

Monitored Party The Source Design Collections	amfori ID 156-000423-000	Address #96 Huli Industrial Park, Meixi Road, Tongan District, Xiamen, Fujian, China, 361100 Xiamen, Fujian Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner Bureau Veritas Hong Kong Limited
Monitoring Start Date 01/11/2023	Closing Meeting Finished Date 01/11/2023	Submission Date 07/11/2023
Expiration Date 07/11/2024	Announcement Type Fully Announced	
Site THE SOURCE DESIGN COLLECTIONS	Site amfori ID 156-000423-001	

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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: Jack Yang; APSCA membership number: CSCA 21701903

Name of team auditor (if applicable): Sarah Shao (CSCA 21701307) & Nick Lin (CSCA 21701225)

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

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

Audit schedule details: The audit was planned for 3 auditors x 1 day.

Monitoring Date: November 1, 2023.

Announcement Type: Fully Announced Audit.

Business partner information: The factory's Chinese name was 厦门源生园沐浴用品有限公司, with the Uniform Social Credit Co. 9135021276172605X1. The factory's address was #96 Huli Industrial Park, Meixi Road, Tongan District, Xiamen, Fujian, China (Chinese address 福建省厦门市同安区美溪道湖里工业园96号101,201,301,401单元及501单元之一). This factory was established on August 10, 2004. The factory specialized in manufacturing bath & body care products and bath & body gift sets. The main production processes including mixing, filling, labelling, and packing.

Audited location information: The audited factory rented one 5-storey production building from its landlord named Xiamen Xin Fang Hu Le Qun Investment Co. Ltd.. 1F was used as warehouse, 2F was used as packing workshop and warehouse, 3F was used as mixing workshop, filling workshop, and labelling workshop, 4F was used as warehouse, and 5F was used as office and warehouse. There was neither canteen nor dormitory provided in this factory.

Operating shifts and hours: Normal workweek was from Monday to Friday, with all employees worked in one eight hours shift per day and working times were 08:00 to 17:00, with 1 hour lunch break from 12:00-13:00, and sometimes worked for two or three hours of overtime on normal working days (17:30-19:30/20:30) and eight hours on Saturdays. All employees rested on Sundays. There was no peak season month in this factory. The maximum overtime hours were 3 hours per day and 54 hours per month. The maximum weekly working hours were 54 hours per week and the maximum consecutive working days were 6 days.

Time recording system: Fingerprint Recognition System

Salary payment details: The workers' wages were calculated by monthly rate. The factory paid wages to its employees in cash within 15 days after a payment cycle. The lowest wages paid to employees was RMB 2,030 per month, which was equal to the local minimum wage of RMB 2,030 per month effective from April 1st of 2022. The factory paid overtime premiums to all the employees based on 150% and 200% of normal wage for overtime done on normal working days and rest days respectively.

Worker number information: There was a total of 185 workers in this factory, with 116 production workers (47 males and 69 females) and 69 management workers. There were 80 domestic migrant workers in this factory, including 44 males and 36 females. The youngest worker in this factory was 19 years old. There was no foreign migrant worker, no young worker, no pregnant worker, no seasonal worker, no temporary worker, no disabled worker, or home-based workers in this factory. And no any other special group workers (interns, apprentices, contractor workers etc.) in this factory.

Good practices: Nil.

Worker organization details: There was no Union in this factory. Two workers' representatives were elected by all employees in this factory.

Circumstances: There was no special circumstance during the audit.

Summary of findings: Performance Area 1: Management system was not effective enough to implement the BSCI Code of Conduct and violations related to performance area 1, 2, 5, 6, and 7 were noted. The factory did not organize the workforce capacity properly to reduce the overtime hours and workers' overtime hours exceeded the statutory overtime hour limits. Performance Area 2: Part of interviewed workers were not aware of the BSCI principles. Performance Area 5: The factory did not establish calculation method of basic need wages and did not identify the gap between actual remuneration and fair remuneration. Performance Area 6: Workers' overtime hours exceeded the statutory overtime hour limits. Performance Area 7: Workers or their representative did not participate in the OHS risk assessment and one electrical box was not posted with warning sign.

Living wage calculation: The living wage data was refer to the attachment of BNW provided by the audit 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 no data in GLWC for the area where the factory is located. The data source: onsite audit information collection (BV BNW).

Remark:

1. There are no contractors used by the auditee, which makes the contractor license/permit not applicable.
2. There are no agencies used by the auditee, which makes the agency labour contract not applicable.
3. There are no government waivers issued to the auditee, which makes the government waivers not applicable.
4. There are no collective bargaining agreements in the auditee, which makes the collective bargaining agreements not applicable.
5. This is a combined audit with the BSCI audit and SMETA audit are conducted in the same day and 2 different reports are produced. The sample size described in the BSCI report was same as the sample size in SMETA report, which is followed the highest number of samples between the two audits.

SITE DETAILS

Site

THE SOURCE DESIGN
COLLECTIONS

Site amfori ID

156-000423-001

GICS Classification

Sector

Consumer Staples

Industry Group

Household & Personal Products

Industry

Personal Products

Sub Industry

Personal Products

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	185	Workers
Legal minimum wage in local currency	2.030	Monthly
Lowest wage paid for regular work at the site	2.030	Monthly
Calculated living wage in local currency	2.664,87	Monthly
Total sample	30	Workers

Other Metrics

Male workers	68	Workers
Female workers	117	Workers
Permanent workers - Male	68	Workers
Permanent workers - Female	117	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	21	Workers
Management - Female	48	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	44	Workers
Domestic migrant workers - Female	36	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	68	Workers
Workers hired directly - Female	117	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	12	Workers
Sample - Female	18	Workers

FINDINGS

PA1: Social Management System

Site: THE SOURCE DESIGN COLLECTIONS | Site amfori ID: 156-000423-001

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

Based on management and worker interviews, onsite observation, and document review, it was identified noted that the management system was not effective enough to implement the BSCI code of conduct and violations related to performance area 1, 2, 5, 6, and 7 were noted during this audit. The question was rated as partially because no finding was noted in other performance areas. In accordance with BSCI 1.1.

通过管理层和员工访谈，现场查看，以及文件审核发现，工厂的管理系统没有足够有效来执行BSCI的原则要求，此次审核发现了关于执行领域1，2，5，6，和7方面的问题。因为其它执行领域没有发现问题点，所以此问题点判为部分不符合。根据BSCI 1.1要求改善。

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

Based on management and worker interviews and document review, it was identified that the factory did not organize the workforce capacity properly to reduce the overtime hours. The sampling 26 workers' overtime hours of August 2023 and September 2023 had exceeded the statutory overtime hour limits. The factory management declared that due to lack of enough workers they should work overtime to finish the orders. The question was rated as partially because the factory had established the policy and procedure of workforce planning to reduce unnecessary overtime, and relevant training were provided to all employees regularly. In accordance with BSCI 1.4.

根据管理层和员工访谈，以及文件审核发现，工厂没有合理组织劳动力以减少加班时间。抽样的26名员工在2023年8月份以及2023年9月份的加班时间超出了法律要求。工厂解释因为人员不够导致需要加班完成订单。因为工厂有建立了产能规划的政策和程序来减少不必要的加班时间，相关的培训也定期提供给所有的工人，所以此问题点判为部分不符合。根据BSCI 1.4要求改善。

PA 2: Workers Involvement and Protection

Site: THE SOURCE DESIGN COLLECTIONS | Site amfori ID: 156-000423-001

Question: 2.4 Is there satisfactory evidence that the auditee builds sufficient competence among managers, workers and workers representatives to successfully embed responsible practices in the business operation?

ENGLISH

LOCAL LANGUAGE

Finding

Based on employee interviews, it was identified that 20% interviewed employees were not aware of the BSCI code of conduct. The question is rated as partially because the factory had posted the BSCI principles in the workshops and provided relevant training to all employees regularly. In accordance with BSCI 2.4.

根据员工访谈发现，20%的访谈员工不了解BSCI的行为守则。因为工厂车间有张贴BSCI的行为守则，也定期提供相关的培训给所有的员工，所以此问题点判为部分不符合。
根据BSCI 2.4要求改善。

PA 5: Fair Remuneration

Site: THE SOURCE DESIGN COLLECTIONS | Site amfori ID: 156-000423-001

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 management interview, it was identified that the factory did not establish calculation method of basic need wages and did not identify the gap between actual remuneration and fair remuneration. The factory management declared that they were not aware of this requirement. The question was rated as No because the factory was not aware of this requirement. In accordance with BSCI 5.4.

根据管理层访谈发现，工厂尚未建立基本生活需求工资的计算方式且没有识别实际薪酬和公平薪酬之间的差距。工厂解释不了解相关要求。因为工厂不了解此要求，此问题点判为不符合。
根据BSCI 5.4要求改善。

PA 6: Decent Working Hours

Site: THE SOURCE DESIGN COLLECTIONS | Site amfori ID: 156-000423-001

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 the time records, it was identified that 49 out of 78 sample population employees worked in excess of the statutory overtime hour limits. A review of 78 sample time records (26 samples

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。
审核员从厂方提供的工时记录中抽取78个样本(其中从2023年1月抽取26个，从2023年8月抽取26个，从

Finding

from January 2023, 26 samples from August of 2023, and 26 samples from current paid month (September 2023) yielded the following:

- 26 out of 26 sample population employees worked in excess of 36 overtime hours per month (i.e. 42-54 hours) in August 2023, which was not in compliance with the legal requirement;
- 23 out of 26 sample population employees worked in excess of 36 overtime hours per month (i.e. 38-48 hours) in September 2023, which was not in compliance with the legal requirement.

The factory management declared that due to lack of enough workers they should work overtime to finish the orders. The question was rated as No because most sampled workers' overtime hours exceeded the legal requirement.

In accordance with Article 41 of the Labor Law of the PRC.

最近已发工资月份2023年9月抽取26个),发现共有49名员工加班时间超出了法定标准,具体为:

- 26/26名员工在2023年8月的加班时间为42-54小时,超过每月加班时间不能超过36小时的法律规定;
- 23/26名员工在2023年9月的加班时间为38-48小时,超过每月加班时间不能超过36小时的法律规定。

工厂解释因为人员不够导致需要加班完成订单。因为大部分抽样员工加班都超过法律规定,所以此问题点判为不符合。

根据《中华人民共和国劳动法》第41条改善。

PA 7: Occupational Health and Safety

Site: THE SOURCE DESIGN COLLECTIONS | Site amfori ID: 156-000423-001

Question: 7.4 Is there satisfactory evidence of active cooperation between management and workers (and/or their representatives) when developing and implementing systems towards ensuring OHS?

ENGLISH

LOCAL LANGUAGE

Finding

Based on the worker interviews, it was identified that the workers or their representatives did not participate in the OHS risk assessment. The factory management declared that they were not aware of this requirement. The question was rated as partially because the factory had conducted the risk assessment on occupational health and safety at its own working workplace.

In accordance with the requirement of BSCI requirement 7.4.

根据员工访谈发现,工厂员工或者员工代表没有参与工厂的职业健康安全风险评估。工厂解释不了解相关要求。因为工厂针对自己的工作场所做了职业健康安全风险评估,此问题点判为部分不符合。

根据BSCI 7.4的要求改善。

Question: 7.9 Is there satisfactory evidence that the auditee makes visible potential hazards to the workers and visitors through signs and warnings?

ENGLISH

LOCAL LANGUAGE

Finding

Based on the factory tour, it was identified that 1

根据现场查看发现,搅拌车间1/6个电箱没有张贴警

Finding

out of 6 electrical boxes in the mixing workshop was not posted with warning sign. The factory management declared that due to the carelessness of the management that electrical box had not been posted with warning sign. The question was rated as partially because the balance of the electrical boxes in this factory were posted with warning signs.

In accordance with Article 2-7 of Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008.

示标志。工厂解释由于管理疏忽导致那个电箱没有张贴警示标志。因为工厂其它电箱都有张贴警示标志，此问题点判为部分不符合。

根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7改善。