

Monitored Party DENKO TOYS CO., LTD	amfori ID 156-034513-000	Address Pengzhong Industrial Zone, Qingnian Road, Waisha of Longhu District, 515023 Shantou, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TUV Rheinland
Monitoring Start Date 19/05/2023	Closing Meeting Finished Date 19/05/2023	Submission Date 26/05/2023
Expiration Date 26/05/2024	Announcement Type Fully Announced	
Site DENKO TOYS CO., LTD	Site amfori ID 156-034513-001	

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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

Announcement type: fully announced

Monitoring date: May 19, 2023

The auditee DENKO TOYS CO., LTD (汕头市登科玩具有限公司) located in Pengzhong Industrial Zone, Qingnian Road, Waisha of Longhu District, Shantou City, Guangdong Province, China (中国广东省汕头市龙湖区外砂镇青年路蓬中工业区). The auditee had used the whole 2nd floor of one 2-floor production building for production, warehouse and office. It was rent and the used construction areas of the auditee were about 1200 square meters. The auditee did not provide canteen or dormitory to employees. The main product of the auditee were plastic toys. The main production processes were assembly, QC and package. No subcontracted production process and needed materials were purchased. No obvious peak or low season was observed in the past year.

The auditor was allowed by the management to access the factory area and take photos. During the audit, the factory representatives and sampled workers were cooperative. The factory management demonstrated a willingness to gradually improve all issues found during the audit. Finally, one senior management and the worker representative signed the findings report.

Remark 1: The facility did not use contractor, labor agency and did not have government waiver or collective bargain agreement, which made the corresponding document not applicable.

Remark 2: Lead Auditor: Denise Wen, CSCA, registration number 21702579; Auditing company: TUV Rheinland, APSCA Number: 11600007.

Remark 3: #Living wage: 1, No anchor wage is available for the producer's location, so we use the data provided by auditing company. 2. The calculation methodology refers to anchor living wage structure. 3. The data comes from the local bureau of statistics for the current year.

Remark 4: The 1st floor of the same building were used by another factory of different industry. Based onsite tour check, management interview and employees interview, it was independent. There was no shared staff or production between it and the auditee. It rent the used areas from the landlord, just like the auditee did. Thus, only the auditee was covered in this audit.

SITE DETAILS

Site
DENKO TOYS CO., LTD

Site amfori ID
156-034513-001

GICS Classification

Sector
Consumer Discretionary

Industry Group
Consumer Durables & Apparel

Industry
Leisure Products

Sub Industry
Leisure Products

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	30	Workers
Legal minimum wage in local currency	1720	Monthly
Lowest wage paid for regular work at the site	2050	Monthly
Calculated living wage in local currency	1926	Monthly
Total sample	7	Workers

Other Metrics

Male workers	9	Workers
Female workers	21	Workers
Permanent workers - Male	9	Workers
Permanent workers - Female	21	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	1	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	1	Workers
Domestic migrant workers - Female	0	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	9	Workers
Workers hired directly - Female	21	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	5	Workers

FINDINGS

PA1: Social Management System

Site: DENKO TOYS CO., LTD | Site amfori ID: 156-034513-001

ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>The auditee had established the social responsibility management manual and procedures based on amfori BSCI principle and local legal requirement, such as the working hours control procedure, wages and benefit management procedure and occupational health and safety management procedure. The facility conducted internal audit and management review regularly and identified some gaps, such as, excessive monthly overtime hours etc. However, no corrective or preventative action was made for the issues detected in internal audit. Excessive monthly overtime hours and insufficient social insurance etc. were also noted in this audit.</p>	<p>被审核已经建立了基于amfori BSCI原则和当地法律法规的社会责任管理手册和程序文件,例如,工作时间控制程序,工资福利程序和职业健康与安全管理程序。同时,工厂定期进行了社会责任体系进行内审以及管理评审,也识别出了月加班超时等问题。然而,对于内审中识别出的问题点,未制定纠正与预防措施等。此次审核也发现了月加班超时,社保不足等问题。</p>
<p>The factory had established a procedure on cost accounting, but did not provide relevant calculation records, and the procedure was not effectively implemented, resulting in excessive monthly overtime for workers.</p>	<p>工厂建立了关于成本核算的程序文件,但是没有提供相关的计算记录,且该程序没有有效的实施,从而导致员工的月加班超时。</p>

PA 2: Workers Involvement and Protection

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>The Chinese version of the amfori BSCI code of conduct had been posted in the workshop, and the factory had also provided training on the amfori BSCI code of conduct for all employees. However, 4 out of 7 interviewed workers were not clear about the detailed contents of amfori BSCI code of conduct, such as the definition of living wages and requirements of decent working hours. Management explained that employees were easy to forget the training content, but they would strengthen training and publicity.</p>	<p>中文版amfori BSCI行为准则已经张贴在车间,工厂也为全体员工提供了关于amfori BSCI行为守则的培训。然而,7名访谈的员工中有4名仍不清楚amfori BSCI行为守则的具体内容,如生活工资的定义,体面工作时间的要求等。管理解释员工容易忘记培训内容,但他们要加强培训和宣传。</p>

PA 5: Fair Remuneration

ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>Partially employee had not purchased social insurance yet. According to management and employee interviews and document review, the factory currently had 30 employees, including one retired and rehired worker. Thus, 29 employees should purchase social insurance. While as per the date of May 2023 (the latest fee deduction month), 16 employees who should be insured had not purchased retirement insurance, work injury insurance, unemployment insurance, medical insurance and child bearing insurance yet. According to the interview with the management of the factory, the employees were basically from rural areas and had bought rural medical insurance, so they felt that was enough. The interviewed employees said that personal deduction for the social insurance was high. They did not want to buy it and prefer to take more cash. Reference Law: PRC Labor law, Article 72 and Article 73</p>	<p>部分员工没有购买社保。根据管理和员工访谈以及文件查看，工厂目前有30名员工，包含一名退休返聘的员工，因此29名员工应该参保，但根据2023年5月（最新扣费月份）的数据，有16名应参保员工还没有购买养老、工伤、失业、医疗和生育保险。根据工厂管理层访谈，员工基本来自农村，已经购买了农村医疗保险，他们觉得就够了。受访员工表示社保个人扣费很高，不想购买，宁愿多拿现金。参考法规：《中华人民共和国劳动法》第七十二条及七十三条</p>

PA 6: Decent Working Hours

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>The factory did not establish an alarm system for excessive overtime and did not make improvement measures. Time records from May 1, 2022 to May 19, 2023 were provided for review and the time records of October 2022 and February, April 2023 were taken as main samples. All the 7 sampled employees had conducted monthly overtime more than 36 hours in these sampled months, with the maximum up to 56 hours, 54 hours and 58 hours respectively. According to employee interviews, overtime was voluntary and there was no any bad influence if they refused overtime. Also, the overtime was legally compensated. The management said the facility needed excessive overtime to finish the production orders. But one day off after every six working days and weekly working hours controlled within 60 hours were guaranteed. Remark: the maximum monthly</p>	<p>工厂没有建立一个加班超时的预警体系，也没有对应的改善措施。2022年5月1日至2023年5月19日的考勤提供了查看，其中2022年10月和2023年2月、4月的考勤作为主要抽样月，7名抽样员工在抽样月份的月加班均超过法定的36小时，最大分别达到56小时，54小时和58小时。根据员工访谈，加班是自愿的，拒绝加班没有任何不良后果，并且有获得合法的加班补偿。管理层表示工厂需要通过超时加班完成生产订单，但每工作六天休息一天和周工时控制在60小时内是有保障的。备注：抽样员工2023年5月（至19日）最大月加班为28小时。参考法规：中华人民共和国劳动法第41条。</p>

Finding(s)	
overtime of sampled workers in May 2023 (till the 19th) was 28 hours. Reference law: The People's Republic of China Labor Law, Article 41.	

PA 7: Occupational Health and Safety

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>There were occupational-disease-inductive factors in the soldering position of the factory, but the factory did not carry out the occupational-disease-inductive factor inspection. Therefore, it was not sure whether the factory needed to provide occupational health examination for relevant employees. The management explained that they used environmentally friendly materials with little harm, and no employees reported any discomfort. They needed time to gradually improve. Reference law and regulation: Provisions on the Administration of Occupational Health at Work Sites (2021), article 20</p>	<p>工厂的焊锡岗位存在职业病危害因素，但是工厂没有进行职业病危害因素检测。也因此无法确定工厂是否需要给相关员工提供职业病体检。管理解释他们使用的是环保材料，危害小，同时没有员工汇报过不舒服，他们需要时间逐步提升。参考法律法规：《工作场所职业卫生管理规定（2021）》第20条</p>
<p>The factory currently had 30 employees and 13 among them had purchased work-related injury insurance. While there were still 17 employees (including one retired and rehired worker) did not purchase work injury insurance currently. Reference law and regulation: Social Insurance Law of the People's Republic of China, Article 33</p>	<p>工厂目前有30名员工，其中13名购买了工伤保险，还有17名员工（包含1名退休返聘员工）没有购买工伤保险。参考法律法规：《中华人民共和国社会保险法》，第三十三条</p>
<p>The factory did not post relevant occupational hazard warning cards near soldering positions. Reference law and regulation: Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, article 24</p>	<p>工厂没有在焊锡岗位附近张贴相关的职业病危害告知卡。参考法律法规：《中华人民共和国职业病防治法》第24条</p>