

Audit Details



Audit Range :	<input checked="" type="checkbox"/> Full Audit	<input type="checkbox"/> Follow-up Audit	
Audit Scope :	<input checked="" type="checkbox"/> Main Auditee	<input type="checkbox"/> Main Auditee & Farms	
Audit Environment :	<input checked="" type="checkbox"/> Industrial	<input type="checkbox"/> Agricultural	
Audit Announcement :	<input checked="" type="checkbox"/> Fully-Announced	<input type="checkbox"/> Fully-Unannounced	<input type="checkbox"/> Semi-Announced
Random Unannounced Check (RUC) :	No		
Audit extent (if applicable) :	none		
Audit interferences or contingencies (if applicable) :	none		
Overall rating :	C		
Need of follow-up :	Yes	If YES, by : 26/08/2017	

Rating per Performance Area (PA)

PA 1	PA 2	PA 3	PA 4	PA 5	PA 6	PA 7	PA 8	PA 9	PA 10	PA 11	PA 12	PA 13
D	C	A	A	B	C	A	A	A	A	A	A	A

Executive summary of audit report

General

1. There was a total of 98 employees in this factory.
 2. The audited factory consists of bellowing buildings:
 a) One 3-storey building housing its administrative office and production;
 b) One 1-storey building housing canteen;
 c) One 1-storey building housing finished product warehouse warehouse.
 3. Non-woven bag are the factory's main products. The main production processes including non-woven, sewing, three-dimensional bags and packing.
 Based on management and employees interview, no dormitory were provided to employees.
 Local name: 温州汇川科技有限公司 business license No. 91330326052821855D

Performance Area 6 : Decent Working Hours

Normal working hours: 8:00-11:00, 13:30-17:30. Three shifts for non-woven and three-dimensional bags workshop: 0:00-8:00, 8:00-16:00, 16:00-24:00. Finger recognition system was used to record the attendance. Time records from Aug 2015 to the audit day were reviewed by sampling such as Aug 2015, Apr to Jul 2016. According to provided attendance records, the maximum overtime hours were 0 at night for weekdays, maximum overtime hours were 40 hours per month, maximum consecutive working days was 6 days. Through worker interviews, it was confirmed that workers worked overtime voluntarily. The main auditee did not obtain Comprehensive Working Hours System Approval.

Performance Area 5 : Fair Remuneration

Payrolls from Jul 2015 to Jun 2016 were reviewed by sampling such as Aug 2015, Apr to Jul 2016. Local legal minimum wage was RMB1,550 per month. Lowest wage paid in the factory was RMB2,000/month. As shown in the payrolls, wage for workers was calculated by monthly rate. Wages were paid by cash before 25 days after the end of the calculation period. Employees were paid overtime compensation based on 150%, 200% and 300% of normal wage on normal working days, Sat or Sun and holidays respectively. Insurance payment records was reviewed by sampling such as May to Jul 2016. The pension/medical/maternity/unemployment insurance/ work-related injury insurance were provided to 33%/33%/33% /35%/67% employees and based on social insurance compliance letter approved on 1st Aug 2016; the factory purchased social insurance as per local requirements. In addition, the factory also paid a commercial insurance to cover the rest of employees for work-related injury protection.

As provided by the factory employee, price of foods as below:

Vegetable: RMB 2.4/500g

Rice: RMB 4.3/500g

Pork: RMB 14.5/500g

Egg: RMB 6/500g

Basic needs wage=RMB 2074/month

(where the assumptions are

- household size : 3

- daily Calorie consumption : around 2000

- % of household expenditure spent on food : 30.6%

- discretionary income : 10%

- BNW calculation formula = Basic food basket × (1% of avg. household expenditure spent on food) × (0.5 × avg. household size) × 1.1