the People's Republic of China.

PA 6: Decent Working Hours

Site: Shenzhen Margotan Tech Co.,Ltd. Dongguan Branch | Site amfori ID: 156-040635-001

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

Based on document review, management interview, worker representatives' interview and employees' private interview, 15 out of 15 sample population employees worked in excess of the statutory overtime hour limits. Therefore, this question was rates as non-compliance, because employees' monthly overtime hours exceeded 36 hours. A review of 15 sample population employees' time records (5 samples selected from July 2023 as current paid month, 5 samples selected from January 2023, 5 samples selected from December 2022) yielded the following:

- 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 72-74 hours) in July 2023, which was not in compliance with the legal requirement;
- 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 42 hours) in January 2023, which was not in compliance with the legal requirement;
- 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 84 hours) in December 2022, which was not in compliance with the legal requirement;

Please refer to Article 41 of the Labor Law of the PRC.

基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核员发现员工加班时间超出了法定标准。审核员从工厂提供的工时记录中抽取15个样本(从最近支付月份2023年7月抽取5个，从2023年1月抽取5个，从2022年12月抽取5个)，发现共有15个样本加班时间超出了法定标准。因为员工的月加班超过36小时，所以这个问题点判定为不符合。具体为：

- 5/5名员工在2023年7月的加班时间为72-74小时，超过每月加班时间不能超过36小时的法律规定；
- 5/5名员工在2023年1月的加班时间为42小时，超过每月加班时间不能超过36小时的法律规定；
- 5/5名员工在2022年12月的加班时间为84小时，超过每月加班时间不能超过36小时的法律规定；

请参看《中华人民共和国劳动法》第41条

PA 7: Occupational Health and Safety

Site: Shenzhen Margotan Tech Co.,Ltd. Dongguan Branch | Site amfori ID: 156-040635-001

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>Based on site observation, document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory established EHS management system and maintained in good condition. This question was rated as partially compliance because the factory didn't provide the occupational health checks to employees who were in contact with noise and hazardous materials. Please refer to Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases.</p>	<p>基于现场观察、文件查阅、管理层访谈、员工代表访谈和员工访谈，审核发现工厂建立了EHS管理系统并且维护良好。因为审核发现工厂没有每年为接触噪音和有毒有害物质的员工提供职业病体检，所以这个问题点判定为部分符合。 请参看《中华人民共和国职业病防治法》第35条</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>Based on site observation, document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory provided PPE to all employees in accordance with their position. This question was rated as partially compliance because 1 out of 1 cleaner worker did not wear activate carbon masks and rubber gloves when she worked. Please refer to Article 42 of Law of the People's Republic of China on Production Safety.</p>	<p>基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现工厂提供劳保用品给员工。因为审核发现1/1使用去污剂的工人工作时没有佩戴了活性炭口罩及橡胶手套，所以这个问题点判定为部分符合。 请参看《中华人民共和国安全生产法》第42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>Based on site observation, document review, management interview, worker representatives' interview and employees' private interview, it was noted that chemical materials used in the factory. This question was rated as partially compliance because 6 out of 10 chemical materials (e.g. detergent) randomly checked were not posted with safety labels. Please refer to Article 14 of the Regulation For Chemical Usage Safety in Work Place.</p>	<p>基于现场观察、文件查阅、管理层访谈、员工代表访谈和员工访谈审核发现工厂有使用化学品。因为审核发现随机抽查的工厂在使用的6/10瓶化学品（如：去污剂）没有张贴安全标签，所以这个问题点判定为部分符合。 请参看《工作场所安全使用化学品规定》第14条</p>

Question: 7.10 Is there satisfactory evidence that the auditee has and properly uses procedures and systems for reporting and recording occupational accidents and injuries?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>Based on site observation, document review, management interview, worker representatives' interview and employees' private interview, it was noted that chemical materials would be used during the manufacturing, and dust would be produced during the manufacturing, which might cause occupational diseases to employees in those workshops. However, the factory did not conduct testing of factors of occupational hazards in those workshops. Therefore, this question was rated as non-compliance.</p> <p>Please refer to Article 20 of Provisions on the Supervision and Administration of Occupational Health at Work Sites.</p>	<p>基于现场观察、文件查阅、管理层访谈、员工代表访谈和员工访谈，审核发现工厂在生产的过程中会使用化学品，也有粉尘的产生，有可能会让这些车间的员工引起职业病，但没有记录表明工厂有做职业病危害因素检测，因此这个问题点判定为不符合。</p> <p>请参看《工作场所职业卫生监督管理规定》第20条</p>

Question: 7.21 Is there satisfactory evidence that the auditee provides workers with access to an appropriate, clean area for storing food, eating and/or cooking?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>Remark: No kitchen or canteen was provided by the factory and employees were eating outside freely.</p>	<p>备注：工厂没有提供餐厅和厨房给员工，员工自由在外面吃饭。</p>

Question: 7.23 Is there satisfactory evidence that the auditee provision of transportation to workers is safe and complies with national regulations?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>Remark: No transportation was provided to workers.</p>	<p>备注：工厂没有为员工提供交通服务。</p>

Question: 7.24 Is there satisfactory evidence that the auditee has chosen the location of the social facilities or workers housing to ensure occupants are not exposed to natural hazards or affected by the operational impacts of the worksite (for example noise, emissions or dust)?

ENGLISH	LOCAL LANGUAGE
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Finding

Remark: No dormitory in the factory.

备注：工厂没有为员工提供宿舍。