

Monitored Party SHENZHEN XINHAOLI ELECTRONIC CO.,LTD	amfori ID 156-045356-000	Address 201, 2nd Floor, Building 2, No. 92#, Pinglong West Road, Shanxia Community, Pinghu Street, Longgang District, 518111 Shenzhen, Guangdong Sheng, China
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Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TUV Rheinland
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Monitoring Start Date 08/04/2024	Closing Meeting Finished Date 08/04/2024	Submission Date 17/04/2024
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Expiration Date 17/04/2025	Announcement Type Semi Announced
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Site SHENZHEN XINHAOLI ELECTRONIC CO.,LTD	Site amfori ID 156-045356-001
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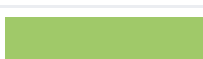
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OVERALL RATING



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	A	
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: Ted Zhang; APSCA membership number: CSCA 21701883

Monitoring partner name: TUV Rheinland.

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

Announcement Type: Semi Announced.

Business partner information: SHENZHEN XINHAOLI ELECTRONIC CO.,LTD (深圳市鑫好礼电子有限公司) was established in year of 2012 and located at 201, 2nd Floor, Building 2, No. 92#, Pinglong West Road, Shanxia Community, Pinghu Street, Longgang District, Shenzhen, Guangdong, China (中国广东省深圳市龙岗区平湖街道山厦社区平龙西路92号第2栋二楼201). The auditee mainly manufactured the LED lights. The main production processes were assembly, inspection, and packing. As per management team, there was no obvious peak or low season in the past one year, and no production process was subcontracted.

Audited location information: The auditee was located in an industrial park which was including 4 blocks of buildings (2 blocks of 3-storey production buildings No.1 and No.2, 1 block of 1-storey production building, and 1 block of 3-storey dormitory building) and there were about 10 independent companies in the boundary. It was verified that the auditee only rented and used the whole 2F of the 3-storey production building No.2 as production, warehouse, and office area. No dormitory, kitchen, or canteen facility was provided to workers of the auditee. Building information of the 3-storey production building No.2:

1F: rented and used by three independent companies A, B, C.

2F: rented and used by the auditee.

3F: rented and used by another independent companies D.

It was verified that the whole 3-storey production building No.1, the 1-storey production building, and the 3-storey dormitory building in the boundary of this industrial park were used by other independent companies which were with separate business licenses. Their companies' names were displayed on each floor for identification and separation. The auditee did not share worker or production process with these companies. Therefore, this audit scope was only including the whole 2F of the 3-storey production building No.2 at this site. The audit scope was the same as previous audit, and consistent with the address in the business license.

Operating shifts and hours: During this audit, total 8 sampled workers' time records from 1 April 2023 to the morning on 8 April 2024 of the current audit day were provided for review. Workers' attendance information was recorded at the beginning and end of each working shift. Standard working hour system was implemented. Regular working time was 8 hours per day and 5 days per week. All workers worked in one shift per day: from 08:00 to 12:00, and from 13:30 to 17:30; overtime was 2 hours from 18:30 to 20:30; the overtime frequency was 4 to 5 times per week; their overtime hours on Saturdays were 8 hours regularly and the working schedule was the same as regular working days. Sunday was guaranteed as the rest day for all workers. It was noted that the sampled workers' weekly working hours were 58 hours including 40 regular hours and 18 overtime hours. In addition, the maximum daily and monthly overtime hours were 2 hours and 82 hours (March 2024) respectively.

Time recording system: Fingerprinting attendance machine.

Salary payment details: Wage was paid by cash on or before 5th of each month for the previous wage cycle. During this audit, the latest wage calculation cycle was March 2024 with payment day on 5 April 2024. Total 8 workers' payroll records from April 2023 to March 2024 were sampled for review. The local legal minimum wage was adjusted to RMB2360/month (equal to RMB13.56/hour) since 1 January 2022. It was noted that all sampled workers were compensated higher than the legal minimum wage standard: they were paid at least RMB14.95/hour (equal to RMB2600/month) on basis of the hourly rate in the past one year. 150% and 200% of the regular rate was compensated for overtime on regular working days and rest days respectively. No overtime on national holiday was conducted in the past one year. No illegal deduction was applied for this auditee. All workers were paid with the paid national holidays, annual leave, sick leave, marriage leave, and maternity leave in accordance with the legal standard.

Worker number information: Total 37 workers including 24 production workers (including 6 male and 18 female) and 13 non-production workers were hired directly by the auditee. There were 32 domestic workers (10 male and 22 female) from

various provinces such as Guangxi, Sichuan, and Jiangxi, etc. No subcontracted labor, dispatched worker, home worker, oversea migrant labor, child labor, juvenile worker, or part-time worker was found during this audit. The industrial park was responsible for the security service; in addition, CCTV system was equipped in the necessary points of the auditee.

Good practices: Nil.

Worker organization details: No labor union was established. One worker representative was freely elected by workers themselves by yearly and last election date was on 14 June 2023.

Circumstances: There was no special circumstance during the audit.

Summary of findings: during this audit, findings were noted in PA1, PA5, PA6, PA7, and PA12.

PA1: Insufficient social management system and the auditee didn't implement effective workforce capacity planning.

PA5: Insufficient social insurance coverage.

PA6: Systematic excessive monthly OT.

PA7: The auditee did not provide the MSDS in the chemical using area (assembly line), the auditee did not display the accident and emergency handling procedures in visible area, relevant warning signs (such as weight capacity and for goods loading only, etc.) were not posted around the cargo lift.

PA12: The auditee did not carry out environmental monitoring regularly, and the auditee could not provide the industrial solid waste management ledger for review.

Attachment:

- 1) The Personal Information Protection Law of the People's Republic of China was effective as of 1 November 2021, the producer signed 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(s) had been obtained the individual's consent during the audit.
- 2) Agency labour contract was not reviewed as no agency was used. No contractor license/permit was reviewed as no contractor was used during audit period. No collective bargaining agreement was applied.
- 3) The auditee had not got any government waiver.

SITE DETAILS

Site
**SHENZHEN XINHAOLI
ELECTRONIC CO.,LTD**

Site amfori ID
156-045356-001

GICS Classification

Sector Consumer Discretionary	Industry Group Consumer Durables & Apparel	Industry Household Durables
Sub Industry Consumer Electronics		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

Manufacture of consumer electronics

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	37	Workers
Legal minimum wage in local currency	2,360	Monthly
Lowest wage paid for regular work at the site	2,600	Monthly
Calculated living wage in local currency	3,719	Monthly
Total sample	8	Workers

Other Metrics

Male workers	11	Workers
Female workers	26	Workers
Non-binary workers	0	Workers
Permanent workers - Male	11	Workers
Permanent workers - Female	26	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	3	Workers
Management - Female	3	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	10	Workers
Domestic migrant workers - Female	22	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	11	Workers
Workers hired directly - Female	26	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	3	Workers
Sample - Female	5	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: SHENZHEN XINHAOLI ELECTRONIC CO.,LTD | Site amfori ID: 156-045356-001

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 this principle based on site observation, document review, worker interview and management interview. The auditee had not established an effective management system to fully implement the amfori BSCI code of conduct and laws and regulations. For example, insufficient social insurance coverage, systematic excessive monthly OT, the auditee did not provide the MSDS in the chemical using area (assembly line), the auditee did not display the accident and emergency handling procedures in visible area, relevant warning signs (such as weight capacity and for goods loading only, etc.) were not posted around the cargo lift, the auditee did not carry out environmental monitoring regularly, and the auditee could not provide the industrial solid waste management ledger for review. According to the interview with the management, they were aware of the existence of most of the issues; however, the auditee did not formulate effective improvement measures or plans to achieve gradual improvement or fully correct them. The management explained that some findings were difficult to be fully corrected in a short period of time due to lack of manpower, cost increased, insufficient onsite monitoring on Health and Safety issues, etc. Nevertheless, they promised to make corrective actions on some issues that could be settled within a short period of time. This violated the requirements of amfori BSCI system manual.</p>	<p>基于现场观察、文件审核、工人访谈和管理层访谈，受审核方部分遵守该原则。受审核方没有建立一个有效的管理体系去全面落实amfori BSCI行为守则及法律法规要求。比如社保覆盖不足，系统性的月加班超时，受审核方在化学品使用区域（组装线）没有提供任何的物质安全资料表，受审核方没有在显眼的区域展示事故和应急处理程序，货梯的附近没有张贴相关的警示标识（如载重限制以及仅能载货等），受审核方没有定期进行环境监测，以及受审核方未能提供工业固体废物管理台账供查看。根据管理人员访谈，他们了解所提到的大部分问题的存在，但是并未针对这些问题制定有效的改善措施或计划，来实现逐步改善或者彻底改善。管理人员解释，由于缺少人力、成本增加、现场健康安全问题的监督不足等原因，一些问题很难在短期内解决。尽管如此，他们还是承诺会对一些短期内可以解决的问题尽快完善。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 this principle based on document review, worker interview and</p>	<p>基于文件审核、工人访谈和管理层访谈，受审核方部分遵守该原则。受审核方未有效执行产能规划导</p>

Finding

management interview. The auditee didn't implement effective workforce capacity planning causing the issue that monthly overtime hours were systematically exceeding the legal requirement for 8 sampled workers. The management explained that due to manpower shortage and urgent production orders, it was hard to reasonably arrange production plan (refer to 6.2 for details). This violated the requirements of amfori BSCI system manual.

致在抽样审核的8名工人系统性存在月加班超时的问题。管理人员解释由于人员紧缺和紧急的生产订单，很难合理安排生产计划（详见6.2）。这违反了amfori BSCI系统手册中的要求。

PA 5: Fair Remuneration

Site: SHENZHEN XINHAOLI ELECTRONIC CO.,LTD | Site amfori ID: 156-045356-001

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

The auditee partially respected this principle based on document review, worker interview and management interview. During this audit, it was noted that total 37 workers were working in the auditee including 10 retirement re-employment workers (no social insurances were mandatory for the retirement re-employment worker as per local law). Therefore, 27 workers should be entitled to the social insurances as per legal requirements. The online social insurance purchasing system in the past one year were provided for review. In March 2024, only 24 eligible workers were provided with the social insurances (including the retirement, work-related injury, unemployment, medical and child-bearing insurances). However, other 3 eligible workers were not provided with the social insurances. The management team stated that workers could decide to have the social insurances or not in the auditee. All workers already had social insurances or the new Rural Cooperative Medical Insurance in their hometowns. Interviewed workers reported that they may change their jobs in any time, and they had social insurances or the new Rural Cooperative Medical Insurance in their hometowns, so that they did not want to have social insurances in the auditee. However, the auditee did not collect any evidence about those workers' payment of the

基于文件审核、工人访谈和管理层访谈，受审核方部分遵守该原则。本次审核受审核方总共有37名工人包括有10名退休返聘工人（根据当地法律，退休返聘工人不强制要求购买社会保险）。因此，根据法律要求27名工人应当享受社会保险。受审核方提供了过去一年的社保网上缴费系统供查看。在2024年3月，受审核方给其中的24名在职的工人提供了社会保险（包括养老、工伤、失业、医疗和生育保险）。但是，受审核方没有给其他3名具备资格的工人提供社会保险。管理层表示工人可以自己是否选择在受审核方参加社会保险。大多数工人已经在自己的家乡参加了社保或者新农村合作医疗保险。访谈的工人表示他们随时可能换工作，且他们已经在自己的家乡参加了社保或者新农村合作医疗保险。所以他们不选择在受审核方参保。但是，受审核方没有收集工人在自己家乡购买社保或者新农村合作医疗保险的付款证据。这违反了中国劳动法第72条和73条。
备注：1)受审核方没有外包工、劳务派遣工、临时工、家庭工、兼职工或学生工，且在最近一次缴纳社保后没有新入职的工人。2)受审核方给所有没有覆盖社会保险的工人免费提供了商业意外险（由中国太平洋财产保险股份有限公司承保且保险期限从2023年10月27日到2024年10月27日）。

Finding

social insurances or the new Rural Cooperative Medical Insurance in their hometowns. This violated PRC Labor Act, Article 72, and Article 73.

Remark: 1) The auditee did not have any subcontracted worker, dispatched worker, temporary worker, home worker, part-time worker or student worker, and there was no new worker after the latest social insurance payment. 2) The auditee had provided the commercial accident insurance to all workers who were not covered in the social insurances free of charge (underwritten by China Pacific Property Insurance Company Limited and the insurance periods were from 27 October 2023 to 27 October 2024).

PA 6: Decent Working Hours

Site: SHENZHEN XINHAOLI ELECTRONIC CO.,LTD | Site amfori ID: 156-045356-001

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 this principle based on document review, worker interview and management interview. It was noted that all sampled workers' monthly overtime hours were systematically exceeding 36 hours during this audit. Total 8 sampled workers' time records from 1 April 2023 to the morning on 8 April 2024 of the current audit day were provided for review. It was noted that these 8 sampled workers' monthly overtime hours in months of from April 2023 to January 2024 and March 2024 were exceeding 36 hours of the legal limit. The time records in June 2023, November 2023, and March 2024 were used as the calculation samples. It was noted that 8 out of 8 sampled workers' monthly overtime hours in June 2023 were exceeding 36 hours, maximum 68 hours; 8 out of 8 sampled workers' monthly overtime hours in November 2023 were exceeding 36 hours, maximum 76 hours; 8 out of 8 sampled workers' monthly overtime hours in March 2024 were exceeding 36 hours, maximum 82 hours. The management representative stated that the production capacity was based on order planning,

基于文件审核、工人访谈和管理层访谈，受审核方未遵守该原则。本次审核所有抽样工人的月加班时间系统性超过36小时。受审核方提供了总共8名抽样工人从2023年4月1日到2024年4月8日当前审核日上午的考勤记录供查看。发现这8名抽样工人从2023年4月到2024年1月、以及2024年3月的月加班时间超过法律规定的36小时。选取2023年6月、2023年11月和2024年3月总共三个月的考勤记录作为统计样本，发现8/8名抽样工人在2023年6月的月加班超过36小时，最高68小时；8/8名抽样工人在2023年11月的月加班超过36小时，最高76小时；8/8名抽样工人在2024年3月的月加班超过36小时，最高82小时。管理者代表表示生产产能都是基于订单安排、劳动力和机器等情况来确定的，但是他们目前依然很难控制月加班在36小时以内。目前他们控制工人的月加班时间在82小时以内。受访工人表示每个月的月加班时间超过36个小时。加班是自愿的，他们愿意有适当的加班，目前他们对加班时间没有抱怨。这违反了中华人民共和国劳动法第41条(受审核方没有取得任何有效的综合计时批文)。

Finding

work force, and machinery, etc., but they were still difficult to control monthly overtime within 36 hours currently. Currently they could control workers' monthly overtime within 82 hours.

Interviewed workers reported that their monthly overtime hours were exceeding 36 hours in most of months. Overtime was conducted at their own willing. They were willing to have appropriate overtime, and they did not have any complaint about the overtime hours. This violated PRC Labor Act, Article 41 (The auditee did not obtain any valid comprehensive working hours system waiver).

PA 7: Occupational Health and Safety

Site: SHENZHEN XINHAOLI ELECTRONIC CO.,LTD | Site amfori ID: 156-045356-001

Question: 7.7 Is there satisfactory evidence that the auditee implements engineering and administrative control measures to avoid or minimise the release of hazardous substances into the work environment, keeping the level of exposure below internationally established or recognised limits?

ENGLISH

LOCAL LANGUAGE

Finding

The auditee partially respected this principle based on site observation and management interview. The auditee only provided the MSDS for relevant chemicals in the chemical storage area but did not provide the MSDS in the chemical using area (assembly line). The management team said that they neglected this requirement. This violated Regulations on Safety in Workplaces Where Chemicals Are Used, Article 12.

基于现场观察和管理层访谈，受审核方部分遵守该原则。受审核方只在化学品存放区域提供了相关化学品的物质安全资料表，但是在化学品使用区域（组装线）没有提供任何的物质安全资料表。管理层说他们忽视了这个要求。这违反了工作场所安全使用化学品规定第12条。

Question: 7.8 Is there satisfactory evidence that the auditee has developed and implemented accident and emergency procedures?

ENGLISH

LOCAL LANGUAGE

Finding

The auditee partially respected this principle based on site observation, worker interview and management interview. The auditee had already established the accident and emergency handling procedures, but the auditee did not display the accident and emergency handling procedures in visible area. The management team said that they

基于现场观察、工人访谈和管理层访谈，受审核方部分遵守该原则。受审核方已经建立了事故和应急处理程序，但是受审核方没有在显眼的区域展示事故和应急处理程序。管理层说他们忽视了这个要求。这违反了amfori BSCI系统手册中的要求。

Finding	
neglected this requirement. This violated the requirements of amfori BSCI system manual.	

Question: 7.9 Is there satisfactory evidence that the auditee makes visible potential hazards to the workers and visitors through signs and warnings?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle based on site observation, worker interview and management interview. One cargo lift was used by the auditee; but relevant warning signs (such as weight capacity and for goods loading only, etc.) were not posted around the cargo lift. The management team said that they neglected this requirement. This violated Law of the PRC on Work Safety, Article 35.	基于现场观察、工人访谈和管理层访谈，受审核方部分遵守该原则。受审核方使用了一部货梯；但是货梯的附近没有张贴相关的警示标识（如载重限制以及仅能载货等）。管理层说他们忽视了这个要求。这违反了中华人民共和国安全生产法第35条。

PA 12: Protection of the Environment

Site: SHENZHEN XINHAOLI ELECTRONIC CO.,LTD | Site amfori ID: 156-045356-001

Question: 12.4 Is there satisfactory evidence that waste is managed in a way that does not lead to the pollution of the environment?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially respected this principle based on site observation, document review, worker interview and management interview. 1) The auditee did not carry out environmental monitoring regularly, such as boundary noise and waste air from the soldering positions. This violated HJ819-2017 General Rules for Guidelines for Self-monitoring Bases of Pollutant Discharge Units, Article 4.3, 5.2.1.4 and 5.4.2. 2) The auditee could not provide the industrial solid waste management ledger for review. In addition, the auditee could not provide relevant evidence (such as hazardous waste treatment contract, hazardous waste transfer form, and hazardous waste treatment unit qualification, etc.) to prove that they had transferred the hazardous waste to the qualified unit. The management team stated that they transferred the hazardous waste to	基于现场观察、文件审核、工人访谈和管理层访谈，受审核方部分遵守该原则。 1) 受审核方没有定期进行环境监测，例如厂界噪声和焊锡岗位产生的废气。这违反了HJ819-2017排污单位自行监测基数指南总则，第4.3条、5.2.1.4条和5.4.2条。 2) 受审核方未能提供工业固体废物管理台账供查看。另外，受审核方无法提供相关证据（危废处理合同、危废转移联单和危废处理单位资质等）证明危险废物是交给有资质的处理单位处理。管理层表示他们把危险废弃物转交给供应商，但是他们并不清楚供应商是否有资质。这违反了中华人民共和国固体废物污染环境防治法第78和80条。

Finding

suppliers, but they did not know whether the suppliers had any qualification. This violated Law of the people's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, Articles 78 and Article 80.