

Monitored Party WENZHOU HONGSHENG GROUP CO.,LTD.	amfori ID 156-049612-000	Address No. 518 and 558, Haigong Avenue, Haicheng Street, Wenzhou Economic and Technological Development Zone, Wenzhou, Zhejiang Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TÜV NORD CERT GmbH
Monitoring Start Date 10/10/2023	Closing Meeting Finished Date 13/10/2023	Submission Date 22/10/2023
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Site WENZHOU HONGSHENG GROUP CO.,LTD.	Site amfori ID 156-049612-001	

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OVERALL RATING



SECTION RATING

PA1: Social Management System	C	
PA 2: Workers Involvement and Protection	B	
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

Lead Auditor: Allen Zhou; APSCA membership number: CSCA 21701874.

Monitoring partner: TÜV NORD CERT GmbH, APSCA number: 11600051.

Audit schedule details: The audit was planned for 1 auditor x 3 day; Monitoring Date: 10-12 October 2023.

Announcement type: Fully Announced

Monitoring type: Full audit

Business partner information: WENZHOU HONGSHENG GROUP CO.,LTD. (温州鸿升集团有限公司) was located at No. 518 and 558, Haigong Avenue, Haicheng Street, Wenzhou Economic and Technological Development Zone, Wenzhou City, Zhejiang Province, China (浙江省温州经济技术开发区海城街道海工大道518、558号). The auditee was established on 05 June 1989. The main products manufactured by the facility was bathroom. The main production processes are listed as follows: sand core making, casting, die casting, tubulation, machining, CNC, polishing, cleaning, electroplating, spray painting, assembly, printing, testing, inspection and packing. No subcontractor was used.

Remark: Part of electroplating, spray painting line was under equipment renovation during the audit.

Audited location information: In the auditee's address, the auditee used one 4-storey building (6#) as office & canteen & kitchen (1F) & dormitory (2-4F), two 3-storey (3#, 4#) and two 4-storey buildings (2#, 7#) as workshop & warehouse. No transportation was provided to employees. The total used area was around 52,672 square meters. Remark: part of 1F of building 6# was idle and not used during the audit.

Operating shifts and hours: Normal working hour was 8 hours per day and 5 days per week (from Monday to Friday).

Working on Saturday was treated as overtime and Sunday was guaranteed as rest. Attendance records from 01 Sep. 2022 to 10 Oct. 2023 were reviewed.

1 shift for most of workers (including machining workshop 1, electroplating workshop 1, casting workshop 1, etc.): 08:00-17:00.

1 shift for workers (electroplating workshop 2): 07:30-11:30, 12:30-16:30.

2 shifts for workers (casting workshop 2): 1st shift as 08:00-17:00, 2nd shift as 17:30-02:30.

2 shifts for workers (machining workshop 2): 1st shift as 08:00-17:00, 2nd shift as 18:00-03:00

1 shift for outsourced kitchen staffs: 09:00-13:00, 14:00-18:00.

2 shifts for security guards: 1st shift as 07:00-15:00, 2nd shift as 15:00-23:00.

No apparent peak season or low season existed.

Time recording system: Face recognition attendance machine was used to record the time in/out.

Salary payment details: Local legal minimum wage was RMB 2280 per month (equivalent to RMB 13.10 per hour). The whole month was counted as a wage calculation cycle, and the wage was paid by bank transfer at the end of next month. Payroll records from Sep. 2022 to Aug. 2023 were reviewed. Workers' wages were calculated by hourly rate, the minimum wage paid to workers was RMB 17.24 per hour. Overtime on normal working days, rest days and statutory holidays was paid at 150%, 200% and 300% of normal wage.

Worker number information: Total 497 employees including 492 regular workers and 5 outsourced canteen staffs, 267 male employees and 230 female employees were working in the factory. There were 10 non-production employees and 487 production employees (261 male and 226 females). There were 432 domestic migrant workers in the factory.

Good practices: None

Worker organization details: There was no labor union in the factory. Workers freely elected worker representatives in June 2022. The management held meetings with worker representative regularly.

Circumstances: The factory management and sampled workers were cooperative during the audit. There was no special circumstance during the audit.

Summary of findings:

PA1: insufficient management system, insufficient capacity planning;

PA 2: workers unclear about the content and principles of amfori BSCI code of conduct; not conducted the regular survey on the written procedure for the grievance mechanism;

PA5: insufficient five types of social insurance;

PA6: overtime hours exceeded the legal requirement;

PA7: not conducted post-job occupational health examination to employees; one cover was missing for electricity distribution box in canteen; no hand sanitizer or soap was available in toilet;

PA12: no documented risk assessments that justify management decisions on water use and no awareness and plan raising on water waste reduction;

PA13: no effective mechanism in place to collect, use and process personal information;

Management attitude: The facility management showed a positive attitude to this audit during the whole process. All documentation requested for the review was provided timely. Locked areas encountered during the audit were unlocked timely. At the end of the audit, all the findings were accepted by the facility management.

Living wage calculation:

#Living Wage:

- 1).No anker wage available for the producer location, so we used the data provided by auditing company.
- 2).The calculation methodology refers to anker living wage structure.
- 3).The data comes from the local bureau of statistics for the current year.

Precautions taken about #COVID-19 in the facility: There are no special measures taken in place at the factory to deal with COVID-19 now.

Remark:

- 1.a)No contractor was used by the auditee, which makes the contractor license/permit not applicable; b)No agency was used by the auditee, which makes the agency labour contract not applicable; c)No government waiver such as Comprehensive Working Hours System waiver or social insurance waiver was obtained by the auditee, which makes the government waiver not applicable; d)No collective bargain agreements existed in the factory, which makes the collective bargain agreements not applicable.
2. The auditee had two house numbers (No. 518 and 558, Haigong Avenue), and those house numbers were all located in the same yard.

SITE DETAILS

Site

WENZHOU HONGSHENG GROUP CO.,LTD.

Site amfori ID

156-049612-001

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

This site is not located in a water stressed region

METRICS

Key Metrics

Total workforce	491	Workers
Legal minimum wage in local currency	2,280	Monthly
Lowest wage paid for regular work at the site	3,000	Monthly
Calculated living wage in local currency	2,346.64	Monthly
Total sample	22	Workers

Other Metrics

Male workers	263	Workers
Female workers	228	Workers
Permanent workers - Male	267	Workers
Permanent workers - Female	230	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	6	Workers
Management - Female	4	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	16	Workers
Workers with night shift - Female	8	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Domestic migrant workers - Male	238	Workers
Domestic migrant workers - Female	194	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	265	Workers
Workers hired directly - Female	227	Workers
Workers hired indirectly - Male	2	Workers
Workers hired indirectly - Female	3	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	10	Workers

FINDINGS



PA1: Social Management System

Site: WENZHOU HONGSHENG GROUP CO.,LTD. | Site amfori ID: 156-049612-001

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	
<p>The auditee partially respects this principle, according to document review, onsite observation, management and employee interview, the factory had established CSR management system according to amfori BSCI COC and local law requirement, but the management system was not effectively implemented in some areas, for example, five type of social insurance was not provided for all employees, overtime exceeded 36 hours and health and safety issues etc. The management stated that they would enhance the coverage rate of social insurance step by step, but it was hard to control the monthly overtime hours within 36 hours because of unstable orders and workers needed more overtime to increase income. (In violation of the requirements of the amfori BSCI system Manual).</p>	<p>被审核方部分遵守该原则，根据文件审阅、现场观察、管理层和员工访谈，工厂根据amfori BSCI行为守则和法规要求建立了社会责任管理体系，但该管理体系的部分执行领域没有得到有效实施，比如社保五险没有全员参与，加班超过36小时以及健康和安安全等。工厂管理人员表示，他们将逐步提高社会保险覆盖率，但是很难将每月加班时间控制在36小时以内，因为订单不稳定且工人需要更多的加班来增加收入。（违反了amfori BSCI行为手册的要求。）</p>

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	
<p>The auditee partially respects this principle, according to document (such as program documents, attendance records, production schedules and daily production reports) review, management and employee interview, the factory only established the procedure of production capacity assessment and safeguard, but did not calculate the costs of production and delivery times (including labour costs), currently the factory needed to add overtime working hours to match a delivery order, so the workers' monthly overtime working hours exceeded the legal requirement. The factory management stated that they had not developed a reasonable plan to arrange workers' working hours to meet amfori BSCI requirements</p>	<p>被审核方部分遵守该原则，根据文件（如程序文件、考勤记录、生产排班表、生产日报表）审阅、管理层和员工访谈，工厂仅建立了生产产能评估和保障程序，但没有计算出实际生产成本和交付时间（包括劳动成本），目前工厂需要去增加加班工作时间才能满足订单交付要求，因此工人的月加班时间超过法律要求。工厂管理人员陈述他们还没有制定合理计划去安排工人的工作时间，使其达到amfori BSCI要求和法律的要求。（违反了amfori BSCI行为手册的要求。）</p>

Finding

and legal requirements. (In violation of the requirements of the amfori BSCI system Manual)

PA 2: Workers Involvement and Protection

Site: WENZHOU HONGSHENG GROUP CO.,LTD. | Site amfori ID: 156-049612-001

Question: 2.2 Is there satisfactory evidence that the auditee defines long-term goals for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct?

ENGLISH

LOCAL LANGUAGE

Finding

The auditee partially respect to this principle, based on interviews with management and workers, document review, and on-site observations. The interviewed workers were unclear about the content and principles of amfori BSCI code of conduct. According to the document review, the auditee provided training on the code of conduct of amfori BSCI to workers. The interviewed workers participated in the training. The trainer who provided the training was familiar with the contents and principles of the code of conduct of amfori BSCI. It was found that the code of conduct of amfori BSCI was posted on the notice board. The explanation of interviewers was that their understanding of freshmen affairs needed a process.

被审核方部分遵守该原则，基于管理层和工人访谈，文件审查和现场观察。访谈的工人不清楚amfori BSCI行为守则的内容和原则。文件查阅发现被审核方给工人提供了amfori BSCI行为守则的培训，访谈的工人参与了这次培训，提供培训的培训师熟悉amfori BSCI行为守则的内容和原则，现场发现公告栏里张贴了amfori BSCI行为守则。访谈工人对此的解释是她们/他们对于新生事务的了解需要一个过程。

Question: 2.5 Is there satisfactory evidence that the auditee has established, or participates in, an effective operational-level grievance mechanism for individuals and communities?

ENGLISH

LOCAL LANGUAGE

Finding

The auditee partially respect to this principle, based on interviews with management and workers, document review, and on-site observations. It was noted that the factory had not conducted the regular survey on the written procedure for the grievance mechanism. Remark: The suggestion box and worker representative was available in the factory. No trade union. Based on records review, no grievance was reported in the past.

被审核方部分遵守该原则，基于管理层和工人访谈，文件审查和现场观察。评估中发现工厂没有针对书面申诉机程序进行定期评审。备注：工厂有意见箱以及员工代表。没有工会。通过记录查阅，过去以来无申诉发生。

PA 5: Fair Remuneration

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respects this principle, according to document review, management and employee interview, not all workers were provided with social insurance. There were total 492 regular employees hired at the factory during audit date, 50 employees were retirees hired to work again and no employee was newly hired, so the factory should provide social insurance to 442 employees in Sep. 2023. In Sep. 2023, 95 employees were not provided with all work-related injury insurance, retirement insurance, medical insurance, unemployment insurance and child-bearing insurance. Only 347 employees were provided with five types of social insurance, and 119 workers only joined the work-related injury insurance. The management explained that part of workers did not want to participate in social insurance, the workers who did not participate in social insurance stated that they did not want to participate in social insurance because they had participated in local rural medical insurance, although the factory had communicated the social insurance policy to them. The factory did not collect the relevant documents about workers participated in local rural medical insurance. Reference law: Labor Law of P.R.C, Article 72 & 73.</p> <p>(Remark: 1. Commercial group injury insurance was provided to 26 retired employees. The provided commercial group injury insurance is valid from 14 Sep. 2023 to 13 Sep. 2024; 2. The local government allows retired employees to purchase work-related injury insurance separately, and 24 of the factory's retired employees are still participating in work-related injury insurance of social insurance).</p>	<p>被审核方部分遵守该原则，根据文件审阅，管理层和员工访谈，不是所有员工都提供社保。工厂审核当天一共雇佣了492名正式员工，50名退休返聘员工，无新进员工。因此工厂应该在2023年9月应为442名员工提供五项社会保险。工厂提供了过去1年的社保凭证供审核，在2023年9月，工厂未给95名员工提供全部工伤、养老、医疗、失业和生育保险，有347人参加了社保五项，119人单独参加了工伤保险。工厂管理层解释到部分员工不想参加社会保险，未参加社保的员工表示他们不想参加社会保险，因为他们已经参加了当地的农村合作医疗保险，尽管工厂已给他们沟通了社保政策。工厂未收集员工参加当地农村合作医疗保险的相关文件。参考法规：《中华人民共和国劳动法》第72和73条（备注：1. 工厂为26名退休返聘工人提供了商业团体意外险，有效期从2023年9月14日到2024年9月13日；2. 当地政府允许退休员工单独购买工伤保险，工厂有24名退休员工还在参加社保的工伤保险）。</p>

PA 6: Decent Working Hours

Site: WENZHOU HONGSHENG GROUP CO.,LTD. | Site amfori ID: 156-049612-001

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	
<p>The auditee did not respect this principle, according to document (working hours management procedure, attendance records, production schedules and daily production reports) review, management and employee interview, the factory did not control the monthly overtime hours within legal requirement. According to the attendance records from 1 Sep. 2022 to the audit day review and worker interview, the monthly overtime hours of workers exceeded 36 hours and the maximum was up to 48 hours:</p> <p>(1) The attendance records in Dec. 2022 showed the monthly overtime hours of 15 out of 22 randomly selected workers exceeded 36 hours and the maximum was up to 48 hours;;</p> <p>(2) The attendance records in Mar. 2023 showed the monthly overtime hours of 20 out of 22 randomly selected workers exceeded 36 hours and the maximum was up to 42 hours;</p> <p>(3) The attendance records in Aug. 2023 showed the monthly overtime hours of all 22 randomly selected workers exceeded 36 hours and the maximum was up to 40 hours. Reference law: PRC Labor Law article 41.</p> <p>The maximum monthly overtime hours of 22 randomly selected employees were 8 hours in Oct. 2023 (from 1st to 10th). The factory management stated that the overtime schedule was arranged by orders, orders needed shipment in time, so workers needed to work overtime. Workers stated that they worked overtime voluntarily and they were willing to work overtime to increase income.</p>	<p>被审核方未遵守该原则，根据文件（工时管理程序、考勤记录、生产排班表、生产日报表）审阅，管理层和员工访谈，工厂未控制月加班时间在法规要求范围内。根据查阅2022年9月1日至审核当天的考勤记录以及员工访谈，工人的月加班时间超过36小时，最高月加班时间达到48小时：</p> <p>(1) 2022年12月显示22名随机抽样员工中有15人的月加班超过36小时，最大的达到48小时；</p> <p>(2) 2023年3月显示22名随机抽样员工中有20人的月加班超过36小时，最大的达到42小时；</p> <p>(3) 2023年8月显示22名随机抽样员工中有22人的月加班超过36小时，最大的达到40小时。参考法律法规：《中华人民共和国劳动法》第41条。</p> <p>22名随机抽样在2023年10月（从1号到10号）最大月加班时间为8小时。工厂管理层表示加班根据订单安排，订单需要及时出货，因此需要加班工作。工人说他们自愿加班且愿意加班来增加收入。</p>

PA 7: Occupational Health and Safety

Site: WENZHOU HONGSHENG GROUP CO.,LTD. | Site amfori ID: 156-049612-001

Question: 7.3 Is there satisfactory evidence that the auditee regularly carries out risk assessments for safe, healthy and hygienic working conditions?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respect to this principle, based on interviews with management and worker representatives, document review, and on-site observations. The auditee did not provide post-job</p>	<p>被审核方部分遵守该原则，基于管理层和工人代表访谈，文件审查和现场观察。企业没有为接触职业性危害作业（化学品，噪音和粉尘）的员工提供离岗的职业病体检，目前工厂仅开展岗前和在岗的职</p>

Finding	
occupational health examination to employees contacting with occupational disease hazards (chemicals, noise and dust). The workers only provided pre-job & on-job occupational health examination to workers. Reference law: PRC Law of Prevention and Control of Occupational Diseases article 35.	业病体检。参考法律法规：《中华人民共和国职业病防治法》第35条。

Question: 7.13 Is there satisfactory evidence that the auditee makes sure a competent person periodically checks the electrical installations and equipment?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respect to this principle, based on interviews with management and worker representatives, document review, and on-site observations. One cover was missing for electricity distribution box in canteen. Reference law: National Safety Technical Code for Electric Equipment, Article 2.2 and 2.3	被审核方部分遵守该原则，基于管理层和工人代表访谈，文件审查和现场观察，食堂有1个配电箱的保护盖缺失。参考法律法规：《国家电气设备安全技术规范》第2.2和2.3条，

Question: 7.22 Is there satisfactory evidence that the auditee provides workers with clean washing facilities, changing rooms and toilets that are also respectful of local customs?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respects this principle, according to document review, onsite observation, management and employee interview, no hand sanitizer or soap was available in toilet of workshop in factory building.	被审核方部分遵守该原则，根据文件审阅，现场查看，厂房洗手间没有配备洗手液或肥皂。

PA 12: Protection of the Environment

Site: WENZHOU HONGSHENG GROUP CO.,LTD. | Site amfori ID: 156-049612-001

Question: 12.5 Is there satisfactory evidence that water is managed in a way that respects the environment, particularly but not limited to preserving local water sources?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respects this principle, according to document review, onsite observation,	被审核方部分遵守该原则，根据文件审阅，现场查看，公司未进行水消耗，使用的风险评估，也没有

Finding

management and employee interview, no documented risk assessments that justify management decisions on water use and no awareness and plan raising on water waste reduction. Reference law: Energy Conservation Law of the People's Republic of China , Article 24

节约用水的意识和计划，参考法律法规：中华人民共和国节约能源法第24条

PA 13: Ethical Business Behaviour

Site: WENZHOU HONGSHENG GROUP CO.,LTD. | Site amfori ID: 156-049612-001

Question: 13.4 Is there satisfactory evidence that the auditee collects uses and otherwise processes personal information with reasonable care and in accordance with privacy and information security laws and regulatory requirements?

ENGLISH

LOCAL LANGUAGE

Finding

The auditee partially respects this principle, according to document review, onsite observation, management and employee interview, the factory has no effective mechanism in place to collect, use and process personal information such as personal files and medical reports in a reasonable and prudent manner, in accordance with privacy and information security laws and regulations. Interviews with employees say there have been no information leaks.

被审核方部分遵守该原则，根据文件审阅，现场查看，工厂没有建立了有效机制以合理谨慎的方式，依据隐私和信息安全法和法规要求收集、使用和处理个人信息比如个人档案、体检报告等。员工访谈表示，没有发生过信息泄露的情况。