
Auditee :	Wenzhou Huichuan Technology Co.,Ltd
Audit Date From :	25/08/2016
Audit Date To :	26/08/2016
Expiry Date of the Audit :	25/08/2017
Auditing Company :	HKQAA
Auditor's Name(s) :	Lory, Shui Liu(Lead)
Auditing Branch (if applicable) :	



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Rating Definitions



Rating	A combination of ratings per performance area where:	Consequence																																													
<p>A OUTSTANDING</p>	<ul style="list-style-type: none"> o Minimum 7 performance area rated A o No Performance area rated C, D or E <p><i>These are three examples:</i></p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr> </table>	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	B	B	B	A	A	A	A	A	A	A	A	B	B	B	B	B	B	B	<p>The auditee has the level of maturity to maintain its improvement process without needing follow-up audit.</p>
A	A	A	A	A	A	A	A	A	A	A	A	A	A	A																																	
A	A	A	A	A	A	A	A	A	A	A	A	B	B	B																																	
A	A	A	A	A	A	A	A	B	B	B	B	B	B	B																																	
<p>B GOOD</p>	<ul style="list-style-type: none"> o Maximum 3 performance area rated C o No performance area rated D or E <p><i>These are three examples:</i></p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td></tr> <tr><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>C</td></tr> </table>	A	A	A	A	A	A	A	B	B	B	B	B	B	B	B	A	A	A	A	A	A	B	B	B	B	B	B	B	B	C	B	B	B	B	B	B	B	B	B	B	B	C	C	C	C	<p>The auditee has the level of maturity to maintain its improvement process without needing follow-up audit.</p>
A	A	A	A	A	A	A	B	B	B	B	B	B	B	B																																	
A	A	A	A	A	A	B	B	B	B	B	B	B	B	C																																	
B	B	B	B	B	B	B	B	B	B	B	C	C	C	C																																	
<p>C ACCEPTABLE</p>	<ul style="list-style-type: none"> o Maximum 2 performance areas rated D o No performance area rated E <p><i>These are three examples:</i></p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td></tr> <tr><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td><td>D</td></tr> </table>	A	A	A	A	A	A	A	A	A	A	C	C	C	C	C	A	A	A	A	A	B	B	B	B	C	C	C	C	D	D	C	C	C	C	C	C	C	C	C	C	C	C	D	D	D	<p>The auditee needs follow up on its progress. The auditee develops a remediation plan within 60 days following the completion of the audit.</p>
A	A	A	A	A	A	A	A	A	A	C	C	C	C	C																																	
A	A	A	A	A	B	B	B	B	C	C	C	C	D	D																																	
C	C	C	C	C	C	C	C	C	C	C	C	D	D	D																																	
<p>D INSUFFICIENT</p>	<ul style="list-style-type: none"> o Maximum 6 performance area rated E <p><i>These are three examples:</i></p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td><td>D</td><td>D</td><td>E</td><td>E</td></tr> <tr><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> </table>	A	A	A	A	A	A	A	A	A	A	D	D	D	D	D	A	A	A	B	B	B	C	C	C	D	D	D	D	E	E	D	D	D	D	D	D	D	D	E	E	E	E	E	E	E	<p>The auditee needs follow up on its progress. The auditee develops a remediation plan within 60 days following the completion of the audit.</p>
A	A	A	A	A	A	A	A	A	A	D	D	D	D	D																																	
A	A	A	B	B	B	C	C	C	D	D	D	D	E	E																																	
D	D	D	D	D	D	D	D	E	E	E	E	E	E	E																																	
<p>E UNACCEPTABLE</p>	<ul style="list-style-type: none"> o Minimum 7 performance areas rated E <p><i>These are three examples:</i></p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> <tr><td>A</td><td>A</td><td>B</td><td>B</td><td>C</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> <tr><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> </table>	A	A	A	A	A	A	E	E	E	E	E	E	E	E	E	A	A	B	B	C	D	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	<p>BSCI participants shall closely oversee the auditee's progress as it may represent a higher risk than other business partners</p>
A	A	A	A	A	A	E	E	E	E	E	E	E	E	E																																	
A	A	B	B	C	D	E	E	E	E	E	E	E	E	E																																	
E	E	E	E	E	E	E	E	E	E	E	E	E	E	E																																	
<p>Zero Tolerance</p>	<p>A Zero Tolerance issue was identified (see Annex 5)</p>	<p>Immediate actions are required. The BSCI Zero Tolerance Protocol is to be followed.</p>																																													

Main Auditee Information



Name of producer :	Wenzhou Huichuan Technology Co.,Ltd		
DBID number :	361218		
Audit ID :	55361		
Address :	Jiadi Village, Xiaojiang Town, Pingyang County Wenzhou		
Province :	Zhejiang	Country :	China
Management Representative :	Xu Mingkun		
Contact person:	Shuye Gao	Sector :	Non-Food
Industry Type :	Others	Product group :	Others
Product Type :	Non-woven, Non-woven Bags		

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 following 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

Ratings Summary



Auditee's background information			
Auditee's name :	Wenzhou Huichuan Technology Co.,Ltd	Legal status :	Limited Company
Local Name :	温州汇川科技有限公司 business license No. 91330326052821855D	Year in which the auditee was founded :	2012
Address :	Jiadi Village, Xiaojiang Town, Pingyang County	Contact person (please select) :	Shuye Gao
Province :	Zhejiang	Contact's Email :	sales@hcnonwoven.com
City :	Wenzhou	Auditee's official language(s) for written communications :	Chinese
Region :	North East Asia	Other relevant languages for the auditee :	Nil
Country :	China	Website of auditee (if applicable) :	Nil
GPS coordinates :	N27°33.41' and E120°28.23'	Total turnover (in Euros) :	3000000.00
Sector :	Non-Food	Of which exports % :	30.00
Industry :	Others	Of which domestic market % :	70.00
If other, please specify :	Non-woven	Production volume :	13000000 pieces per year
Product Group :	Others	Production cost calculation :	No
If other, please specify :	Non-woven	Lost time injury calculation cost :	No
Product Type :	Non-woven, Non-woven Bags		

Auditee's employment structure at the time of the audit			
Total number of workers :	98	Total number of workers in the production unit to be monitored (if applicable) :	0
	MALE WORKERS	FEMALE WORKERS	
Permanent workers	48	50	
Temporary workers	0	0	
In management positions	15	17	
Apprentices	0	0	
On probation	0	0	
With disabilities	0	0	
Migrants (national citizens)	15	17	
Migrants (foreign citizens)	0	0	
Workers on the permanent payroll	48	50	
Production based workers	0	0	
With shifts at night	14	15	
Unionised	0	0	
Pregnant	-	0	
On maternity leave	-	0	

Finding Report



Performance Area 1 : Social Management System and Cascade Effect

Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: D

Deadline date:30/11/2016

GOOD PRACTICES:

NONE

AREAS OF IMPROVEMENT:

Based on satisfactory evidence, the main auditee partially respect this principle because:
基于令人满意的证据, 受审核方部分尊重本条原则, 因为:

- 1.1 - The factory management did not show a full commitment towards the BSCI Code (e.g.: overtime,).
管理层没有充分承诺遵守BSCI行为守则(如: 超时加班)。
- 1.4 - The auditee has no effective workforce capacity plan which should be properly organized to meet the expectations of the delivery order and/or contracts. e.g.: control of overtime.
受审核方没有有效的劳动力的容量规划以适当安排满足交付订单和/或合同的期望。 e.g.: 加班管控

Remarks from Auditee:

NONE

Performance Area 2 : Workers Involvement and Protection

Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: C

Deadline date:30/11/2016

GOOD PRACTICES:

NONE

AREAS OF IMPROVEMENT:

Based on satisfactory evidence, the main auditee partially respect this principle because:
基于令人满意的证据, 受审核方部分尊重本条原则, 因为:

- 2.2 - The auditee did not define long-term goals for protecting workers in line with the aspirations of the BSCI Code of Conduct.
受审核方未设定长期目标保护员工以达到BSCI行为准则的愿望。
- 2.4 - Trainings were not granted for workers representatives, managers and other decision-maker. No specific training provided for HR, OHS and grievance mechanism personnel.
没有提供工人代表、经理和其他决策人相应的培训, 没有向人力资源、健康安全和申诉机制人员提供特定培训。

Remarks from Auditee:

NONE

Performance Area 3 : The rights of Freedom of Association and Collective Bargaining

Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: A

Deadline date:

GOOD PRACTICES:

NONE

AREAS OF IMPROVEMENT:

NONE
无

Remarks from Auditee:

NONE

Performance Area 4 : No Discrimination

Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: A

Deadline date:

GOOD PRACTICES:

NONE

AREAS OF IMPROVEMENT:

NONE
无

Remarks from Auditee:

NONE

Performance Area 5 : Fair Remuneration	
Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: B	Deadline date:30/11/2016
GOOD PRACTICES: NONE	
AREAS OF IMPROVEMENT: Based on satisfactory evidence, the main auditee partially respect this principle because: 基于令人满意的证据, 受审核方部分尊重本条原则, 因为: 5.4 - The auditee has not established a calculation method for decent living wage and did not identify the gap between actual remuneration and fair remuneration. 被审核方尚未建立体面生活工资计算方法且没有识别实际薪酬和公平薪酬的差距。	
Remarks from Auditee: NONE	
Performance Area 6 : Decent Working Hours	
Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: C	Deadline date:30/11/2016
GOOD PRACTICES: NONE	
AREAS OF IMPROVEMENT: Based on satisfactory evidence, the main auditee partially respect this principle because: 基于令人满意的证据, 受审核方部分尊重本条原则, 因为: 6.2 - The time of overtime work exceed 36 hours are more than 3 months such as Aug 2015 (40 hours), Apr 2016 (40 hours) , Jul 2016 (40 hours). It was violated article 41 of Labour Law. 被审核方因月加班时间超过36小时的月份超过3个月, 例如2015年8月(40小时), 2016年4月40小时, 2016年7月40小时。不符合劳动法第41条的规定。	
Remarks from Auditee: NONE	
Performance Area 7 : Occupational Health and Safety	
Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: A	Deadline date:30/11/2016
GOOD PRACTICES: NONE	
AREAS OF IMPROVEMENT: Based on satisfactory evidence, the main auditee partially respect this principle because: Remark: There is no dormitory and transportation provided. 基于令人满意的证据, 受审核方部分尊重本条原则, 因为: 备注: 被审核方未提供住宿和交通工具。 7.1 - The auditee didn't provide workers (Who engaged in using or contacting noxious articles) occupational health examination reports of Pre-service and leaving position, such as Non-woven and three-dimensional bags processing. It did not comply with requirement of PRC Law of Prevention and Control of Occupational Diseases article 36. 工厂未能提供(接触职业病危害)工人上岗前和离岗时职业病体检记录, 例如无纺布和立体袋工序。不符合《中华人民共和国职业病防治法》第三十六条的要求。 7.3 - The auditee did not assess the special needs of pregnant women, young workers and other particularly vulnerable employees. Transmittable and non-transmittable diseases was not included in the health and safety risk assessment. 工厂没有评估怀孕女工、新生妈妈、未成年工与其它特殊员工面临的危险和需要。健康安全风险评估未包括传染和非传染疾病的内容。 7.4 - Workers or worker representatives did not take part in health & safety risk assessment. 工厂进行健康安全风险评估时, 员工和员工代表没有参与其中。 7.22 - No soap is supplied in the toilets. 卫生间未提供肥皂。	
Remarks from Auditee: NONE	
Performance Area 8 : No Child Labour	
Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: A	Deadline date:
GOOD PRACTICES: NONE	
AREAS OF IMPROVEMENT: NONE 无	
Remarks from Auditee: NONE	

Performance Area 9 : Special protection for young workers	
Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: A	Deadline date:
GOOD PRACTICES: NONE	
AREAS OF IMPROVEMENT: NONE 无	
Remarks from Auditee: NONE	
Performance Area 10 : No Precarious Employment	
Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: A	Deadline date:
GOOD PRACTICES: NONE	
AREAS OF IMPROVEMENT: NONE 无	
Remarks from Auditee: NONE	
Performance Area 11 : No Bonded Labour	
Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: A	Deadline date:
GOOD PRACTICES: NONE	
AREAS OF IMPROVEMENT: NONE 无	
Remarks from Auditee: NONE	
Performance Area 12 : Protection of the Environment	
Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: A	Deadline date:
GOOD PRACTICES: NONE	
AREAS OF IMPROVEMENT: NONE 无	
Remarks from Auditee: NONE	
Performance Area 13 : Ethical Business Behaviour	
Full Audit [Audit Id - 55361] Audit Date: 25/08/2016 PA Score: A	Deadline date:30/11/2016
GOOD PRACTICES: NONE	
AREAS OF IMPROVEMENT: Based on satisfactory evidence, the main auditee partially respect this principle because: 基于令人满意的证据, 受审核方部分尊重本条原则, 因为: 13.1 - The auditee did not conduct ethics and integrity training for workers and managers. 被审核方没有进行包括构成工人和经理培训内容的道德和诚信度培训。	
Remarks from Auditee: NONE	

Summary 

Audit Type	Date	Audit Id	PA1	PA2	PA3	PA4	PA5	PA6	PA7	PA8	PA9	PA10	PA11	PA12	PA13	Overall Rating
Full Audit	25/08/2016	55361	D	C	A	A	B	C	A	A	A	A	A	A	A	C

Producer Photos



External photo(s) of the production unit(s)
Factory name and gate overview.JPG



Photo of the code of conduct on display
BSCI Commitment.JPG



Photo of the inside of the main production hall
Suggest box.JPG



External photo(s) of the production unit(s)
Production building and outlook.JPG



Photo of the inside of the main production hall
Drinking water.JPG



Photo of the inside of the main production hall
Three-dimensional bags workshop.JPG



Photo first aid facilities
First aid kit.JPG



Photo of the inside of the main production hall
Finished product warehouse.JPG



Photo of the inside of the main production hall
Warning sign.JPG

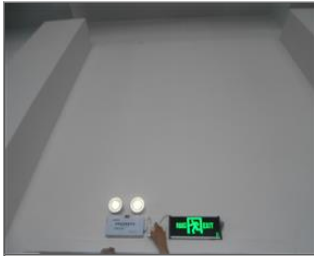


Photo of fire safety equipment
Emergency light testing.JPG



Photo of the inside of the main production hall
Material warehouse.JPG



Photo of the inside of the main production hall
Worker with PPE.JPG



Photo of fire safety equipment
Evacuation plot plan.JPG



Photo of the inside of the main production hall
Non-woven workshop.JPG



Photo of the canteen (if applicable)
Canteen.JPG

