

Monitored Party HUIFENG UMBRELLA COMPANY LIMITED	amfori ID 156-049240-000	Address ROOM 301, 1# BUILDING, YINGFENG INDUSTRIAL PARK, NO. 34, XIANGYIN ROAD, NANLIAN XIANGQIAN VILLAGE, LONGGANG STREET, LONGGANG DISTRICT, 518116 SHENZHEN, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TUV Rheinland
Monitoring Start Date 18/10/2024	Closing Meeting Finished Date 18/10/2024	Submission Date 24/10/2024
Expiration Date 24/10/2025	Announcement Type Semi Announced	
Site HUIFENG UMBRELLA COMPANY LIMITED	Site amfori ID 156-049240-001	

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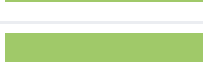
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OVERALL RATING



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, Violence or Harassment	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, Forced Labour or Human Trafficking	A	
PA 12: Protection of the Environment	A	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Alex Zhang, APSCA membership number: CSCA 21701868

Monitoring partner name: TUV Rheinland

Audit schedule details: The audit was planned for one auditor x one day.

Announcement Type: It was a Semi-Announced audit.

Business partner information: The auditee was established in 2012 and located at ROOM 301, 1# BUILDING, YINGFENG INDUSTRIAL PARK, NO. 34, XIANGYIN ROAD, NANLIAN XIANGQIAN VILLAGE, LONGGANG STREET, LONGGANG DISTRICT, SHENZHEN, Guangdong Province (广东省深圳市龙岗区龙岗街道南联向前村向银路34号盈丰工业园1号厂房301楼). The factory name on Business License was: “深圳市鑫亿发伞业有限公司, Shenzhen Xinyifa Umbrella Co., Ltd.”, According to management interview and sales contract review to confirm that, the factory always used the English factory name “HUIFENG UMBRELLA COMPANY LIMITED” to contact with customers, therefore, the auditee confirmed to use the English factory name “HUIFENG UMBRELLA COMPANY LIMITED” as final factory name on report, which was same as previous audit report. The facility mainly produced Umbrella with the main production processes of cutting, sewing, assembly and packing processes, no producing process was subcontracted to outsource.

Audited location information: The auditee rented the half of 3F for one 5-storey production building with about 700 square meters and used those building area as production workshop, warehouse and office. There was no canteen or dormitory provided to workers by the auditee. The 1F of the building was rented by an injection molding factory, the 2F was garment factory, the other half of the 3F was rented by an embroidery factory, the 4F to 5F were rented by a glasses company. According to onsite tour, management interview and workers interview to confirm that, there was no share working area or share work force between the auditee and other factories in the same building, therefore, this audit only covered the auditee area.

Operating shifts and hours: Normal working hour was 5 days and 40 hours working time per week. One shift of working time arranged to all workers as: 08:00-12:00, 13:30-17:30, regular overtime working started from 18:00 to 20:00. Attendance records from 1 October 2023 to 18 October 2024 of 5 sampled workers were reviewed randomly. Maximum 2 hours overtime per day, maximum 18 hours overtime working per week and maximum 74 hours overtime per month, and at least one day off after 6 days consecutive working days was guaranteed. No obvious low or high season was in the auditee for last 12 months.

Time recording system: Finger print attendance machines were used to record the time in/out.

Salary payment details: The local minimum wage standard was set at RMB 2360 per month since 1 January 2022 (equal to RMB 13.57 per hour). Workers were paid by bank transfer around the 7th of each month and the latest payment month was September 2024. Sampling 5 workers' payrolls from October 2023 to September 2024 showed that workers were paid with the minimum hourly rate of RMB 13.57, which was equal to the local minimum wage standards. Workers were paid at 150%, 200% and 300% of the regular wages for the overtime conducted in the regular days, rest days and statutory holidays.

Worker number information:

- 25 employees in total, including 14 production workers and 11 non-production employees.
- 14 production workers, including 3 male workers and 11 female workers.
- 19 domestic migrant workers, including 6 male workers and 13 female workers. There was no foreign migrant, young, pregnant, seasonal, temporary, disabled, home-based workers.
- There were no interns, apprentices, contractor workers.

Good practices: Workers had short break time between 10:15 to 10:30 and 15:45 to 16:00.

Worker organization details: There were two worker representatives in the factory who were elected in January 2024.

There was no other worker organization.

Circumstances: The management staff were open and cooperative during the audit. There was no special circumstance during the audit.

Summary of findings: Findings were detected in PA1, PA5, PA6, PA7

PA1: Incomplete management system implementation and production capacity planning

PA5: The factory did not calculate basic need wages, the remuneration paid to workers were lower than the requirement of GLWC's calculated basic need wages. Insufficient social insurance.

PA6: Excessive monthly overtime

PA7: Some employees did not participate in work injure insurance. EHS training records did not show the training assessment results.

Attachments:

1. There was no government waiver on social insurance and overtime in the factory. There was no collective bargaining in the factory. No labor contractor, agency, etc. was used in the factory. Therefore, these documents were not applicable to attach to the report.

2. The Personal Information Protection Law of the People's Republic of China was effective as of November 1, 2021. The producer signed the "General Terms and Conditions of Business" of TUV Rheinland in China before the audit and ensured that relevant personal data and information provided to TUV Rheinland auditor had been obtained the individual's consent during the audit.

SITE DETAILS

Site
HUIFENG UMBRELLA COMPANY LIMITED

Site amfori ID
156-049240-001

GICS Classification

Sector Consumer Discretionary	Industry Group Consumer Durables & Apparel	Industry Textiles, Apparel & Luxury Goods
Sub Industry Textiles		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

This site is not located in a water stressed region

METRICS

Key Metrics

Total workforce	25	Workers
Legal minimum wage in local currency	2,360	Monthly
Lowest wage paid for regular work at the site	2,360	Monthly
Calculated living wage in local currency	3,719	Monthly
Total sample	5	Workers

Other Metrics

Male workers	9	Workers
Female workers	16	Workers
Non-binary workers	0	Workers
Permanent workers - Male	9	Workers
Permanent workers - Female	16	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	2	Workers
Management - Female	1	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	0	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	6	Workers
Domestic migrant workers - Female	13	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	9	Workers
Workers hired directly - Female	16	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	0	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	0	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	2	Workers
Sample - Female	3	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: HUIFENG UMBRELLA COMPANY LIMITED | Site amfori ID: 156-049240-001

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 respected the principle, according to document review, onsite tour, management interview and workers interview to confirm that, the factory established and implemented a management procedure for the amfori BSCI Code of Conduct, but there were still gaps in some performance areas between the factory's actual implementation and the amfori BSCI Code of Conduct and legal requirements, such as social insurance coverage percentage, monthly overtime hours control, etc. The management representative stated that the current implementation on social responsibility was mainly based on the requirements of other factories in the same industry and local departments. They would analyze the root cause and improve the identified findings. It violated the requirements in the amfori BSCI system manual.</p>	<p>被审核方部分遵守该原则，通过文件查阅，现场审核，管理层和员工访谈确认，工厂已建立了并实施了amfori BSCI行为守则的管理程序，但是工厂在一些执行领域的实际执行方面与amfori BSCI行为准则和法律要求之间仍存在差距，比如社保覆盖率，月加班时间管控等方面。管理者代表表示目前的社会责任执行主要是参考同行业其他工厂以及当地部门的一些要求，他们会对识别的问题点进行根本原因分析并改善。这违反了amfori BSCI系统手册中的要求。</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 respected the principle, according to document review, management interview and workers interview to confirm that, the factory established a written production cost and capacity planning procedure, but the procedure document failed to integrate overtime time control. The management stated that the factory failed to establish a complete capacity plan to complete the expected order delivery, resulting in that monthly overtime exceeded regulatory requirements during this audit. It violated the requirements in the amfori BSCI system manual.</p>	<p>被审核方部分遵守该原则，通过文件查阅，管理层和员工访谈确认，工厂建立了书面的生产成本与产能规划程序，但是该程序文件未能结合加班时间管控。管理层表示工厂未能建立一个完善的产能计划去完成预期的订单交货，导致本次审核发现月加班超出法规要求。违反了amfori BSCI系统手册中的要求。</p>



PA 5: Fair Remuneration

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	
<p>The auditee did not respect the principle, according to document review, management interview and workers interview to confirm that, the factory did not conduct the collection of worker’s daily cost and calculation to identify possible gaps existing between the actual remuneration and the basic need wages, the salary sampling of April 2024, June 2024 and September 2024 showed that the remuneration paid by the factory each month for about 80% of workers were lower than the requirement of GLWC’s calculated basic need wages (RMB 3719 per month, and those workers received remuneration paid with about RMB 3400 per month). The management stated that the factory was not aware of this requirement. It violated the requirements in the amfori BSCI system manual.</p>	<p>被审核方未遵守该原则，通过文件查阅，管理层访谈及工人访谈发现，工厂未进行员工日常需求信息收集和计算以识别其实际支付的工资和生活基本工资之间的差距，2024年4月、2024年6月及2024年9月的工资抽样显示约80%的员工工厂每月支付的报酬低于GLWC计算的生活基本工资的要求（每月3719元，这些员工每月收到报酬约3400元）。管理层表示，工厂不清楚该要求。违反了amfori BSCI系统手册中的要求。</p>

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted without negative impact on their pay, level of seniority, position, or promotion prospects?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee did not respect the principle, according to management interview, worker interview and purchasing records of social insurances review, it was noted that the factory did not purchase 5-types social insurances for partial employees. Due to the latest social insurance record (October 2024), there were 25 employees in total in the factory (included 8 retired workers, no new employee or dispatched worker involved. The factory should purchase social insurance to 17 employees), 6 out of 17 employees did not purchase endowment insurance, work injury insurance, unemployment insurance, medical insurance and maternity insurance. The factory had checked that those workers that were not covered by the social insurance, were covered by rural endowment insurance, however, no corresponding written evidence was collected. Through worker interview to know that, partial</p>	<p>被审核方未遵守该原则，通过管理层访谈、工人访谈和社保购买记录查阅发现，工厂未给部分员工购买5种类型的社保。根据最新的社保记录（2024年10月），工厂共25名员工（包括8名退休返聘员工，没有新入职员工或派遣工。工厂应为17名员工购买社保），17名员工中有6名员工未购买养老保险，工伤保险，失业保险，医疗保险和生育保险。工厂表示有了解没有购买社保的员工都有购买农村养老保险，但是未收集相应的书面证据。通过员工访谈发现部分员工不愿意重复购买社保。违反了中华人民共和国社会保险法 第72及第73条。</p>

Finding

workers did not like to repeat purchasing social insurance in the factory. It violated Social Insurance Law of the People's Republic of China, Article 72 & 73.

PA 6: Decent Working Hours

Site: HUIFENG UMBRELLA COMPANY LIMITED | Site amfori ID: 156-049240-001

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

The auditee did not respect the principle, according to management interview, workers interview and review 5 sampled workers' attendance records from 1 October 2023 to the audit date, it was noted that working hours recording system did not have capacity to control excessive working hours. The management stated that the factory established the plan to reduce the overtime hours step by step, but the working hours recording system did not have capacity to control excessive working hours. It was noted that the monthly overtime hours of 5 sampled workers were exceeding 36 hours in all sampled months: the maximum monthly overtime hours of 5 workers were 66 hours in April 2024. Maximum monthly overtime hours of 5 workers were 74 hours in June 2024. Maximum monthly overtime hours of 5 workers were 58 hours in September 2024. Through worker interview to know that, workers did not know about working hour control plan, the production supervisor notified the arrangement of overtime on weekday nights and Saturdays, workers wanted to have more overtime working to get higher payment. It violated PRC Labor Law, Article 41.

被审核方未遵守该原则，通过管理者访谈，员工访谈及查看5名抽样的员工从2023年10月1日至审核当天考勤记录发现，工时管控系统不能有效控制额外的加班。管理层表示，工厂建立了逐步减少加班工时的计划，但工时管控系统不能有效控制额外的加班。5名抽样员工的所有抽样月份的月加班时间都超过了36小时：2024年4月5人的最大月加班时间为66小时。2024年6月5人的最大月加班时间为74小时。2024年9月5人的最大月加班时间为58小时。通过员工访谈得知，工人不知道工时控制计划，由生产主管通知平时晚加班以及周末加班的安排，员工愿意多加班来取得更高收入。违反了中华人民共和国劳动法 第41条。

PA 7: Occupational Health and Safety

Site: HUIFENG UMBRELLA COMPANY LIMITED | Site amfori ID: 156-049240-001

Question: 7.2 Is there satisfactory evidence that the auditee seeks to improve workers' protection in case of accident, including through compulsory insurance schemes?

ENGLISH

LOCAL LANGUAGE

Finding

The auditee partially respected the principle, according to documents review, management interview and workers interview, it was noted that the factory purchased work injury insurance for 11 employees. However, 14 employees still did not participate in work injury insurance or commercial injury insurance. The management stated that, partial workers did not want to purchase social insurance in the factory, the factory had established the procedure of work injury treatment, there was no working accident happened in last 12 months. It violated Social Insurance Law of the People's Republic of China, Article 33.

被审核方部分遵守该原则，通过文件审核，管理者访谈与员工访谈发现，工厂已为11名员工购买了工伤保险。但仍有14名员工未购买工伤保险或者是商业意外险。管理层表示，部分员工不愿在工厂购买社保，工厂建立了工伤处理程序，过去12个月以来没有工伤意外发生。违反了中华人民共和国社会保险法第33条。

Question: 7.5 Is there satisfactory evidence that the auditee regularly provides OHS trainings to ensure workers understand the rules of work, personal protection and measures for preventing and reacting to injury to themselves and fellow workers?

ENGLISH

LOCAL LANGUAGE

Finding

The auditee partially respected the principle, according to documents review, management interview and workers interview, it was noted that the EHS training records of production workers did not show the training assessment results. Through workers interview to know that, the factory conducted at least one EHS training to workers per year. The management stated that, training records required attendance confirmation and training duration, but the training assessment results was not indicated. It violated the Regulations on Production and Business Unit Safety Training, Article 22.

被审核方部分遵守该原则，通过文件审核，管理者访谈及员工访谈发现，生产员工的健康安全培训记录未显示培训考核结果。通过员工访谈得知，工厂每年至少进行一轮生产的健康安全培训。管理层表示，培训记录需要签到确认及记录培训时长，但未标注培训的考核结果。违反了生产经营单位安全培训规定第22条。