

Monitored Party Dongguan Liown Electronics Co., Ltd.	amfori ID 156-021867-000	Address No. 5, Yankou 1st Lane, Xiegang Town, Dongguan, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner Intertek
Monitoring Start Date 15/07/2024	Closing Meeting Finished Date 16/07/2024	Submission Date 22/07/2024
Expiration Date 10/08/2025	Announcement Type Semi Announced	
Site Dongguan Liown Electronics Co., Ltd.	Site amfori ID 156-021867-001	

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OVERALL RATING



SECTION RATING

PA1: Social Management System	D	
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	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: Hebe Huang; APSCA membership number: CSCA 21703367

Name of team auditor (if applicable): Nil; APSCA membership number: N/A

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

Monitoring partner name: Intertek

Audit schedule details: The audit is planned for 1 auditor x 1 day

Announcement Type: Semi-Announced

This audit is a follow-up audit, PA1, PA2, PA5, PA6, PA7 were covered due to findings were raised under those PAs in the last audit, auditor verified through site tour, document review, employee interview, etc. during this follow up audit.

Business partner information: Dongguan Liown Electronics Co., Ltd. 东莞市里阳电子有限公司 (Uniform Code of Social Credit: 91441900MA55C6BQ5P) was located at No. 5, Yankou 1st Lane, Xiegang Town, Dongguan City, Guangdong Province, China. This was a private company. The total land area occupied by the facility was 4500 square meters. The facility was established in September 2020 and started their operation since February 1, 2021. The main products of the facility were electronic candles, and the main production processes were melting wax, pouring wax, drilling wax, smoothing wax, assembly and packing.

Audited location information: In view of the facilities, the facility consisted of one 3-storey building used as workshop and warehouse, three flat iron warehouses attached to the production building, one 4-storey building as office and one 5-storey building as dormitory. One kitchen and canteen were located on 1/F of the dormitory building. The buildings were rented by the facility, details of the floors were:

Office building:

1~4F: Office

Production building:

1F: Melting wax, pouring wax, drilling wax, smoothing wax and warehouse

2F: Assembly and packing

3F: Warehouse

One flat iron warehouse attached to the production building: Warehouse

One flat iron warehouse attached to the production building: Warehouse

One flat iron warehouse attached to the production building: Warehouse

Dormitory building:

1F: Kitchen and canteen

2F: Bedroom

3F: Bedroom

4F: Bedroom

5F: Empty

Operating shifts and hours: Attendance records from August 5th, 2023 (the day after the last audit day) to July 15th, 2024 (audit date) were reviewed in this audit. The facility defined the normal working hour was 8 hours per day and 5 days per week. Security guards worked in 3 shifts: 8:00-16:00, 16:00-0:00, 0:00-8:00. Other employees worked in 1 shift, the normal working hour for kitchen staff was 6:30-12:30, 15:00-18:00 and for the rest employees was 8:00 to 17:30 with 1.5 hours' break from 12:00 to 13:30. Peak season was from April to September as per facility management.

Time recording system: Face / finger scan attendance recording system was used for time keeping.

Salary payment details: Payroll records from July 2023 to June 2024 were reviewed in this audit. All employees' wages were calculated by hourly-rated basis, and employees were paid by cash on around 5th of each month after a working period.

Worker number information:

- A total of 53 employees included 29 female employees and 24 male employees. There are 31 production employees and 22 non-production employees.
- There were 31 production employees including 19 female employees and 12 male employees.

- There are 12 local employees (7 females and 5 males) from Guangdong province and 41 migrant employees (22 female and 19 males) come from other provinces in China, such as Sichuan, Hunan, Guangxi and etc. No young, pregnant, seasonal, temporary, disabled or home-based worker was working in the facility. The youngest employee was 19 years old.
- No interns, apprentices or contractor worker was working in the facility.

Good practices: None

Worker organization details: There was no union in the facility, but there were 3 worker representatives freely elected in the facility.

Circumstances: There was no special circumstance during the audit.

Summary of findings:

PA1:

1.1 Some violations were found in the PA1, PA2, PA5, PA6, PA7 in this audit.

1.4 The workforce planning was not effective to reduce the overtime hours to meet legal requirement.

PA2:

2.5 The facility did not establish grievance mechanism for communities.

PA5:

5.4 The facility did not have a system to assess the local living wage.

5.5 Insufficient social insurance participated.

PA6:

6.2 The monthly overtime hours exceeded local law's requirement.

PA7:

7.22 Toilets in the production area did not have soap and tissue.

Living wage calculation: #LivingWage Anker methodology is used for Living Wage calculation by auditing company.

Remark:

1. 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.

5) Since this was a follow up audit and no finding was found in PA12 (Protection of the Environment), PA12 was not audited in this audit. So, photos or documents for abovementioned were not applicable.

2. The audit was conducted on July 15th, 2024 and the closing meeting was finished at that day, auditor forgot to tick "Finish Meeting" button in time.

SITE DETAILS

Site

Dongguan Liown Electronics Co., Ltd.

Site amfori ID

156-021867-001

GICS Classification

Sector

Consumer Discretionary

Industry Group

Consumer Durables & Apparel

Industry

Household Durables

Sub Industry

Consumer Electronics

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	53	Workers
Legal minimum wage in local currency	1,900	Monthly
Lowest wage paid for regular work at the site	1,900	Monthly
Calculated living wage in local currency	2,073.76	Monthly
Total sample	8	Workers

Other Metrics

Male workers	24	Workers
Female workers	29	Workers
Permanent workers - Male	24	Workers
Permanent workers - Female	29	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	1	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Workers on probation - Male	2	Workers
Workers on probation - Female	2	Workers
Workers with night shift - Male	3	Workers
Workers with night shift - Female	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Domestic migrant workers - Male	19	Workers
Domestic migrant workers - Female	22	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	24	Workers
Workers hired directly - Female	29	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	5	Workers
Sample - Female	3	Workers

FINDINGS



PA1: Social Management System

Site: Dongguan Liown Electronics Co., Ltd. | Site amfori ID: 156-021867-001

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>1.1 The previous finding was not corrected. The facility had not set up a completely effective management system to implement the BSCI Code of Conduct, since there were some gaps between implementation and policy in PA2, PA5, PA6, PA7. Please refer to relevant performance area for details (The facility had established social management system, but the social management system was not implemented in some PAs effectively. So, this checkpoint was scored PARTIALLY).</p> <p>This finding was against amfori BSCI Code of Conduct, Principle on Management System and Cascade Effect.</p>	<p>1.1 上次问题点未改善。由于在PA2, PA5, PA6, PA7等部分发现部分缺失,工厂并没有建立和实施一个完全有效的系统来执行BSCI的原则要求。具体请参考相应的执行领域(企业已建立了社会责任管理体系,但是在一些执行领域没有执行到位。因此,这个检查点选PARTIALLY)。</p> <p>此问题点违反amfori BSCI行为准则供应链管理与级联效应的原则。</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>1.4 The previous finding was not corrected. The workforce planning was not effective to reduce the overtime hours to meet legal requirement. Please refer to PA6.2 for details. The facility had set up a workforce planning to reduce the overtime hours, but they did not implement it strictly, and the overtime hours of employee exceeded legal requirement systematically, so the rating of this check point was rated as No.</p> <p>This finding was against amfori BSCI Code of Conduct, Principle on Management System and Cascade Effect.</p>	<p>1.4 上次问题点未改善。工厂的劳动力规划不足够有效来减少加班工作时间以符合法规要求。具体加班情况参见PA6.2。工厂虽然有建立劳动力计划用以减少加班时间,但是没有严格执行,员工月加班时间系统性的超出当地法规的要求,所以此检查点等级被列为不符合。</p> <p>此问题点违反amfori BSCI行为准则供应链管理与级联效应的原则。</p>



PA 2: Workers Involvement and Protection

Site: Dongguan Liown Electronics Co., Ltd. | Site amfori ID: 156-021867-001

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	
2.5 The previous finding was not corrected. The facility had established grievance mechanism and set suggestion box for individuals, but the facility did not establish grievance mechanism for communities, for example, there was no channel set for local communities' coming up with its suggestions or complaints to management for improvement. The facility had set up a written procedure on grievance to protect employees' right, but some gaps were found, so the rating of this check point was rated as partially. This finding was against amfori BSCI Code of Conduct, Principle on Workers Involvement and Protection.	2.5 上次问题点未改善。工厂建立了供个人的申诉机制并设置了意见箱，但未建立社区的申诉机制，例如工厂未创建给当地社区提供申诉的渠道。工厂已建立书面的申诉管理程序来保护员工的利益，但是发现部分缺失，所以此检查点等级被列为部分不符合。此问题点违反amfori BSCI行为准则工人参与和保护的原则。

PA 5: Fair Remuneration

Site: Dongguan Liown Electronics Co., Ltd. | Site amfori ID: 156-021867-001

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	
5.4 The previous finding was not corrected. During document review, auditor found that the facility did not have a system to assess the local living wage. This question was scored No because it was a systemic process deficiency. This finding was against amfori BSCI Code of Conduct: Fair Remuneration.	5.4 上次问题点未改善。在文件审阅中，审核员发现企业没有系统去评估当地的体面生活工资。此问题点打不符合因为这属于系统性流失。该问题违反了amfori的BSCI行为准则:公平报酬。

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

ENGLISH	LOCAL LANGUAGE
Finding	
5.5 The previous finding was not corrected. There were 52 employees in June 2024 including 6 retirees hired to work again and 0 newly hired employee. Through reviewing the social insurance	5.5 上次问题点未改善。2024年6月企业有52名员工，其中有6名退休返聘员工，0名新进员工。通过查看2024年6月的社保文件，审核员发现应参保的46名人员中有21人（45.6%）参加医疗保险、养老

Finding

document of June 2024, auditor found that among the eligible 46 employees, only 21 employees (45.6%) had participated in basic medical insurance, basic endowment insurance, unemployment insurance, employment injury insurance and maternity insurance. Moreover, 2 retirees hired to work again have participated in employment injury insurance. The facility provided commercial insurance for 31 employees (100%, including all employees without employment injury insurance) which was valid from July 28th, 2023 to July 27th, 2024. The facility intended to provide social insurance for workers, however, workers intend not to join the social insurance. The question was scored No, because the facility systematically failed to always ensure that at least 80% employees participated in social insurance in the past 12 months.

Law/COC: 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, and the maternity insurance premiums shall be paid

保险、失业保险，工伤保险和生育保险。另外，有2名退休返聘人员参加了工伤保险。企业为31名员工（100%，包含所有未参加工伤保险员工）购买了商业性工伤保险，有效期是2023年7月28日至2024年7月27日。企业愿意为所有员工提供社会保险，可是员工不愿参与。这个点的评级是不符合，原因是企业过去12个月内系统性的没有确保至少80%的员工参与所有的社保险种。

法规/行为准则：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

Site: Dongguan Liown Electronics Co., Ltd. | Site amfori ID: 156-021867-001

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

6.2 The previous finding was not corrected. Overtime hours exceeded the legal requirement. The monthly overtime hours of 8 out of 8 randomly selected employees were 70-78 hours in June 2024 (current month), 8 out of 8 were 80-82 hours in March 2024 (non-peak month) and 8 out of 8 were 64-72 hours in September 2023 (peak month). The facility did not take effective measures to reduce working hours of employees, and the overtime hours of employee exceeded legal requirement systematically, so the rating of this check point was rated as No.

Law/COC: 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.

6.2 上次问题点未改善。加班时间超过法规要求。2024年6月份（当前月）8名抽样的员工中有8名的月加班时间为70-78小时，2024年3月份（淡季月）8名抽样的员工中有8名的月加班时间为80-82小时，2023年9月份（旺季月）8名抽样的员工中有8名的月加班时间为64-72小时。工厂没有采取有效措施来减少员工的工作时间，员工的加班时间系统性的超出当地法规的要求，所以此检查点等级被列为不符合。

法规/行为准则：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

Site: Dongguan Liown Electronics Co., Ltd. | Site amfori ID: 156-021867-001

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

7.22 New finding. During facility tour, auditor found that toilets in the production area did not have soap and tissue. The question was scored No, because this is a systematic failure as no such supplies were supplied to all observed toilets. This finding was against amfori BSCI Code of Conduct, Principle on Occupational Health and Safety.

7.22 新问题点。在现场巡查时，审核员发现工厂生产区的洗手间内没有提供肥皂和纸巾。这个点的评级是不符合，原因是所有观察到的厕所均没有提供这些物品，因此判定这是一个系统性缺失项。此问题点违反amfori BSCI行为准则职业健康与安全的原则。