

Monitoring result for Guangdong ERSE Acoustics Inc. on site Guangdong ERSE Acoustics Inc.

Monitoring

Monitored Party : Guangdong ERSE Acoustics Inc.
amfori ID : 156-032988-000
Site : Guangdong ERSE Acoustics Inc.
Site amfori ID : 156-032988-001
Address : NO.6 LiuHua Xihengsan Street, Dongcheng District
: Dongguan
: Guangdong Sheng
: China
Monitoring Activity : amfori Social Audit - Manufacturing
Monitoring Type : Follow-up Monitoring
Monitoring Partner : SGS
Monitoring Start Date : 20/02/2023
Closing Meeting : 23/02/2023
Finished Date :
Submission Date : 27/02/2023
Expiration Date : 07/03/2024

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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	B
PA 13: Ethical Business Behaviour	A

General description

[Legal entity and business license]

Guangdong ERSE Acoustics Inc. was established on Jul 28, 2021, with business license No.: 91441900MA56W2JA4F, which was valid to long time. The factory was located at NO.6 LiuHua Xihengsan Street, Dongcheng District, Dongguan City, Guangdong, China.

[Production overview/Physical audit scope]

There were one 3-storey office building, one 4-storey dormitory building and one 3-storey production building in the same fence of factory. Based on onsite observation, it was noted the audited factory rent the whole of 2nd floor and 90% areas of the 3rd floor of one 3-storey production building (Building 2) and used as workshops, warehouse and office rooms. The ground floor was used by Dongguan Dongcheng Fengxiang Plastic Electronics Factory, the other 10% area of 3rd floor was used by Dongguan JiaBaiLi Technology Co., Ltd. Management representative of the audited factory stated the audited factory was managed and operated with other two factories independently. Copies of other two factories were provided for review. No information of workers exchange was identified based on workers interview and onsite observation. So, this audit scope only cover the area used by the audited factory.

The production building belong to landlord. Details as following:

The factory used the whole of 2nd floor and 90% areas of the 3rd floor of one 3-storey production building as Office, Warehouse, Assembling and Packing workshop covering about 2090 S.Q. meters.

[Main products]

The factory was specialized in manufacturing audio, the annual production capacity is about 200,000 pcs per year. Its main production processes were Assembling and Packing.

[Audit process]

This was a 0.5 MD follow up audit. Opening Meeting: The opening meeting of this amfori BSCI audit was started at facility with the words of thanks from SGS, after that brief introduction of audit team was given to the participants. The audit methodology, confidentiality policy of SGS, Zero Tolerance Protocol and methodology of reporting the audit results were thoroughly briefed by the Lead Auditor. Before proceeding to the audit, the audit scope and criteria were reaffirmed and audit itinerary, which had been forwarded to the organization, was agreed. The auditor described the whole audit process, criteria, scope, different audit methods, and explained the amfori BSCI code of conduct, amfori BSCI holistic approach and local laws in detail to the extent these are related to the audit. Management of the facility assured the auditor of facilitation throughout the audit process. The auditor explained and presented SGS's Integrity Declaration Forms and Audit Cooperation & Confidentiality Declaration to the facility management and Mr. Kaiyin Qin/ Production Supervisor agreed and signed the name.

Health and Safety Tour: All areas of the facility processes were visited during the audit. The auditor conducted the physical tour at the entire premises of the facility detailed as per following information. At the time of facility visit attitude of the facility management was good.

On the day of audit, there were 29 employees present which include around management staff and 5 sampled workers were selected for interview and the working hours and payroll records of them were selected for review.

A detailed site visit was conducted for the complete facility in order to verify Health & Safety and Environment part of the audit protocol. Workers were interviewed on one to one and focus group basis conducted by the auditor to ensure that BSCI requirements related to Health and Safety, Freedom of Association, Remuneration, Management Systems, Working Hours are being fulfilled. Attendance Record, Salary Sheets, Payment Slips, Contract Letters, Age Verification Procedure, Overtime Procedure, HSE Training records, Inspections, Employee Committee Meeting Minutes, Management Review Meetings Minutes and internal monitoring records of workers were verified.

The closing meeting was carried out by the Lead Auditor explaining all the elements of CAP and further processing.

The CAP was agreed and copy of it along with Finding report was also given to the factory.

[Working hours information]

Workers' attendance information was recorded by finger printing recording machine. According to the policy and implementation attendance records, all production workers worked by one shift with regular working hours for all workers 8 hours per day and 5 days per week. Workers sometimes had 2 OT hours on weekdays, often had 8 OT hours on Saturdays and rested on Sundays. All sampled workers' monthly overtime hours exceeded 36 hours in some months, and up to 40 hours in Dec. 2022, including 40 overtime hours on weekends, and workers maximum weekly working hours were 52 hours.

[Wage information]

Workers' wages were paid by cash at the 15th of the following month. Based on the payroll records from Feb.2022 to Jan.2023 provided by the factory, all workers were paid by hourly rate. The minimum wage paid by the factory was at least RMB2000 per month, which was above the legal requirement. Overtime wages were paid according to legal requirement. Workers' position allowance will be increased accordingly when workers received more training. The total wage paid for workers was higher than the local decent living standard. No any illegal deduction was identified according to wages records of workers. The factory had provided social insurances to a part of employees.

[LivingWage]

The living wage data is provided by the Auditing company because there is no data on GLWC website in the city where the factory is located.

The living costs estimated by auditing company involves developing a model diet for workers using the method developed in Anker Methodology. This involved: (i) calculating required number of calories per person for the reference size family; (ii)

Identifying least expensive acceptable food items in accordance with workers' dietary habits and relative food prices using surveys of markets where workers shop; and (iii) using data on nutritional content of foods to develop a preliminary model diet, and then adjusting the preliminary model diet to meet the recommended dietary structure for Chinese people in Development Outline of Food and Nutrition in China as well as WHO recommendations. Second, the housing cost is estimated by evaluating the cost of various rental units, utility costs, other housing costs, and routine repairs/maintenance costs which are basic for a family. And auditing company also considered the living conditions of housing near the factory according to Anker Methodology. Third, auditing company estimates non-food-non-housing(NFNH) cost for a living wage (i.e. all other costs besides food and housing) based on the ratio of NFNH to food costs expenditures according to secondary statistical data and the cost of our model diet. Fourth, auditing company estimates the number of full-time equivalent workers per family providing support in order to estimate a net living wage for workers based on information from government websites and published papers. Finally, payroll taxes and deductions are taken into consideration to estimate the gross living wage for workers.

[Attachments]:

The factory didn't obtain consolidated working hour waiver and no collective bargain happened in factory. There was no contractor in the factory, so contractor license or permit was not applicable. There was no agency labor in the factory, so agency labor contract was not applicable. No collective bargaining was conducted before, so collective bargaining agreement was not applicable.

[Remark]:

Nil

[Audit team's information]:

Announcement Type: Announced

Monitoring Date: Feb 20, 2023

Monitoring firm: SGS (Monitoring firm APSCA #: 11600006)

Auditors name: Kit Pan(CSCA21702574)

Site Details

Site : Guangdong ERSE Acoustics Inc.

Site amfori ID : 156-032988-001

GICS Classification

Sector : Consumer Discretionary

Industry Group : Consumer Durables & Apparel

Industry : Household Durables

Sub Industry : Housewares & Specialties

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

Metrics

Key Metrics

Total workforce	29 Workers
Legal minimum wage in local currency	1900 Monthly
Lowest wage paid for regular work at the site	2000 Monthly
Calculated living wage in local currency	3220 Monthly
Total sample	5 Workers

Other Metrics

Male workers	12 Workers
Female workers	17 Workers
Permanent workers - Male	12 Workers
Permanent workers - Female	17 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	2 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	1 Workers
Workers on probation - Female	1 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	12 Workers
Domestic migrant workers - Female	10 Workers
Foreign migrant workers - Male	0 Workers
Foreign migrant workers - Female	0 Workers
Workers hired directly - Male	12 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	3 Workers
Sample - Female	2 Workers

Findings

PA1: Social Management System

1.1 Follow up audit conducted on Feb 20, 2023: Open Finding: The main auditee partially respected this principle because the factory established CSR procedures and organization chart for Amfori BSCI system. The factory conducted the social compliance performance assessment annually with last time on Jan 10,2023, the checklist used for internal assessment covered environmental protection, business ethic etc. Mr. Kaiyin QIN/ Production Director was assigned as Amfori BSCI management representative, he took whole charge of Amfori BSCI affairs in the factory, but some issues were found in PA 1, 5, 6, 7 and 12. It violated the requirement of question 1.1 in amfori BSCI system manual.

2023年2月20日跟进审核：未关闭 被审核方部分遵守Amfori BSCI行为守则。因为工厂建立了社会责任的程序和Amfori BSCI组织架构图。工厂有定期进行年度的社会责任绩效表现内审，上一次为2023年1月10日。该内审检查表已覆盖环境保护及商业道德等内容 覃开银/厂长被委派为Amfori BSCI管理者代表，全面负责工厂Amfori BSCI的事务。但在PA 1, 5, 6, 7和12部分出现了不符合项。违反了amfori BSCI管理手册中问题1.1的要求。

1.4 Follow up audit conducted on Feb 20, 2023: Open Finding: The main auditee partially respects this principle because the factory established the production capacity and cost calculation procedure and formulated the production plan according to order delivery requirement, but the factory did not have adequate workforce and organize the production capacity effectively which resulted workers' monthly OT hours exceeded law requirement. It violated the requirement of question 1.4 in amfori BSCI system manual.

2023年2月20日跟进审核：未关闭 被审核方部分遵守该原则。工厂建立了生产产能及成本核算程序并依据订单出货需求制定生产计划，但是工厂没有招聘足够的人力并有效的组织生产力导致员工的月加班时间超出法规要求。违反了amfori BSCI管理手册中问题1.4的要求。

PA 2: Workers Involvement and Protection

2.5 Follow up audit conducted on Feb 20, 2023: Closed The main auditee respects this principle because grievance mechanism was established such as one worker representative was elected and suggestion box was installed. All interviewed workers knew who the worker representative is and where the suggestion box was installed.

2023年2月20日跟进审核：已关闭 被审核方遵守该原则，原因为工厂有建立申诉渠道如选举产生了1名员工代表并安装了意见箱，所有被访谈人员知道员工代表是谁且知道意见箱安装位置。

PA 5: Fair Remuneration

5.5 Follow up audit conducted on Feb 20, 2023: Open Finding: The main auditee does not respect this principle because the factory did not provide all kinds of social insurance to all employees as per legal requirement. Total 29 employees include 2 workers entered within 1 month and 1 female worker over the retirement age worked onsite during the audit, the factory should provide social insurance to 26 workers. Based on documents interview, it notes the factory provided medical insurance, injury insurance, retirement insurance, unemployment insurance and child-bearing insurance to 8 workers in Feb 2023. It violated Labor Law of the People's Republic of China (2018 Amendment), Article 72.

2023年2月20日跟进审核：未关闭 被审核方因没有依照法规要求为所有员工购买社保而未遵循该原则。审核当天工厂有29名员工，其中2名员工于一个月内入职且1名女工到达法定退休年龄，工厂应该为其中的26名员工提供社保。文件审核显示工厂于2023年2月为8名员工提供了工伤，医疗，生育，养老及失业保险。违反了中华人民共和国劳动法（2018修正），第七十二条。

PA 6: Decent Working Hours

6.2 Follow up audit conducted on Feb 20, 2023: Open Finding: The main auditee does not respect this principle because workers' monthly OT hours exceeded 36 hours. Based on the provided attendance records from Feb 1,2022 to Feb 20,2023 and wage records from Feb 2022 to Jan 2023 review, it was noted all sampled workers' monthly OT hours exceeded 36 hours in Apr 2022, Jul, 2022, Aug 2022 and Dec 2022. The maximum overtimes was 40 hours in Dec 2022 (40 OT hours on Saturdays). Workers' maximum daily OT hours and weekly working hours were 2 hours and 54 hours respectively. It violated Labor Law of the People's Republic of China (2018 Amendment), Article 41.

2023年2月20日跟进审核：未关闭 被审核方因员工的月加班时间超36小时而未遵守该原则。工厂提供的 2022年2月1日至2023年2月20日的考勤和2022年2月至2023年1月的工资记录显示，所有抽样员工的月加班时间在2022年4月，7月，8月和12月期间均超36小时，最大月加班为2022年12月的40小时(周六加班)。员工最大的日加班时间及周工作时间分别为2小时及54小时。违反了中华人民共和国劳动法（2018修正）第四十一条。

PA 7: Occupational Health and Safety

7.1 Follow up audit conducted on Feb 20, 2023: Open Finding: The main auditee partially respects this principle because the auditee has set up a health and safety committee, and had the meeting regularly, but due to the negligence of management,

PA 7: Occupational Health and Safety

there were still health and safety problems on site, such as occupational health examinations and etc. It violated the requirement of question 1.1 in amfori BSCI system manual.

2023年2月20日跟进审核：未关闭 被审核方部分遵守该原则。因为被审核方有成立健康安全委员会,并且定期组织开会,由于管理者疏忽,现场仍然有健康安全方面的问题存在,如职业健康安全体检等。违反了amfori BSCI管理手册中问题1.1的要求。

7.2 Follow up audit conducted on Feb 20, 2023: Open Finding: The main auditee does not respect this principle because the auditee does not provide injury insurance to 21 out of 29 workers. It violated the requirement of question 7.2 in amfori BSCI system manual.

2023年2月20日跟进审核：未关闭 被审核方没有为所有的29名中21名员工提供工伤保险而未遵守该原则。违反了amfori BSCI管理手册中问题7.2的要求。

7.3 Follow up audit conducted on Feb 20, 2023: Open Finding: The main auditee partially respects this principle because the health and safety risk assessment conducted onsite covers the disadvantage group such as young workers, the COVID-19 and other infectious diseases. But the factory did not provide occupational health examinations to soldering and gluing workers exposed to dust and chemical. It violated Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35.

2023年2月20日跟进审核：未关闭 被审核方部分遵守该原则。工厂进行的健康安全风险评估有覆盖未成年工等弱势群体,新冠等传染性疾病,但工厂没有为接触粉尘及化学品的焊锡及打胶员工提供职业健康体检。违反了中华人民共和国职业病防治法(2018修正)第三十五条。

7.6 Follow up audit conducted on Feb 20, 2023: Closed The main auditee respects this principle because dust proof masks were provided to soldering workers, and active carbon masks were provided to gluing workers exposed to chemical.

2023年2月20日跟进审核：已关闭 被审核方遵守该原则。工厂有为接触粉尘的焊锡员工提供防尘口罩,为接触化学品的打胶员工提供的口罩是活性炭口罩。

7.7 Follow up audit conducted on Feb 20, 2023: New finding: The main auditee partially respected this principle because chemical management procedure was established by The main auditee, but as per onsite observation, some chemicals used by The main auditee missed secondary containment. It violated Regulations on the Safety Management of Hazardous Chemicals (2013 Revision), Article 20.

2023年2月20日跟进审核：新发现 被审核方因有建立化学品管理程序,但是现场发现部分化学品没有设置二次容器而部分符合该原则。违反了危险化学品安全管理条例(2013修订)第二十条。

7.9 Follow up audit conducted on Feb 20, 2023: New finding: The main auditee partially respected this principle because occupational hazardous factor announcement and PPE notice sign were not posted at assembling workshop. It violated Administration regulation of employer occupational disease hazard notification and warning signs (2014), article 13.

2023年2月20日跟进审核：新发现 被审核方部分符合该原则,原因是工厂没有在组装车间张贴职业危害告知书也没有张贴劳保用品使用标识。违反了用人单位职业病危害告知与警示标识管理规范(2014)第十三条。

7.22 Follow up audit conducted on Feb 20, 2023: Closed The main auditee respects this principle because adequate toilets with hand sanitizer and toilet paper were available onsite.

2023年2月20日跟进审核：已关闭 被审核方遵守该原则,工厂有为员工设置数量足够的洗手间并设置洗手液和厕纸。

7.25 Follow up audit conducted on Jan 10, 2023: Open Finding: The main auditee partially respects this principle because all soldering positions were installed with LEV system, but the factory did not conduct air quality test for soldering and gluing positions. It violated Provisions on the Supervision and Administration of Occupational Health at Work Sites (2012), Article 20.

2023年2月20日跟进审核：未关闭 被审核方部分遵守该原则。工厂有为所有焊锡工位安装局部抽风装置,但工厂没有对焊锡及打胶工位进行空气质量监测。违反了工作场所职业卫生监督管理规定(2012)第二十条。

PA 12: Protection of the Environment

12.3 Follow up audit conducted on Feb 20, 2023: New finding: The main auditee partially respected this principle, because the factory did not provide air emission monitoring report for soldering waste gas. It violated Atmospheric Pollution Prevention and Control Law of the People's Republic of China (2018 Amendment), Article 24.

2023年2月20日跟进审核：新发现 被审核方部分遵守该原则,因其未提供焊锡废气的监测报告供查看。违反了中华人民共和国大气污染防治法(2018修正)第二十四条。

12.5 Follow up audit conducted on Jan 10, 2023: Open Finding: The main auditee partially respects this principle because the factory established procedure on water use reduce, but it missed details implementation actions, and the factory did not conduct nearby water resource identify. It violated the requirement of question 12.5 in amfori BSCI system manual.

2023年2月20日跟进审核：未关闭 被审核方部分遵守该原则。工厂有建立节约用水程序,但是没有制定具体的实施措施且没有进行周边水资源地图识别。违反了amfori BSCI管理手册中问题12.5的要求。

PA 13: Ethical Business Behaviour

13.1 Follow up audit conducted on Jan 10, 2023: Closed Finding: The main auditee respects this principle because the factory established business ethic management procedure with document No. of MS-2015-032, and the factory provided training to workers and managers on Jan 5,2023, the factory had established the prevent actions for the risks identified on the integrity risk assessment.

PA 13: Ethical Business Behaviour

2023年2月20日跟进审核：已关闭 被审核方遵守该原则。工厂有建立文件编号为MS-2015-032的商业道德管理程序,且工厂于2022年1月5日为员工及管理提供了培训,工厂进行的廉政风险评估有依据识别的风险建立相应的预防措施。