

Monitoring result for Guangdong Luddy Interactive Entertainment Ltd. on site Site 1

Monitoring

Monitored Party : Guangdong Luddy Interactive Entertainment Ltd.
amfori ID : 156-037558-000
Site : Site 1
Site amfori ID : 156-037558-001
Address : Room 101 Building 1 No.201 Jinyang Road Zhangmutou Town
: Dongguan
: Guangdong Sheng
: China
Monitoring Activity : amfori Social Audit - Manufacturing
Monitoring Type : Full Monitoring
Submission Date : 20/07/2022
Expiration Date : 20/07/2023

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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	A
PA 5: Fair Remuneration	B
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

Announced Type: Fully Announced

Monitoring Type: Full Monitoring

Monitoring Partner: TÜV NORD CERT GmbH (APSCA Firm Member: 11600051)

Auditor: Cherry Liu, APSCA Auditor Number: CSCA 21703887

[Location and size]:

Guangdong Luddy Interactive Entertainment Ltd. (广东乐的互动娱乐股份有限公司) is Located at Room 101 Building 1 No.201 Jinyang Road, Zhangmutou Town, Dongguan, Guangdong, China. (广东省东莞市樟木头镇金洋路201号1栋101室). The Uniform Code of Social Credit is 91441900MA4URCLEXD, valid from 05 July 2016 to long term.

[Structure of facility]:

Two 7-storey and one 8-storey production, office and warehouse building, one 4-storey dormitory building with kitchen at the 1st floor & canteen at the 2nd floor were used by the auditee. The total area of structure was about 50999 S.Q. meters.

[Process of facility]:

The main products manufactured by the auditee were toys, baby carriages, children's bicycles, and the process was listed as below: Raw materials – injection molding process – blow molding process – pad printing process – assembly process - packing process – The finished goods.

No production process was subcontracted to other factories. No homeworkers were used by the auditee.

[Employee analysis]:

A total of 212 employees including 114 male employees and 98 female employees were currently working in the auditee, which including 160 migrants from other provinces.

No child labor and young workers worked in the auditee.

[Summary of working hours]:

Attendance records from June 01, 2021 to the audit day were reviewed in this audit.

All employees worked for 5 days a week from Monday to Friday in one shift.

Employees sometimes overtime 2 to 3 hours at nights and overtime 8 to 10 hours on Saturday during peak season.

Electric attendance machine was used for recording the working time and every employee should record attendances when they went in and out the facility.

As per management and workers interviews, the maximum overtime hours were 3 hours per day, 20 hours per week and 94 hours per month.

[Summary of compensation]:

Payroll records from June 2021 to May 2022 were reviewed during the audit.

All employees' wages were paid by hourly rate, the lowest wage was RMB1900 per month, and full attendance bonus RMB150 per month, which was higher than legal minimum wage RMB1900.

For overtime wages, 150% and 200% of regular wages were paid to employees for their overtime hours on workdays and rest days respectively, no overtime was arranged on statutory holidays.

The wages were paid in cash by 30th of the following month.

The 92% (177 out of 192) workers had participated in pension insurance, 91% (175 out of 192) workers had participated in unemployment insurance, 94% (181 out of 192) workers had participated in medical insurance, 100% (192 out of 192) workers had participated in accident insurance, 91% (175 out of 192) workers had participated in maternity insurance. The auditee provided commercial accident insurance to 25 employees.

[Summary of Interview]:

Worker interview were conducted individually and in group.

Randomly selected 18 employees, no complaints were raised.

[Special scene during on site observed]:

1. There was no contractor and agency used by the auditee, so the agency labour contract or contractor license/permit not applicable for the auditee.
2. The auditee did not obtain any government waivers.
3. There was no contractor license and collective bargaining agreement in the auditee.
4. The address of the factory business license is incomplete, it does not cover the second to seventh floors of the first building, the second building, the third building and the fourth building.
5. The auditee would like to use business license address in audit report, because they also used it to do business with its clients. Remark: The business license address is Room 101 Building 1 No.201 Jinyang Road, Zhangmutou Town, Dongguan, Guangdong, China. The actual address is No.201 Jinyang Road, Zhangmutou Town, Dongguan, Guangdong, China.

Site Details

Site : Site 1
Site amfori ID : 156-037558-001

GICS Classification

Sector	: Consumer Discretionary	Industry	: Household Durables
Industry Group	: Consumer Durables & Apparel	Sub Industry	: Housewares & Specialties

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

Metrics

Key Metrics

Total workforce	212 Workers
Legal minimum wage in local currency	1900 Monthly
Lowest wage paid for regular work at the site	1900 Monthly
Calculated living wage in local currency	2403 Monthly
Total sample	18 Workers

Other Metrics

Male workers	114 Workers
Female workers	98 Workers
Permanent workers - Male	114 Workers
Permanent workers - Female	98 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	5 Workers
Management - Female	6 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	26 Workers
Workers with night shift - Female	15 Workers
Workers with disabilities - Male	0 Workers
Workers with disabilities - Female	0 Workers
Domestic migrant workers - Male	86 Workers
Domestic migrant workers - Female	74 Workers
Foreign migrant workers - Male	0 Workers
Foreign migrant workers - Female	0 Workers
Workers hired directly - Male	114 Workers
Workers hired directly - Female	98 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	10 Workers
Sample - Female	8 Workers

Findings

PA1: Social Management System

Based on satisfactory evidence, it was noted that the factory had established the social responsibility management manual and procedures based on amfori BSCI principles and local legal requirements, such as the occupational health and safety management procedure, working hours control procedure, wages and benefit management procedure and environment management procedure. Relevant laws and regulations had been collected and updated by assigned person (Zhou Jiayin) periodically. The factory management also conducted regular internal audits, and internal assessment records were provided for review. However, in daily operations, the factory did not effectively implement this social accountability management system to ensure that all amfori BSCI Code of Conduct and local legal requirements be fully met, for example, there was still improvement required in working hour management.

基于满意的证据，在评估中发现，工厂已经根据amfori BSCI原则和当地法律法规建立了社会责任管理手册和程序文件，例如，职业健康与安全管理程序，工作时间控制程序，工资福利程序和环境管理程序。法律法规也由指定的人员（周佳饮）负责收集和更新。工厂管理层进行了定期内部评审，内部评审记录有提供查阅。但在实际运营中，工厂未能全面有效地执行该社会责任管理体系从而确保amfori BSCI行为准则和当地法律法规的要求都得到有效的实施，比如工作时间的管理仍然存在欠缺。

Based on satisfactory evidence, it was noted that the factory evaluated cost and workforce capacity, but the present capacity planning led to monthly overtime hours exceeding legal requirement, for example, the monthly overtime of July 2021 reached 94 hours. Through worker interviews, it was noted that the overtime work was arranged based on orders, if the amount of order increased or the shipment was urgent, the workers' overtime was increased. So, the current production capacity planning was unreasonable, and the factory shall re-assess the production capacity based on the consideration of factors such as employees' working hours, skill level, client orders' delivery expectation, emergency situations and etc.

基于满意的证据，在评估中发现，工厂评估了生产成本和产能，但目前的生产安排导致月加班时间超过法律要求，比如2021年7月的月加班达94小时。通过工人访谈发现工人加班是根据订单安排的，如果订单量多或者出货急，工人的加班也会随之增加。这说明工厂的产能规划不合理，工厂需在充分考虑员工工作时间、员工技能水平、客户订单货期、紧急情况等因素的基础上重新合理评估其产能。

PA 2: Workers Involvement and Protection

Based on satisfactory evidence, it was noted that 1) factory has grievance procedure, has provided the training, and has appointed the manager (Hou Yafeng) to deal with the grievance, but no regular satisfaction survey was conducted to ensure and improve the effectiveness on the grievance mechanism. 2) factory established suggestion box management procedure and grievance mechanism, and related records were provided for review in recent 12 months, they opened the suggestion box regularly, but the factory did not post complaints procedure aside by suggestion box, also did not publish the person responsible for its administration and grievance reporting hot line or email.

基于满意的证据，在评估中发现，1) 工厂建立了投诉机制，提供了培训，指定了经理侯亚锋负责投诉处理，但工厂未进行定期的满意度调查以确保并改善该申诉机制的有效性。2) 工厂建立了意见箱管理程序和申诉机制，定期开启意见箱，提供了最近12个月的相关记录，但是没有在意见箱附近张贴投诉程序，也没有公告具体负责人及其联系方式，如热线电话或邮箱等。

PA 5: Fair Remuneration

It was noted that the social insurance coverage was insufficient. There were 212 employees in the factory, among them, no new employee was hired in recent one month, 20 employees had reached the statutory age of retirement. No employment relationship such as dispatched workers, seasonal workers and etc. was available in the factory. The factory should provide pension, unemployment, accident, medical and maternity insurance to 192 workers. Auditor had reviewed the social insurance records for recent 12 months, and as per the record for the latest month June 2022, 92% (177 out of 192) workers had participated in pension insurance, 91% (175 out of 192) workers had participated in unemployment insurance, 94% (181 out of 192) workers had participated in medical insurance, 100% (192 out of 192) workers had participated in accident insurance, 91% (175 out of 192) workers had participated in maternity insurance. (The PRC Labor Law article 72 & 73). Remark: The reason why not all employees were provided with social insurance was that, some workers were reluctant to purchase social insurance, because they wanted to save more current money, or they had purchased rural pension and medical insurance. The factory provided the commercial accident insurance for 25 employees. The factory didn't get any written waiver from the local social insurance bureau.

工厂的社会保险覆盖不足。工厂现总共有212名员工，其中没有在最近一个月内新入职的员工，有20名达到法定退休年龄的员工，没有派遣工、没有季节工等劳动用工形式，所以工厂应当为192名员工购买养老、失业、工伤、医疗和生育保险。审核员查看了最近12个月的社保记录，根据最近月份2022年6月的记录显示，92% (177名)的员工参加了社保的养老保险，91% (175名)的员工参加了社保的失业保险，94% (181名)的员工参加了社保的医疗保险，100% (192名)的员工参加了社保的工伤保险，91% (175名)的员工参加了社保的生育保险。（中华人民共和国劳动法第72和73条）备注：工厂非所有员工都参加社保的原因是，部分员工不愿意购买社保，因为他们想存多些钱或者已经购买农村养老和医疗保险。工厂为25名员工购买了意外商业保险。工厂不能提供地方劳动与社会保障局开具的社会保险豁免批文。

PA 6: Decent Working Hours

Based on the working hour records provided by the factory, it was identified that all the workers had overtime worked exceed 36 hours in parts of the month, such as workers overtime 92 hours in May 2022, overtime 94 hours in July 2021 and overtime 84 hours in November 2021. The factory should make sure the monthly overtime didn't exceed 36 hours.(The PRC Labor Law article 41)

基于工厂提供的工作时间记录，所有的员工在部分月份加班超过36小时，例如工人在2022年5月加班92小时，在2021年7月加班94小时，在2021年11月加班84小时，工厂应确保每月加班不得超过三十六小时。(《中华人民共和国劳动法》第41条)

PA 7: Occupational Health and Safety

Based on satisfactory evidence, it was noted that the occupational hazard factor test report provided by the factory shows that the noise test result of the crushing area is unqualified. (Workplace Occupational Health Management Regulations Article 20e) .

基于满意的证据，在评估中发现，工厂提供的职业危害因素检测报告中显示碎料区域的噪音检测结果为不合格。(《工作场所职业卫生管理规定》第二十条)。

Based on satisfactory evidence, it was noted that 2 employees exposed to chemicals in the factory did not wear rubber gloves. (Law of the PRC on Work Safety Article

基于满意的证据，在评估中发现，工厂接触化学品的2名员工未佩戴橡胶手套。(《中华人民共和国安全生产法》第42条)

Based on satisfactory evidence, it was noted that 3 bottles of chemicals (e.g. glue, detergent) used in the workshop were not equipped with anti-leakage facility. Factory had established a written chemical management procedure and the employees who worked in contact with chemicals were provided with safety training. (Regulation on Safety Management of Hazardous Chemicals, article 20)

基于满意的证据，在评估中发现，生产车间的3瓶化学品（如：胶水，清洁剂）未安装防渗漏设施。工厂建立了化学品管理程序，并且有对使用化学品的员工进行安全培训。(《危险化学品安全管理条例》第20条)

Based on satisfactory evidence, it was noted that 2 switches were not equipped with safety guards in the workshop, the management stated that the safety guards were taken off by workers temporarily. (Article 5.1.2 of the Guideline of Handling Electricity Safely (GB/T 13869-2017)

基于满意的证据，在评估中发现，2个电源开关无防护盖，管理层表示保护盖被工人临时拿掉了。(《用电安全导则(GB/T 13869-2017)》5.1.2)

Based on satisfactory evidence, it was noted that no toilet paper or soap was provided in the toilets of factory.

基于满意的证据，在评估中发现，工厂车间的厕所没有提供厕纸和肥皂。

PA 12: Protection of the Environment

Based on satisfactory evidence, it was noted that factory did not provide a "receipt for the registration of discharge of fixed pollution sources". (Regulations on the Administration of Pollutant Discharge Permits Article 24)

基于满意的证据，在评估中发现，工厂没有提供“固定污染源排污登记回执”。(《排污许可管理条例》第24条)

PA 13: Ethical Business Behaviour

Based on satisfactory evidence, it was noted that the address of the factory business license is incomplete, it does not cover the second to seventh floors of the first building, the second building, the third building and the fourth building. (Regulations of PRC for controlling the registration of enterprises as legal persons Article 17)

基于满意的证据，在评估中发现，工厂营业执照地址不完整，地址未覆盖到第1栋的第二至第七层，第2栋，第3栋和第4栋。《中华人民共和国企业法人登记管理条例》第十七条