

L'Oreal Supplier Social Responsibility Audit



YIWU YAXING WEAVING MILL CO., LTD.

GENERAL INFORMATION

Overall Result: Needs Continuous Improvement

Report No :	F_IAR_67360	City :	Yiwu City
Assessment No :	A4563131	Country :	China
Audit Date :	Aug 24, 2016	Auditors :	Primary: Estelle Tong
Last Audit :	NA		Secondary: Daniel Dai
Assesment Stage :	Initial		

PERFORMANCE SUMMARY

Participating facilities:
1616

Assessment Area	Section Result	Compliance Level					
		Zero Tolerance	Needs Immediate Action	Needs Continuous Improvement	Satisfactory	Access Denied	Not Applicable
Overall	NCI	-	-	7	127	-	287
Child Labor	S	-	-	-	4	-	16
Forced & Compulsory Labor	S	-	-	-	14	-	21
Health & Safety	NCI	-	-	5	75	-	147
Freedom of Association	NA	-	-	-	-	-	20
Non Discrimination	S	-	-	-	6	-	15
Disciplinary Practices	S	-	-	-	6	-	12
Harassment & Abuse	S	-	-	-	4	-	10
Compensation and Benefits	NCI	-	-	1	11	-	20
Hours of Work	NCI	-	-	1	7	-	16
Subcontracting	NA	-	-	-	-	-	10

Yiwu Yaxing Weaving Mill Co., Ltd.



A. FACILITY PROFILE

A1. FACILITY INFORMATION

Factory Name:	Yiwu Yaxing Weaving Mill Co., Ltd.	Postal Code:	322000
Physical Address:	SuXi Industrial Development Zone, Yiwu City, Zhejiang Province, China.	Legal status:	Privately owned
City/Town:	Yiwu City	Year started:	1999
State/Province:	Zhejiang	Compliance Officer:	Yes
Country:	China	Website:	Not provided
Phone:	86-15157948090		
Fax:	0579-85913526		
Contact Name:	Ms. Li Ziyang		
Contact Title:	HR Manager		
Email:	2851286908@qq.com		

A2. EMPLOYEE INFORMATION

	Management	Production		
Language(s) Spoken:	Mandarin	Mandarin	Legal Minimum Age:	16 years old
Total Nr of Employees:	16	151	Number of historical child labor:	NA
Youngest Employee Age:	18 years old		Name of Union:	Not applicable.
Age Documentation:	Identification cards copies		Number of First Aiders:	6
Number of Apprentices:	NA			
Past Labor Strikes/Conflicts:	NA			

The number of lost time accidents to employees per million hours worked : **Lost time injury rate/frequency** [(number of lost time injuries) x 1,000,000) / (exposed man hours)] = No injury happened during the last year.

A3. SUPPLIER INFORMATION

Supplier name:	NA	Fax:	NA
Postal Address:	NA	Website:	NA
City/Town:	NA		
State/Province:	NA		
Country:	NA		

Yiwu Yaxing Weaving Mill Co., Ltd.



Phone:	NA
Contact Name:	NA
Contact Title:	NA
Email:	NA

A4. PRODUCTION INFORMATION

Product Type:	Towels, bath towels and beach towels	
Labels WIP:	Label Name 1 / (Percentage of output)%:	Not applicable.
	Label Name 2 / (Percentage of output)%:	Not applicable.
	Label Name 3 / (Percentage of output)%:	Not applicable.
	Label Name 4 / (Percentage of output)%:	Not applicable.
	Production Capacity a Week:	200,000
	Total Number of Machines:	105
Brand presence (if applicable):	Percentage of production devoted to client:	0%
	Other brands being produced:	Not provided.

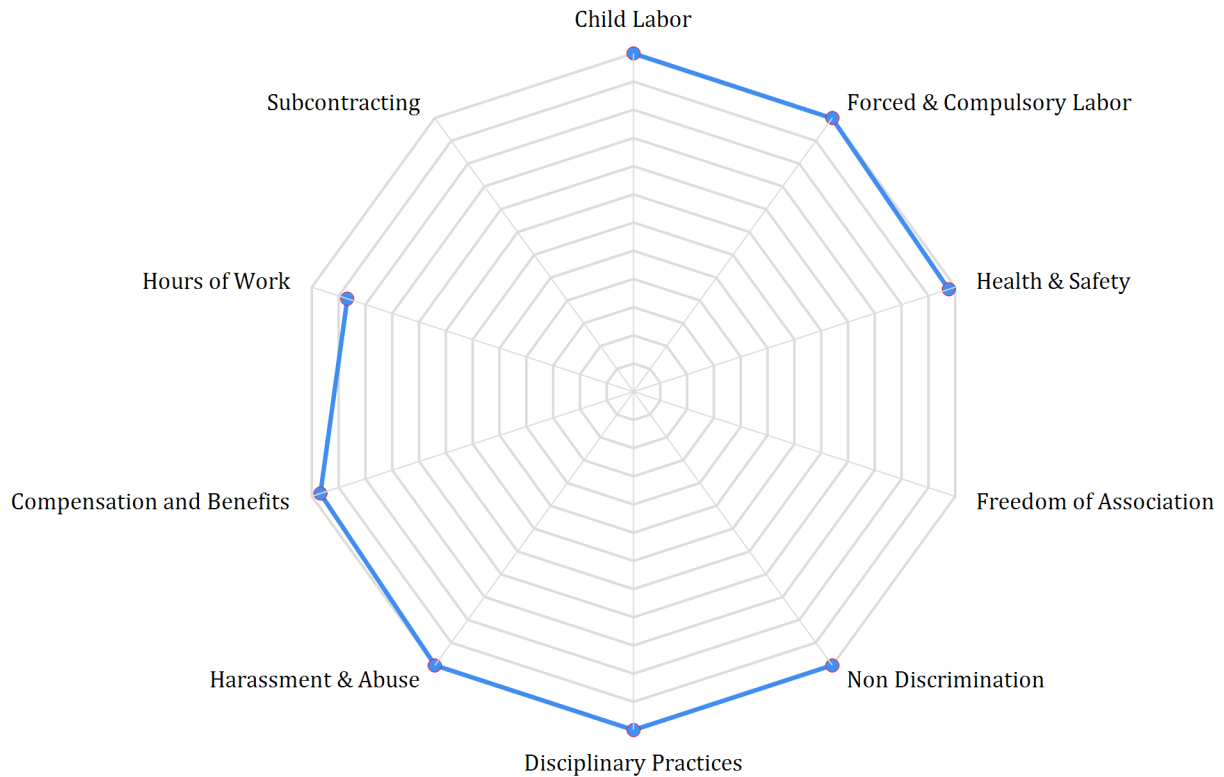
A5. AUDIT SAMPLE SIZE

# Payroll :	12 months' payroll records from July 2015 to June 2016.
Payroll months analysed:	15 payroll records from June 2016 (current month), 5 payroll records from April 2016 (random month), 5 payroll records from November 2015 (random month)
# Interviews:	15 individuals



B. PERFORMANCE METRICS

B1. RESULT SUMMARY



"Freedom of Association" rating is not shown on the above graph as its rating is N/A

"Subcontracting" rating is not shown on the above graph as its rating is N/A



B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (24-Aug-2016)	Last	First	Change (Current-Last)	Change (Current-First)
Child Labor	S	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Forced & Compulsory Labor	S	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Health & Safety	NCI	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Freedom of Association	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Non Discrimination	S	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Disciplinary Practices	S	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Harassment & Abuse	S	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Compensation and Benefits	NCI	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Hours of Work	NCI	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Subcontracting	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Overall Result	NCI	Not Applicable	Not Applicable	Not Applicable	Not Applicable

▲ Advancers ■ Constant ▼ Decliner



B3. COMPENSATION

# of Employees Present:	167
# of Employees on Payroll:	167
Payroll records sampled:	From July 2015 to June 2016
# of sample taken:	15 payroll records from June 2016 (current month), 5 payroll records from April 2016 (random month), 5 payroll records from November 2015 (random month).
Form of Payment:	Cash
Pay Day:	at the end of each month

	Payroll	Interview	Law	Unit
Minimum wage:	RMB 11.21 per hour	RMB 11.21 per hour	RMB 1660 per month equivalent to RMB 9.54 per hour	Hourly
Regular overtime rate:	150% of normal rate	150% of normal rate	150% of normal rate	Hourly
Rest day overtime rate:	200% of normal rate	200% of normal rate	200% of normal rate	Hourly
Holiday overtime rate:	300% of normal rate	300% of normal rate	300% of normal rate	Hourly
Lowest piece rate:	Not applicable	Not applicable	RMB 1660 per month equivalent to RMB 9.54 per hour	Hourly
Average salary:	RMB 11.32 per hour	RMB 11.32 per hour	Not applicable	Hourly

B4. HOURS OF WORK

	Payroll	Interview	Law
Normal work hours per day:	8	8	8
Normal work hours per week:	40	40	40
Maximum overtime hours per week:	18	18	Not applicable.
Average overtime hours per week:	16.3	16.3	Not applicable.
Overtime rate per hour:	150% and 200% of normal rate for overtime work on workdays and rest days. No overtime was arranged on holidays.	150% and 200% of normal rate for overtime work on workdays and rest days. No overtime was arranged on holidays.	150%, 200% and 300% of normal rate for overtime work on workdays, rest days and holidays

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Number of shifts:	Weaving employees worked for 2 shifts were 7:30-19:30, 19:30-7:30 (2 hours for break time per shift); Office employees worked for one shift: 8:00-11:30, 13:00-17:30. The rest employees worked for 1 shift was 7:30-11:30, 12:30-16:30.	Weaving employees worked for 2 shifts were 7:30-19:30, 19:30-7:30 (2 hours for break time per shift); Office employees worked for one shift: 8:00-11:30, 13:00-17:30. The rest employees worked for 1 shift was 7:30-11:30, 12:30-16:30.	Not applicable
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Local legal working hours per week: Normal working hours were 8 hour per day and 40 hours per week.

Time record system used: Swipe card

Total numbers of hours worked per week: (1) For June 2016 (current month), the average number of working hours per week were 56 hours and the maximum working hours per week were 56 hours (all 15 randomly selected employees); (2) For April 2016 (random month), the average number of working hours per week were 55.3 hours and the maximum working hours per week were 58 hours (all 5 randomly selected employees); (3) For November 2015 (random month), the average number of working hours per week were 58 hours and the maximum working hours per week were 58 hours (all 5 randomly selected employees);



C. PERFORMANCE DETAILS

Current (24-Aug-2016)

C1. Health & Safety

NCI

Sub Section: Emergency Preparedness

Status	Local Law	Findings	Global freq of compliance
● NCI	Yes	<p>Q.87 - Not all fire equipment is fully charged, mounted and labeled.</p> <p><i>The fire extinguishers mounted at improper height. During facility tour, auditor found that about 90% fire extinguishers were installed at a height of 1.6m from the top of the fire extinguisher to the floor on one one 5-storey production building.</i></p> <p>Law Title/Text: -- 87.01 In accordance with the Code for Design of Extinguisher Distribution in Buildings (GB 50140-2005) article 5.1.3, portable fire extinguishers shall be installed in a way that the height from the top of the extinguisher to the floor should be less than 1.50m, and the height from the bottom of the extinguisher to the floor should not less than 0.08m. The box for containing fire extinguisher should not be locked</p> <p>Management Response - The facility management had no comment and promised to improve the situation.</p> <p>Proposed Corrective Action - It is recommended that the facility should ensure fire extinguishers mounted at a proper height as per legal requirement.</p>	92%
● NCI	NA	<p>Q.88 - Not all evacuation plans are visibly posted in local language.</p> <p><i>Evacuation plans were different from the actual layouts. During facility tour, auditor found that evacuation plans in cutting, sewing and finishing workshop on 4/F of one 5-storey building were different from the actual layouts.</i></p> <p>Law Title/Text: -- 88.01 No local law was required.</p> <p>Management Response - The facility management had no comment and promised to improve the situation.</p> <p>Proposed Corrective Action - It is recommended that the facility should ensure evacuation plans were consistent with the actual layouts.</p>	82%
● NCI	Yes	<p>Q.94 - Aisles/passageways and evacuation routes are partially obstructed.</p> <p><i>Width of evacuation passage is insufficient in workshop. During facility tour, auditor found that the width of 3 out of 5 evacuation routes in weaving workshop on the 1/F of one 5-storey Production Building was only 0.5 meter.</i></p>	95%



		<p>Law Title/Text: -- 94.01 In accordance with the Code of Design on Building Fire Protection and Prevention (GB50016-2014) article 3.7.5, The respective total net width for evacuation staircases, passages and doors at a factory building shall be determined through calculation on the basis of the number of evacuees and the requirements of the minimum net width for each 100 persons stipulated in table 3.7.5. But the minimum net width of evacuation staircases should not be less than 1.10m; the net width of evacuation passage should not be less than 1.40m and the minimum net width of evacuation door should not be less than 0.90m. When the number of persons on each floor differs, the total net width of its staircases shall be calculated by floor to floor, and the total net width of stairs in lower floor is calculated on the basis of the number of persons on the said floor and the upper floor that has the maximum number of persons. The total net width of the exterior door on the ground floor shall be calculated on the basis of the number of persons on the said floor and the upper floor that has the maximum number of persons, and the minimum net width of the said evacuation door shall not be less than 1.2m.</p> <p>Management Response - The facility management had no comment and promised to improve the situation.</p> <p>Proposed Corrective Action - It is recommended that the facility should ensure the width of all evacuation passages comply with legal requirement.</p>	
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Sub Section: Dormitory

Status	Local Law	Findings	Global freq of compliance
● NCI	Yes	<p>Q.165 - Most fire protection equipment is in place in the dormitory.</p> <p><i>The fire extinguishers mounted at improper height. During facility tour, auditor found that about 90% fire extinguishers were installed at a height of 1.6m from the top of the fire extinguisher to the floor on one 6-storey comprehensive building (including canteen and dormitory)</i></p> <p>Law Title/Text: -- 165.01 In accordance with the Code for Design of Extinguisher Distribution in Buildings (GB 50140-2005) article 5.1.3, portable fire extinguishers shall be installed in a way that the height from the top of the extinguisher to the floor should be less than 1.50m, and the height from the bottom of the extinguisher to the floor should not less than 0.08m. The box for containing fire extinguisher should not be locked</p> <p>Management Response - The facility management had no comment and promised to improve the situation.</p> <p>Proposed Corrective Action - It is recommended that the facility should ensure fire extinguishers mounted at a proper height as per legal requirement.</p>	92%

Sub Section: Canteen

Status	Local Law	Findings	Global freq of compliance
● NCI	Yes	<p>Q.174 - Most fire protection equipment is available at the food preparation area.</p> <p><i>The fire extinguishers mounted at improper height. During facility tour, auditor found that about 90% fire extinguishers were installed at a height of 1.6m from the top of the fire extinguisher to the floor on one 6-storey comprehensive building (including canteen and dormitory)</i></p>	98%



	<p>Law Title/Text: -- 174.01 In accordance with the Code for Design of Extinguisher Distribution in Buildings (GB 50140-2005) article 5.1.3, portable fire extinguishers shall be installed in a way that the height from the top of the extinguisher to the floor should be less than 1.50m, and the height from the bottom of the extinguisher to the floor should not less than 0.08m. The box for containing fire extinguisher should not be locked</p> <p>Management Response - The facility management had no comment and promised to improve the situation.</p> <p>Proposed Corrective Action - It is recommended that the facility should ensure fire extinguishers mounted at a proper height as per legal requirement.</p>	
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C2. Compensation and Benefits

NCI

Sub Section: Compensation and Benefits

Status	Local Law	Findings	Global freq of compliance
● NCI	Yes	<p>Q.241 - Employees are not given legally mandated benefits/social insurances for less than 20% of the sample.</p> <p><i>Insufficient social insurance participated. Through document review, auditor found that there were 162 employees in July 2016, only 137 employees had participated in basic endowment insurance, basic medical insurance, maternity insurance, unemployment insurance and employment injury insurance. The rest 25 employees had not participated in any types of insurance.</i></p> <p>Law Title/Text: -- 241.01 In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.</p> <p>Management Response - The facility management had no comment and promised to improve the situation.</p> <p>Proposed Corrective Action - It is recommended that the facility should ensure all employees participate in social insurance according to the Law.</p>	75%

C3. Hours of Work

NCI

Sub Section: Hours of Work

Status	Local Law	Findings	Global freq of compliance
● NCI	Yes	Q.258 - Overtime hours are not within allowable limits under applicable law.	66%



Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of all 15 randomly selected employees was 68 hours in June 2016 (current month); the monthly overtime hours of all 5 randomly selected employees was 72 hours in April 2016 (random month); the monthly overtime hours of all 5 randomly selected employees was 74 hours in November 2015 (random month).

Law Title/Text: -- 258.01 In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Management Response - The facility management had no comment and promised to improve the situation.

Proposed Corrective Action - It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month.

% Global Frequency of Compliance: Represents the implementation percentage performance of all suppliers participating in the L'Oreal Community globally for each issue.

Identification numbers: Represents the finding ID associated with each checklist question

- Satisfactory
- Needs Continuous Improvement
- Needs Immediate Action
- Zero Tolerance
- Access Denied
- Not Applicable

Yiwu Yaxing Weaving Mill Co., Ltd.



D. SUBCONTRACTING

Facility Capacity:	800,000 pieces per month
Production Output per day:	about 30,700 pieces per day

Subcontractor Details

SubContractor Name:	NA
Address:	NA
Contact Name:	NA
Telephone:	NA
Processes Conducted:	NA