

Monitored Party BAISIWEI MACHINERY CO.,LTD	amfori ID 156-026869-000	Address XITENG VILLAGE,HUTOUYA TOWN,LAIZHOU CITY,YANTAI,SHANDONG,CHINA, Yantaishi, Shandong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner QIMA Limited
Monitoring Start Date 16/09/2023	Closing Meeting Finished Date 21/09/2023	Submission Date 21/09/2023
Expiration Date 21/09/2024	Announcement Type Fully Announced	
Site Site 1	Site amfori ID 156-026869-001	

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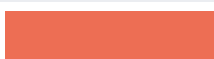
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OVERALL RATING



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	C	
PA 6: Decent Working Hours	D	

PA 7: Occupational Health and Safety	B	
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: Frank Yao: APSCA registered number: CSCA21704032.

Monitoring partner name: QIMA LIMITED, APSCA Membership Number:11600049.

Audit schedule details: The announced full audit is planned for 1 auditor by 1 day.

Business partner information:

BAISIWEI MACHINERY CO., LTD

(Business license number: 91370683MA3Q6QH0K)

莱州市锐沃机械制造有限公司

Xiteng Village, Hutouya Town, Laizhou City, Yantai City, Shandong Province, China

中国山东省烟台市莱州市虎头崖镇西腾村

The auditee established on July 12, 2019. The total occupied areas were about 19200 square meters. The main products of the auditee were tool-house. The main production processes were: material preparing, finishing, assembling, packing.

Audited location information:

The auditee rent partial of one flat building as office, material preparing, finishing, assembling, packing workshop, one flat building as material preparing, finishing, assembling, packing workshop and warehouse. The factory rent the buildings from the building owner (YanTai ShenKang Trading limited company and LaiZhou AiDa furniture limited company); The leasing contracts were provided for review. No dormitory and canteen were available in the factory.

Operating shifts and hours:

All employees worked for 8 hours per day and 5 days a week from Monday to Friday, sometimes had overtime on Saturdays and had rest on Sundays and Holidays. All employees worked in one shift from 08:00 to 17:00 with 1 hour for lunch time from 12:00 to 13:00. The peak months were not obvious.

The attendance records from Aug/2022 to the audit day were reviewed in the audit. 6 sampled workers' attendance records from July/2023 (current month), 6 sampled workers' attendance records from Apr/2023 (random month) and 6 sampled workers' attendance records from Dec/2022 (random month) were selected for checking.

According to the provided attendance records and workers interviews, the maximum daily overtime hour was 1 hour, the maximum weekly overtime hours were 14 hours per week and the maximum monthly overtime hours were 67 hours.

Time recording system:

The auditee used electric attendance system to record workers' working time.

Salary payment details:

The local minimum wage was RMB 2100 per month (RMB12.07/per hour) since Oct 01, 2021. Payroll records from Aug 2022 to July 2023 were provided for review. 6 sampled workers' payroll records from July 2023 (current month), Apr 2023 (random month) and Dec 2022 (random month) were selected for checking. Workers were paid by hourly rate basis; the minimum basic wage was RMB 13.79 per hour, which was higher than the legal requirement. Wage was released by cash at around 25th of the following month. The auditee paid 150% and 200% of normal rate for the overtime on regular working days and rest days respectively. No overtime work was arranged on Sundays and holidays. No employee had participated in social insurance.

Worker number information:

There are totally 45 employees in the factory (including 4 non-production employees and 41 production employees (16 male employees and 25 female employees)), 0 migrant worker from other province, 19 male employees and 26 female employees). The auditee recruited all employees directly. Besides, all the employees were permanent. No foreign migrant workers were employed by the factory.

Worker organization details:

There was no labor union in the auditee currently. Two worker representatives had been elected by employees, and the auditee had conducted internal communication meetings with the worker representatives regarding workplace-related issues regularly.

Circumstances:

The production and workforce were operated in normal level.

Summary of findings:

Performance area 1:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. The Social Management System were not implemented properly. Sampled workers worked excessive monthly overtime, insufficient social insurance coverage was found, occupational health and safety issues, and etc. The workforce capacity was not properly organized to meet the expectations of the delivery order and/or contracts.

Performance area 2:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. The Workers were not trained well about BSCI COC principles.

Performance area 5:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. Auditee did not identify the living cost of the workforce in the region, gap between actual remuneration and fair remuneration and potential actions to fill the gaps. No social insurance was provided to any employees and commercial injury insurance provided for all employees.

Performance area 6:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. Monthly overtime hours exceeded the legal requirement.

Performance area 7:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. The regulations, personal protective equipment, building construction safety acceptance certificate and fire protection acceptance certificate, materials storage in warehouse, electric control box, operator certificate of forklift, privacy door and basic supply for toilet and workplace temperature were not implemented properly.

Performance area 12:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. The factory established procedure to save water and reduce waste water discharge, but no specified plans and effective monitoring measure were conducted.

Living wage calculation:

Auditee did not identify the living cost of the workforce in the region, gap between actual remuneration and fair remuneration.

Precautions taken about #COVID-19 in the facility:

There's no precaution taken about #COVID-19 in the facility during audit.

Remark:

1. There was a personal data protection law in China, so the auditor had desensitized the uploaded attachment.
2. Below documents were not uploaded because:
 - 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 collective bargaining agreements set by the auditee, which makes the collective bargaining agreements not applicable.
 - 4). There is no documented valid authorization to make exemptions on working hours by the auditee, which makes the documented valid authorization to make exemptions on working hours not applicable.

SITE DETAILS

Site
Site 1

Site amfori ID
156-026869-001

GICS Classification

Sector Consumer Discretionary	Industry Group Consumer Durables & Apparel	Industry Household Durables
Sub Industry Housewares & Specialties		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	45	Workers
Legal minimum wage in local currency	2,100	Monthly
Lowest wage paid for regular work at the site	2,400	Monthly
Calculated living wage in local currency	2,816	Monthly
Total sample	6	Workers

Other Metrics

Male workers	19	Workers
Female workers	26	Workers
Permanent workers - Male	19	Workers
Permanent workers - Female	26	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	0	Workers
Domestic migrant workers - Female	0	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	19	Workers
Workers hired directly - Female	26	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	3 Workers

FINDINGS



PA1: Social Management System

Site: Site 1 | Site amfori ID: 156-026869-001

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>Based on document review, facility tour, employee interview and management interview, the auditee partially respects this principle because the auditee had established and implemented BSCI management system, however, some performance areas should be continuous improvement, for example, sampled workers worked excessive monthly overtime, insufficient social insurance coverage were found, occupational health and safety issues, and etc.</p>	<p>依据文件审核，现场走访，员工访谈和管理人员访谈,工厂部分遵循该准则，被审核方建立和实施了BSCI管理体系，但一些领域仍需要持续提高，如抽样员工存在月加班超时,社会保险覆盖不足,职业健康安全的问题等。</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>Based on document review, facility tour, employee interview and management interview, the auditee partially respects this principle: the auditee has established the workforce capacity analysis procedure, but there's no satisfactory evidence that the workforce capacity in the company is sufficient and properly planned to match delivery order contracts' expectations and excessive overtime is detected.</p>	<p>依据文件审核，现场走访，员工访谈和管理人员访谈,工厂部分遵循该准则，被审核方已经建立了劳动力能力分析程序，但没有证据证明公司的劳动力能力是足够的，并妥善安排生产计划以满足交付订单合同的期望，并且在审核期间发现了加班超时的情况。</p>



PA 2: Workers Involvement and Protection

Site: Site 1 | Site amfori ID: 156-026869-001

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
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Finding	
Based on document review, facility tour, employee interview and management interview, the auditee partially respects this principle: The factory provided the BSCI training on social responsibility to workers, and the BSCI COC in Chinese was posted in the notice board of the factory, the records were provided for review, but as per worker interview, 5 out of 6 workers was not aware of BSCI COC, for example, they did not know the taboo of women who just being mother and young worker when working. Management explained since amfori BSCI was just been carried out in the facility, even though related training was provided, workers still needed some time to understand it.	依据文件审核，现场走访，员工访谈和管理人员访谈,工厂部分遵循该准则:工厂有给工人进行了BSCI行为准则的培训，培训记录也提供查阅，工厂在公告栏里张贴了中文的BSCI行为准则，但根据访谈的6个员工中有5个员工不了解BSCI行为准则，如新生妈妈和未成年员工的岗位禁忌。管理人员解释由于刚在厂内推行amfori BSCI不久，尽管提供了相关培训，员工们还是需要一些时间来慢慢理解。

PA 5: Fair Remuneration

Site: Site 1 | Site amfori ID: 156-026869-001

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 document review, facility tour, employee interview and management interview, the auditee does not respect this principle: The management was aware of minimum wage (such as paid lowest monthly wage was not lower than local minimum monthly wages) and has collected the local legal minimum wage document and post it in each workshop, but they did not collect local living costs data.	依据文件审核，现场走访，员工访谈和管理人员访谈,工厂未能遵循该准则:工厂管理层有了解最低工资(例如支付的最低月工资不低于当地最低月工资)，也收集了当地的法定最低工资文件且在各车间张贴，但未收集当地的生活成本的数据。

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted?	
ENGLISH	LOCAL LANGUAGE
Finding	
Based on document review, facility tour, employee interview and management interview, The auditee partially respects this principle: Insufficient social insurance participated. Through document review, there were 45 employees in the factory, including 2 retired employees, 0 new employees joined less	依据文件审核，现场走访，员工访谈和管理人员访谈,工厂部分遵循该准则:企业没有为全体员工缴纳社会保险，通过文件审核，审核员发现企业有45名员工，2名达到退休年龄的员工，没有入职不足一个月的员工，因此共有43人需要参加社会保险，但是企业没有为全部43名员工缴纳5种社会保险。管理人员

Finding

than one month, hence total 43 employees should be covered by insurance: basic endowment insurance and medical insurance and unemployment insurance and injury insurance and maternity insurance, but the factory did not provide 5 kinds of social insurance for all 43 employees. The management explained that some employees had social insurance in hometown and some employees did not want to pay social insurance fee. The interviewees reported that they did not want to buy social insurance. (Reference Law: Social Insurance Act of the People's Republic of China, article 2&4).
Remark: The factory provided commercial accident insurance to all 45 employees, valid from 2-Mar-2023 to 1-Mar-2024.

表示，有的员工家里有保险，有的员工不愿意参保，受访员工表示其不愿意参保。
备注：企业为全部45名员工提供了商业意外伤害险，有效期为2023年3月2日到2024年3月1日。

PA 6: Decent Working Hours

Site: Site 1 | Site amfori ID: 156-026869-001

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 document review, facility tour, employee interview and management interview, the auditee does not respect this principle. The factory established working hour management procedure, but no overtime control system was implemented and workers monthly overtime working hour systematically exceeded 36 hours in most past months. Management explained actual overtime working arrangement only followed the production delivery schedule and no overtime working warning system was implemented. Employees stated the current overtime was acceptable. Monthly overtime hours exceeded the legal requirement (36 hours per month). (1) Through reviewing the attendance records in July 2023(current month), the monthly overtime hours of all 6 randomly selected employees were 66 hours; (2) Through reviewing the attendance records in Apr 2023(random month), the monthly overtime hours of all 6 randomly selected employees were 64 hours; (3) Through reviewing the attendance records in Dec 2022(random month), the monthly overtime hours

依据文件审核，现场走访，员工访谈和管理人员访谈，工厂未能遵循该准则：工厂建立了工时管理程序，但是未实施加班超时控制系统，以致于员工加班系统性超时，管理人员解释实际加班仅根据生产货期安排，未运行超时报警机制。员工表示目前的工时可以接受。工人的工作时间超出法规要求（每月36小时）。(1) 通过查阅2023年7月6名员工考勤显示，全部6名员工月加班66小时；(2) 通过查阅2023年4月6名员工考勤显示，全部6名员工月加班64小时；(3) 通过查阅2022年12月6名员工考勤显示，全部6名员工月加班67小时。

Finding

of all 6 randomly selected employees were 67 hours. Reference law: the PRC Labour Law article 41.

PA 7: Occupational Health and Safety

Site: Site 1 | Site amfori ID: 156-026869-001

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?

ENGLISH

LOCAL LANGUAGE

Finding

The auditee partially respects this principle. Through document review, facility tour and employee interview, it was noted that the facility was not in line with the occupational health & safety regulations because some gaps were noted. Please refer to the relevant checkpoints in PA 7 for details.

工厂部分遵循该准则：
通过文件审核、现场走访和员工面谈，发现企业没有符合职业健康安全的相关规定，因为发现了一些差距，详见PA7的相关问题点。

Question: 7.6 Is there satisfactory evidence that the auditee enforces the use of PPE to provide protection to workers alongside other controls and safety systems?

ENGLISH

LOCAL LANGUAGE

Finding

The auditee partially respects this principle. Based on factory tour, auditor found 3 out of 5 employees in the material preparing workshop did not wear earplug which was provided by facility. 6 out of 8 employees in finishing workshop did not wear mask and earplug which were provided by facility. Employees were provided with relevant training and free charged PPEs were provided to employees in the workshop according to the employee interview and document review. The management stated that they ignored this issue, they would conduct randomly check in future. (In accordance with Article 42 of Law of the People's Republic of China on Production Safety.)

工厂部分遵循该准则：
通过现场走访，审核员发现下料车间5名员工中的3名没有佩戴企业提供的耳塞。加工车间8名员工中的6名没有佩戴企业提供的耳塞和口罩。根据员工访谈和资料查看，工厂提供了相关的培训和免费的防护用品给员工，管理人员解释他们忽略了这个问题，后续会对这个问题进行随机检查。

Question: 7.11 Is there satisfactory evidence that the auditee confirms that the equipment and buildings used for production are stable and safe?

ENGLISH

LOCAL LANGUAGE

Finding	
<p>The auditee does not respect this principle.</p> <p>1. Through document review, facility tour and management interview, the factory could not provide the valid report/register for construction completion acceptance report and fire protection acceptance of all buildings for review. The buildings were completed in around 2006 and 2022. All buildings appeared strong and durable. (Construction Law of the People's Republic of China, Article 61; Fire Prevention Law of the People's Republic of China Article 11)</p> <p>2. Through facility tour, management interview and employee interview, the auditor found the materials in warehouse placed against the wall directly without any gap. (Rules Concerning Warehouse Safety and Fire Control article 18).</p>	<p>工厂未遵循该准则:</p> <p>1. 通过文件审核, 现场走访和管理层访谈, 审核期间工厂没有提供所使用建筑的建筑验收报告和消防验收合格证明。这些建筑约于2006和2022年竣工, 所有建筑看起来坚固耐用。</p> <p>2. 通过现场走访, 管理层访谈和员工访谈, 审核员发现仓库部分货物直接靠墙存放, 没有任何间隙。</p>

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	
<p>The auditee partially respects this principle.</p> <p>Through facility tour, management interview and employee interview, the auditor found protection covers were not closed for 6 sampled electric boxes in the workshop and warehouse. (National Safety Technical Code for Electric Equipment (GB19517-2009) 2.2)</p>	<p>工厂部分遵循该准则:</p> <p>通过现场走访, 管理层访谈和员工访谈, 审核员发现车间和仓库6处配电箱防护罩未锁闭。</p>

Question: 7.17 Is there satisfactory evidence that the auditee ensures adequate safeguards for any machine part, function, or process which may cause injury to workers?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respects this principle.</p> <p>Through facility tour, document review, management interview and employee interview, there were two forklifts used in the factory, but the factory could not provide the operator certificate for review. (Regulations on Safety Supervision of Special Appliance Article 38)</p>	<p>工厂部分遵循该准则:</p> <p>通过现场走访, 文件查阅, 管理层访谈和员工访谈, 发现企业有两辆叉车用于货物的搬运及装载, 但企业无法提供该叉车司机的作业证书供审阅。</p>

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. Based on document review, facility tour, employee interview and management interview, the auditor found toilet not equipped with privacy doors inside, and no soap and tissues provided. (Reference law: Hygienic standards for the design of industrial enterprises (GBZ 1-2010), 7.3.4)	工厂部分遵循该准则：依据文件审核，现场走访，员工访谈和管理人员访谈，审核员发现工厂的洗手间内部没有隐私门，也没有肥皂及纸巾。

Question: 7.25 Is there satisfactory evidence the auditee verifies that temperature, humidity, space, sanitation, illumination are adequate for the health and safety of workers?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respects this principle. Through facility tour, management interview and employee interview, the auditee has not monitored the temperature and set up the records to ensure the temperature in workshop is suit for the workers activities.	工厂部分遵循该准则：通过现场走访，管理层访谈和员工访谈，发现被审核方没有监控车间温度并且建立温度记录来评估车间温度，确保员工工作环境的适宜性。

PA 12: Protection of the Environment

Site: Site 1 | Site amfori ID: 156-026869-001

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	
Based on document review, facility tour, employee interview and management interview, the factory established procedure to save water and reduce waste water discharge, but no specified plans and effective monitoring measure were conducted.	依据文件审核，现场走访，员工访谈和管理人员访谈，工厂建立了节约用水和减少废水排放的程序，但没有实施具体的措施和效果监测。