

Monitored Party Zhongshan Frecom Electronic Co.,Ltd	amfori ID 156-041540-000	Address No.13 Xiangfu Road, Torch Hi-tech Industrial Development Zone, zhongshan , Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner Bureau Veritas Hong Kong Limited
Monitoring Start Date 21/11/2023	Closing Meeting Finished Date 21/11/2023	Submission Date 28/11/2023
Expiration Date 09/12/2024	Announcement Type Semi Announced	
Site Zhongshan Frecom Electronic Co.,Ltd	Site amfori ID 156-041540-001	

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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	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

Name of lead auditor: Simon Chen; APSCA membership number: CSCA 21701674

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

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

Monitoring partner name: Bureau Veritas Consumer Products Service; APSCA Number: 11600002

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

Announcement Type: Semi Announced Follow-up Audit. (Monitoring Date: November 21, 2023) During this follow up audit, PA 1, PA 2, PA 5, PA 6, PA7 were covered.

Business partner information: Zhongshan Frecom Electronic Co.,Ltd (中山市福瑞康电子有限公司, 91442000686430290P) was established on April 13, 2009. And the address was No.13 Xiangfu Road, Torch Hi-tech Industrial Development Zone, Zhongshan City, Guangdong Province, China (中山市火炬开发区祥富路13号1#厂房3楼). The factory specialized in manufacturing of household weighing apparatus. And the main production processes included assembly, testing and packing.

Audited location information: The factory was located at one 5-storey building (partial 5-storey). Currently, part of 1st floor, the whole 2nd and 3rd floor, and part of the 4th floor were rented by the audited factory. The total construction area was about 4800 square meters. The building layout detailed as: part of 1F occupied by the auditee as reception area, the other area of 1F occupied by other factory, 2F occupied by the auditee as warehouse and office, 3F occupied by the auditee as assembly, testing and packing workshop and office, part of 4F occupied by the auditee as warehouse, the other area of 4F occupied by the other company as office. 5F occupied by other company.

The building was rental. Neither dormitory nor canteen was provided. Per factory tour, there were the other two companies “中山市鼎双精密模具有限公司, 中山市壹品日用品有限公司” sharing the building with the auditee. The factory was manufacturing plastic products. Per factory management representatives and employee interview, all companies had separated business licenses and they did not share any equipment or employee. As a result, auditor did not include the other companies into the audit scope.

Operating shifts and hours: Per management interview and document review, all employees worked in 1 shift: 8:00-12:00 and 13:30-17:30. The normal working day was from Monday to Friday.

Time recording system: The factory adopted finger & face scan system to record employees' working hours.

Salary payment details: Employees' wages were paid before 28th day of the following month by bank transfer with payslips issued to employees. Per payroll review and interviews with management and employees, all employees were paid by hourly rate.

During the audit, time records and wage records were sampled as follows for working hour and wage testing: 5 samples from October 2023 as the most recent paid month, 5 samples from July 2023 and 5 samples from March 2023.

According to the sampled payroll records, it was noted that all employees were paid at least CNY 12.07 per hour during the tested period, which was higher than the local minimum wage CNY 1900 per month or CNY 10.92 per hour.

Employees' overtime hours worked on weekdays and weekends were paid with 150% and 200% of employee's normal wage respectively, which was compliance with legal requirement. No one worked on statutory holidays.

According to the sampled time records, it was noted that the maximum overtime hours was 3 hour per day, and 74 hours per month. Employees worked consecutive 6 days at most. The maximum weekly working hour was 59 hours.

Worker number information:

Total of 122 employees with 94 production staffs and 28 non-production staffs

Total 94 production workers with 25 males and 69 females

Total 87 domestic migrant employees with 25 males and 62 females, no foreign migrant, young, women pregnant, seasonal, temporary, disabled, home-based workers

No other special group workers (interns, apprentices, contractor workers etc.)

The youngest employee in the factory was 18 years old.

Good practices: The factory provided some benefit to employees, such as annual leave.

Worker organization details: Worker committee was established in the factory. There were 2 worker representatives (2 males) selected in 2023.

Circumstances: There was no special circumstance during the audit.

Summary of findings: Some non-compliances were raised in the PA1, PA2, PA5, PA6, PA7.

Living wage calculation: Living Wage please refer to BNW in attachment. BV had used the methodology which was similar with Anker Benchmark methodology to estimate the living wage by estimating the cost of a basic but decent life style for a

worker and his/her family. This involved adding up the cost of three expenditure groups: food (for a low-cost nutritious diet), housing (for basic healthy housing), and other essential expenses for a family, and then adding a small margin for sustainability and emergencies. The reason BV did not use Anker benchmark is no data in GLWC for the area where the factory was located. The data source: onsite audit information collection (BV BNW).

Minimum Content MEMO (MEMO (AC's 2018/06 1) There was a personal data protection law/requirement in China.

Therefore, all attachments were involved in employees' personal data would be hidden during this audit.

Remarks:

1. There was no contractors or agencies used by the auditee, which made the contractor license/permit and agency labour contract not applicable. No Government waivers or Collective bargaining agreements was available.
2. This is a follow up audit, which did not include PA12 into the audit scope as this PA was full compliance during previous audit. As a result, relevant environment certificate was not attached during this audit.

SITE DETAILS

Site	Site amfori ID
Zhongshan Frecom Electronic Co.,Ltd	156-041540-001

GICS Classification

Sector	Industry Group	Industry
Consumer Discretionary	Consumer Durables & Apparel	Household Durables
Sub Industry		
Housewares & Specialties		

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	119	Workers
Legal minimum wage in local currency	1,900	Monthly
Lowest wage paid for regular work at the site	2,100	Monthly
Calculated living wage in local currency	2,398.23	Monthly
Total sample	5	Workers

Other Metrics

Male workers	36	Workers
Female workers	83	Workers
Permanent workers - Male	37	Workers
Permanent workers - Female	85	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	2	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	25	Workers
Domestic migrant workers - Female	62	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	37	Workers
Workers hired directly - Female	85	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	2 Workers
Sample - Female	3 Workers

FINDINGS



PA1: Social Management System

Site: Zhongshan Frecom Electronic Co.,Ltd | Site amfori ID: 156-041540-001

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>Previous audit conducted on December 2, 2022 The auditee had established social compliance management system. However, it's not implemented effectively in some performance areas, e.g. Decent Working Hours, etc. Gaps were identified in some performance areas during this audit. Please refer to BSCI PA 1.1</p> <p>Follow up audit conducted on November 21, 2023 Not corrected: Based on factory tour, document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory had set up management system to compliance with the BSCI Code of Conduct. However, some policies were improperly implemented and the factory did not monitor the management system accurately. This question was rated as partially non-compliance because there were only some gaps between the factory in some performance areas and the requirement of Amfori BSCI. Please refer to BSCI PA1.1</p>	<p>Previous audit conducted on December 2, 2022 受审方已建立了社会责任管理系统，然而，管理系统在一些绩效领域中没有有效地执行，例如：“体面工作时间”等。此次审核在一些绩效领域中发现一些执行差异。请参看BSCI PA 1.1</p> <p>Follow up audit conducted on November 21, 2023 未改善： 基于现场观察，文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现工厂已经建立了社会责任管理体系以符合BSCI行为准则，但部分制度没有执行到位，并且对其社会责任体系执行情况监管不到位。因为工厂仅仅只是在某些执行领域和Amfori BSCI的要求之间存在某些差距，所以这个问题点判为部分不符合。 请参看BSCI PA1.1</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>Previous audit conducted on December 2, 2022 The factory did not recruit enough employees or organize its workforce capacity to meet the expectations of the delivery order and/or contracts, so that employees' overtime hours exceeded legal limit. Please refer to BSCI PA 1.4</p> <p>Follow up audit conducted on November 21, 2023 Not corrected: Based on document review, management interview, the factory did not recruit enough employees or</p>	<p>Previous audit conducted on December 2, 2022 工厂没有足够的员工或者进行良好的生产组织来达成交付订单和/或合同预期，以至于员工加班超出法律规定。请参看BSCI PA1.4</p> <p>Follow up audit conducted on November 21, 2023 未改善： 基于文件查阅和管理层访谈，审核发现工厂没有足够的员工或者进行良好的生产组织来达成交付订单和/或合同预期，以至于员工月加班超出法律规定。由于工厂没有建立完整的管理系统来控制加班时</p>

Finding	
organize its workforce capacity to meet the expectations of the delivery order and/or contracts, so that employees' overtime hours exceeded legal limit. This question was rated as non-compliance because the factory did not establish effective management system to control employees' working hours. Please refer to BSCI PA1.4.	间，所以这个问题点判为不符合项。 请参看BSCI PA1.4

PA 2: Workers Involvement and Protection

Site: Zhongshan Frecom Electronic Co.,Ltd | Site amfori ID: 156-041540-001

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	
<p>Previous audit conducted on December 2, 2022 It was noted that the factory had established or participated in an effective grievance mechanism for internal employees, but the factory had not set up a channel for stake holders, e.g. local communities. Please refer to BSCI PA 2.5 Follow up audit conducted on November 21, 2023 Not corrected: Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory established operational level grievance mechanism for internal employees. This question was rated as partially non-compliance because the factory did not establish an effective operational level grievance mechanism for stakeholder (e.g. local communities, suppliers). Please refer to BSCI PA 2.5</p>	<p>Previous audit conducted on December 2, 2022 工厂建立和参与了有效的内部员工申诉机制。但是，工厂尚未给利益相关方，如当地社区，提供申诉的渠道。请参看BSCI PA2.5 Follow up audit conducted on November 21, 2023 未改善： 基于文件查阅、管理层访谈、员工代表访谈和员工访谈，审核发现工厂建立了内部员工申诉机制。因为工厂没有建立有效的针对利益相关方（如：当地社区、供应商等）建议和申诉机制，所以这个问题点判定为部分不符合。 请参看BSCI PA2.5</p>

PA 5: Fair Remuneration

Site: Zhongshan Frecom Electronic Co.,Ltd | Site amfori ID: 156-041540-001

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
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Finding

Previous audit conducted on December 2, 2022
Per document review and management interview, it was noted that factory management didn't investigate employees' basic needs, and they had no idea of how to calculate BNW. Please refer to BSCI PA 5.4

Follow up audit conducted on November 21, 2023
Not corrected:
Per document review and management interview, it was noted that factory management didn't investigate employees' basic needs, and they had no idea of how to calculate BNW. The factory did not establish a procedure about the BNW. The factory did not appointed person to be in charge of this part. No training was provided to relevant employees. The factory management represented that they were not aware of the requirement. Internal audit had been held, but it was not found out this non-compliance and no corrective action had been taken. The management system on this part was not completed, auditor concluded this as non-compliance. Please refer to BSCI PA 5.4

Previous audit conducted on December 2, 2022
通过文件查阅和管理层访谈，审核发现工厂没有调查员工基本生活需求，不了解如何计算基本生活保障工资。请参看BSCI PA5.4

Follow up audit conducted on November 21, 2023
未改善：
通过文件查阅和管理层访谈，审核发现工厂没有调查员工基本生活需求，不了解如何计算基本生活保障工资。工厂未建立了关于生活保障工资的程序，没有指定人员负责此部分。工厂也没有提供相关培训。工厂管理层表示不清楚此要求，工厂的内审并没有发现此问题并整改。因管理系统并不完善，因此此问题审核员判定为不符合。请参看BSCI PA5.4

PA 6: Decent Working Hours

Site: Zhongshan Frecom Electronic Co.,Ltd | Site amfori ID: 156-041540-001

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

Previous audit conducted on December 2, 2022
It was noted that 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees' time records (each 10 samples from October 2022, July 2022 and February 2022 respectively), yielded the following: 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (72 to 75 hours) in October 2022; 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (74 to 77 hours) in July 2022; 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (41 hours) in February 2022. This violated Article 41 of the Labor Law of the PRC & BSCI PA 6.2

Previous audit conducted on December 2, 2022
根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。审核员抽取30个样本(分别从2022年10月、2022年7月和2022年2月各抽取10名)，发现共有30名员工加班时间超出了法定标准，具体为：10/10名员工在2022年10月的加班时间为72-75小时；10/10名员工在2022年7月的加班时间为74-77小时；10/10名员工在2022年2月的加班时间为41小时。根据《中华人民共和国劳动法》第41条及BSCI PA 6.2

Follow up audit conducted on November 21, 2023
未改善：
基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核员发现员工加班时间超出了法定标准。审核员从厂方提供的工时记录中抽取15个样本(从2023年10月/2023年7月/2023年3月各抽取5个)，发

Finding	
<p>Follow up audit conducted on November 21, 2023 Not corrected:</p> <p>Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that 15 out of 15 sample population employees worked in excess of the statutory overtime hour limits.</p> <p>A review of 15 sample population employees' time records (5 samples from October 2023 as the most recent paid month, 5 samples from July 2023 and 5 samples from March 2023) yielded the following:</p> <p>1) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 67 hours) in October 2023.</p> <p>2) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 74 hours) in July 2023.</p> <p>3) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 65 hours) in March 2023, which was not in compliance with the legal requirement.</p> <p>This question was rated as non-compliance because the factory did not have management system to control employees' working hours.</p> <p>Please refer to Article 41 of the Labor Law of the PRC</p>	<p>现共有15个样本加班时间超出了法定标准，具体为：</p> <p>1) 5/5名员工在2023年10月的加班时间67小时，超过每月加班时间不能超过36小时的法律规定；</p> <p>2) 5/5名员工在2023年7月的加班时间74小时，超过每月加班时间不能超过36小时的法律规定；</p> <p>3) 5/5名员工在2023年3月的加班时间65小时，超过每月加班时间不能超过36小时的法律规定。</p> <p>由于工厂没有建立工时管理体系以控制员工的加班时间，因此该问题点判为不符合项。</p> <p>请参看《中华人民共和国劳动法》第41条</p>



PA 7: Occupational Health and Safety

Site: Zhongshan Frecom Electronic Co.,Ltd | Site amfori ID: 156-041540-001

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?	
ENGLISH	LOCAL LANGUAGE
Finding	
<p>Previous audit conducted on December 2, 2022 It was noted that the factory did not provide occupational health checks to tin soldering employees. In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases & BSCI PA 7.1</p> <p>Follow up audit conducted on November 21, 2023 Not corrected:</p> <p>Per factory tour, employees' interview and document review, it was noted that the factory did not provide regular occupational health checks to</p>	<p>Previous audit conducted on December 2, 2022 审核员发现厂方没有为焊锡的员工提供职业病体检。根据《中华人民共和国职业病防治法》第35条及BSCI PA 7.1</p> <p>Follow up audit conducted on November 21, 2023 未改善：</p> <p>基于现场观察、员工访谈和文件审阅，审核员发现工厂没有为焊锡的员工提供定期的职业病体检。工厂未建立了程序要求接触有毒有害员工进行职业病体检。工厂管理层不清楚此要求。因管理系统并不完善，因此该问题点判定为不符合。请参看《中华人民共和国职业病防治法》第35条</p>

Finding

tin soldering employees. The factory did not establish a procedure which required all employees who were in contact with the hazardous material should be provided with occupational health checks. The factory management was not aware of the requirement. The management system on this part was not completed, therefore, auditor concluded this finding as non-compliance. Please refer to Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases

Question: 7.21 Is there satisfactory evidence that the auditee provides workers with access to an appropriate, clean area for storing food, eating and/or cooking?

ENGLISH

Finding

Remarks: No canteen was provided.

Question: 7.23 Is there satisfactory evidence that the auditee provision of transportation to workers is safe and complies with national regulations?

ENGLISH

Finding

Remarks: No transportation was provided.

Question: 7.24 Is there satisfactory evidence that the auditee has chosen the location of the social facilities or workers housing to ensure occupants are not exposed to natural hazards or affected by the operational impacts of the worksite (for example noise, emissions or dust)?

ENGLISH

Finding

Remarks: No dormitory was provided.