

Monitored Party MAXGE ELECTRIC TECHNOLOGY CO.,LTD	amfori ID 156-018162-000	Address No. 299, East Changhong Street, Wukang, Deqing, 313200 Huzhou, Zhejiang Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner TUV Rheinland
Monitoring Start Date 20/07/2023	Closing Meeting Finished Date 23/07/2023	Submission Date 28/07/2023
Expiration Date 08/08/2024	Announcement Type Semi Announced	
Site MAXGE ELECTRIC TECHNOLOGY CO.,LTD	Site amfori ID 156-018162-002	

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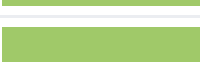

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OVERALL RATING



SECTION RATING

PA1: Social Management System	C	
PA 2: Workers Involvement and Protection	B	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination	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 Labour	A	
PA 12: Protection of the Environment	B	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Vinila YANG; APSCA membership number: CSCA 21701928

Monitoring partner name: TUV Rheinland.

Audit schedule details: The audit was planned for 1 auditor one and a half day.

Announcement Type: This was a Semi-announced audit. Only PA1, 2, 5, 6, 7, 10, 12 were included in current audit scope, the ratings and evidence for the rest PAs were remained the same with previous audit.

Business partner information: The facility was established on 26 August 2010. The auditee was located at No. 299, East Changhong Street, Wukang, Deqing, Huzhou, Zhejiang, China (中国浙江省湖州市德清县武康镇长虹东街299号). The main products were low voltage electric products. The production processes included punching, injection, spot welding, tempo printing, assembly and packing. No subcontractor was needed.

Audited location information: Within the same facility compound, there were six buildings, including one 4-storey office building, one 3-storey production building (1F as warehouse, 2F as assembly and tempo printing, one 4-storey production building (1F as injection, 2F and 3F as assembly, 4F as spot welding and assembly), one flat production building as punching section, one 4-storey dormitory building (1F was used as canteen), and one 5-storey dormitory building. The land areas were around 33300 square meters. All buildings were owned and used by the auditee. No other company was in the auditee compound.

Operating shifts and hours: All production workers and office employees worked in one shift: 7:30-11:30, 13:00-17:00.

Security guards worked in 3 shifts: 1) 8:00-16:00, 16:00-0:00, 0:00-8:00; cooks worked in one shift: 7:00-12:30, 16:00-18:30. Time records from July 2022 to 21 July 2023 were reviewed. Time records for 15 samples in September 2022, December 2022 and May 2023 were selected for review. As per the sampled time records, maximum 2 hours overtime per day, 12 hours overtime per week, 50 hours overtime per month and 1 day off after 6 consecutive working days was guaranteed.

Time recording system: Workers scanned faces to track working hours.

Salary payment details: Payroll records from July 2022 to May 2023 were reviewed. Workers' wages were paid at hourly rate, at 27th of each month for the previous natural month by cash. Legal minimum wage was RMB2070/month (RMB11.90/hour) since 1 August 2021. The minimum wage paid to employees was RMB13 per hour, which was higher than the legal minimum wage. Workers' overtime wages were paid at 150%, 200% and 300% of the normal wage rate for overtime on weekdays, weekends, and statutory holidays respectively. No overtime was conducted on public holiday. Social insurance individual expense was shared by the auditee. No illegal deduction was made from workers' wage. As shown in the payroll, paid annual leave and paid holidays were provided.

Worker number information: Totally 495 workers including 399 production workers and 96 non-production workers.

Production workers included 223 male and 176 female. No vulnerable workers were available. 415 domestic migrant worker was in the facility. No interns, apprentices or contractor workers were in the facility.

Good practices: The facility provided free meals, living and uniforms.

Worker organization details: No labor union was available. Two worker representatives were elected and workers could discuss workplace issues or concerns to the worker representatives.

Circumstances: There was no special circumstance during the audit. The facility management was cooperative and receptive during the whole assessment process. The management was receptive of all the findings and showed the willingness to take appropriate corrective actions towards all findings.

Summary of findings: Findings were noted in PA1, PA2, PA5, PA6, PA 7, PA 10 and PA 12

PA1 Insufficient management system; Insufficient capacity planning;

PA2 No long-term goals set; workers were not familiar with the amfori BSCI code;

PA 5 Insufficient social insurance;

PA 6 Monthly overtime working hours exceeding the law requirements;

PA7 Insufficient HS management (insufficient occupational health checks, insufficient injury insurance, failed to complete provide complete fire license or construction approval, insufficient monitoring of special equipment);

PA10 No occupational hazards notification;

PA 12 Not updated law register; insufficient monitoring of air emission and not marked air emission outlet.

Living wage calculation: #Living Wage: 1). No anker wage available for the producers location, so we used the data provided by auditing company. 2). The calculation methodology refers to anker living wage structure. 3). The data comes from the local bureau of statistics for the current year.

Remark:

1. The auditee did not use any contractor/agency, did not obtain any Government waivers, and did not sign Collective

bargaining agreements, which made the Contractor license/permit, Agency labor contract, Government waivers, Collective bargaining agreements were not applicable in this audit.

2. 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.

3. As no unit of "set" option was available in the annual production volume, the unit of annual production volume was selected as "piece" instead.

4. The closing meeting was not finished on the actual closing meeting date due to slow network.

SITE DETAILS

Site

MAXGE ELECTRIC TECHNOLOGY CO.,LTD

Site amfori ID

156-018162-002

GICS Classification

Sector	Industry Group	Industry
Industrials	Capital Goods	Electrical Equipment
Sub Industry		
Electrical Components & Equipment		

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

This site is not located in a water stressed region

METRICS

Key Metrics

Total workforce	495	Workers
Legal minimum wage in local currency	2,070	Monthly
Lowest wage paid for regular work at the site	2,262	Monthly
Calculated living wage in local currency	2,395.56	Monthly
Total sample	15	Workers

Other Metrics

Male workers	271	Workers
Female workers	224	Workers
Permanent workers - Male	271	Workers
Permanent workers - Female	224	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	12	Workers
Management - Female	18	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	5	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	234	Workers
Domestic migrant workers - Female	181	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	271	Workers
Workers hired directly - Female	224	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	8	Workers
Sample - Female	7	Workers

FINDINGS



PA1: Social Management System

Site: MAXGE ELECTRIC TECHNOLOGY CO.,LTD | Site amfori ID: 156-018162-002

ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>The auditee partially respected this principle because based on management and worker interviews, onsite observation and document review, it was noted that procedure on internal audit and management review was established in the facility. A written policy and procedure regarding amfori BSCI management was available, but the facility did not implement the procedure effectively, also non-conformances were found in some PA. (Overtime working time exceeding legal requirement, insufficient occupational health checks, insufficient monitoring on special equipment). The management stated that employees did not want to participate in social insurance. Besides, workers had insurance, it was not necessary for them to participate social insurance. Overtime work was inevitable because workers were not sufficient. Interviewed workers reported that overtime work was voluntary and they did not want to be covered in social insurance. This was not in compliance with the amfori BSCI system manual.</p>	<p>被审核方部分遵守该原则因为根据管理层和工人面谈以及现场查看和文件查阅，发现工厂有建立内审和管理评审的程序文件。也有建立关于amfori BSCI管理的书面的政策和程序，但是没有有效的执行这些程序，比如有些PA仍然有不符合发现（加班超时，职业病体检不足，特种设备监管不足等）。工厂管理人员表示员工不愿意参加社保，他们自己有保险对他们而言社保没有必要。加班时间是不能避免的。因为员工不够。访谈员工表示加班都是自愿的，他们不想参加社保。违反了amfori BSCI管理手册。</p>
<p>The auditee partially respected this principle because based on management and worker interviews, onsite observation and document review, it was noted that the facility established production capacity assessment procedure and planed production ahead of time for each production order. However, the facility did not have a contingency plan in any possible emergency or interrupts of production. All those factors led to excessive overtime work in past 12 months for all employees. The management explained that workers wanted to do more overtime work to earn more. This was not in compliance with the amfori BSCI system manual.</p>	<p>被审核方部分遵守该原则因为根据管理层和工人面谈以及现场查看和文件查阅，发现工厂有建立产能评估的程序文件，并且提前为每一个生产订单制定了生产计划。公司没有生产恢复计划针对可能出现的意外或生产中断情况。所有这些因素导致员工在过去12个月有超时加班。工厂解释员工希望多加班多赚钱。违反了amfori BSCI管理手册。</p>



PA 2: Workers Involvement and Protection

Site: MAXGE ELECTRIC TECHNOLOGY CO.,LTD | Site amfori ID: 156-018162-002

ENGLISH	LOCAL LANGUAGE
Finding(s)	
The auditee partially respected this principle because based on management and worker interviews, and document review, it was noted that the factory did not define long-term goals for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct. This was not in compliance with the amfori BSCI system manual.	被审核方部分遵守该原则因为根据管理层和工人面谈和文件查阅，发现工厂未根据amfori BSCI行为守则愿景建立员工长期保护目标。违反了amfori BSCI管理手册。
The auditee partially respected this principle because based on management and worker interviews, onsite observation, and document review, it was noted that the amfori BSCI Code of Conduct was posted on the workshop and amfori BSCI standard training was provided to employees. The latest training on amfori BSCI code of conduct was on 17 June 2023. 15 out of 15 interviewed employees reported that they were not aware of amfori BSCI Code of Conduct. The interviewees stated that the facility provided training to them, but they could not understand or remember the content of amfori BSCI. The management explained that some workers did not have good understanding of the amfori BSCI code. This was not in compliance with the amfori BSCI system manual.	被审核方部分遵守该原则因为根据管理层和工人面谈以及现场查看和文件查阅，发现amfori BSCI行为准则粘贴于车间且厂内为员工提供了amfori BSCI准则培训。最近一次amfori BSCI行为准则培训是2023年6月17日。但是，15名受访员工中的15名均汇报不了解amfori BSCI行为准则标准。受访员工表示工厂有给他们提供培训，但是他们不明白也记不住amfori BSCI的内容。工厂解释员工对amfori BSCI行为准则的理解不够。违反了amfori BSCI管理手册。

PA 5: Fair Remuneration

Site: MAXGE ELECTRIC TECHNOLOGY CO.,LTD | Site amfori ID: 156-018162-002

ENGLISH	LOCAL LANGUAGE
Finding(s)	
The auditee partially respected this principle because based on management and worker interviews, and document review, it was noted that not all employees were provided with social insurance. Excluding 13 retirees, there were 482 employees eligible to be covered with five types of social insurance. As per the social insurance of June 2023, 57 employees did not participate in pension, unemployment, work-related injury, maternity, or medical insurance. Management reported that the factory was willing to purchase five kinds of social insurance for all employees. The factory also informed the employees of the social insurance policy when the new employees joined the facility, but the employees voluntarily gave up	被审核方部分遵守该原则因为根据管理层和工人面谈和文件查阅，发现工厂没有给所有员工提供社会保险。除去13名退休员工，工厂一共有482名员工都需要参加五种社会保险。根据2023年6月份的社保收据，57名员工没有参加养老，失业，工伤，生育和医疗保险。管理层汇报工厂愿意给员工购买五种社会保险。工厂也在新员工入职时将社保政策告知员工，但员工自愿放弃参保因为员工有农保。参考法律法规：中华人民共和国社会保险法，第10条，23条，33条，44条和53条

Finding(s)

social insurance as they had rural insurance.
Reference law: Social Insurance Law of the People's Republic of China; Article 10, Article 23, Article 33, Article 44, Article 53.

PA 6: Decent Working Hours

Site: MAXGE ELECTRIC TECHNOLOGY CO.,LTD | Site amfori ID: 156-018162-002

ENGLISH

LOCAL LANGUAGE

Finding(s)

The auditee did not respect this principle because based on management and worker interviews and document review, it was noted that the factory did not have effective system to control its overtime work compliance. There was a written policy on overtime working hours including overtime limits and overtime arrangement. However, the working hour record system could not alert when overtime was near or over the overtime limits. Based on management and worker interviews and time records (July 2022 to 21 July 2023) review, it was identified that, monthly overtime working hours exceeding 36 hours were detected.

For the sampled months, 15 out of 15 sampled workers' monthly overtime exceeding 36 hours in September 2022, December 2022 and May 2023 with the maximum up to 42, 50 and 50 hours respectively. Reference law: PRC Labor Law article 41

Based on the facility management, they had to arrange workers to conduct overtime work because production workers were not sufficient which lead to the production capacity could not meet the production order requirements.

Remark: The maximum monthly overtime for 15 sampled workers in June 2023 and July 2023 (till 21 July) was 48 and 36 hours.

被审核方未遵守该原则因为根据管理层和工人面谈以及文件查阅，发现工厂考勤系统没有有效系统控制员工过度加班。公司有书面的加班政策包括加班的限制及安排等，但是公司的考勤系统没办法预警当其加班时间快超过或已经超过要求时。根据管理层和工人面谈以及考勤（2022年7月至2023年7月（截至7月21日）的审查，发现月加班时间超过36小时。

抽样月份里，2022年9月，2022年12月和2023年5月，15名抽样员工中的15名均月加班超过36小时，最大月加班时间分别为42, 50和50小时。参考法律法规：《中华人民共和国劳动法》第41条

工厂解释说由于生产工人不够，导致产能不能满足生产订单的要求，因此需要安排员工加班。备注：2023年6月和2023年7月（截至7月21日）15名抽样员工的最大月加班时间为48小时和36小时。

PA 7: Occupational Health and Safety

Site: MAXGE ELECTRIC TECHNOLOGY CO.,LTD | Site amfori ID: 156-018162-002

ENGLISH

LOCAL LANGUAGE

Finding(s)	
<p>The auditee partially respected this principle because based on management and worker interviews, onsite observation, and document review, it was identified that there were occupational hazard factors of heavy noise, dust, and hazardous chemicals in injection, punching, spot welding and tempo printing section, but the facility did not provide pre-job or post-job occupational disease health checks to any related workers. It was noted that occupational hazards notification cards were posted onsite. On-job occupational health checks were provided for 99 workers in July 2022. The management explained that as related workers were not so much, they did not provide occupational health checks to these workers. Reference law: Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Article 35</p>	<p>被审核方部分遵守该原则因为通过管理人员和工人访谈、现场观察和文件查阅，发现注塑，冲压，点焊和移印车间存在噪声，粉尘和有害化学品的职业危害因素，但是工厂也未对相关工人进行岗前和离岗的职业病健康体检。发现车间张贴了职业危害告知卡。工厂2022年7月份给99名员工提供了在岗的职业病健康体检。工厂解释由于相关员工不多，因此他们没有给这些员工提供职业病体检。参考法律法规：中华人民共和国职业病防治法第三十五条</p>
<p>The auditee partially respected this principle because based on management and worker interviews and document review, it was identified that the not all employees were provided with injury insurance. There were 495 workers in the factory including 13 retired workers. However, 70 employees did not enjoy commercial accident insurance or injury insurance. Reference Law and Regulation: Social Insurance Law of the People's Republic of China, Article 33</p>	<p>被审核方部分遵守该原则因为通过管理人员和工人访谈和文件查阅，发现工厂没有提供工伤险给所有工人。工厂有495名员工，包括13名退休工人，但是70名员工没有享有商业险或工伤险。参考法律法规：中华人民共和国社会保险法第33条</p>
<p>The auditee partially respected this principle because based on management and worker interviews, document review and onsite observation, it was identified that the factory could not provide the fire license of the added 4F of building #2, the added 3F of building #4 and building #6 or construction approval of the added 4F of building #2, the added 3F of building #4. 4F of building #2 (826 square meters) was built in 2018, the added 3F (2654 square meters) of building #4 was built in 2018 and building #6 (2788 square meters) was built in 2017. These buildings looked solid, sufficient fire hydrants, fire extinguishers, fire alarms and etc. were installed. The management explained that the fire license and construction approval of these buildings were undergoing. Reference Law: Fire Control Law of the People's Republic of China, Article 13 & Construction Law of the People's Republic of China, Article 61</p>	<p>被审核方部分遵守该原则因为根据管理层和工人面谈以及现场查看和文件查阅，发现工厂未能提供#2厂房加建的4层，#4加建的3层以及#6厂房的消防验收证明和#2厂房加建的4层和#4加建的3层的竣工验收证明查看。#2厂房加建的4层（826平米）建于2018，#4加建的3层（2654平米）建于2018，以及#6厂房（2788平米）建于2017。建筑看起来坚固，里面安装了足够的消防栓，灭火器，消防警铃等。工厂解释该建筑的消防验收和竣工验收正在办理。参考法规：中华人民共和国消防法，第13条 & 中华人民共和国建筑法，第61条</p>

Finding(s)

The auditee partially respected this principle because based on management and worker interviews, onsite observation, document review, it was identified that the annual inspection reports for one cargo lift and two forklifts went expired in June 2023 and July 2023. The management explained that as the inspection schedule was tight, they applied for inspection one month in advance, but the inspection was arranged on 21 July 2023, hence, the updated reports were not available on the assessment date. Reference law: PRC Special Equipment Safety Law (2014), Article 15

被审核方部分遵守该原则因为根据管理层和工人面谈以及现场查看和文件查阅，发现工厂1台货梯和2台叉车年检报告于2023年6月和2023年7月过期。工厂解释由于检测排期紧张，他们提前一个月申请了检测，但是检测安排到2023年7月21日进行。因此，更新的报告审核当天无法拿到。相关法律法规：中华人民共和国特种设备安全法 第十五条

PA 10: No Precarious Employment

Site: MAXGE ELECTRIC TECHNOLOGY CO.,LTD | Site amfori ID: 156-018162-002

ENGLISH

LOCAL LANGUAGE

Finding(s)

The auditee partially respected this principle because based on management and worker interviews, onsite observation and document review, it was identified that there was no occupational hazards notification for workers exposed in occupational hazards (hazardous chemical, noise, etc.) in labor contracts. Reference Law: Article 35 of Law of the People's Republic of China on Prevention and Control of Occupational Diseases.

被审核方部分遵守该原则因为根据管理层和工人面谈，现场查看和文件查阅，发现工厂没有在劳动合同中对暴露在有害因素（有害化学品、噪声等）中的员工进行职业危害告知。参考法规：《中华人民共和国职业病防治法》第三十五条

PA 12: Protection of the Environment

Site: MAXGE ELECTRIC TECHNOLOGY CO.,LTD | Site amfori ID: 156-018162-002

ENGLISH

LOCAL LANGUAGE

Finding(s)

The auditee partially respected this principle because based on management and worker interviews and document review, it was identified that Some ENV laws and regulations were not collected or updated, e.g. Guidelines for Pollutant Discharge Registration of Stationary Pollution Sources (Trial) was not collected, classified management directory of environmental impact assessment of construction projects, Environmental

被审核方部分遵守该原则因为根据管理层和工人面谈和文件查阅，发现部分环境法律法规没有收集或更新。比如《固定污染源排污登记工作指南》（试行）没有收集，建设项目环境影响评价分类管理名录，《中华人民共和国环境保护法》不是2014版本等。违反了amfori BSCI管理手册。

Finding(s)	
Protection Law of the People's Republic of China was not in vision 2014 etc. This was not in compliance with the amfori BSCI system manual.	
<p>The auditee partially respected this principle because based on management and worker interviews, onsite observation, and document review, it was identified that:</p> <p>1) The factory did not monitor waste air from tempo printing and injection in the past year. Reference Law: Measures for the Administration of Environmental Surveillance, Article 21</p> <p>2) There was no signages for the waste air outlets. Reference Law: Notice of the General Office of the State Environmental Protection Administration on the Technical Specifications of Discharge Outlet Signs (Huan Office [2003] No. 95)</p>	<p>被审核方部分遵守该原则因为根据管理层和工人面谈以及现场查和文件查阅，发现</p> <p>1) 工厂在过去一年没有监测移印、注塑废气。参考法规：《环境监测管理办法》第二十一条</p> <p>2) 废气排放口没有排放口标识。参考法规：《国家环境保护总局办公厅关于印发排放口标志牌技术规范的通知》（环办[2003]第95号）</p>