

Monitored Party Dongguan Xinyuan Environmental Technology CO.,Ltd	amfori ID 156-038958-000	Address 3 Floor , Building 1C, No. 1, Pushi Road One, Qiaotou Town, Dongguan, Guangdong, China, Dongguan, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TÜV SÜD
Monitoring Start Date 09/06/2023	Closing Meeting Finished Date 09/06/2023	Submission Date 20/06/2023
Expiration Date 20/06/2024	Announcement Type Fully Announced	
Site Dongguan Xinyuan Environmental Technology CO.,Ltd	Site amfori ID 156-038958-001	

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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	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: Tao Zhang; APSCA membership number: CSCA21700944

Name of team auditor (if applicable): N/A

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

Monitoring partner name: TUV SUD

Audit schedule details: The audit is planned for 1 auditor x 1 day on June 9, 2023.

Announcement Type: Fully Announced

Business partner information: The audited factory named "Dongguan Xinyuan Environmental Technology Co., Ltd. (Uniform Code of Social Credit: 91441900MA54T1481Q)" was located at: 3 Floor, building 1C, No. 1, Pushi Road One, Qiaotou Town, Dongguan, Guangdong, China. The factory was established on June 9, 2020. The factory was specialized in the manufacturing of kraft paper. The main production processes included: cutting and packing.

Audited location information: The factory had rented the 3rd floor of one 4-storey production building, the factory did not provide dormitory and canteen to employees, the information of other floors of the building is as follows: Dongguan Shenli New Material Technology Co., Ltd. used the first and fourth floors, and Dongguan Xinyuan Environmental Protection Technology Co., Ltd. used the second floor, these two companies did not use exchanged workers with the auditee.

Operating shifts and hours: The regular working hours of all employees were 8 hours per day and 40 hours per week. The regular working days of workers were 5 days from Monday to Friday per week and generally had 8 hours overtime on Saturdays. The factory had provided the attendance records from May 2022 to April 2023, and sampled the attendance records in August 2022, December 2022 and April 2023. All employees had worked in one shift (8:00-12:00, 13:30-17:30) and sometime had 1-2 hours overtime from 18:30-20:30 on weekdays. The maximum working time of sampled employees per day is 10 hours; The maximum working time per week for sampled employees is 54 hours; The maximum monthly overtime working time for sampled employees is 58 hours. All workers fixed rest on Sundays.

Time recording system: The factory used electronic fingerprint system to record working hours for all employees.

Salary payment details: All employees were paid by hourly rate and the wages were paid via bank on the 30th of each month for the preceding month. The factory had provided the payroll records from May 2022 to April 2023, and sampled the payroll records in August 2022, December 2022 and April 2023. The basic wages of all employees (excluding fixed allowances and overtime pay) is RMB1,900 per month, which is equal to the local minimum wage standard (RMB1,900 per month).

Worker number information: On the audit day, there were total 38 employees working in the factory, that included 13 production workers (8 males and 5 females) and 25 non-production employees (20 males and 5 females) and 4 of them are management staffs. There were 34 domestic migrant workers (24 males and 10 females) from other provinces of China and no foreign migrant worker in the factory. The factory did not have juvenile worker, pregnant worker, seasonal worker, temporary worker, disabled worker, or home-based worker. The factory also did not have other special group workers such as interns, apprentices, contractor workers etc.

Good practices: N/A

Worker organization details: The factory did not have trade union; however, two worker representatives were elected by all workers.

Circumstances:

1. There was no agency or contractor used by the factory, and no government waivers and collective bargaining agreement were provided during the audit.
2. No inconsistencies between time records and production records were observed.
3. Remark: There is Personal Information Protection Law in China. Hence, the personal information of employees is removed from the uploaded documents.
4. The auditee leased the third floor of the production building (1C) from the owner "Dongguan Pushi Jewelry Co., Ltd.". Because the auditee did not renovate the building or change the purpose of the building, the fire safety acceptance and completion acceptance of the owner were still effective.
- 5) According to business license reviewed: Room 101, building 6, No. 1, Pushi Road One, Qiaotou Town; however,

according to the on-site inspection and management explanation, the number of the building where the auditee is located has been adjusted from 6# to 1C #, and the factory is currently located on the 3rd floor of this building. So the actual address of the auditee is: 3 Floor, building 1C, No. 1, Pushi Road One, Qiaotou Town...

Summary of findings: In this audit, the NCs were observed in 6 PAs, please refer to PA1, PA2, PA5, PA6, PA7, and PA10 for details.

Living wage calculation: # For living wage, the data on GLWC website was not used, but the calculation method still follows Anker's methodology. The data were mainly manually collected through local market investigation and worker interview by auditor.

SITE DETAILS

Site
Dongguan Xinyuan Environmental Technology CO.,Ltd

Site amfori ID
156-038958-001

GICS Classification

Sector Materials	Industry Group Materials	Industry Containers & Packaging
Sub Industry Paper Packaging		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

This site is not located in a water stressed region

METRICS

Key Metrics

Total workforce	38	Workers
Legal minimum wage in local currency	1,900	Monthly
Lowest wage paid for regular work at the site	3,400	Monthly
Calculated living wage in local currency	2,260.02	Monthly
Total sample	6	Workers

Other Metrics

Male workers	28	Workers
Female workers	10	Workers
Permanent workers - Male	28	Workers
Permanent workers - Female	10	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	1	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	10	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	28	Workers
Workers hired directly - Female	10	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Pregnant workers	0	Workers

Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	0 Workers
Sample - Male	4 Workers
Sample - Female	2 Workers

FINDINGS

PA1: Social Management System

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>According to the document review and management confirmation, the auditee has established a social responsibility management system, which includes social responsibility policies and corresponding management procedures. The factory conducted an internal audit on April 15, 2023, and a management review on December 14, 2022. However, in this audit, some performance areas (such as PA5, PA6, PA7, etc.) still have some NCs.</p>	<p>根据文件评审和管理层确认：受审核方建立了社会责任管理体系，体系包括了社会责任政策和相应的管理程序，工厂在2023年4月15日进行了内审，在2022年12月14日进行了管理评审。但是，在本次审核中，部分绩效领域（如PA5，PA6，PA7等）仍然存在部分不符合。</p>
<p>According to document review and management interviews, although the factory calculated the production cost of customer orders, the factory did not provide relevant evidence to prove that they conducted a capacity assessment, resulting in the overtime working hours of the six sampled workers exceeding the legal limit of 36 hours in August 2022, December 2022, and April 2023. Please refer to PA6.2 for details. This violates the requirements of PA1.4. Because the factory conducted cost accounting, this is a partial NC.</p>	<p>根据文件评审和管理层访谈：虽然工厂计算了客户订单的生产成本，但是工厂没有提供相关证据以证明他们进行了产能评估，导致抽样的6名工人的加班工作时间在2022年8月，2022年12月和2023年4月超过法律限制的36小时，详情请参考PA6.2。因为工厂进行了成本核算，所以这是一个部分的不符合项。</p>

PA 2: Workers Involvement and Protection

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>According to document reviewed and management interviewed, the factory has provided social responsibility (BSCI) related training to all employees in the past year, but the auditee has not provided relevant evidence to prove that their two trainers have received effective external social responsibility (BSCI) training. This violates the requirements of PA2.4, as the factory had provided the BSCI related training to all employees, this is a partial NC. The factory management stated that they have overlooked this point.</p>	<p>根据文件评审和管理层评审，工厂在过去一年中为所有员工提供了与社会责任（BSCI）相关的培训，但受审核方没有提供相关证据证明其两名培训师接受了有效的外部社会责任培训。这违反了PA2.4的要求，因为工厂为所有员工提供了BSCI相关培训，所以这是一个部分的NC。工厂管理层表示，他们忽略了这一点。</p>

PA 5: Fair Remuneration

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>According to the social insurance receipts provided by the management of the factory from April 2023 to June 2023, currently there are 38 employees in the factory. However, in June 2023, about 28.95% of employees were covered with five-types of social insurance plans. Remark: The factory had purchased commercial accidental insurance for 29 employees (about 76.32%, including employees who did not participate in social insurance). The insurance is group insurance, and its validity period is from January 6, 2023 to January 5, 2024. The factory does not use any temporary workers, dispatched workers, seasonal workers, new employees, or retired employees. According to interviewed with workers, some employees who did not participate in the statutory social insurance said that they had participated in the new rural cooperative medical insurance in their registered residence and were unwilling to participate in the social insurance plan. Because only about 28.95% of employees participated in the statutory social insurance plan, the factory does not have a systematic guarantee for all employees to participate in the social insurance plan, so this is a full NC. The factory management explained that due to cost reasons, they also do not have the ability to ensure that all employees participate in the statutory social insurance plan. (PRC Labor Act (1995), Article 72)</p>	<p>根据工厂的管理层提供的2023年4月至2023年6月的社会保险收据，当前工厂共有38名员工，但是，2023年6月份有约28.95%的员工覆盖了五种社会保险计划。备注：工厂为29名员工（约76.32%，包括没有参加社会保险的员工）购买商业意外保险，保险是团体险，其有效期为：2023年1月6日至2024年1月5日。工厂没有使用任何临时工、派遣工、季节工、新进员工和退休员工。根据工人访谈，部分没有参加法定的社会保险的员工表示：他们已经参加了户籍所在地的新农合保险，不愿意参加社保计划。因为只有约28.95%的员工参加了法定的社会保险计划，工厂没有系统性的保障所有员工参加社会保险计划，因此这是一个完全的不符合项。工厂管理层解释：因为成本的原因，他们也没有能力保障所有员工参与法定的社会保险计划。（中华人民共和国劳动法 第七十二条）</p>

PA 6: Decent Working Hours

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>According to document reviewed, worker interviewed, and management interviewed, the factory provided the attendance records for all employees from May 1, 2022 to the audit date. 6 employees (Selected from cutting, packing and QC) were sampled for attendance records in August 2022, December 2022, and April 2023, and</p>	<p>根据文件评审，工人访谈和管理层访谈：工厂提供了所有员工2022年5月1日至审核当日的考勤，抽样了6名员工（来自的裁剪，包装和质检）在2022年8月，2022年12月和2023年4月的考勤记录，发现1）抽样的6名员工当中有5人在2022年10月份加班工作49.5-55.5小时；2）抽样的所有6名员工于2022年12月加班工作52.5-57.5小时；3）抽样的所有6名员工</p>

Finding(s)	
<p>it was found that 1) 5 out of 6 sampled employees had worked overtime for 49.5-55.5 hours overtime in August 2022; 2) All 6 sampled employees had worked overtime for 52.5-57.5 hours in December 2022; 3) all 6 sampled employees had worked overtime for 53-58 hours in April 2023. (PRC Labor Act (1995), Article 41) The interviewed workers stated that they are free to decide whether to participate in overtime work, and the factory management explained that they did not conduct effective capacity assessments to arrange production schedules more reasonably. Because the sampled employees had worked overtime for more than the statutory 36 hours in all three months of sampling, this is a full NC.</p>	<p>于2023年4月加班工作53-58小时(中华人民共和国劳动法 第四十一条)。访谈的工人表示他们可以自由决定是否参与加班工作，工厂管理层解释：因为他们没有进行有效的产能评估以便更合理的安排生产排期。因为抽样员工在所有抽样的3个月中加班工作超过了法定的36小时，因此这是一个全面的不符合项。</p>

PA 7: Occupational Health and Safety

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ENGLISH	LOCAL LANGUAGE
<p>Finding(s)</p>	
<p>According to management interviewed and document reviewed, the audited factory had established a health and safety management system. However, in the past year, there were some shortcomings in the operation of this management system due to some audit findings in this performance area (PA7). Because this PA generally complied with local laws and BSCI standards, it is a partial NC. This violates the relevant requirements of PA7.1.</p>	<p>根据管理层访谈和文件评审，受审核的工厂建立了健康与安全管理体系，但是在过去的一年中，这个管理体系的运行还存在不足，因为本绩效领域（PA7）存在部分审核发现。因为本绩效领域总体上是符合当地法律与BSCI标准要求的，因此这是一个部分不符合项。这违反了PA7.1的相关要求。</p>
<p>According to on-site inspections, worker interviews, and management confirmation, it was found that approximately 20% of the materials and finished products were directly stacked against the wall in the material and finished product warehouses respectively (Article 18 of the Warehouse Fire Safety Management Rules). The management of the factory stated that their inspection of the warehouse was not sufficient. Due to the overall safety and stability of the material and finished product warehouse, this is a partial NC.</p>	<p>根据现场巡视，工人访谈和管理层确认：发现物料和成品仓库分别各有约20%的物料与成品直接靠墙堆放（《仓库防火安全管理规则》第18条）。工厂的管理层表示：他们对仓库的检查力度不够。因为物料和成品仓库的总体上是安全与稳定的，因此这是一个部分的不符合项。</p>

PA 10: No Precarious Employment

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>According to worker interviewed, management interviewed, and document reviewed, the audited factory has signed labor contracts with all employees, but the auditee has not provided social insurance for all employees as required by the contract, and the requirement for stable labor relations has not been fully met. The factory management stated that the reason why the factory did not purchase social security was because they were unable to bear the costs. Because the factory has signed formal labor relations with all employees, this is a partial NC.</p>	<p>根据工人访谈，管理层访谈和文件评审：受审核的工厂与所有员工签署了劳动合同，但是受审核方没有按合同要求为所有员工提供社会保险，无不稳定的劳动关系的要求没有完全达到。工厂管理层表示：工厂没有购买社保的原因是他们无力承担成本。因为工厂与所有员工签署了正式的劳动关系，因此这是一个部分的不符合项。</p>