

Monitored Party GUANGZHOU LORD OF THE RINGS JEWELLERY CO., LTD	amfori ID 156-054849-000	Address Rooms 101, 102, 201, and 301, Building 8, No. 999 Fulong Road, Shawan Street, Panyu District, Guangzhou City, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner Bureau Veritas Hong Kong Limited
Monitoring Start Date 23/05/2024	Closing Meeting Finished Date 24/05/2024	Submission Date 31/05/2024
Expiration Date 31/05/2025	Announcement Type Fully Announced	
Site GUANGZHOU LORD OF THE RINGS JEWELLERY CO., LTD	Site amfori ID 156-054849-001	

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OVERALL RATING



SECTION RATING

PA1: Social Management System	B	
PA 2: Workers Involvement and Protection	C	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination, Violence or Harassment	A	
PA 5: Fair Remuneration	B	

PA 6: Decent Working Hours	A	
PA 7: Occupational Health and Safety	D	
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	B	

GENERAL DESCRIPTION

Name of lead auditor: Jimmy Sun; APSCA membership number: CSCA 21701689

Name of team auditor (if applicable): N/A

Name of observers, translators, trainees, advisors/consultants (if applicable): N/A

Monitoring partner name: Bureau Veritas Consumer Products Service; Audit Company APSCA Number: 11600002

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

Announcement Type: Announced Full Audit

Monitoring Date: May 23-24, 2024

Business partner information: The auditee (the name in Chinese was 广州市玉指环首饰有限公司, Unified Social Credit Code: was 91440113783750560W) was established on January 4, 2006 as shown in the business license, it was located at Rooms 101, 102, 201, and 301, Building 8, No. 999 Fulong Road, Shawan Street, Panyu District, Guangzhou City, Guangdong Province, China (the address in Chinese was 广州市番禺区沙湾街福龙路999号8栋101、102、201、301房).

The facility specialized in the manufacture of jewellery. The main produce processes included waxing, CNC processing, grinding, casting, polishing, stone setting, cleaning, inspection and packing. The peak season was not obvious.

Audited location information: The factory rented the whole 1st floor (production workshops, warehouse, eating area for employees and no kitchen for cooking) and part of the 3rd floor (office, research and lab) of one 3-storey production building. No dormitory or canteen was provided. The total architecture area of the facility was about 2000 square meters.

Operating shifts and hours: All workers conducted 1 shift and the regular working hours were 8:30 to 17:30 with 1 hours' lunch break from 12:30 to 13:30. They worked 8 hours per day and 5 days per week, their normal rest days were Saturday and Sunday. According to sampled attendance records (10 samples from March 2024, February 2024 and August 2023 respectively), auditor noted that all sampled employees worked at most 36 overtime hours per month and 2 hours per day. The longest consecutive working days were 6 days and the total maximum weekly working hours were 56 hours.

Time recording system: facial recognition system

Salary payment details: Wages of employees were paid at around 30th of next month by cash with wage stubs issued to employees and the employees' signatures on the payrolls. All employees were paid by hourly rate. According to sampled payroll records (10 samples from March 2024, February 2024 and August 2023 respectively), auditor noted that employees were paid RMB13.22 per hour, which met the local minimum wage of RMB13.22 per hour since December 2021. Besides, all sampled employees were paid 150% and 200% of normal wages for the overtime worked on weekdays and weekends respectively, which met the legal overtime compensation rate. No overtime hours were noted on statutory holidays.

Worker number information:

- Total of 97 employees with 37 non-production staffs and 60 production workers
- Production worker number 34 males and 26 females
- Vulnerable worker number (domestic workers from other provinces of China were 27 males and 13 females)
- Any other special group workers N/A

Good practices: Nil

Worker organization details: Worker committee was established and worker representative was elected in 2024.

Circumstances: There was no special circumstance during the audit.

Summary of findings: Non-compliances were found in PA1, PA2, PA5, PA7 and PA13. Detailed findings refer to the report.

Living wage calculation: BV has used the methodology which is similar with Anker Benchmark methodology to estimate the living wage by estimating the cost of a basic but decent life style for a worker and his/her family. This involves adding up the cost of three expenditure groups: food (for a low-cost nutritious diet), housing (for basic healthy housing), and other essential expenses for a family, and then adding a small margin for sustainability and emergencies. The reason BV does not use Anker benchmark is no data in GLWC for the area where the factory is located. The data source: onsite audit information collection (BV BNW).

Remarks:

1. There were many other factories located in the same compound of the industrial zone, which had independent production activities with business licenses and different management system. No worker exchange was noted during the audit. Thus only auditee occupied areas were included in audit scope.

2. Per factory tour, document review and interviews, the 2nd floor had been leased out to another factory named Guangzhou Jiazuan Jewelry Co., Ltd. The other part of the 3rd floor was belonged to the owner and empty currently.

3. Documents not attached in the report:

- Contractor license/permit

Not Applicable. There was no contractor used in this factory.

- Agency labor contract

Not Applicable. There was no agency labor used in this factory.

- Government waivers

Not Applicable. There was no government waiver provided by the factory.

- Collective bargaining agreements

Not Applicable. No collective bargaining agreements were provided by the factory.

SITE DETAILS

Site

GUANGZHOU LORD OF THE RINGS JEWELLERY CO., LTD

Site amfori ID

156-054849-001

GICS Classification

Sector

Consumer Staples

Industry Group

Household & Personal Products

Industry

Household Products

Sub Industry

Household 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	2,300	Monthly
Lowest wage paid for regular work at the site	2,300	Monthly
Calculated living wage in local currency	2,612.86	Monthly
Total sample	10	Workers

Other Metrics

Male workers	51	Workers
Female workers	46	Workers
Non-binary workers	0	Workers
Permanent workers - Male	51	Workers
Permanent workers - Female	46	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	5	Workers
Management - Female	5	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	0	Workers
Workers with night shift - Female	0	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	27	Workers
Domestic migrant workers - Female	13	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	51	Workers
Workers hired directly - Female	46	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	6	Workers
Sample - Female	4	Workers
Sample - Non-binary	0	Workers

FINDINGS

PA1: Social Management System

Site: GUANGZHOU LORD OF THE RINGS JEWELLERY CO., LTD | Site amfori ID: 156-054849-001

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

Based on document review, factory tour, management and worker interviews, it was noted that the auditee had set up management system to compliance with the BSCI Code of Conduct. But some policies were improperly implemented and did not monitor the management system accurately. This issue was cascaded by other issues and defined as partial non-compliance finding. Please refer to BSCI PA1.1

根据文件查阅，现场走访，管理层和员工访谈，审核发现被审核方建立了社会责任管理体系以符合BSCI行为准则，但是部分制度没有执行到位，并且对其社会责任体系执行情况监管不到位。此问题点属于其他问题的关联问题，判定为部分不符合项。请参看BSCI PA1.1

PA 2: Workers Involvement and Protection

Site: GUANGZHOU LORD OF THE RINGS JEWELLERY CO., LTD | Site amfori ID: 156-054849-001

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

Based on document review, management and worker interviews, the factory provided the records of communication about requirements of social responsibility between the management and workers, however, the workers did not have adequate understanding on the requirements of social responsibility or the BSCI Code. Because employees had been provided with related training, the issue was defined as partial non-compliance finding. This violated Performance Area 2: Workers Involvement and Protection 2.4.

根据文件查阅，管理层和员工访谈，工厂有提供进行管理层面与员工之间关于社会责任的沟通的记录，但是员工并不足够了解社会责任的要求和BSCI准则。由于工厂为员工提供了相关培训，此问题点判定为部分不符合项。根据执行领域2：工人参与和保护2.4

Question: 2.5 Is there satisfactory evidence that the auditee has established, or participates in, an effective operational-level grievance mechanism for individuals and communities?

ENGLISH

LOCAL LANGUAGE

Finding

Based on document review, management and worker interviews, it was noted that the facility didn't establish an effective operational-level grievance mechanism for external stakeholders (i.e. neighbors, factories, suppliers, local government, NGO, etc.). Further, factory didn't conduct satisfaction survey on the grievance mechanism. Because inadequate grievance mechanism was established, the issue was defined as non-compliance finding. Please refer to BSCI 2.5

根据文件查阅，管理层和员工访谈，审核员发现工厂没有建立针对外部利益相关方（如周边居民，工厂，供应商，当地政府，NGO等）的有效的申诉机制。此外，工厂没有进行申诉机制满意度调查。由于工厂未能建立充足的申诉机制，此问题判定为不符合项。请参看BSCI的要求2.5

PA 5: Fair Remuneration

Site: GUANGZHOU LORD OF THE RINGS JEWELLERY CO., LTD | Site amfori ID: 156-054849-001

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

Based on document review, management and worker interviews, it was noted that factory didn't investigate employees' basic needs, and they had no idea of how to calculate BNW. Factory management stated that they didn't know such specific requirement and would try best to take corrective action. Thus this issue was defined as non-compliance finding. Please refer to BSCI PA 5.4

根据文件查阅，管理层和员工访谈，审核发现工厂没有调查员工基本生活需求，不了解如何计算基本生活保障工资。工厂表示不清楚此项要求，会尽可能改善。此问题点判定为不符合项。请参看BSCI PA5.4

PA 7: Occupational Health and Safety

Site: GUANGZHOU LORD OF THE RINGS JEWELLERY CO., LTD | Site amfori ID: 156-054849-001

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

ENGLISH

LOCAL LANGUAGE

Finding

Based on document review, management and worker interviews, it was noted that the factory didn't provide regular occupational health checks to employees who were in contact with hazardous materials (such as noise, dust, hexane. Etc.).

根据文件查阅，管理层和员工访谈，审核员发现厂方没有为接触有害物质（如噪音、粉尘、正己烷等）的员工提供职业病体检。由于工厂未能建立完善的管理体系识别该问题，此问题点判定为不符合项。请参看《中华人民共和国职业病防治法》第35

Finding	
Because factory didn't establish effective management system to identify the finding, this issue was defined as non-compliance finding. Please refer to Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases	条

Question: 7.6 Is there satisfactory evidence that the auditee enforces the use of PPE to provide protection to workers alongside other controls and safety systems?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on factory tour, it was noted that 2 workers in contact with dust were not wearing provided dust-free masks. Because proper PPE was provided and majority employees were wearing properly, this issue was defined as partial non-compliance finding. Please refer to Article 42 of Law of the People's Republic of China on Production Safety.	根据现场走访，工厂2名接触粉尘的员工没有佩戴工厂提供的防尘口罩。由于工厂提供了合适的劳保用品并且大部分员工正确佩戴，此问题点判定为部分不符合项。请参看《中华人民共和国安全生产法》第42条

Question: 7.9 Is there satisfactory evidence that the auditee makes visible potential hazards to the workers and visitors through signs and warnings?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on factory tour, it was noted that one electric box was not posted with a warning sign. Because factory had posted warning signs for most electric boxes, the issue was defined as partial non-compliance finding. Please refer to Article 2-7 of Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008	根据现场走访，审核发现工厂有1个电箱没有张贴警示标识。由于工厂为大多数电箱张贴了警示标志，此问题点判定为部分不符合项。请参看《安全标志及使用导则(GB 2894-2008)》警示标志2-7

Question: 7.15 CRUCIAL: Is there satisfactory evidence that the auditee ensures that escape routes, aisles and emergency exits in the production site are not blocked, easily accessible and clearly marked?

ENGLISH	LOCAL LANGUAGE
Finding	
Per factory tour, it was noted that no emergency light was installed at 1 out of 2 exits leading to outside ground on the 1st floor of the production building. Factory had established fire safety	根据现场走访，审核员发现工厂生产楼1楼1/2通向室外的安全出口没有安装应急灯。工厂建立了消防安全管理程序，为员工提供了消防安全培训。工厂每年进行两次消防演习，配备了充足的消防栓设

Finding

management procedure and provided related training to all employees. Fire drills had been conducted twice per year and adequate firefighting equipment were available. Emergency markings had been installed for exits and isles. Management stated that they would take corrective action immediately. Thus the issue was defined as partial non-compliance finding. In accordance with Article 10.1.9 of General code for fire protection of buildings and constructions, Article 10.3.1 and 10.3.4 of the Code for design of building fire protection and prevention

施。出口和通道都安装了应急标识。工厂代表表示会立即改善。因此，此问题点判定为部分不符合项。根据《建筑防火通用规范》10.1.9和《建筑设计防火规范GB50016-2014》第10.3.1条第10.3.4条

PA 13: Ethical Business Behaviour

Site: GUANGZHOU LORD OF THE RINGS JEWELLERY CO., LTD | Site amfori ID: 156-054849-001

Question: 13.4 Is there satisfactory evidence that the auditee collects uses and otherwise processes personal information with reasonable care and in accordance with privacy and information security laws and regulatory requirements?

ENGLISH

LOCAL LANGUAGE

Finding

Based on document review, management and worker interviews, it was noted that the facility didn't provide training on personal privacy data protection to employees. Because factory management were not aware of related requirement, the issue was defined as non compliance finding. Please refer to BSCI PA 13.4

根据文件查阅，管理层和员工访谈，审核发现工厂没有对员工进行个人隐私保护培训。由于工厂不了解相关要求，此问题点判定为不符合项。请参看 BSCI 13.4