

Monitored Party HONSON GROUP ELECTRONIC CO., LTD	amfori ID 156-051223-000	Address 1101, Floor 11th, Block 16-2 , Huang jin xiao zhen industrial park, NO.7 of Technology Avenue , Houjie, 523962 DONGGUAN, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner Bureau Veritas Hong Kong Limited
Monitoring Start Date 21/11/2023	Closing Meeting Finished Date 21/11/2023	Submission Date 28/11/2023
Expiration Date 28/11/2024	Announcement Type Fully Announced	
Site HONSON GROUP ELECTRONIC CO., LTD	Site amfori ID 156-051223-001	

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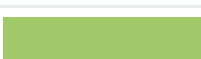

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OVERALL RATING



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, Violence or Harassment	A	
PA 5: Fair Remuneration	C	

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: Matthew Feng; APSCA membership number: CSCA 21701194

Name of team auditor (if applicable): Nil; APSCA membership number: Nil

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

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

Audit schedule details: The audit was planned for 1 auditor x 1 day.

Announcement Type: Announced Full Audit

Monitoring Date: November 21, 2023

Business partner information: HONSON GROUP ELECTRONIC CO., LTD (东莞市奇游智能科技有限公司, 91441900MACG9YTT73) was established on April 17, 2023. And the address was 1101, Floor 11th, Block 16-2, Huang jin xiao zhen industrial park, NO.7 of Technology Avenue, Houjie, DONGGUAN, China (广东省东莞市厚街镇厚街科技大道7号16号楼2单元1101室). The factory specialized in manufacturing of Game controller and Game wheel. And the main production processes included assembly, inspection and packing.

Audited location information: The facility rented the 10th to 12th of one 13-storey industrial building as production workshop, warehouse and office. No dormitory or canteen was provided for the employees. All production processes were on the 11th floor. The 12th floor was mainly used as office and showroom. The 10th floor was mainly used as warehouse. The 7th, 8th, 9th and 13th floors were not leased out yet, idle currently. While the rest floors were rented by other companies, which were owned by different owners. The auditee was not the building owner. Thus, no business license or lease contracts could be provided for review. Auditor was allowed to conduct a quick tour on those floors. No worker or production exchanged was noted. Therefore, only the 10th to 12th floors were covered into the audit scope in this audit.

Operating shifts and hours: The regular work days were from Monday to Friday, while rest days were Saturday and Sunday. Overtime work was arranged on Saturday sometimes if in need. Office staff were arranged for one shift, from 8:30 to 12:00, 14:00 to 18:30. Production workshop was operated in one shift, from 8:00 to 12:00, 13:50 to 17:50. During the audit, time and wage records were sampled as follows for working hour and wage testing: 5 samples selected from October 2023 as current paid month, 5 samples selected from August 2023 and 5 samples selected from May 2023.

According to the sampled time records, it was noted that the maximum overtime hours were 2 hours per day, and 78 hours per month. The maximum weekly working hours were 58 hours per week. Employees could have at least one day leave in consecutive 6 working days.

Time recording system: The factory adopted fingerprint scanning system to record working hours.

Salary payment details: All employees were paid at hourly rate in cash before the 20th of the following month. According to the sampled payroll records, it was noted that all employees were paid at least CNY 13.57 per hour, which met the local minimum wage requirement (CNY 10.92 per hour since December 2021). All employees overtime worked on weekday and weekend were paid with 150% and 200% of employees' normal wage, which was compliance with legal requirement. No overtime work was arranged on statutory holidays.

Worker number information:

- Total of 45 employees with 12 non-production staffs and 33 production workers
- Total 33 production workers with 16 males and 17 females
- Total 36 domestic employees with 16 male and 20 female, no any foreign migrant, young, women pregnant, seasonal, temporary, disabled, home-based workers
- No any other special group workers (interns, apprentices, contractor workers etc.)

Good practices: No obvious best practice was noted during this audit.

Worker organization details: No trade union was established in the factory. The worker representative was elected in 2023.

Circumstances:

There was no agency or contracted worker used, no collective bargaining agreement was signed and no government waiver was obtained, either. Thus, no photo attached for the relevant documents.

EIA process was not required by law for the auditee's production activities, so there was not environment permit uploaded.

The factory was newly established on April 17, 2023. Records, e.g. wage and time records, were provided since April 2023.

Summary of findings: This is an announced full audit, covering all 13 PAs. Findings were noted in below PAs: PA1: Social Management System, PA 2: Workers Involvement and Protection, PA 5: Fair Remuneration, PA 6: Decent Working Hours, PA 7: Occupational Health and Safety and PA 13: Ethical Business Behaviour.

Living wage calculation: Living Wage please refer to BNW in attachment. BV had used the methodology which was 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 involved 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 did not use Anker benchmark is no data in GLWC for the area where the factory was located. The data source: onsite audit information collection (BV BNW).

Minimum Content MEMO (MEMO (AC's 2018/06 1) There was a personal data protection law/requirement in China. Therefore, all attachments were involved in employees' personal data would be hidden during this audit.

SITE DETAILS

Site

HONSON GROUP ELECTRONIC
CO., LTD

Site amfori ID

156-051223-001

GICS Classification

Sector

Information Technology

Industry Group

Technology Hardware &
Equipment

Industry

Electronic Equipment,
Instruments & Components

Sub Industry

Electronic Components

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	43	Workers
Legal minimum wage in local currency	1,900	Monthly
Lowest wage paid for regular work at the site	2,360	Monthly
Calculated living wage in local currency	2,398.23	Monthly
Total sample	5	Workers

Other Metrics

Male workers	20	Workers
Female workers	23	Workers
Non-binary workers	0	Workers
Permanent workers - Male	21	Workers
Permanent workers - Female	24	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	1	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	16	Workers
Domestic migrant workers - Female	20	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	21	Workers
Workers hired directly - Female	24	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	2	Workers
Sample - Female	3	Workers
Sample - Non-binary	0	Workers

FINDINGS

PA1: Social Management System

Site: HONSON GROUP ELECTRONIC CO., LTD | Site amfori ID: 156-051223-001

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, management interview, worker representatives' interview and employees' private interview, 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 question was rated as partially compliance because there were only some gaps between the factory in some performance areas and the requirement of Amfori BSCI.
Please refer to BSCI PA1.1

基于文件查阅，管理层访谈，员工代表访谈和员工访谈，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。因为工厂仅仅只是在某些执行领域和Amfori BSCI的要求之间存在某些差距，所以这个问题点判为部分符合。
请参看BSCI PA1.1

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

Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory did not organize its workforce capacity to meet the expectations of the delivery order and contracts, so that employees' overtime hours exceeded legal limit. This question was rated as partially compliance because the factory had established management procedure but the procedures were not completed implemented.
Please refer to BSCI PA 1.4

基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现工厂没有进行良好的生产组织来达成交付订单和合同预期，以至于员工月加班超出法律规定。因为工厂有建立管理程序但未完全执行，所以这个问题点判为部分符合。
请参看BSCI PA1.4

PA 2: Workers Involvement and Protection

Site: HONSON GROUP ELECTRONIC CO., LTD | Site amfori ID: 156-051223-001

Question: 2.2 Is there satisfactory evidence that the auditee defines long-term goals for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that though the factory provided the commitment that they will implement the social responsibility according to the local law and BSCI Code of Conduct and the factory had a long-term goals, the factory did not have a plan to reflect a step-by-step approach toward sustainable improvements or track its implementation status accordingly. This question was rated as partially compliance because the factory had defined the goal but missed the plan and tracking. Please refer to BSCI PA 2.2	基于文件查阅、管理层访谈、员工代表访谈和员工访谈，工厂虽然有承诺执行社会责任且有建立长期目标，但是工厂没有建立如何逐步达到该目标的计划并追踪其执行情况。因为工厂有建立目标但缺失计划和追踪，所以这个问题点判定为部分符合。 请参看BSCI PA2.2

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 interview, worker representatives' interview and employees' private interview, it was noted that 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. This question was rated as partially compliance because the factory had provided training to the employees but the employees did not understand well the requirement. Please refer to BSCI PA 2.4	基于文件查阅、管理层访谈、员工代表访谈和员工访谈，审核发现工厂有提供进行管理层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。因为工厂有提供培训给员工但员工理解不足，所以这个问题点判定为部分符合。 请参看BSCI PA2.4

PA 5: Fair Remuneration

Site: HONSON GROUP ELECTRONIC CO., LTD | Site amfori ID: 156-051223-001

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
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Finding	
Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory did not collect the information and calculate the basic needs wages to identify possible gaps existing between the actual remuneration and the basic needs wages. Therefore, this question was rates as non-compliance. Please refer to BSCI PA 5.4	基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现工厂没有进行基本需求工资信息收集和计算以识别其实际支付的工资和基本需求工资之间的差距，因此这个问题点判定为不符合。 请参看 BSCI PA 5.4

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted without negative impact on their pay, level of seniority, position, or promotion prospects?

ENGLISH	LOCAL LANGUAGE
Finding	
According to social insurance payment receipt of November 2023 provided by factory management, it was noted that only 14/45(31.11%) employees were provided with accident, pension, medical, maternity and unemployment insurance. Factory management represented that some employees were not willing to participate in social insurance. Factory had provided commercial insurance to 24 employees, with a valid period from September 16, 2023 to September 15, 2024. This question was rated as non-compliance because the factory did not have plan to increase the percentage of workers attending social insurance program and most of the workers were not provided with social insurance. Please refer to Article 73 of the Labor Law of the People's Republic of China.	2023年11月社会保险申报显示，工厂仅为14/45(31.11%)名员工提供工伤/养老/医疗/生育和失业保险。工厂表示部分员工不愿意参保。厂方为24名员工提供了商业保险，有效期为2023年9月16日到2024年9月15日。因为工厂没有提高参保员工比例计划且大部分员工没有参加社会保险，所以这个问题点判定为不符合。 请参看《中华人民共和国劳动法》第73条。

PA 6: Decent Working Hours

Site: HONSON GROUP ELECTRONIC CO., LTD | Site amfori ID: 156-051223-001

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	
Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that 15 out of 15	基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核员抽取15个样本(分别从2023年10月、2023年8月和2023年5月各抽取5名)，发现共有15名

Finding

sample population employees worked in excess of the statutory overtime hour limits. A review of 15 sample population employees' time records (each 5 samples from October 2023, August 2023 and May 2023 respectively) yielded the following:

- 1) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (74 to 78 hours) in October 2023, which was not in compliance with the legal requirement.
- 2) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (72 to 78 hours) in August 2023, which was not in compliance with the legal requirement.
- 3) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (74 to 76 hours) in May 2023, which was not in compliance with the legal requirement.

This question was rated as non-compliance because overtime hours violation systematically existed in the past year.

Please refer to Article 41 of the Labor Law of the PRC

员工加班时间超出了法定标准，具体为：

5/5名抽样员工在2023年10月的加班时间为74-78小时，超过每月加班时间不能超过36小时的法律规定；

5/5名抽样员工在2023年8月的加班时间为72-78小时，超过每月加班时间不能超过36小时的法律规定；

5/5名抽样员工在2023年5月的加班时间为74-76小时，超过每月加班时间不能超过36小时的法律规定。

因为过去一年内加班超时的情况系统性存在，所以这个问题点判定为不符合。

请参看《中华人民共和国劳动法》第41条

PA 7: Occupational Health and Safety

Site: HONSON GROUP ELECTRONIC CO., LTD | Site amfori ID: 156-051223-001

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

ENGLISH

LOCAL LANGUAGE

Finding

1)Based on site observation, document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory did not provide regular occupational health checks to the tin soldering workers. This question was rated as non-compliance because the factory didn't provide occupational health checks to any tin soldering worker.

Please refer to Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases

2)Based on document review, management interview, it was noted that the safety training for the Principal Responsible Person of production and

1)基于现场观察、文件查阅、管理层访谈、员工代表访谈和员工访谈，审核员发现工厂没有为焊锡的员工提供定期的职业病体检。因为审核发现工厂没有为任何焊锡的员工提供职业病体检，所以这个问题点判定为不符合。

请参看《中华人民共和国职业病防治法》第35条

2) 基于文件查阅、管理层访谈，审核员发现厂方的生产经营单位主要负责人并未参加相关的安全培训并获得培训合格证书。由于厂方未能提供此证书审阅，所以这个问题点判定为不符合。

根据《中华人民共和国安全生产法》第二十一条

Finding

business units in the factory was not carried out in accordance with the safety training outline formulated by the work safety supervision and supervision department. This question was rated as non-compliance because no such certificate was provided for review.

In accordance with Article 21 of Law of the People's Republic of China on Production Safety

Question: 7.2 Is there satisfactory evidence that the auditee seeks to improve workers' protection in case of accident, including through compulsory insurance schemes?

ENGLISH

LOCAL LANGUAGE

Finding

According to social insurance payment receipt provided by factory management, it was noted that only 14 out of 45 (31.11%) employees were provided with accident insurance in November 2023. Furthermore, factory had provided commercial insurance to 24 employees, with a valid period from September 16, 2023 to September 15, 2024. To summarize, 38 out of 45 employees were provided with accident insurance or commercial insurance. Therefore, accident insurance and commercial insurance didn't cover all employees. This question was rated as partial compliance because most of the employees had been provided with accident insurance or commercial insurance. Please refer to Article 73 of the Labor Law of the People's Republic of China.

2023年11月社会保险申报显示,工厂仅为14/45(31.11%)名员工提供工伤保险。此外,厂方为24名员工提供了商业保险,有效期为2023年9月16日到2024年9月15日。总的来说,厂方为38/45名员工提供了工伤保险或商业保险。因此,工厂的工伤或商业保险没有覆盖全体员工。因为厂方为大部分的员工提供了工伤保险或商业保险,所以这个问题点判定为部分符合。

请参看《中华人民共和国劳动法》第73条。

PA 13: Ethical Business Behaviour

Site: HONSON GROUP ELECTRONIC CO., LTD | Site amfori ID: 156-051223-001

Question: 13.1 Is there satisfactory evidence that the auditee actively opposes any act of corruption, extortion or embezzlement, or any form of bribery in its activities as a business enterprise?

ENGLISH

LOCAL LANGUAGE

Finding

Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory conducted risk assessment on corruption, but the factory did not establish prevention measures of all

基于文件查阅、管理层访谈、员工代表访谈和员工访谈,审核发现工厂做了廉政风险评估,但没有针对各个岗位风险制定对应的预防措施。虽然工厂没有针对各个岗位制定对应的预防措施,但工厂有进行廉政风险评估,所以这个问题点判定为部分符

Finding

risks for different positions.

This question was rated as partially compliance because the factory had conducted risk assessment though the prevention measures were not established for different positions.

Please refer to BSCI PA 13.1

合。

请参考BSCI PA 13.1