

L'Oreal Supplier Social Responsibility Audit



CHANGLIN INDUSTRIAL CO., LTD.

GENERAL INFORMATION

Overall Result:		Needs Continuous Improvement	
Report No:	F_IAR_137841	City:	Heyuan
Assessment No:	A5093241	Country:	China
Audit Date:	15-Aug-2023	Auditors:	Primary: Ellen Lu
Last Audit:	NA		Secondary: NA
Assessment Stage:	Re-Audit	Type of Audit:	Onsite

PERFORMANCE SUMMARY

Participating facilities: NA

		Compliance Level					
Assessment Area	Section Result	Zero Tolerance	Needs Immediate Action	Needs Continuous Improvement	Satisfactory	Access Denied	Not Applicable
Overall	NCI	-	-	3	160	-	104
Child Labor	S	-	-	-	4	-	7
Forced & Compulsory Labor	S	-	-	-	14	-	5
Health & Safety	NCI	-	-	2	107	-	58
Freedom of Association	NA	-	-	-	-	-	11
Non-discrimination	S	-	-	-	6	-	4
Disciplinary Practices	S	-	-	-	7	-	3
Harassment & Abuse	S	-	-	-	5	-	3
Compensation and Benefits	S	-	-	-	10	-	4
Hours of Work	NCI	-	-	1	7	-	4
Subcontracting	NA	-	-	-	-	-	5

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A. FACILITY PROFILE

A1. FACILITY INFORMATION

Factory Name:	Changlin Industrial Co., Ltd.
Physical Address:	No.167, Gaoxin 2nd Road, Gaoxin District, Heyuan City, Guangdong Province, China.
City/Town:	Heyuan
State/Province:	Guangdong
Country:	China
Phone:	NA
Fax:	NA
Contact Name:	林先生 -
Contact Title:	NA
Email:	lam@changlinbag.com

Postal Code:	--
Legal Status:	Private enterprise
Year Started:	2017
Compliance Officer:	Yes
Website:	www.changlinbag.com

A2. EMPLOYEE INFORMATION

	Management	Production
Language(s) Spoken:	Chinese	Chinese
Total Nr of Employees:	25 management employees consist of 12 male employees and 13 female employees. All 25 management employees are permanent and direct employees.	71 Production employees consist of 25 male employees and 46 female employees. All 71 production employees are permanent direct employees.
Youngest Employee Age:	22	
Age Documentation:	Personnel files with ID card copy	
Number of Apprentices:	0	
Past Labor Strikes/Conflicts:	NA	

Legal Minimum Age:	16 years old
Number Of Historical Child Labor:	0
Name Of Union:	Not applicable
Number Of First Aiders:	2

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 work related accident injury in the past year as per the records and employees interview.

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A3. SUPPLIER INFORMATION

No supplier information

A4. PRODUCTION INFORMATION

Product Type:	Cosmetic bags, handbags	
Labels WIP:	Label Name 1 / (Percentage of output)%:	LVMH / 20%
	Label Name 2 / (Percentage of output)%:	LANCOME / 20%
	Label Name 3 / (Percentage of output)%:	SEPHORA / 20%
	Label Name 4 / (Percentage of output)%:	DIOR / 18%
	Capacity a Week:	150000 pieces per week
Brand Presence (if applicable):	Total Number of Machines:	165 sets
	Percentage of production devoted to client:	20%
	Other brands being produced:	COTY, and etc.

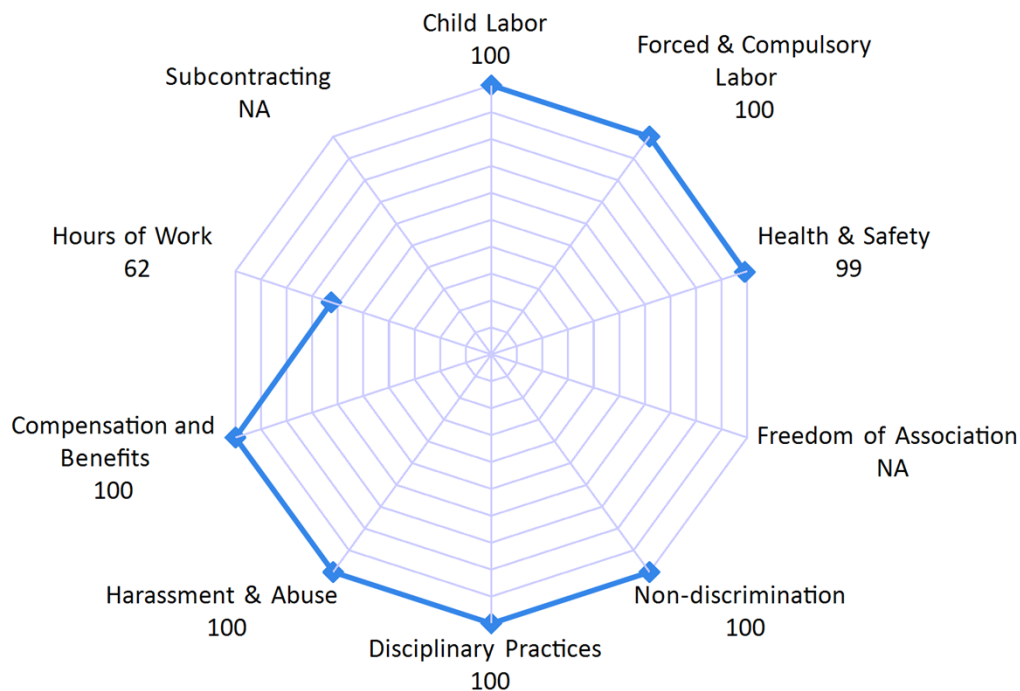
A5. AUDIT SAMPLE SIZE

# Payroll:	Payroll records from July 2022 to June 2023 were available for review in this re-audit.
Payroll Months Analyzed:	7 samples of June 2023 (current month), 5 samples of April 2023 (random month) and 5 samples of September 2022 (random month).
# Interviews:	7 selected production employees consisted of 4 male employees and 3 female employees. All 7 employees were permanent and direct employees.

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B. PERFORMANCE METRICS

B1. RESULT SUMMARY



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B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (15-Aug-2023)	Last (Not Applicable)	First (Not Applicable)	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	NA	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	S	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Hours of Work	NCI	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Subcontracting	NA	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Overall Result	NCI	Not Applicable	Not Applicable	Not Applicable	Not Applicable

 Advancers
  Constant
  Decliner

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B3. COMPENSATION

# of Employees Present:	96
# of Employees on Payroll:	96
Payroll Records Sampled:	Payroll records from July 2022 to June 2023 were provided for review.
# of Sample Taken:	7 samples from June 2023, 5 samples from April 2023 and 5 samples from September 2022
Form of Payment:	Bank transfer
Pay Day:	On or before 25th of each month

	Payroll	Interview	Law	Unit
Minimum Wage:	11 per hour	11 per hour	RMB1620 per month equivalent to RMB9.31 per hour	Hourly
Regular Overtime Rate :	150% of basic wage	150% of basic wage	150% of basic wage	Hourly
Rest Day Overtime Rate:	200% of basic wage	200% of basic wage	200% of basic wage	Hourly
Holiday Overtime Rate:	NA as no overtime work on holidays	NA as no overtime work on holidays	300% of normal wage	Hourly
Lowest Piece Rate :	NA	NA	NA	Hourly
Average Salary:	RMB3441	RMB3441	NA	Monthly

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:	14	14	NA
Average Overtime Hours Per Week:	14	14	NA
Overtime Rate Per Hour:	150% and 200% of normal rate for overtime on weekdays and weekends. No overtime work on holidays	150% and 200% of normal rate for overtime on weekdays and weekends. No overtime work on holidays	150%, 200% and 300% of normal rate for overtime on weekdays, weekends and public holidays.
Number Of Shifts:	1	1	NA

Local Legal Working Hours Per Week:	40 normal working hours per week
Time Record System Used:	Other: Fingerprint attendance system
Total Numbers of Hours Worked Per Week:	1) In June 2023 (current month), the total number of hours worked (regular + OT) per employee per week were 54 hours, the maximum weekly hours

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were 54 hours (7 out of 7 randomly samples). 2) In April 2023(random month), the total number of hours worked (regular + OT) per employee per week were 54 hours, the maximum weekly hours were 54 hours (5 out of 5 randomly samples). 3) In September 2022 (random month), the total number of hours worked (regular + OT) per employee per week were 52 hours, the maximum weekly hours were 52 hours (5 out of 5 randomly samples).

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C. PERFORMANCE DETAILS

Current (15-Aug-2023) Last (NA)

C1. HEALTH & SAFETY

NCI

Sub Section: Safety Committee

Status	Local Law	Findings	Global freq of compliance
● NCI	Yes	<p>00145 - Safety Committee Additional Finding 1</p> <p>Auditor Comment Certificate of safety production knowledge and management skill for the principal in charge was expired. During document review, auditor found that the certificate of safety production knowledge and management skill of the principal in charge provided by the facility was expired on 12th August 2023. The facility management representative stated that they would arrange training participation as soon as possible.</p> <p>Law Title/Text: - Legal Regulation</p> <p>Law of the PRC on Work Safety Article 27, The principal in charge and persons for the management of work safety in production and business entities have to have the knowledge about work safety and the competence for the management, which are commensurate with the production and business activities of these entities. The principal in charge and persons for the management of work safety in production and business entities that produce, trade, store or Loading and unloading hazardous articles, and mines, metal smelting, building construction, and road transport shall only be appointed to the posts after they pass the examinations in their knowledge about work safety and their competence in the management conducted by the competent departments for work safety supervision and administration. No fees shall be charged for taking such examinations. Entities that produce, store or Loading and unloading hazardous articles, and mines, metal smelting shall have certified safety engineer to work on the management of work safety.</p> <p>Management Response - The facility management agreed with the finding and stated that they would arrange training participation as soon as possible.</p> <p>Proposed Corrective Action - It is recommended that the facility should ensure the principal in charge obtain relevant and valid training records or certificates according to legal requirements.</p>	0%

Sub Section: Machine Safety

Status	Local Law	Findings	Global freq of compliance
● NCI	Yes	<p>00399 - Some machine equipment has improper or missing guards.</p> <p>Auditor Comment Machines without protective devices. During facility tour, auditor found that no safety guard was installed for rolling part of 4 out of 124 sewing machines in sewing workshop and sample making workshop in the production building.</p>	0%

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		<p>Law Title/Text: - Legal Regulation</p> <p>Law of the PRC on Work Safety Article 36, Safety equipment shall be designed, manufactured, installed, used, tested, maintained, renovated and abandoned in compliance with the national standards or industrial specifications. Production and business entities shall have their safety equipments constantly maintained and serviced and regularly tested in order to ensure its normal operation. Records for maintenance, service and test shall be kept and be signed by the persons concerned.</p> <p>Management Response - The facility management agreed with the finding and would take corrective actions as soon as possible.</p> <p>Proposed Corrective Action - It is recommended that safety guard should be equipped to the rolling part of the sewing machines to comply with the law.</p>	
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C2. HOURS OF WORK

NCI

Sub Section: Hours of Work

Status	Local Law	Findings	Global freq of compliance
● NCI	Yes	<p>O0884 - Overtime hours are not within allowable limits under applicable law.</p> <p>Auditor Comment Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 7 out of 7 randomly selected samples ranged from 44 to 46 hours in June 2023 (current month), 5 out of 5 randomly selected samples ranged from 52 to 54 hours per in April 2023 (random month), 5 out of 5 randomly selected samples ranged from 44 to 46 hours in September 2022 (random month).</p> <p>Law Title/Text: - Legal Regulation</p> <p>People's Republic of China Labor 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 laborers, 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 laborers is guaranteed. However, the total extension in month shall not exceed 36 hours.</p> <p>Management Response - The facility management agreed with the finding and would take corrective actions as soon as possible.</p> <p>Proposed Corrective Action - It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month.</p>	0%

% 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

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D. SUBCONTRACTING

Facility Capacity:	150000 pieces per week
Production Output per day:	25000 pieces per day

Subcontractor Details

Subcontractor Name:	NA
Contact Name:	NA
Address:	NA

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