

Monitoring result for GUANGZHOU H&M LEATHER GOODS CO;LTD on site Site 1

Monitoring

Monitored Party	: GUANGZHOU H&M LEATHER GOODS CO;LTD	amfori ID	: 156-008292-000
Site	: Site 1	Site amfori ID	: 156-008292-001
Address	: #342 LongGui Street, XiaLiang Road, Building 2, Suite 301, Baiyun district, GuangZhou	Monitoring Activity	: amfori Social Audit - Manufacturing
	: GUANGZHOU	Monitoring Type	: Full Monitoring
	: Guangdong Sheng	Submission Date	: 18/05/2021
	: China	Expiration Date	: 18/05/2023

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Overall rating



Section rating

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

Executive summary of audit report

Factory name: GUANGZHOU H&M LEATHER GOODS CO.,LTD 广州宏美皮具有限公司

Factory address: #342 LongGui Street, XiaLiang Road, Building 2, Suite 301, Baiyun district,GuangZhou 广州市白云区龙归街夏良路342号2栋301室

Business license number: 91440111072100932U

This was full audit for GUANGZHOU H&M LEATHER GOODS CO.,LTD, which was established on June 21, 2013. The factory consisted of the part of the 2nd floor and the whole of the 3rd floor of one 3-storey building for office, production and warehouse with a total land area about 1,300 square meters. No dormitory or canteen was provided to employees. The working environment was clean, organized, well lit and ventilated.

The factory was specialized in manufacture of bags. Production processes included cutting, sewing, gluing, assembly, inspection and packing. Per factory management interview, employee interview and factory tour, there was no subcontracting process or homeworking in the factory.

Managements were courteous during the opening meeting and provided auditor access to all areas and documents they had. Based on the management interview, there were 48 employees (25 male, 23 female) including 7 non-production employees and 41 production workers. Workers' working hours were recorded by IC card machine with detailed time in and time out information. All workshops ran 1 shift from 08:00-12:00, 14:00-18:00. OT from 18:40 -21:40, The normal working day was from Monday to Friday. Management issued the wages of current month before 30th of following month via cash with wage stubs issued to workers and the workers' signatures on the payrolls. All of them were paid based on hourly rate.

The factory provided the payroll records and attendance records for review. According to the payroll and attendance records of 5 samples from October 2020, 5 samples from February 2021, 5 samples from current month March 2021, also 5 samples from full but unpaid month from April 2021, it was noted that the regular wage of all 20 sample workers were paid at RMB 12.65 per hour, which was higher than the local legal requirements of RMB2100 per month or RMB 12.07 per hour since July 1, 2018. Through management interviews and employees' interviews, factory management and employees understood basic needs wage. All sample workers were paid 150% and 200% of regular wages for their overtime work on workdays and rest days respectively, which met the statutory requirement. No overtime hours worked on statutory holidays. Holiday wage was provided by factory management. The maximum overtime hours was 3 hours a weekday, 8 hours a rest day, 11 hours a week and 35 hours a month. The maximum weekly working hours were 51 hours and the maximum consecutive working day was 6 days.

According to the social insurance payment receipt provided by factory management, it was noted that in April 2021, only 4 out of 45 employees were provided with pension, medical, maternity, accident, unemployment insurance (8.89%). And the factory had provided commercial insurance for 45 employees dated from April 20, 2021 to April 19, 2022. According to factory management, they did not provide social insurance to all employees because some employees were unwilling to participate in the social insurance program. All employees interviewed also confirmed that they were voluntarily to participate in the social insurance program.

Confidential interviews were conducted with 5 employees from different workshops. All employees were interviewed individually. All employees were satisfied with the working condition. The youngest employee was 28 years old.

At the end of the audit, a closing meeting was held with the factory representatives. All of the findings were disclosed and discussed and a corrective action plan was explained to the factory representatives Ms. Yu Xiangrong, Account agreed with the findings and signed the corrective action plan.

Opening meeting factory representatives (name and titles)

Ms. Yu Xiangrong, Account

Mr. Liu Jianxin, Worker Representative

Remark:

1. There was no contractor used by the auditee, which makes the contractor license/permit not applicable.
2. There was no agency used by the auditee, which makes the agency labor contract not applicable.
3. The Government waivers were not applicable in the auditee.
4. The Collective bargaining agreements were not applicable in the auditee.

5. Audit Company: Bureau Veritas Consumer Products Service

Audit Company APSCA Number: 11600002

Lead Auditor Name: Nancy Tao

APSCA Auditor Registered Number: RA21703406

6. It was noted that the audited factory occupied part of the 2F and the whole of the 3F of the 3-storey production building and the 1F and part of the 2F were belonged to another factory named Guangzhou Wenxin Metal Products Co., Ltd.

Site Details

Site : Site 1

Site amfori ID : 156-008292-001

GICS Classification

Sector : Consumer Discretionary

Industry : Textiles, Apparel & Luxury Goods

Industry Group : Consumer Durables & Apparel

Sub Industry : Apparel, Accessories & Luxury Goods

GS1 Classifications

N.A.

Product Process Classifications

N.A.

Metrics

Key Metrics

Total workforce	48 Workers
Legal minimum wage in local currency	2100 Monthly
Lowest wage paid for regular work at the site	2200 Monthly
Calculated living wage in local currency	2310 Monthly
Total sample	5 Workers

Other Metrics

Male workers	25 Workers
Female workers	23 Workers
Permanent workers - Male	25 Workers
Permanent workers - Female	23 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	5 Workers
Management - Female	2 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	17 Workers
Domestic migrant workers - Female	17 Workers
Foreign migrant workers - Male	0 Workers
Foreign migrant workers - Female	0 Workers
Workers hired directly - Male	25 Workers
Workers hired directly - Female	23 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	2 Workers

Findings

PA 2: Workers Involvement and Protection

It was noted that though the factory provided the commitment that they will implement the social responsibility according to the local law and BSCI Code of Conduct and the factory had a long-term goals, the factory did not have a plan to reflect a step-by-step approach toward sustainable improvements. This Violated Performance Area 2: Workers Involvement and Protection 2.2.

工厂虽然有承诺执行社会责任且有建立长期目标，但是工厂没有建立如何逐步达到该目标的计划。根据执行领域2：工人参与和保护2.2

It was noted that the factory did not establish effective grievance mechanism in place to guarantee that all the interested party could address complaints in a proper manner and receive a proper follow up within a reasonable period of time. The factory did not establish effective communication approach with all the interested party. The interested party could not communicate the issue with the factory in time. The factory established the internal grievance mechanism and provided the suggestion box to employees. This did not respect BSCI Performance Area 2.5 The factory stated that they would take corrective action in future.

工厂没有针对利益相关方建立有效的建议和申诉机制。工厂没有跟利益相关方建立有效的沟通途径，利益相关方不能跟工厂及时沟通问题。工厂建立了内部申诉机制，提供了意见箱给工人。根据BSCI 2.5改善。工厂表示尽快整改该问题。

PA 5: Fair Remuneration

According to the social insurance payment receipt provided by factory management, it was noted that in April 2021, only 4 out of 45 employees were provided with pension, medical, maternity, accident, unemployment insurance (8.89%). And the factory had provided commercial insurance for 45 employees dated from April 20, 2021 to April 19, 2022. According to factory management, they did not provide social insurance to all employees because some employees were unwilling to participate in the social insurance program. All employees interviewed also confirmed that they were voluntarily to participate in the social insurance program. This violated Article 73 of the Labor Law of the People's Republic of China.

根据厂方提供的2021年4月的社会保险缴费单据显示工厂为45名员工中的4名提供养老、医疗、生育、工伤、工商保险(8.89%)，另外工厂为45名员工购买了商业意外险，有效期从2021年4月20日到2022年4月19日。根据工厂管理层访谈，社保覆盖不足是由于部分员工不愿意缴纳社保。根据员工访谈，员工自愿交纳社保。根据《中华人民共和国劳动法》第73条。

PA 7: Occupational Health and Safety

1. It was noted that there were total 19 workers in the workshops contacted big noise, dust and benzene, but the factory only provided on-job occupational diseases examination for 7 out of 19 workers. In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases. 2. It was noted that the audited factory occupied part of the 2nd floor and the whole of the 3th floor of the 3-storey production building and the 1st floor and part of the 2nd floor were belonged to another factory named Guangzhou Wenxin Metal Products Co., Ltd. The fire control safety duties of each side were not properly clarified, and no duty person was assigned to unify administration on common evacuation passageway, safety exits, fire control facilities and fire truck passageway. In accordance with Article 18 of Fire Control Law of the People's Republic of China, the factory stated that they would take corrective action in future.

1. 审核员发现工厂车间接触噪音，粉尘和苯的员工共有19名，但是工厂仅安排7/19名员工进行职业病体检。根据《中华人民共和国职业病防治法》第35条。2. 审核员发现工厂使用一栋三层生产楼的2楼部分和3楼全部，而1楼和2楼部分区域属于另一名为广州稳新五金制品有限公司的工厂。两家工厂尚未明确各方的消防安全责任，并确定责任人对共用的疏散通道、安全出口、建筑消防设施和消防车通道进行统一管理。据《中华人民共和国消防法》第18条，工厂同意该问题并表示尽快改善。

The factory did not establish the risk assessment procedure about controlling transmittable and non-transmittable diseases. The factory did not conduct the risk assessment about controlling transmittable and non-transmittable diseases. The factory did not provide related training to employees. The factory stated that they would take corrective action in future.

工厂没有建立传染病和非传染病风险评估控制程序，工厂没有进行传染病和非传染病风险评估，没有提供相关的培训给工人。工厂表示尽快整改该问题

The factory had conducted health and safety risk assessment for all workshop and production processes, but workers or their representatives were not involved in the process. This violated Performance Area 7: Occupational Health and Safety 7.4. Factory management agreed with the issue and would take corrective action as soon as possible.

工厂有对所有车间和生产过程进行了健康安全风险评估，但员工或员工代表未参与到评估中。根据执行领域7：职业健康和安7.4. 工厂同意该问题并表示尽快改善。

It was noted that the water flow from eye wash facility was too much for effective eye washing, which could cause secondary damage for employee. So it could not be accepted as a functional emergency washing facility. In accordance with Article 26 of Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases The factory stated that they would take corrective action in future.

审核员发现工厂在车间里设置的洗眼器的水压过高，可能会对员工产生二次伤害，该洗眼器不能起到紧急冲洗的作用。根据《中华人民共和国职业病防治法》第26条 工厂表示尽快整改该问题

It was noted that two area switch boxes in the workshop were kept open, and without inner cover. In accordance with Article 6.7 of the General Guide for Safety of Electric User (GB/T13869-2008) The workshop director conducted electrical equipment safety check every month. Factory management agreed with the issue and would take corrective action as soon as possible.

PA 7: Occupational Health and Safety

审核员发现生产车间2个电箱开启，且没有内盖。根据《用电安全导则GB/T13869-2008》第6.7条 工厂车间主任对电器安全按进行每月检查。工厂同意该问题并表示尽快改善。

It was noted that the emergency evacuation plan was posted in the warehouse and workshop. But the location of part of fire facilities such as fire alarm and so on was not marked in the emergency evacuation plan.

工厂张贴的逃生图没有标明部分消防设施的位置，例如警铃的位置等。根据《疏散平面图设计原则与要求》GBT 25894-2010，第5.10 工厂表示尽快整改该问题

Remark: No canteen was provided.

备注：工厂不能提供食堂

It was noted that insufficient facilities provided in washing room in production area, such as no soap, towel and so on. This violated Performance Area 7: Occupational Health and Safety 7.22.

Occupational Health and Safety 7.22. 审核员发现生产区的洗手间设施不足，如没有肥皂和毛巾等。根据执行领域7：职业健康和安 全 7.22。

Remark: No transportation was provided.

备注：被审核方未提供交通。

Remark: No dormitory was provided.

备注：工厂不能提供宿舍

PA 12: Protection of the Environment

The factory had conducted environment impact assessment for the factory boundary, but the assessment content did not include the impacts for communities near the factory. In accordance with performance area 12: Protection of the environment. 12.1 The factory stated that they would take corrective action in future.

工厂有对周边环境影响进行环境影响评估，但评估内容没有包含对周边社区影响。依据执行领域12：环境保护 12.1 工厂表示尽快改善。

PA 13: Ethical Business Behaviour

It was noted that the factory did establish procedures on privacy protection, but no training on this part was provided to employees. In accordance with Performance Area 13: Ethical Business Behavior 13.4.

工厂有建立有关保护个人隐私的程序但未进行相关培训。根据执行领域13：道德商业行为 13.4