

Monitoring result for CHAOAN LUYUAN FOOD INDUSTRIAL CO.,LTD NO.1BRANCH FACTORY on site CHAOAN LUYUAN FOOD INDUSTRIAL CO.,LTD NO.1BRANCH FACTORY

Monitoring

Monitored Party : CHAOAN LUYUAN FOOD INDUSTRIAL CO.,LTD NO.1BRANCH FACTORY
amfori ID : 156-013660-000
Site : CHAOAN LUYUAN FOOD INDUSTRIAL CO.,LTD NO.1BRANCH FACTORY
Site amfori ID : 156-013660-001
Address : West Po District, Dragon Pit Village, Anbu Town, Chaoan Area,
: Chaozhou
: Guangdong Sheng
: China
Monitoring Activity : amfori Social Audit - Manufacturing
Monitoring Type : Full Monitoring
Submission Date : 08/08/2022
Expiration Date : 08/08/2023

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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

Chaoan Luyuan Food Industrial Co., Ltd. No. 1 Branch Factory 潮州市潮安区绿园食品实业有限公司（第一分厂）(Uniform Code of Social Credit: 91445103056758806F) was located at West Po District, Dragon Pit Village, Anbu Town, Chaoan Area, Chaozhou City, Guangdong Province, China. This was a local private company. The total land area occupied by the facility was about 4956 square meters. The facility had established and started operation at the current location since August 17, 2012. A total of 45 employees including 30 female employees and 15 male employees were currently working in the facility. 23 employees (51%) were local workers from Guangdong, 22 employees (49%) were domestic migrant workers from Sichuan, Yunnan, Jiangxi, Guizhou, Anhui, Hunan and Shanxi provinces in China. No foreign migrant worker, contractor or agency was used in the facility. The facility occupied three flat buildings as production floors, warehouses and office. No dormitory, canteen or kitchen was provided by the facility for employees.

The main products manufactured by the facility cover balloons.

The main production processes are listed as follows: printing, molding, punching, button-nailing, inspection and packing

Total machines per type were:

Printing machines, molding machines, punching machines, button-nailing machines, etc.

Attendance records from July 1, 2021 to August 2, 2022 (audit date) were reviewed in this audit. All employees work for 5 days a week from Monday to Friday in one shift, the normal working hour is from 8:00 to 12:00 and from 13:30 to 17:30. Employees sometimes worked overtime 2 hours per day and 8 hours on rest day. Fingerprint attendance recording systems are used for time keeping and every employee should scan their fingerprints when they go in and out the facility. As per facility management interview, no obvious peak season is in the facility.

Payroll records from July 2021 to June 2022 (most current month) were reviewed in this audit. All employees' wages were calculated on an hourly rate basis. The lowest basic wages were RMB1620 currently as per local law's requirement. For overtime wages, 150% and 200% of basic wages were paid to employees for their overtime hours on workdays and rest days respectively. No overtime on public holidays. Employees were paid by cash on or before the 15th of each month after the previous wage calculation cycle.

Remark: Below documents were not uploaded to the report:

- 1) There were no agencies used by the auditee, thus, no agency labor contract;
- 2) There were no government waivers provided by the auditee in this audit;
- 3) There were no collective bargaining agreements in the facility;
- 4) There were no contractors used by the auditee, thus, no contractor license/permit.

#COVID-19: Facility abides by all current Federal and State regulations with respect to COVID-19. Social Distancing is enforced, employee/visitor temperature is taken upon entrance to the facility, disinfectant is prepared. Verification of employee/visitor current physical condition is verified via completion of a questionnaire. Furthermore, the facility has established a written COVID-19 management procedure and taken relevant training for all employees, etc.

Audit date: August 2, 2022

Auditing Company: Intertek

Lead auditor: Salon Shan, APSCA registration number: CSCA 21700349

Site Details

Site : CHAOAN LUYUAN FOOD INDUSTRIAL CO.,LTD NO.1BRANCH FACTORY

Site amfori ID : 156-013660-001

GICS Classification

Sector : Consumer Staples

Industry : Household Products

Industry Group : Household & Personal Products

Sub Industry : Household Products

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	1620 Monthly
Lowest wage paid for regular work at the site	1620 Monthly
Calculated living wage in local currency	1751 Monthly
Total sample	8 Workers

Other Metrics

Male workers	15 Workers
Female workers	30 Workers
Permanent workers - Male	15 Workers
Permanent workers - Female	30 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	3 Workers
Management - Female	8 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	11 Workers
Domestic migrant workers - Female	11 Workers
Foreign migrant workers - Male	0 Workers
Foreign migrant workers - Female	0 Workers
Workers hired directly - Male	15 Workers
Workers hired directly - Female	30 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	4 Workers
Sample - Female	4 Workers

Findings

PA1: Social Management System

1.1 The facility had established CSR management systems, internal audit and management review were conducted annually. However, some violations were found in the PA1, PA2, PA5, PA6, PA7 in this audit. So the finding was rated "Partially". This finding was against amfori BSCI Code of Conduct, Principle on Social Management System.

工厂有建立基本的社会责任管理体系，每年有进行内审和管理评审。但是，此次审核中在PA1, PA2, PA5, PA6, PA7有发现问题点。所以此问题点为“部分符合”。此问题点违反了BSCI行为准则，管理体系法则。

1.4 Through document review and management interview, the facility had realistically calculated the costs of production and delivery times, and had set up the workforce planning to reduce the overtime, however, the workforce planning was not effective, as the employees' monthly overtime hours exceeded 36 hours in June 2022 (most current month), April 2022 and December 2021 as per local law's requirement, please refer to Q6.2 for details. So the finding was rated "Partially". This finding was against amfori BSCI Code of Conduct, Principle on Social Management System.

根据文件审核和管理层面谈，企业了解如何计算生产产能和订单周期，且有建立人力资源加班时间的控制计划，但是此计划没有有效地实施，因为员工在2022年6月（当前月）、2022年4月和2021年12月的月加班时间超过法规要求的36小时，具体参照Q6.2。所以此问题点为“部分符合”。此问题点违反了BSCI行为准则，管理体系法则。

PA 2: Workers Involvement and Protection

2.4 The facility had set up the training plan and provided training for workers covering social responsibility, and had posted BSCI COC on site for employees' reference. But through employees' interview, the 8 randomly selected interviewees were not aware of amfori BSCI code of conduct. So the finding was rated "Partially". This finding was against amfori BSCI Code of Conduct, Principle on Workers Involvement and Protection.

工厂有建立培训计划并有向员工提供相应培训涵盖社会责任方面的内容，并且现场有张贴BSCI行为准则供员工参考。但据员工访谈，受访的8名员工不了解amfori BSCI行为准则。所以此问题点为“部分符合”。此问题点违反了BSCI行为准则，工人参与和保护法则。

PA 5: Fair Remuneration

5.4 The facility management did not know or calculate the Basic Needs Wage, and the facility management did not know that they should provide sufficient remuneration that allows workers to meet a decent living standard. However, based on the provided payroll records, the facility paid employees as minimum RMB2020 per month for the basic wage plus full attendance allowance, which was higher than the BASIC NEED WAGE of Chaozhou City calculated by auditor. So the finding was rated "Partially". This finding was against amfori BSCI Code of Conduct, Principle on Fair Remuneration.

企业不了解也没有计算Basic Needs Wage，并且企业也不知道他们应该按照BSCI的要求提供足够的待遇让员工过上体面的生活。不过，基于企业提供的工资表，工厂给员工的基本工资加全勤奖为最低每月人民币2020元，高于审核员计算的潮州市的体面生活保障工资。所以此问题点为“部分符合”。此问题点违反了BSCI行为准则，公平报酬法则。

5.5 Through reviewing the provided social insurance receipts and relevant documents, the facility had obtained the social insurance records from August 2021 to July 2022, auditor had randomly selected the latest 3 months' social insurance records for review, it indicated that there were total 45 employees in the facility in July 2022, only 31 out of 45 (69%) employees had participated in basic endowment insurance, 30 out of 45 (67%) employees had participated in employment injury insurance and unemployment insurance, 14 out of 45 (31%) employees had participated in basic medical insurance, 10 out of 45 (22%) employees had participated in maternity insurance. Besides, the facility had purchased Group Life Accident Insurance for 28 persons, the effective period was from June 29, 2022 to June 28, 2023. For the rest employees did not participate in social insurances, relevant employees claimed that they did not want to participate in social insurances to increase the cost. Law: In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance.

通过查看工厂提供的社保收据和相关文件，工厂有保留2021年8月到2022年7月的社保记录，审核员有随机抽样查阅最近3个月的社保记录，发现工厂2022年7月共45人，只有31人(69%)参加了养老保险，30人(67%)参加了工伤和失业保险，14人(31%)参加了医疗保险，10人(22%)参加了生育保险。另外，工厂有购买28人的团体人身意外伤害保险，有效期为2022年6月29日至2023年6月28日。对于其余未参加社保的人员，他们反映不想参加社保而增加开支。法规要求：依据《中华人民共和国社会保险法》第十条，职工应当参加基本养老保险，由用人单位和职工共同缴纳基本养老保险费。第二十三条 职工应当参加职工基本医疗保险，由用人单位和职工按照国家规定共同缴纳基本医疗保险费。第三十三条 职工应当参加工伤保险，由用人单位缴纳工伤保险费，职工不缴纳工伤保险费。第四十四条 职工应当参加失业保险，由用人单位和职工按照国家规定共同缴纳失业保险费。第五十三条 职工应当参加生育保险，由用人单位按照国家规定缴纳生育保险费，职工不缴纳生育保险费。

PA 6: Decent Working Hours

6.2 The monthly overtime hours of 8 out of 8 randomly selected employees were 58 hours in June 2022 (most current month), 8 out of 8 randomly selected employees were 56 hours in April 2022 (random month), and 8 out of 8 randomly selected employees were 60 hours in December 2021 (random month). Law: In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

审核中发现2022年6月（当前月）随机抽取的8人中有8人的月加班时间为58小时，2022年4月（随机月）随机抽取的8人中有8人的月加班时间为56小时，2021年12月（随机月）随机抽取的8人中有8人的月加班时间为60小时。法规要求：依据《中华人民共和国劳动法》第41条，用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。

PA 7: Occupational Health and Safety

7.1 1) Through facility tour and document review, auditor found that the facility did not provide pre-job, on-job or post-job occupational health examinations for employees contacting with occupational hazard factors such as chemicals and noise, etc in the facility. 2) The facility set up a health committee, collected relevant laws and regulations, conducted monthly inspection on the implementation of on-site health and safety, and conducted regular health and safety training. However, findings were found in 7.1 and 7.7 in this PA, please refer to relevant checkpoints for details. This finding was against amfori BSCI Code of Conduct, Principle on Occupational Health and Safety. Law: 1) In accordance with the PRC Law of Prevention and Control of Occupational Diseases Article 35, the employer shall conduct regular occupational health examination for those labourers who are engaged in works with occupational hazard(s) as required by production safety supervision and administration department and public health administrative department under the State Council. The occupational health examination shall be conducted before labourers start to take the post, in the course of the work and after leave the post and the employer shall provide the results of the occupational health examinations to labourers in written. The expenses of the occupational health examination shall be borne by employers.

1) 通过现场走访和文件审核，发现工厂未提供岗前、在岗和离岗职业病体检给接触职业危害因素如化学品和噪音等的员工。2) 工厂成立了健康委员会，收集了相关法律法规，每月对现场健康安全的实施进行检查，且定期进行健康安全培训。但是，此部分在7.1和7.7有发现问题点，具体参考相关检查点。此问题点违反了BSCI行为准则，职业健康和安全法则。法规要求：1) 依据《中华人民共和国职业病防治法》第三十五条，对从事接触职业病危害的作业的劳动者，用人单位应当按照国务院安全生产监督管理部门、卫生行政部门的规定组织上岗前、在岗期间和离岗时的职业健康检查，并将检查结果书面告知劳动者。职业健康检查费用由用人单位承担。

7.7 1) During facility tour, auditor found that there was no secondary container installed for around 30% of chemicals such as paint and thinner, etc used and stored in the facility. 2) During facility tour, auditor found that there was no safety label attached for around 30% of chemicals such as paint and thinner, etc used and stored in the facility. So the finding was rated "Partially". Law: 1) In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, firefighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments. 2) In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.

1) 通过现场走访，发现工厂使用和储存的化学品如油墨和天那水等有约30%未设置二次容器。2) 通过现场走访，发现工厂使用和储存的化学品如油墨和天那水等有约30%没有安全标识。所以此问题点为“部分符合”。法规要求：1) 危险化学品安全管理条例第二十条，生产、储存危险化学品的单位，应当根据其生产、储存的危险化学品的种类和危险特性，在作业场所设置相应的监测、监控、通风、防晒、调温、防火、灭火、防爆、泄压、防毒、中和、防潮、防雷、防静电、防腐、防泄漏以及防护围堤或者隔离操作等安全设施、设备，并按照国家标准、行业标准或者国家有关规定对安全设施、设备进行经常性维护、保养，保证安全设施、设备的正常使用。生产、储存危险化学品的单位，应当在其作业场所和安全设施、设备上设置明显的安全警示标志。2) 依据《工作场所安全使用化学品规定》第十二条，使用单位使用的化学品应有标识，危险化学品应有安全标签，并向操作人员提供安全技术说明书。