

Monitored Party Kang Xin (Haimen) Environmental Technology Co., Ltd	amfori ID 156-051011-000	Address No. 1398, Xiu Shan East Road, Haimen District, 226100 Nantong, Jiangsu Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TUV Rheinland
Monitoring Start Date 16/11/2023	Closing Meeting Finished Date 17/11/2023	Submission Date 24/11/2023
Expiration Date 24/11/2024	Announcement Type Fully Announced	
Site Kang Xin (Haimen) Environmental Technology Co., Ltd	Site amfori ID 156-051011-001	

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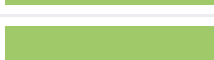

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OVERALL RATING



SECTION RATING

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

GENERAL DESCRIPTION

Name of lead auditor: Lorry Long; APSCA membership number: CSCA 21700405

Monitoring partner name: TUV Rheinland

Audit schedule details: The audit is planned for 1 auditor x 1.5 days.

Announcement Type: This is an announced audit.

Business partner information: Kang Xin (Haimen) Environmental Technology Co., Ltd (康馨(海门)环保科技有限公司) was located at No. 1398, Xiu Shan East Road, Haimen District, Nantong City, Jiangsu Province, China (中国江苏省南通市海门区秀山东路1398号), the facility was established in July 2005.

The address on business license was No. 1398, Xiu Shan East Road, Haimen City, Jiangsu Province (江苏省海门市秀山东路1398号), while the address on amfori BSCI platform was No. 1398, Xiu Shan East Road, Haimen District, Nantong City, Jiangsu Province, China (中国江苏省南通市海门区秀山东路1398号). The facility management stated that the facility did not change location, Haimen City was changed to Haimen District since 2020, the local government stated did not require the facility to update business license's address information, the facility management stated the updated address is more accurate and confirmed to use the updated address in the report.

The main product manufactured by the audited factory were biodegradable and environmentally friendly tableware.

According to the management, their peak production months were not obvious. The production capacity was about 15,000,000 pieces per year. The main production processes were pulping, moulding, trimming, inspection and packing.

Audited location information: There were totally five buildings in the compound owned by the audited facility, the audited facility used one 4-storey (partial 5-storey) office building (1F-5F used as office), one 2-storey production building (1F used as pulping, moulding, trimming, inspection and packing workshop, 2F used as trimming workshop and raw material warehouse), partial 1F and whole 2F of one 2-storey (partial 4-storey) building (partial 1F and whole 2F used as finished products warehouse, rest 1F, 3F and 4F were rented to other facilities as production areas), 1F of one 5-storey dormitory building (1F used as kitchen & canteen, 2F and 3F were rented to other facility as dormitory, 4F and 5F were idle). No dormitory or transportation was provided for workers by the audited facility.

Rest 1F of the 2-storey (partial 4-storey) building, one 2-storey building and 2F&3F of the 5-storey building were rented to Haimen XX Electronic Co., Ltd. which manufacturing of automobile parts, 3F and 4F of the 2-storey (partial 4-storey) building was rented to Haimen City XX Textile Processing Factory which manufacturing of home textiles, the products were different with the audited facility. The lease contracts and business licenses were provided for review. All the facilities had independent management, finance, production and workers. No shared production or worker was found.

Operating shifts and hours: Pulping, moulding, maintenance and trimming workers worked in two shifts: the 1st shift was from 7:00 to 19:00, the 2nd shift was from 19:00 to 7:00, each shift including 2 hours' rest and 2 hours' overtime, office employees worked in one shift: 8:30-11:00, 11:30-17:00, canteen employee worked in one shift: 9:00-13:00, 15:00-19:00, other workers worked in one shift: 7:00-11:00, 12:00-16:00. All the workers could have one day off after 6 consecutive working days. Overtime work was conducted on a voluntary basis. Attendance records from October 1, 2022 to November 16, 2023 (the assessment date) were provided for review and 12 employees were randomly selected as samples. Based on sampled attendance records review, maximum 2 hours overtime per day, 20 hours overtime per week and 94 hours overtime per month.

Time recording system: Electronic (face recognition) attendance system was used for employees' time keeping.

Salary payment details: The local minimum wage was RMB 2280 per month equivalent to RMB 13.10 per hour (2280/21.75/8) since August 1, 2021. Payroll records from October 2022 to September 2023 were provided for reviewed and 12 employees were randomly selected as samples. Employees were paid at hourly rate by bank transfer before or on 30th of the following month. Pay slips were provided to employees. The minimum wage for sampled workers were RMB 13.8 per hour which above the local minimum wage. Employees were compensated 150%, 200% and 300% of their regular wage for overtime work conducted on regular working days, rest days and statutory holidays respectively.

Worker number information: A total of 80 employees were currently working in the facility, which includes 68 production employees and 12 non-production employees. 68 production employees included 19 males and 49 females. 78 employees were local employees, other 2 employees were from other provinces of China. All employees were hired by the facility directly. No labor agency was used.

Good practices: The factory provided free meals to employees.

Worker organization details: No labor union in the factory. Two worker representatives were elected by workers in December 2022.

Circumstances: There was no special circumstance during the audit. The facility had good cooperation with auditor, provided independent meeting room for worker interview and allowed auditor to take photos onsite. The management

accepted all the findings and signed the onsite report after closing meeting.

Summary of findings:

PA1:

The facility did not take effective measures to implement the procedures completely.

Production capacity planning control procedure was not fully implemented.

PA2:

Partial employees did not know well about the amfori BSCI Code of Conduct.

PA6:

Overtime hours exceeded the legal requirement.

PA7:

No evaluation report of occupational hazardous factors.

No occupational health examination was provided for workers who contacted occupational hazardous.

The anti-slip device installed for the hook of one crane was broken.

No washing soap was provided in the toilet.

PA12:

No monitoring report of waste gas.

No inspection report of cooking fume.

No monitoring report of noise at boundary.

Living wage calculation: #LivingWage: 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.

Attachments: 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.

Remark:

No photos of contractor license, agency labor contract, government waiver, collective bargaining agreements were taken, as no contractor or agencies were used, no government waiver was obtained, no collective bargaining agreements were available.

The facility was named Tianya Peiji (Haimen) Environmental Products Co., Ltd.(天耀培基(海门)环保制品有限公司) before November 2012, and changed name as Kang Xin (Haimen) Environmental Technology Co., Ltd (康馨(海门)环保科技发展有限公司). The fire safety and building safety documents were obtained before 2012, and in the documents the facility was named Tianya Peiji (Haimen) Environmental Products Co., Ltd.(天耀培基(海门)环保制品有限公司).

SITE DETAILS

Site
**Kang Xin (Haimen) Environmental
Technology Co., Ltd**

Site amfori ID
156-051011-001

GICS Classification

Sector Materials	Industry Group Materials	Industry Paper & Forest Products
Sub Industry Paper Products		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	80	Workers
Legal minimum wage in local currency	2,280	Monthly
Lowest wage paid for regular work at the site	2,401.2	Monthly
Calculated living wage in local currency	2,528.28	Monthly
Total sample	12	Workers

Other Metrics

Male workers	25	Workers
Female workers	55	Workers
Non-binary workers	0	Workers
Permanent workers - Male	25	Workers
Permanent workers - Female	55	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	3	Workers
Management - Female	2	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	16	Workers
Workers with night shift - Female	14	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	1	Workers
Domestic migrant workers - Female	1	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	25	Workers
Workers hired directly - Female	55	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	0	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	0	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	3	Workers
Sample - Female	9	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: Kang Xin (Haimen) Environmental Technology Co., Ltd | Site amfori ID: 156-051011-001

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>The auditee partially respected the principle. Through document review, site tour, employee interview and management interview, the facility had established social compliance management system and management procedures according to amfori BSCI requirements, but the facility did not take effective measures to implement the procedures completely, which led non-compliances were noted in some Performance Areas, such as Decent working hours, Occupational health and safety. The facility management stated that due to limited production management and cost control, partial non-compliances could not be corrected in current. Interviewed employees claimed that overtime was voluntarily to choose, and they were satisfied to the facility management. It violated the requirements in amfori BSCI System Manual.</p>	<p>被审核方部分尊重该原则。通过文件查阅，现场走访，员工访谈及管理人员访谈，审核员发现工厂依据amfori BSCI的要求建立了社会责任管理体系及管理程序，但是工厂没有采取有效的措施来完全实施程序，导致一些绩效领域存在不符合项，比如体面劳动时间和职业健康与安全。管理人员表示由于生产管理限制及成本控制，目前部分不符合项无法整改。被访谈员工表示加班是自愿的，对工厂管理比较满意。违反了amfori BSCI系统手册中的要求。</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>The auditee partially respected the principle. During document review and management interview, the facility had established production capacity planning control procedure, however, it was not fully implemented. The compliance of monthly overtime hours was not considered when arrange the production. Monthly overtime hours of production employees exceeded 36 hours in most months. The facility management stated that overtime was arranged based on the delivery date of received production orders and workers also wanted to take overtime to obtain more salary. It violated the requirements in amfori BSCI System Manual.</p>	<p>被审核方部分尊重该原则。通过文件查阅及管理人员访谈，审核员发现工厂制定了产能规划控制程序，但程序没有得到完全执行，安排生产时没有考虑月加班的符合性。生产工人在大部分月份中月加班超过36小时。管理人员表示工厂加班是根据接到的生产订单交期安排的，员工也想要通过加班来获得更高的工资。违反了amfori BSCI系统手册中的要求。</p>

PA 2: Workers Involvement and Protection

Site: Kang Xin (Haimen) Environmental Technology Co., Ltd | Site amfori ID: 156-051011-001

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

The auditee partially respected the principle. During site tour, document review, employee interview and management interview, auditor found that the facility had posted the amfori BSCI Code of Conduct in workshop and provided training for all workers, but 4 out of 12 interviewees did not know well about the amfori BSCI Code of Conduct, such as Fair remuneration and Special Protection for Young Workers. The facility management stated that some employees did not pay attention to training comments, so they could not understand the amfori BSCI Code of Conduct. It violated the requirements in amfori BSCI System Manual.

被审核方部分遵守该原则。通过现场走访，文件查阅，员工访谈及管理层访谈，审核员发现工厂已经在车间内张贴了amfori BSCI行为守则，并给所有工人提供培训，但是12名受访员工中的4名不太了解amfori BSCI行为守则，比如公平报酬和对未成年工人的特殊保护。管理人员表示部分员工未重视培训内容，无法理解amfori BSCI行为守则。违反了amfori BSCI系统手册中的要求。

PA 6: Decent Working Hours

Site: Kang Xin (Haimen) Environmental Technology Co., Ltd | Site amfori ID: 156-051011-001

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

The auditee partially did not respect the principle. During site tour, document review, employee interview and management interview, auditor found that overtime hours exceeded the legal requirement. Based on the provided attendance records from October 1, 2022 to November 17, 2023, it was found that all 12 sampled workers' monthly overtime hours exceeded 36 hours in September 2023, with the maximum were 94 hours; 11 out of 12 sampled workers' monthly overtime hours exceeded 36 hours in May 2023, with the maximum were 84 hours; all 12 sampled workers' monthly overtime hours exceeded 36 hours in December 2022, with the maximum were 94 hours. The management stated that due to the order delivery date and employees' willing, they did

被审核方未遵守该原则。通过现场走访，文件查阅，员工访谈及管理层访谈，审核员发现加班时间超过法规要求。根据提供的2022年10月1日至2023年11月17日的考勤记录，抽样的12名员工的月加班时间在2023年9月超过36小时，最大为94小时；抽样的12名员工中的11名的月加班时间在2023年5月超过36小时，最大为84小时；抽样的12名员工的月加班时间在2022年12月超过36小时，最大为94小时。管理人员表示由于订单交期和员工的意愿，没有实施工时管控将加班时间控制在36小时以内；工厂的电子考勤系统没有设置预警功能。访谈的员工表示加班是自愿的，他们愿意多加班赚更多的工资。备注：2023年10月1日至2023年10月31日的最大月加班时间为70小时，2023年11月1日至2023年11月16日的最大加班时间为52小时。（参考法律法规：《中华人民共和国劳动法》第41条）

Finding	
not implement the working hours control management to control the overtime hours within 36 hours. No warning function was installed with the electronic attendance system used in the facility. Interviewed workers stated that overtime was conducted voluntarily, they preferred to take more overtime to earn more salary. Remark: the maximum monthly overtime hours from October 1, 2023 to October 31, 2023 were 70 hours; the maximum monthly overtime hours from November 1, 2023 to November 16, 2023 were 52 hours. (Reference Law: PRC Labour Law article 41)	

PA 7: Occupational Health and Safety

Site: Kang Xin (Haimen) Environmental Technology Co., Ltd | Site amfori ID: 156-051011-001

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>The auditee partially respected the principle.</p> <p>1. During site tour, document review and management interview, auditor found that hazardous factors such as high temperature existed in pulping workshop, noise, dust existed in pulping, moulding and trimming workshop. However, the facility could not provide evaluation report of occupational hazardous factors for review. The facility management stated that because of cost control, they had not arranged evaluation in current. (Reference Law: Provisions on the Administration of Occupational Health at Work Sites, Article 20)</p> <p>2. During site tour, document review, management interview and employee interview, auditor found that the factory did not provide pre-job, on-job or off-job occupational health examination for workers who contact occupational hazard factors, such as pulping, moulding and trimming workers contact noise and dust. Interviewed worker stated no occupational health examination was provided. The facility management stated that that due to cost control, they had not arranged occupational health examinations for employees. (Reference Law: Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Article 35)</p>	<p>被审核方部分尊重该原则。</p> <p>1. 通过现场走访，文件查阅及管理层访谈，审核员发现打浆车间存在高温，打浆、成型和切边车间存在噪音及粉尘等职业危害因素。但是，企业未能提供该作业场所的职业危害因素监测报告。管理人员表示由于成本控制，目前未安排监测。（参考法律法规：《工作场所职业卫生管理规定》第二十条）</p> <p>2. 通过现场走访、文件查阅、管理人员访谈及员工访谈，审核员发现在工厂没有为接触职业危害因素的工人提供岗前、在岗及离岗的职业健康体检，比如打浆、成型和切边工人接触噪声，粉尘等。访谈员工表示没有做过职业健康体检。工厂管理人员表示由于成本控制，暂时没安排体检。（参考法律法规：《中华人民共和国职业病防治法》第35条）</p>

Question: 7.17 Is there satisfactory evidence that the auditee ensures adequate safeguards for any machine part, function, or process which may cause injury to workers?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respected the principle. During site tour and management interview, auditor found that the anti-slip device installed for the hook of one crane was broken in raw material warehouse. The facility management stated that they ignored the issue and would repair it as soon as possible. (Reference Law: General rules for designing the production facilities in accordance with safety and health requirements (GB5083-1999) article 6.1.6)</p>	<p>被审核方部分遵守该原则。通过现场走访及管理层访谈，审核员发现工厂原料仓库的1个行车吊钩上的防滑装置损坏。管理人员表示没有注意到该问题，将尽快维修。（参考法律：《生产设备安全卫生设计总则》（GB5083-1999）第6.1.6条）</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>The auditee partially respected the principle. During site tour and management interview, auditor found that no washing soap was provided in the toilet. The facility management stated that they did not know the requirement. It violated the requirements in amfori BSCI system manual.</p>	<p>被审核方部分尊重该原则。通过现场走访及管理层访谈，审核员发现企业厕所没有提供洗手液。管理人员不清楚该要求。违反了amfori BSCI系统手册中的要求。</p>

PA 12: Protection of the Environment

Site: Kang Xin (Haimen) Environmental Technology Co., Ltd | Site amfori ID: 156-051011-001

Question: 12.4 Is there satisfactory evidence that waste is managed in a way that does not lead to the pollution of the environment?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respected the principle. 1. During site tour, document review and management interview, auditor found that waste gas was generated from pulping, moulding process. However, the facility could not provide monitoring report of waste gas. The management stated that they were busy, did not have time for the monitoring (Reference law: Measures for Administration of Environmental Surveillance Article 21)</p>	<p>被审核方部分尊重该原则。 1. 通过现场巡查，文件查阅及管理层访谈时，审核员发现打浆及定型工序产生废气，但是企业无法提供废气监测报告供审核员审阅。管理人员表示最近忙于生产，没有时间安排监测。（参考法规：《环境监测管理办法》第21条） 2. 通过现场查看，文件查阅及管理层访谈，审核员发现工厂厨房位于1栋5层建筑的1楼，但工厂无法提供食堂油烟检测报告。管理人员表示最近忙于生产，没有时间安排监测。（参考法律法规：饮食业</p>

Finding

2. During site tour, document review and management interview, auditor found that the kitchen was located at 1F of one 5-storey building, however, the factory did not provide inspection report of cooking fume. The management stated that they were busy, did not have time for the monitoring. (Reference Law: Emission standard of cooking fume GB18483-2001 article 3.2.5)

3. During site tour, document review and management interview, auditor found that noise was generated from moulding and trimming process. However, the facility could not provide monitoring report of noise at boundary. The management stated that they were busy, did not have time for the monitoring (Reference law: Emission Standard for Industrial Enterprises Noise at Boundary GB12348-2008 article 4.1.1)

油烟排放标准 GB18483-2001 第3.2.5条)

3. 通过现场巡查，文件查阅及管理层访谈时，审核员发现定型及切边工序产生噪声，但是企业无法提供厂界噪声的报告供审核员审阅。管理人员表示最近忙于生产，没有时间安排监测。(参考法规：《工业企业厂界环境噪声排放标准（GB12348-2008）》第4.1.1条)