

Monitored Party <b>ZERY WATCH AND CLOCK (ZHANGZHOU) CO.,LTD</b>	amfori ID <b>156-048919-000</b>	Address <b>3F, B Building, No.11 Zhenxing Road, Fugong Town, Longhai District, 363100 Zhangzhou, Fujian Sheng, China</b>
Monitoring Activity <b>amfori Social Audit - Manufacturing</b>	Monitoring Type <b>Full Monitoring</b>	Monitoring Partner <b>SGS</b>
Monitoring Start Date <b>21/08/2023</b>	Closing Meeting Finished Date <b>28/08/2023</b>	Submission Date <b>28/08/2023</b>
Expiration Date <b>28/08/2024</b>	Announcement Type <b>Fully Announced</b>	
Site <b>ZERY WATCH AND CLOCK (ZHANGZHOU) CO.,LTD</b>	Site amfori ID <b>156-048919-001</b>	

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## OVERALL RATING



## SECTION RATING

PA1: Social Management System	<b>C</b>	
PA 2: Workers Involvement and Protection	<b>B</b>	
PA 3: The Rights of Freedom of Association and Collective Bargaining	<b>A</b>	
PA 4: No Discrimination	<b>A</b>	
PA 5: Fair Remuneration	<b>B</b>	

PA 6: Decent Working Hours	<b>D</b>	
PA 7: Occupational Health and Safety	<b>A</b>	
PA 8: No Child Labour	<b>A</b>	
PA 9: Special Protection for Young Workers	<b>A</b>	
PA 10: No Precarious Employment	<b>A</b>	
PA 11: No Bonded Labour	<b>A</b>	
PA 12: Protection of the Environment	<b>A</b>	
PA 13: Ethical Business Behaviour	<b>A</b>	

## GENERAL DESCRIPTION

### [Audit Information]

Name of lead auditor: Keven Hu (APSCA member No. CSCA21701939)

Name of team auditor (if applicable): Nil

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

Monitoring partner name: SGS (Monitoring firm APSCA #: 11600006)

Audit schedule details: The audit is planned for 1 auditor x 1 day. (The full audit (fully announced) was conducted on 21 Aug, 2023.)

### [Business partner information]

ZERY WATCH AND CLOCK (ZHANGZHOU) CO.,LTD was located at 3F, B Building, No.11 Zhenxing Road, Fugong Town, Longhai District, Zhangzhou, Fujian, China. The Unified social credit code number was 91350681MABQJ0Y0U, effective from 28 Jun, 2022 to 27 Jun, 2072.

The main product in the factory was watch. The manufacturing processes was Raw material-Assembling-Packing-Finished goods. No process was subcontracted. And the annual production volume was 1100000 pcs.

### [Audited location information]

The factory had bought the half of 3F of one 6-storey buildings to use as workshop and office. The factory did not provide dormitory and canteen to workers.

Half of 3F of one 6-storey building (700 square meters): Warehouse, office, assembling, packing.

### [Operating shifts and hours]

The factory used face/fingerprint scan system to record working hours. There was one shift for workers (8:00-12:00; 13:00-17:00). The maximum consecutive working days were 6 days. During the audit, the factory provided the attendance records from 1 Aug, 2022 to the audit date for review. Based on working hour records review, 5 sampled workers' monthly overtime hour exceeded local legal requirement except Jan 2023. The workers' daily overtime hours were 0-2 hours per day, weekly working hours were 50-58 hours, monthly overtime hours were 30-70 hours. The max monthly overtime hours were 70 hours, such as Apr 2023 (Included 30 overtime hours on weekday and 40 overtime hours on weekend). The factory explained that the overtime production was needed due to understaffed.

### [Salary payment details]

Production workers were paid at hourly rate by cash on 15th of the following month. According to payroll and attendance records, it was noted that the minimum wages paid to employees was RMB 2400 per month since Aug 2022, which was more than the local requirement. Working experience and departments would influence employees' wage. Satisfactory evidence proves that employees were compensated 150% and 200% of their regular wage for overtime work conducted on regular working days and rest days. And no overtime work was conducted on statutory holidays. No deduction was used for disciplinary measure.

### [Worker number information]

Total worker number: 23 workers (5 non-production workers and 18 production workers)

Production worker number: 18 workers (including 6 males and 12 females)

Vulnerable worker number: Migrant workers: 1 male, 1 female

No young workers, Child labor, disabled workers, nursing mothers, pregnant woman, interns, apprentices, contractor workers were found in the factory.

### [Good practices] Nil

### [Worker organization details]

There was no trade union in the factory, but 2 worker representatives were freely elected in the factory.

### [Circumstances] Nil

### [The special circumstances can be classified as followed]

According to the IPE website and the APP of Qichacha view, no special abnormal situation was found.

### [Summary of findings]

PA1:

1.1 The social management system was not implemented effectively.

1.4 Working hours' management system was not perfect.

PA2:

2.4 The worker and worker representatives were not aware of amfori BSCI Code of Conduct.

2.5 No grievance mechanism for communities (such as outside stakeholders) was established in the factory.

PA5:

5.5 Insufficient social insurance was provided to all workers.

PA6:

6.2 The monthly OT hours exceeded legal requirement except Jan 2023.

PA7:

7.1 There was no active cooperation between management and workers when developing and implementing systems towards ensuring OHS.

PA 3, 4, 8, 9, 10, 11, 12, 13: Nil

[Living wage calculation]

The living wage data is provided by the auditing company and please refer to the PA5 summary to find the details of calculation method of living wage.

<http://www.stats.gov.cn/sj/ndsj/2021/indexch.htm>

[Personal Information protection law]

The Personal Information Protection Law of the People's Republic of China was promulgated on August 20, 2021, the producer ensured that relevant personal data and information provided to SGS auditor(s) has been obtained the individual's consent during the audit.

[Attachments]

The factory did not obtain Consolidated Working Hours System Approval.

No collective bargaining was conducted in the factory.

The factory did not need EIA report according to the latest environment law.

## SITE DETAILS

Site  
**ZERY WATCH AND CLOCK  
(ZHANGZHOU) CO.,LTD**

Site amfori ID  
**156-048919-001**

### GICS Classification

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Sector <b>Consumer Discretionary</b>	Industry Group <b>Consumer Durables &amp; Apparel</b>	Industry <b>Textiles, Apparel &amp; Luxury Goods</b>
Sub Industry <b>Apparel, Accessories &amp; Luxury Goods</b>		

### amfori Process Classifications

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N.A.

### GS1 Classifications

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N.A.

### NACE Classification

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N.A.

### Water Stress Situation

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N.A.

# METRICS

## Key Metrics

Total workforce	23	Workers
Legal minimum wage in local currency	1,810	Monthly
Lowest wage paid for regular work at the site	2,400	Monthly
Calculated living wage in local currency	3,533.65	Monthly
Total sample	5	Workers

## Other Metrics

Male workers	9	Workers
Female workers	14	Workers
Permanent workers - Male	9	Workers
Permanent workers - Female	14	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	1	Workers
Management - Female	1	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	0	Workers
Workers with night shift - Female	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Domestic migrant workers - Male	1	Workers
Domestic migrant workers - Female	1	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	9	Workers
Workers hired directly - Female	14	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	2	Workers
Sample - Female	3	Workers

## FINDINGS

### PA1: Social Management System

Site: ZERY WATCH AND CLOCK (ZHANGZHOU) CO.,LTD | Site amfori ID: 156-048919-001

**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
<b>Finding</b>	
<p>1.1 The main auditee partially respected this principle. Based on document review, management interview, worker interview, the factory had established management system procedure regarding the amfori BSCI Code of conduct and legal regulations, but the factory did not implement it effectively. The factory knew their own gaps, such as the factory understand the legal requirement and amfori BSCI code on working hours and wage clearly, but they didn't take effective action to control it, so it was found workers' working hours exceeded legal requirement, and no adequate social insurance systematically. It violated the requirement of question 1.1 in amfori BSCI system manual.</p>	<p>被审核方部分遵守原则。根据文件审核，管理层访谈，员工访谈，工厂按照amfori BSCI行为准则和当地法规建立了管理体系程序，但是没有有效的执行。工厂知道自己存在的差距，例如工厂虽了解法规和amfori BSCI关于工时和工资的要求，但未对其进行有效管控，导致员工系统性工时超时，社保缴纳不足。</p> <p>违反了amfori BSCI管理手册中问题1.1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
<b>Finding</b>	
<p>1.4 The main auditee partially respects this principle. Based on document review, management interview, the factory had realistically calculated the costs of production and delivery times, but the factory didn't arrange effective workforce capacity plan to meet the expectations of the delivery order, which caused workers' monthly overtime hours exceeded 36 hours. The max monthly overtime hours were 70 hours. It violated the requirement of question 1.4 in amfori BSCI system manual.</p>	<p>被审核方部分遵守该原则。根据文件审核，管理层访谈，工厂了解如何计算生产产能和订单周期，但未安排有效的产能计划以满足订单交付的要求，因此导致了员工月加班超过36小时。最大月加班70小时。</p> <p>违反了amfori BSCI管理手册中问题1.4的要求。</p>

### PA 2: Workers Involvement and Protection

Site: ZERY WATCH AND CLOCK (ZHANGZHOU) CO.,LTD | Site amfori ID: 156-048919-001

**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
<b>Finding</b>	
<p>2.4 The main auditee partially respected this principle. Based on document review, management interview and worker interview, the factory had established the written procedure on training program including social accountability. And the factory provided relevant training to all workers. But the worker and worker representatives were not aware of amfori BSCI Code of Conduct because no valid examination was available for the training. It violated the requirement of question 2.4 in amfori BSCI system manual.</p>	<p>被审核方部分遵守该原则。根据文件审核，管理访谈，员工访谈，工厂在已建立书面的培训程序，并在对所有员工进行社会责任内容的培训。但是由于未对培训进行有效的考试，工人及工人代表不了解 amfori BSCI 行为守则。违反了 amfori BSCI 管理手册中问题 2.4 的要求。</p>

**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
<b>Finding</b>	
<p>2.5 The main auditee partially respects this principle. Based on document review, management interview, worker interview, the factory had established written grievance mechanism for employees in the factory, but no grievance mechanism for communities (such as outside stakeholders) was established in the factory. The factory did not know the requirement. It violated the requirement of question 2.5 in amfori BSCI system manual.</p>	<p>被审核方部分遵守该原则。根据文件审核，管理层访谈，员工访谈，工厂仅建立了与厂内员工的申诉机制，但未建立与社会的申诉机制，如外部的利益相关方。工厂不清楚这个要求。违反了 amfori BSCI 管理手册中问题 2.5 的要求。</p>

## PA 5: Fair Remuneration

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**Question:** 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted?

ENGLISH	LOCAL LANGUAGE
<b>Finding</b>	
<p>5.5 The main auditee does not respect this principle because the factory didn't provide social insurance to workers as per legal requirement.</p>	<p>被审核方未遵守该原则是因未给员工缴纳社保。根据管理层访谈，和员工访谈，工厂共计有 23 员工。但是工厂未给员工提供社会保险。经访谈，员工和</p>

## Finding

Based on management interview and worker interview, total 23 employees in the factory, the factory did not provide social insurance to workers. By interview with workers and management, parts of workers had attended New Rural Cooperative Medical System in their hometown. But the factory didn't verify it. The factory provided commercial injury insurance to all workers, which was valid from 10 Mar, 2023 to 9 Mar, 2024. It violated Labor Law of the People's Republic of China (2018 Amendment) Article 72 & 73.

管理层表示部分员工因其在老家购买了新农合保险。但工厂未对员工购买新农合保险进行核实。工厂给所有员工提供了商业意外险，有效期从2023年3月10日到2024年3月9日。违反了中华人民共和国劳动法（2018修正）第七十二条和七十三条。

## PA 6: Decent Working Hours

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**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

6.2 The main auditee does not respect this principle because the monthly OT hours exceeded legal requirement. During the audit, the factory provided the attendance records from 1 Aug, 2022 to the audit date for review. Based on working hour records review, 5 sampled workers' monthly overtime hour exceeded local legal requirement except Jan 2023. The workers' daily overtime hours were 0-2 hours per day, weekly working hours were 50-58 hours, monthly overtime hours were 30-70 hours. The max monthly overtime hours were 70 hours, such as Apr 2023 (Included 30 overtime hours on weekday and 40 overtime hours on weekend). The factory explained that the overtime production was needed due to understaffed. It violated Labor Law of the People's Republic of China (2018 Amendment), Article 41.

被审核方因员工月加班超过法规要求而未遵守该原则。审核期间，工厂提供了员工从2022年8月1日至审核当天的考勤记录。根据记录显示，5名抽样员工的月加班超过法规要求除了2023年1月。员工日加班为0-2小时，周工时50-58小时，月加班为30-70小时。最大月加班为70小时，比如2023年4月（包含30小时平时加班和40小时周末加班）。工厂解释目前人员不足，需要加班生产。违反了中华人民共和国劳动法（2018修正）第四十一条。

## PA 7: Occupational Health and Safety

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**Question:** 7.4 Is there satisfactory evidence of active cooperation between management and workers (and/or their representatives) when developing and implementing systems towards ensuring OHS?

### ENGLISH

### LOCAL LANGUAGE

## Finding

7.4 The main auditee partially respected this principle. Based on document review, management interview and worker interview, there was no active cooperation between management and workers when developing and implementing systems towards ensuring OHS, such as EHS committee didn't include worker representatives. Employees may not have approaches to raise their opinions about developing and implementing systems towards ensuring OHS.  
It violated the requirement of question 7.4 in amfori BSCI system manual.

工厂部分遵守该原则。根据文件审核，管理层访谈，员工访谈，管理层和工人之间没有就开发和执行确保职业健康和安全的体系展开积极合作，例如健康安全委员会未包含员工代表。员工可能无法就职业健康和安全的体系提出自己的建议。  
违反了amfori BSCI管理手册中问题7.4的要求。