

Monitored Party <b>Dongguan Changrong Gift CO.,LTD</b>	amfori ID <b>156-035626-000</b>	Address <b>Room 201, Fumin Street No. 26, Baihao, Houjie, 523957 Dongguan, Guangdong Sheng, China</b>
Monitoring Activity <b>amfori Social Audit - Manufacturing</b>	Monitoring Type <b>Full Monitoring</b>	Monitoring Partner <b>Bureau Veritas Hong Kong Limited</b>
Monitoring Start Date <b>26/05/2023</b>	Closing Meeting Finished Date <b>26/05/2023</b>	Submission Date <b>02/06/2023</b>
Expiration Date <b>02/06/2024</b>	Announcement Type <b>Fully Announced</b>	
Site <b>Dongguan Changrong Gift CO.,LTD</b>	Site amfori ID <b>156-035626-001</b>	

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## OVERALL RATING



## SECTION RATING

PA1: Social Management System	<b>C</b>	
PA 2: Workers Involvement and Protection	<b>A</b>	
PA 3: The Rights of Freedom of Association and Collective Bargaining	<b>A</b>	
PA 4: No Discrimination	<b>A</b>	
PA 5: Fair Remuneration	<b>C</b>	
PA 6: Decent Working Hours	<b>D</b>	

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

## GENERAL DESCRIPTION

Dongguan Changrong Gift CO.,LTD (the name in Chinese was 东莞市昌荣礼品有限公司, Unified Social Credit Code: was 91441900MA4WM5W19G) was established on Jun 1, 2017 as shown in the business license, it was located at Room 201, Fumin Street No. 26, Baihao, Houjie, Dongguan, China (the address in business license in Chinese was 广东省东莞市厚街镇白濠福民街26号201室). The facility specialized in the manufacturing of backpack, laptop bag, golf bag and handbag. The main production processes were sewing and packing. According to factory management, peak season was not obvious.

The facility rented the 2F of one 4-storey production building. The total construction area was around 250 square meters. No canteen and dormitory was available in the factory.

There were a total of 27 employees (16 productive employees and 11 non-productive employees) with 8 males and 19 females. The youngest employee noted during this audit was 19 years old. All the employees, including management staff and production workers were directly hired by the facility, no part time workers or temporary workers were used.

The factory adopted fingerprint recording system to record working hours of employees. Wages of employee were paid before the 10th of the next month by 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 monthly rate.

During the audit, time records and wage records of employees were sampled as follows for working hour and wage testing: 5 samples selected from April 2023 as current paid month, 5 samples selected from December 2022 and 5 samples from July 2022. According to the sampled time records, it was noted that the maximum overtime hours were 2 hours per day and 84 hours per month. The maximum weekly working hours were 58 hours per week. Employees could have at least one day leave in consecutive 6 working days.

According to the sampled payroll records, it was noted that all employees were paid at least CNY 2000 per month, which met the local minimum wage CNY 10.92 per hour or CNY 1900 per month since Dec 2021. All employees overtime worked on weekday and weekend was paid with 150% and 200% of normal wage, which was compliance with legal requirement. No sampled employees overtime worked on statutory holidays.

According to the social insurance payment receipt of May 2023 provided by factory management, it was noted that only 8 out of 27 workers (29.62%) were provided with pension, unemployment, medical and maternity insurances, only 10 out of 27 workers (37.03%) were provided with accident insurance. Besides, factory purchased commercial accident insurance for 20 workers, the valid period was from Mar 24, 2023 to Mar 23, 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.

A closing meeting was held with the factory representatives and all of the findings were discussed. Mr. Wang Dachang/ General manager and Ms. Xie Jiahong / Worker representative attended the opening meeting and the closing meeting, they signed the onsite CAP and agreed to take corrective actions.

### Remark:

1. There was no contractor/agencies/government waivers/collective bargaining used or available by the auditee, which made the contractor license/agency labor contract/government waivers/collective bargaining agreements not applicable. The environmental impact assessment and approval for the audited factory was exempted.
2. Per management interview and onsite observation, the 1F of the production building was used by Dongguan Gangxin Hardware Products Co., Ltd, the 3F of the production building was used by Dongguan Tianrong Reflective Products Factory, the 4F of the production building was used by Dongguan Changshun Gift Trading Co., Ltd. The 3F and 4F were locked so that auditor could not access during this audit. No worker exchange was identified.
3. Basic Needs Wage was provided by auditing company. 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 the data in Anker is not reasonable with the area where the factory is located.

4. As of the current project category, production process, scale and pollutant status, the construction project was not included in the environmental impact assessment management scope. In accordance with the Article 5 of Classified Administration Catalogue of Environmental Impact Assessments for Construction Projects (2021 Revision), construction projects not specified in this catalogue shall not be included in the environmental impact assessment management of construction projects.

5. Audit Company: Bureau Veritas Consumer Products Service

Audit Company APSCA Number: 11600002

Lead Auditor Name: Sam Song

APSCA Auditor Registered Number: CSCA21701149

Announcement type: Announced Full Audit

Monitoring date: 2023/5/26

## SITE DETAILS

Site	Site amfori ID
<b>Dongguan Changrong Gift CO.,LTD</b>	<b>156-035626-001</b>

### GICS Classification

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Sector	Industry Group	Industry
<b>Consumer Discretionary</b>	<b>Consumer Durables &amp; Apparel</b>	<b>Textiles, Apparel &amp; Luxury Goods</b>
Sub Industry		
<b>Textiles</b>		

### amfori Process Classifications

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N.A.

### GS1 Classifications

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N.A.

### NACE Classification

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N.A.

### Water Stress Situation

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N.A.

## METRICS

### Key Metrics

Total workforce	27	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	2288	Monthly
Total sample	5	Workers

### Other Metrics

Male workers	8	Workers
Female workers	19	Workers
Permanent workers - Male	8	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	2	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	6	Workers
Domestic migrant workers - Female	16	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	8	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	2	Workers
Sample - Female	3	Workers

## FINDINGS

### PA1: Social Management System

Site: Dongguan Changrong Gift CO.,LTD | Site amfori ID: 156-035626-001

ENGLISH	LOCAL LANGUAGE
<b>Finding(s)</b>	
<p>The factory had set up a social management system. However, the social management system was not implemented effectively because deficiency was found in PA1, 2, 5, 6, 7, 12 and 13. BSCI Code of Conduct: The auditee has set up an effective management system to implement the BSCI Code of Conduct.</p>	<p>工厂建立了社会责任管理体系，但是，工厂的社会责任管理系统未能有效执行，因为在执行领域1, 2, 5, 6, 7, 12和13有不足。 BSCI行为守则：被审核方（生产商）已确立执行BSCI行为守则的有效管理体系。</p>
<p>The auditee's workforce capacity was not properly organized to meet the expectations of the delivery order and/or contracts due to the overtime hours exceeding the local law requirement. Please refer to checkpoint #6.2 for details. BSCI Code of Conduct: The auditee should organize its workforce capacity to meet the expectations of the delivery order and/or contracts.</p>	<p>工厂的劳动力没有被正确安排以满足客人订单的期望，因为员工的月加班时间超出了法律的规定，具体参考检查点6.2。 BSCI行为守则：被审核方（生产商）组织其劳工来达成交付订单和/或合同预期和要求。</p>

### PA 2: Workers Involvement and Protection

Site: Dongguan Changrong Gift CO.,LTD | Site amfori ID: 156-035626-001

ENGLISH	LOCAL LANGUAGE
<b>Finding(s)</b>	
<p>The factory had established written grievance mechanism for individuals in the factory. However, no grievance mechanism for communities was established in the factory, including outside stakeholders. BSCI Code of Conduct: The auditee establishes or participates in an effective grievance mechanism for individuals and communities.</p>	<p>工厂建立了与厂内员工的申诉机制，但未建立与社会的申诉机制，如外部的利益相关方。 BSCI行为守则：被审核方（生产商）建立或参与了有效的个人和团体申诉机制。</p>

### PA 5: Fair Remuneration

Site: Dongguan Changrong Gift CO.,LTD | Site amfori ID: 156-035626-001

ENGLISH	LOCAL LANGUAGE
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Finding(s)	
<p>During this audit, 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.</p> <p>BSCI Code of Conduct: The auditee provides sufficient remuneration that allows workers to meet a decent living standard.</p>	<p>审核员发现工厂未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。</p> <p>BSCI行为守则：被审核方（生产商）提供让工人达到体面生活标准的足够报酬。</p>
<p>According to the social insurance payment receipt of May 2023 provided by factory management, it was noted that only 8 out of 27 workers (29.62%) were provided with pension, unemployment, medical and maternity insurances, only 10 out of 27 workers (37.03%) were provided with accident insurance. Besides, factory purchased commercial accident insurance for 20 workers, the valid period was from Mar 24, 2023 to Mar 23, 2024.</p> <p>In accordance with Article 73 of the Labor Law of the People's Republic of China</p>	<p>审核员发现工厂2023年5月为8/27（29.62%）名员工购买了养老、失业、医疗和生育保险，为10/27（37.03%）名员工购买了工伤保险。工厂为20名员工购买了团体意外险，有效期为2023年3月24日至2024年3月23日。</p> <p>根据《中华人民共和国劳动法》第73条</p>

## PA 6: Decent Working Hours

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>A review of 15 sample population employees' time records (5 samples selected from April 2023 as current paid month, 5 samples selected from December 2022 and 5 samples selected from July 2022) yielded the following:</p> <p>a) 5 out of 5 sample population employees' monthly overtime in July 2022 reached 82 hours;</p> <p>b) 5 out of 5 sample population employees' monthly overtime in December 2022 reached 84 hours;</p> <p>c) 5 out of 5 sample population employees' monthly overtime in April 2023 reached 76 to 78 hours.</p> <p>In accordance with Article 41 of the Labor Law of the PRC.</p>	<p>根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。</p> <p>审核员从厂方提供的工资和考勤记录中抽取15个样本(从最近工资支付月份2023年4月，从随机月份2022年12月，从2022年7月各抽取5个样本)，发现有员工加班时间超出了法定标准，具体为：</p> <p>a) 5/5名抽样员工在2022年7月的加班时间为82小时；</p> <p>b) 5/5名抽样员工在2022年12月的加班时间为84小时；</p> <p>c) 5/5名抽样员工在2023年4月的加班时间为76到78小时。</p> <p>根据《中华人民共和国劳动法》第41条。</p>

## PA 7: Occupational Health and Safety

Site: Dongguan Changrong Gift CO.,LTD | Site amfori ID: 156-035626-001

ENGLISH	LOCAL LANGUAGE
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Finding(s)	
It was noted that risk assessments carried out by the factory for safe, healthy and hygienic working conditions did not cover each process (such as sewing). Please refer to BSCI PA 7.3.	审核员发现工厂执行的安全、健康和卫生工作条件的风险评估未涵盖每个生产工序(如车缝)。请参看 BSCI PA 7.3
It was noted that 2 out of 10 flat sewing machines being used in the sewing workshop on the 2nd floor of production building were not installed with needle guards or eye protective guards. In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene	审核员发现生产楼2楼车缝车间2/10台正在使用的电脑车没有安装针挡和护目挡板。根据《生产设备安全卫生设计总则 (GB5083-1999)》第6.1.6条

## PA 12: Protection of the Environment

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
It was noted that the factory did not identify the significant impacts or environmental implications of its activity. BSCI Code of Conduct: The auditee continuously identifies the significant impacts and environmental implications associated to its activity.	审核员发现工厂没有识别生产活动中的重大的环境影响因素。BSCI行为守则：被审核方（生产商）持续识别其商业活动的主要影响和环境影响。

## PA 13: Ethical Business Behaviour

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
It was noted that although the factory established privacy protection policy, they did not provide relevant training to workers. This violated Performance Area 13: Ethical Business Behavior 13.4	审核发现虽然工厂建立了隐私保护程序，但没有给员工提供相关培训。根据执行领域13：道德商业行为 13.4