

Monitored Party Ningbo Hyderon Hardware Co., Ltd.	amfori ID 156-018507-000	Address No.88, East Zhenxing Road, Lizhou Street, 315404 Yuyao, Zhejiang Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TUV Rheinland
Monitoring Start Date 09/08/2023	Closing Meeting Finished Date 13/08/2023	Submission Date 17/08/2023
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Site Ningbo Hyderon Hardware Co., Ltd.	Site amfori ID 156-018507-001	

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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	A	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Nita Xiong; APSCA membership number: CSCA 21701701.

Monitoring partner name: TUV Rheinland

Audit schedule details: The audit is planned for 1 auditor x 2.5 days.

Announcement Type: Fully Announced

The auditee Ningbo Hyderon Hardware Co., Ltd. (宁波汇德隆五金有限公司) was located at No.88, East Zhenxing Road, Lizhou Street, Yuyao, Zhejiang Province, China (中国浙江省余姚市梨洲街道振兴东路88号). The factory was a limited liability company. The audited address was the same as the business license address. It was founded on September 7, 2005. The auditee mainly produced Household products series, Furniture hardware products series. The main processes observed in the auditee were metalworking (punching, cold heading, thread rolling, pipe cutting, welding, etc.), riveting, glue coating and recombination, extrusion molding, die-cutting, assembling and packing. There was no obvious off or peak season in the auditee. Surface treatment, such as coating, electroplating, etc. processes were subcontracted to other factories outside if needed. Factory disclosed the subcontractors' information.

Audited location information:

There were 2 buildings (1#: 4-storey building, 2#: 5-storey building) owned by the auditee in the boundary, the 1# building was used by the auditee, and 2# building was newly built in March 2023 and was currently leased to factory A (Ningbo XX Plastic Parts Co., Ltd.) as workshop and warehouse. Detail as below:

1#: 1st floor (9599 square meters) was used as metalworking workshop and raw material warehouse by the auditee.

1#: 2nd floor (9599 square meters) was used as office, finished goods warehouse, riveting workshop and plastic parts warehouse by the auditee.

1#: 3rd floor (9599 square meters) was used as sample room, glue coating and recombination, die-cutting, assembling and packing workshop by the auditee.

1#: 4th floor (9599 square meters) was used as meeting rooms, canteen, kitchen, extrusion molding workshop and semi-finished goods warehouse by the auditee.

2#: One 5-storey building total about 15000 square meters, it was leased to factory A as workshop and warehouse since April 2023.

The auditee and factory A were independent in ownership, business license, management and workers. Their production and storage area were separated, and no shared workers were identified. Factory A was a plastic parts factory, the auditee bought plastic parts from factory A, and factory A also provided products for other companies besides the auditee. Thus, this audit did not cover the lease 2# building.

No dormitory was provided by the factory.

The security guards were managed by the auditee, and canteen was provided by the auditee, these were covered during the audit.

Operating shifts and hours:

Except the security guards, all employees had one shift, the kitchen employees: 9:00~13:00, 14:00~18:00, others: 08:00~12:00, 13:00~17:00; and if needed, overtime from 18:00 to 20:00. And the security guards conducted 2 shifts: 7:30~15:30, 15:30~23:30. They usually had 8 OT working hours on Saturdays. All employees had rested on each Sunday. Attendance records from July 1, 2022 to August 10, 2023 were reviewed. 20 samples working hour records of August 2022, February 2023 and June 2023 were selected respectively. Maximum 2 hours overtime per day, 14 hours overtime per week, 58 hours overtime per month and longest consecutive working days were six days.

Time recording system:

Factory used face scan attendance recorder to record workers each in/out time.

Salary payment details:

20 sample workers' wages from July 2022 to June 2023 were checked. All workers were paid by monthly rate, the minimum wage paid by the factory was RMB 2070 per month which was in line with the legal requirement and paid at 20th of the next month in cash. 150%, 200% and 300% of normal rate would be compensated for overtime on normal working days, Saturday and holidays, no overtime working was arranged on holidays based on attendance records provided.

Worker number information:

Total 244 employees were available in the auditee, including 167 production workers and 77 non-production/management workers.

The production workers including 69 male and 98 female.

Total 157 domestic migrant employees including 65 male and 92 female were employed.

No young, seasonal, temporary, disabled, home-based worker used by the factory, during the audit date, no pregnant

worker was available in the factory. No interns, apprentices, contractor workers in the auditee.

Good practices: Work meal was provided for free.

Worker organization details:

The auditee respected and protected the workers' right of freedom association and collective bargaining. No bad influence would be imposed on workers if they choose to organize a worker committee. There was no trade union in the auditee. 5 worker representatives were elected by all employees freely on January 5, 2023.

Circumstances:

There was no special circumstance during the audit, the audit was conducted in good professional working environment and factory was very supportive and cooperative throughout the audit activities. No abnormal level of production or abnormal workforce composition was identified.

Summary of findings:

Non-compliances were identified in PA1, PA2, PA5, PA6, PA7 and PA12.

PA1: Insufficient management system and production capacity planning.

PA2: No specific implementation steps or completion schedule for the long-term goals. Failure to evaluate the effectiveness of the grievance mechanism.

PA5: Insufficient coverage of social insurance.

PA6: Monthly OT exceeded legal requirement.

PA7: Insufficient management on PPE using.

PA12: No monitoring on oil fume emissions from the canteen.

#Living wage calculation:

1) No anker wage available for the producer 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.

No document of agency labor contract, government waiver, collective bargaining agreement or contractor license were upload, as no agency labor contract was used, no government waiver was obtained and no collective bargaining agreement or contractor license was available.

SITE DETAILS

Site
Ningbo Hyderon Hardware Co., Ltd.

Site amfori ID
156-018507-001

GICS Classification

Sector Consumer Discretionary	Industry Group Consumer Durables & Apparel	Industry Household Durables
Sub Industry Home Furnishings		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	244	Workers
Legal minimum wage in local currency	2,070	Monthly
Lowest wage paid for regular work at the site	2,070	Monthly
Calculated living wage in local currency	2,472.56	Monthly
Total sample	20	Workers

Other Metrics

Male workers	119	Workers
Female workers	125	Workers
Permanent workers - Male	119	Workers
Permanent workers - Female	125	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	4	Workers
Management - Female	5	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers with night shift - Male	4	Workers
Workers with night shift - Female	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Domestic migrant workers - Male	65	Workers
Domestic migrant workers - Female	92	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	119	Workers
Workers hired directly - Female	125	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	9 Workers
Sample - Female	11 Workers

FINDINGS



PA1: Social Management System

Site: Ningbo Hyderon Hardware Co., Ltd. | Site amfori ID: 156-018507-001

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 respects this principle because based on management interview, workers interview, document reviewing and onsite observation, the auditee had established the social management system to implement the amfori BSCI Code. However, not all performance areas were implemented well. Such as the workers monthly OT working hours exceeded legal limit, social insurance did not cover all employees etc, the management declared that, they knew the legal requirement on overtime hours and social insurance. However, the overtime arrangements refer to the practices of their peers in the same region, if the factory did not arrange so much overtime, it was difficult to ensure that workers' salaries reach the level of peers, which was not conducive to controlling worker turnover rate, so it was difficult to control overtime hours within the legal requirements. And the factory did not persuade all employees to participate in social insurance. The workers reflected that they would like to overtime work, which could increase their income. Some abandoned social insurance voluntarily. It violated the requirements of amfori BSCI system manual.</p>	<p>被审核方部分遵守该原则，因为基于管理层访谈、员工访谈、文件审查和现场观察，被审核方建立了社会责任管理体系去实施amfori BSCI行为准则。但是，并不是所有的绩效领域都实施得很好，例如工人的月加班时间超过法规限制，社保未覆盖所有员工等，管理层表示他们了解法规对于加班时间和社保的要求。然而，工厂的加班安排参考了同地区的同行的做法，如果工厂不安排这么多的加班，很难保证工人的薪资达到同行的水平，不利于控制工人的流动率，所以加班时间很难控制在法规要求的范围内，且工厂未说服所有员工参保。工人表示他们期望加班，可以增加他们的收入，部分员工自愿放弃社保。违反了amfori BSCI管理手册中的要求。</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 respects this principle because based on management interview, worker interview and documents review, the auditee had established cost accounting and work capacity control procedure. However, the workers were arranged to overtime depending on the order quantity. And no any overtime control was done by</p>	<p>被审核方部分遵守该原则，因为基于管理层访谈、员工访谈和文件审查，被审核方建立了产能规划流程和产品成本核算程序，但是工厂是根据定单的需要安排员工加班的，工厂并没有对加班进行管控，以致于员工在过去12个月中有存在超时加班。管理层和负责排期的员工表示工作时间的安排主要考虑订单交付期而不是员工的加班时间。违反了amfori</p>

Finding	
factory, which led to workers had excessive overtime work in past 12 months. The management and employees responsible for scheduling stated that the arrangement of work hours mainly considers order delivery time rather than employee overtime. It violated the requirements of amfori BSCI system manual.	BSCI管理手册中的要求。

PA 2: Workers Involvement and Protection

Site: Ningbo Hyderon Hardware Co., Ltd. | Site amfori ID: 156-018507-001

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	
The auditee partially respects this principle because based on management interview, worker representative interview and documents review, the factory had defined long term goals to protect workers, but the goals did not include specific implementation steps or completion schedule. The factory management declared that, factory did not have enough manpower to develop specific implementation steps to track the implementation of the goals, worker representative said she was involved in setting the goals, but was not aware of the progress of their implementation. It violated the requirements of amfori BSCI system manual.	被审核方部分遵守该原则，因为基于管理层访谈、员工代表访谈、文件审查，工厂依据当地法规和 amfori BSCI行为准则建立了保护工人的长期目标，但是没有包括具体的实施步骤或完成时间表，工厂管理人员表示工厂没有足够的人力来制定具体的实施步骤以跟踪目标的实施情况。员工代表表示她参与了目标的制定，但是不了解目标实施的进度。违反了 amfori BSCI管理手册中的要求。

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	
The auditee partially respects this principle because based on management interview, workers interview and documents review, the auditee has established grievance mechanism and set up a suggestion box in the workshop. Workers could transfer their ideas or complaints through worker representatives, suggestion box or management. The records provided by the auditee show that no any grievance in the past year, the auditee neither	被审核方部分遵守该原则，因为基于管理层访谈、员工访谈和文件审查，被审核方建立了申诉机制，并且在车间内设置了意见箱，员工可以通过员工代表、意见箱或者管理层反馈意见或申诉，被审核方提供的记录显示近一年没有任何申诉，被审核方没有对申诉机制的有效性和使用满意度进行定期调查。管理层表示，他们没有进行正式的满意度调查，但是通过访谈形式询问了部分员工，来确认他们对于申诉机制是否有建议或不满，访谈中没有员

Finding	
<p>evaluate the effectiveness of the grievance mechanism nor conduct regular surveys on satisfaction with the use of the grievance mechanism. The management stated that they did not conduct satisfaction survey formally, but inquired some workers through interviews to confirm whether they had suggestion or complaint about the grievance mechanism, no worker raised suggestion or complaint in interviews. Based on workers interview, no negative feedback on the grievance mechanism was identified. It violated the requirements of amfori BSCI system manual.</p>	<p>工提出建议或不满。基于员工访谈，没有对于申诉机制的负面反馈。违反了amfori BSCI管理手册中的要求。</p>

PA 5: Fair Remuneration

Site: Ningbo Hyderon Hardware Co., Ltd. | Site amfori ID: 156-018507-001

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted?	
ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respects this principle because based on management interview, workers interview and documents review, not all workers were provided with social insurance. There were total 244 employees in factory. 14 employees reached retired age (the workers who reached retired age could not participate in social insurance). No new employee entered in the recent one month. So 230 out of 244 employees should participate in social insurance. However, by crossing checking the unit social insurance participation certificate of recent month (July 2023) and the roster, factory did not provide social insurance (including retirement, illness, unemployment, child-bearing and work-related injury insurance) for 20 out of the 230 employees. The factory management declared that, they would fully support and follow workers' purchase intention. The workers who did not participate in social insurance because they had participated in new rural insurance at hometown and were reluctant to participate in social insurance although factory had communicated the social insurance policy to them. The auditee did not collect evidence of employees purchasing new rural insurance. The interviewed workers confirmed what the</p>	<p>被审核方部分遵守该原则，因为基于管理层访谈、工人访谈和文件审查，不是所有员工都提供了社保。审核当天厂内共有244名员工。其中14名员工达到退休年龄（达到退休年龄的员工按法规要求无法购买社保）。最近1个月没有新进员工。所以这244名员工中的其中230名员工需要参加社保。但是，根据最新一个月(2023年7月)的单位社会保险参保证明和花名册核对，工厂未给这230名员工中的其中20名员工提供社保（包括养老，医疗，生育，失业及工伤保险）。工厂管理层表示他们完全支持和遵循员工的购买意愿。未参加社保的员工表示他们在老家参加了新农保而不愿意参加社保，尽管工厂已经向他们传达了社保政策。被审核方未收集员工购买新农保的证据。访谈员工证实了管理层的说法，他们自愿放弃社保。违反了中华人民共和国劳动法第72条、第73条。 备注：工厂提供了商业意外险给所有的退休员工和没有工伤保险的员工。有效期：2022年9月27日到2023年9月26日。</p>

Finding

management said, they voluntarily abandoned social insurance. It violated Labor Law of P.R.C, Article 72 and Article 73.

Remark: The factory provided commercial accident insurance to all retired workers and workers without work-related injury insurance. Valid date: September 27, 2022 to September 26, 2023.

PA 6: Decent Working Hours

Site: Ningbo Hyderon Hardware Co., Ltd. | Site amfori ID: 156-018507-001

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 does not respect this principle because based on management interview, workers interview and documents review, the workers monthly OT working hours exceeded 36 hours. Confirmed by worker attendance records from July 1, 2022 to August 10, 2023, all the sampled workers monthly OT working hours exceeded 36 hours. The details were as follows:

- 1) 20 sampled workers monthly OT working hours was 42 hours in August 2022.
- 2) 20 sampled workers monthly OT working hours was 56 hours in February 2023.
- 3) 20 sampled workers monthly OT working hours was 58 hours in June 2023.

The management declared that, the factory had established the working time management procedure, the procedure showed that the daily OT working hours should be less than 3 hours and the monthly OT working hours should be less than 36 hours. However, the admin department and the production department did not have a plan to control the workers monthly OT working hours. Considering controlling operation costing and enhancing the workers income, the factory did not recruit more employees. So the production employees were arranged as overtime when urgent order. Confirmed by workers interview, overtime was voluntary. And they expected more overtime, which could increase total wages. The auditee provided at least one day off per week. It violated Labor Law of the P.R.C, Article 41

被审核方未遵守该原则，因为基于管理层访谈，工人访谈和文件审查，工人月加班时间超过36小时。基于工厂提供的2022年7月1日-2023年8月10日的考勤记录，所有抽样工人的月加班超出36小时。详细如下：

- 1) 20名抽样工人在2022年8月的月加班时间为42小时；
- 2) 20名抽样工人在2023年2月的月加班时间为56小时；
- 3) 20名抽样工人在2023年6月的月加班时间为58小时；

管理层访谈表示工厂建立了工作时间管理程序。程序规定日加班不超过3小时，月加班不超过36小时。但是行政部和生产部没有制定计划控制工人的月加班时间。考虑到控制运营成本及提高员工收入，工厂没有招聘更多的员工。因此有紧急订单时，生产员工被安排加班。员工访谈确认，加班是自愿的。他们期望有更多的加班，这样可以增加收入。工厂保证了工人每周休息一天。违反了中华人民共和国劳动法 第四十一条

备注：20名抽样工人在2023年7月的月加班时间为58小时。20名抽样工人在2023年8月1日-8月10日的加班时间为14小时。

Finding	
Remark: 20 sampled workers monthly OT working hours was 58 hours in July 2023 and 20 sampled workers OT hours were 14 hours from August 1, 2023 to August 10, 2023.	

PA 7: Occupational Health and Safety

Site: Ningbo Hyderon Hardware Co., Ltd. | Site amfori ID: 156-018507-001

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	
The auditee partially respects this principle because based on management interview, workers interview, onsite observation and document reviewing, the factory provided proper PPEs to relevant workers, but it was note that two sampled riveting workers did not wear earplugs during operation. The interview management and workers confirmed that the factory had trained the workers on the necessity of correctly wearing PPEs, but some workers feel uncomfortable wearing earplugs. It violated Work Safety Law of the People's Republic of China (2021) Article 45.	被审核方部分遵守该原则，因为基于管理层访谈、工人访谈，现场观察和文件审核，工厂给相关工人提供了合适的劳保用品，但是审核发现有2名抽样的铆接工人操作时未佩戴耳塞，受访的管理层和员工确认工厂已经给工人培训过正确佩戴劳保用品的必要性，但是部分工人觉得佩戴耳塞不舒服。违反了《中华人民共和国安全生产法》（2021）第四十五条。

PA 12: Protection of the Environment

Site: Ningbo Hyderon Hardware Co., Ltd. | Site amfori ID: 156-018507-001

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	
The auditee partially respects this principle because based on management interview and documents review, The auditee had installed oil fume purification facilities for the canteen, but had not monitored whether the concentration of oil fume emissions from the canteen meets the standards. The management stated that they had conducted organized exhaust gas monitoring on hazardous workshops and unorganized exhaust gas	被审核方部分遵守该原则，因为基于管理层访谈和文件审查基于文件审核，被审核方已经为食堂安装了油烟净化设施，但是未监测食堂油烟排放浓度是否达标。管理层表示已经对有害车间进行有组织废气监测和厂界的无组织废气监测，遗漏了对食堂的有组织废气监测。违反了饮食业油烟排放标准 GB18483-2001，第4.2条。

Finding

monitoring at the factory boundary, but overlooked the organized exhaust gas monitoring of the canteen. It violated Emission standard of cooking fume GB18483-2001, Article 4.2.