

Monitored Party DONGGUAN HARMONY ELECTRONIC TECHNOLOGY CO., LTD	amfori ID 156-014113-000	Address Room 101, No.3 Jiankai Road, Shipai town, Dongguan City, Guangdong Province, 523331 Dongguan, Guangdong Sheng, China
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Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner Intertek
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Monitoring Start Date 17/05/2024	Closing Meeting Finished Date 17/05/2024	Submission Date 23/05/2024
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Expiration Date 08/06/2025	Announcement Type Semi Announced
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Site DONGGUAN HARMONY ELECTRONIC TECHNOLOGY CO., LTD	Site amfori ID 156-014113-002
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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: Winne Tao; APSCA membership number: CSCA21700270

Monitoring partner name: Intertek

Audit schedule details: 1 auditor x 1 day

Announcement Type: Semi-announced

This audit is a follow up audit. Site tour, document review, employee and management interview, etc. are done during follow up audit.

Business partner information:

Dongguan Harmony Electronic Technology Co., Ltd. 东莞合律美电子科技有限公司 (Uniform Code of Social Credit: 91441900334814055Q) was located at Room 101, No.3 Jiankai Road, Shipai Town, Dongguan City, Guangdong Province, China. 中国广东省东莞市石排镇建凯路3号101室。 The total land area occupied by the facility was about 2400 square meters. The facility had established and started operation at the current location since March 17, 2015. The main products manufactured by the facility cover bluetooth earphones. The main production processes are listed as follows: assembly, inspection and packing. Total machines per type were: testing machines, assembly lines, etc.

Audited location information:

The building was rented by the facility.

In the boundary of the auditee location, the facility rented one 4-storey building as production floors and warehouses, one 3-storey building as office, the 3/F and 4/F of one 4-storey dormitory building as dormitories, the 1/F of the one 4-storey dormitory building as kitchen and canteen for employees. The 2/F of the one 4-storey dormitory building was rented by other companies for dormitories. Through facility tour, document review, management and employees' interview, there were other 3 companies rented in the same industrial area, which were Dongguan Huixin Co., Ltd (products: plastic products); Dongguan Fengqin Co., Ltd (products: toys); Dongguan Jieshun Co., Ltd (products: ventilation pipes). These companies obtained their own business licenses, buildings, products, manpower and management systems, etc. No co-mingle employee was used among these companies and the audited facility during this audit. So only the audited facility was covered in the audit.

Details of floor information for the buildings were listed as below:

Production building with 4-storey:

1/F: Material warehouse, QC room;

2/F: Assembly, inspection and packing;

3/F: Assembly, inspection and packing;

4/F: Finished goods warehouse.

Dormitory building with 4-storey:

1/F: Kitchen and canteen;

2/F: Bedrooms used by other facility;

3/F: Bedrooms;

4/F: Bedrooms.

Office building with 3-storey:

1/F-3/F: Office

Operating shifts and hours:

The attendance records from 1 April 2023 to 17 May 2024 were reviewed at this audit. All employees regularly worked for 8 hours per day and 5 days per week in one shift: 08:00-12:00, 13:30-17:30. The peak season was not obvious during the past 12 months in the facility. Based on the sampled attendance records provided by the facility, the maximum overtime hour per day was 3 hours, the maximum weekly working hours were 63 hours and the maximum consecutive working days were 6 days.

Time recording system: Finger printing attendance system was used for time keeping.

Salary payment details: The payroll records from April 2023 to March 2024 were reviewed at this audit. Employees' wages were calculated on hourly rated basis. The minimum wage on site was RMB1900 per month equivalent to RMB10.92

(1900/21.75/8) per hour, which was equal to the legal requirement. For overtime wages, 150%, 200% of basic wages were paid to employees for their overtime hours on normal working days and rest days respectively. There was no overtime hour on public holidays. Employees were paid by bank transfer, the wages would be paid around 30th of each month after the previous wage calculation cycle.

Worker number information:

A total of 97 employees including 88 production employees (34 male and 54 female) and 9 non-production employees (8 male and 1 female) were working in the facility. 9 out of 97 employees were local employees from Guangxi province, 88 migrant employees from Hunan, Hubei, Guizhou, Guangxi, Yunnan etc. All employees were hired by facility directly, no interns, apprentices or contract workers in the facility.

Good practices: None

Worker organization details: No labor union was established in the facility, but one committee with worker representative was available in the facility. The worker representative was elected by all employees freely.

Circumstances: There was no special circumstance during the audit.

Summary of findings:

- 1.1, The social management system was not implemented effectively.
- 1.4, The facility's workforce capacity was not properly organised to meet the expectations of the delivery order and/or contracts either due to the overtime hours of employees exceeding the local law requirement.
- 2.4, 7 out of 8 interviewed employees were not clear of the specific sections for amfori BSCI Code and some relevant content and requirements.
- 5.4, The facility did not calculate local basic needs wage and was not aware of basic needs wage for decent standard of living.
- 5.5, Insufficient social insurance participation.
- 6.2, Monthly overtime hours exceeded legal requirement.
- 7.1, The auditee was not in line with the occupational health & safety regulations because some gaps were noted.
- 7.7, No label attached for around 20% of chemicals such as glue, etc used in the facility.
- 7.21, 2 out of 2 kitchen staffs' health certificates were expired on 4 April 2024.
- 7.22, No toilet paper or soap was equipped in toilets in the facility.

Living wage calculation:

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

Remark:

For uploading document:

- 1) Contractor license/permit is not applicable because no contractor is used by the auditee.
- 2) Agency labor contract is not applicable because no agency is used by the auditee.
- 3) Government waivers are not applicable because no waivers are obtained by the auditee.
- 4) Collective bargaining agreements are not available because no collective bargaining agreements have been signed.

SITE DETAILS

Site
**DONGGUAN HARMONY
ELECTRONIC TECHNOLOGY CO.,
LTD**

Site amfori ID
156-014113-002

GICS Classification

Sector Consumer Discretionary	Industry Group Consumer Durables & Apparel	Industry Leisure Products
Sub Industry Leisure Products		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	97	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	2,065.09	Monthly
Total sample	8	Workers

Other Metrics

Male workers	42	Workers
Female workers	55	Workers
Permanent workers - Male	42	Workers
Permanent workers - Female	55	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	4	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	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	39	Workers
Domestic migrant workers - Female	49	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	42	Workers
Workers hired directly - Female	55	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	4 Workers
Sample - Female	4 Workers

FINDINGS



PA1: Social Management System

Site: DONGGUAN HARMONY ELECTRONIC TECHNOLOGY CO., LTD | Site amfori ID: 156-014113-002

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 had not been corrected. The facility established amfori BSCI management system, but the system was not fully implemented, such as findings related to Workers Involvement and Protection, Fair Remuneration, Decent Working Hours, and Occupational Health and Safety were raised. Details please refer to Performance Areas 2 5, 6, 7.</p> <p>This finding was against Amfori BSCI Code of Conduct, Principle on Social Management System and Cascade Effect.</p> <p>(Remark: The facility established amfori BSCI management system, and most of requirements of the system were implemented, auditor selected the rating "Partially" instead of "No" for this checkpoint.)</p>	<p>上次发现的问题未改善。</p> <p>企业已建立amfori BSCI管理系统，但是该系统没有被完全执行，如在员工参与保护、公平报酬、体面的劳动时间、职业健康与安全方面有发现问题点。具体请参见PA2, PA5, PA6, PA7部分。</p> <p>违反了Amfori BSCI COC中供应链管理系统与级联效应的原则要求。</p> <p>备注:由于企业建立了amfori BSCI管理系统，且该系统的大部分要求有执行，所以审核员在此点选择了“部分不符合”的等级，而不是“全部不符合”。)</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 had not been corrected. The facility's workforce capacity was not properly organised to meet the expectations of the delivery order and/or contracts either due to the overtime hours of employees exceeding the local law requirement. Please refer to checkpoint 6.2 for details. This checkpoint was rated as "No" as the facility's workforce capacity was not properly organized systematically.</p> <p>This finding was against Amfori BSCI Code of Conduct, Principle on Social Management System and Cascade Effect.</p>	<p>上次发现的问题未改善。</p> <p>企业的劳动力没有被正确安排以满足客人订单的期望，因为员工的加班时间超出了法律的规定，具体参考检查点6.2。这个检查点判定“不符合”因为企业系统性没有合理安排劳动力。</p> <p>违反了Amfori BSCI COC中供应链管理系统与级联效应的原则要求。</p>



PA 2: Workers Involvement and Protection

Site: DONGGUAN HARMONY ELECTRONIC TECHNOLOGY CO., LTD | Site amfori ID: 156-014113-002

Question: 2.4 Is there satisfactory evidence that the auditee builds sufficient competence among managers, workers and workers representatives to successfully embed responsible practices in the business operation?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>2.4 The previous finding had not been corrected. Although relevant amfori BSCI standards were posted in workshop, and training on amfori BSCI Code of Conduct was provided to employees, but 7 out of 8 interviewed employees were not clear of the specific sections for amfori BSCI Code and some relevant content and requirements. (Remark: Most of requirements of the training system were implemented, auditor selected the rating "Partially" instead of "No" for this checkpoint.) This finding was against amfori BSCI Code of Conduct, Principle on Workers Involvement and Protection.</p>	<p>上次发现的问题未改善。虽然企业有将相关的amfori BSCI标准张贴在车间，有提供amfori BSCI行为守则培训给员工，但8名被访谈员工中7名不清楚amfori BSCI行为守则的具体部分的内容和要求。(备注：该培训系统的大部分要求有执行，所以审核员在此点选择了“部分不符合”的等级，而不是“全部不符合”。)违反了Amfori BSCI COC中员工参与和保护的原则要求。</p>

PA 5: Fair Remuneration

Site: DONGGUAN HARMONY ELECTRONIC TECHNOLOGY CO., LTD | Site amfori ID: 156-014113-002

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>5.4 The previous finding had not been corrected. The facility did not calculate local basic needs wage and was not aware of basic needs wage for decent standard of living. Based on the provided payroll records, the facility paid minimum on RMB 10.92 per hour for employees for the normal working hours, which was equal to the local minimum wage standard. This checkpoint was rated as “No” as no any satisfactory evidence about local basic needs wage. This finding was against Amfori BSCI Code of Conduct, Principle on Fair Remuneration.</p>	<p>企业未计算当地员工过上体面生活的基本需求工资，也不了解当地过上体面生活的基本需求工资。基于企业提供的工资表，工厂给员工最低按照每小时10.92元人民币支付对应的正班工作时间，高于当地最低工资标准。这个检查点判定“不符合”因为在体面工资部分没有任何满意证据。违反了Amfori BSCI COC中公平报酬的原则要求。</p>

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

ENGLISH	LOCAL LANGUAGE
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Finding

5.5 The previous finding had not been corrected. Through reviewing the social insurance receipt of May 2024, there were total 97 employees in May 2024, auditor found that only 46 employees (47.4%) had participated in employment injury insurance, basic medical insurance basic, endowment insurance, unemployment insurance, maternity insurance.

Remark: 1) Some employees stated that they did not want to participate in social insurance; 2) No temporary or dispatch workers were used. All employees were hired directly by the facility. 3) 0 newly hired employee was observed, and 1 retiree hired to work again were observed on the audit day. 4) The facility provided additional commercial insurance for all 97 employees, the valid period is from February 26, 2024 to February 25, 2025. This checkpoint was rated as "No" as no satisfactory evidence about social insurance are systematic legally granted.

In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance. 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. Article 33 Employees shall participate in the employment injury insurance. Article 44 Employees shall participate in unemployment insurance. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

上次发现的问题未改善

通过查看2024年5月的社保台帐，审核员发现企业97名员工中，只有46人(47.4%)参加了工伤保险，医疗保险，养老保险，失业保险和生育保险。备注：1)一些员工表示他们不愿意参加社保；2)企业没有雇用临时工和劳务派遣工，所有员工均由企业自己招聘；3)有0名新入职员工，1名退休返聘人员；4)企业有为所有97名员工购买商业保险，有效期从2024年2月26日到2025年2月25日。这个检查点判定“不符合”因为在社保系统性满足法规要求部分没有满意证据。

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。

PA 6: Decent Working Hours

Site: DONGGUAN HARMONY ELECTRONIC TECHNOLOGY CO., LTD | Site amfori ID: 156-014113-002

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 had not been corrected. Through document review, it was noted that the monthly overtime hours of 8 out of 8 randomly

上次发现的问题未改善。

通过文件审核，审核员发现在抽取的2024年3月(当前月)的考勤中，8名随机抽取的样本中8人的月加

Finding

selected samples were 40-82 hours in March 2024 (current month), 8 out of 8 randomly selected samples were 40-103 hours in December 2023 (random month), 7 out of 8 randomly selected samples were 92 hours in September 2023 (random month). This checkpoint was rated as "No" as systematic non-conformance for working hours.

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.

班时间为40-82小时，2023年12月（随机月）的考勤中，8名随机抽取的样本中8人月加班时间为40-103小时，2023年9月（随机月）的考勤中，8名随机抽取的样本中7人月加班时间为92小时。这个检查点判定“不符合”因为工时部分系统性不符合。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 HARMONY ELECTRONIC TECHNOLOGY CO., LTD | Site amfori ID: 156-014113-002

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?

ENGLISH

LOCAL LANGUAGE

Finding

7.1 The previous finding had not been corrected. It was noted that there were findings against occupational health and safety regulations in PA7, please refer to relevant checkpoints for details. This finding was against amfori BSCI Code of Conduct, Principle on Occupational Health and Safety. (Remark: The facility established occupational health and safety policy and procedure, and most of requirements were implemented, auditor selected the rating "Partially" instead of "No" for this checkpoint.)

上次发现的问题未改善。审核发现企业在健康领域有存在不符合职业健康和安全法规的问题点，详情请见相关检查点。违反了BSCI COC中职业健康与安全的原则要求。(备注:由于企业建立了职业健康和安全方面的政策与程序，且职业健康和安全方面的大部分要求有执行，所以审核员在此点选择了“部分不符合”的等级，而不是“全部不符合”。)

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	
<p>7.7 The previous finding 2) had not been corrected. During facility tour, auditor found that there was no label attached for around 20% of chemicals such as glue, etc used in the facility. Most chemicals' management were complied with chemicals' requirements, So the checkpoint was rated "Partially".</p> <p>In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.</p>	<p>上次发现的问题2)未改善。</p> <p>通过现场走访，发现工厂使用的化学品如胶水等有约20%没有标识。大部分化学品管理符合化学品相关要求，所以此检查点为“部分符合”。</p> <p>依据《工作场所安全使用化学品规定》第十二条，使用单位使用的化学品应有标识，危险化学品应有安全标签，并向操作人员提供安全技术说明书。</p>

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	LOCAL LANGUAGE
Finding	
<p>7.21 New finding</p> <p>During document review, there were 2 employees working in kitchen, 2 out of 2 kitchen staffs' health certificates were expired on 4 April 2024. (Remark: The facility established canteen management policy and procedure including maintaining valid certificates, and most of requirements were implemented, auditor selected the rating "Partially" instead of "No" for this checkpoint.)</p> <p>In accordance with the PRC Law on food safety article 45, Personnel for food production and trading shall obtain health certificate prior to get on duty if they come into contact with ready-to-eat food, and they shall undergo a medical examination yearly.</p>	<p>新问题</p> <p>通过文件审核，审核员发现在食堂工作的2名厨工健康证都于2024年4月4日过期。(备注:由于企业建立了食堂管理的政策与程序包括证件有效性，且大部分要求有执行，所以审核员在此点选择了“部分不符合”的等级，而不是“全部不符合”。)</p> <p>依据《中华人民共和国食品安全法》第45条，从事接触直接入口食品工作的食品生产经营人员应当每年进行健康检查，取得健康证明后方可上岗工作。</p>

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	
<p>7.22 The previous finding had not been corrected. Through facility tour, auditor found that the toilets were installed with privacy doors and kept clear, but no toilet paper or soap was equipped in toilets in</p>	<p>上次发现的问题未改善。</p> <p>审核中发现工厂洗手间有安装隐私门且干净卫生，但是未配置厕纸和肥皂。被审核方部分遵循该准则，所以此问题点为“部分符合”。此问题点违反了BSCI</p>

Finding

the facility. The auditee partially respects this principle, so the finding was rated "Partially". This finding was against amfori BSCI Code of Conduct, Principle on Occupational Health and Safety.

行为准则，职业健康和安全法则。