

Monitored Party Ash Cloud Tech Co Ltd Shenzhen	amfori ID 156-019565-000	Address 1-5/F, Building 49, BaoTian Industrial Zone, Chentian Community, Xixiang Street, Bao'an District, Shenzhen City, 518102 Shenzhen, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner ABS Quality Evaluations Inc.
Monitoring Start Date 16/10/2023	Closing Meeting Finished Date 20/10/2023	Submission Date 30/10/2023
Expiration Date 30/10/2025	Announcement Type Fully Announced	
Site Ash Cloud Tech Co.,Ltd. Shenzhen	Site amfori ID 156-019565-001	

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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, Violence or Harassment	A	
PA 5: Fair Remuneration	B	

PA 6: Decent Working Hours	C	
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, Forced Labour or Human Trafficking	A	
PA 12: Protection of the Environment	A	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Elva Tang; APSCA membership number: CSCA21702063

Name of team auditor (if applicable): NA

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

Monitoring partner name: ABS Quality Evaluations Inc.

Audit schedule details: The fully announced full audit is planned for 1 auditor x 2.5 days on Oct 16-18, 2023.

Business partner information:

Ash Cloud Tech Co Ltd Shenzhen (深圳市黑云信息科技有限公司 91440300MA5GGQU0X6), the auditee located at 1-5/F, Building 49, BaoTian Industrial Zone, Chentian Community, Xixiang Street, Bao'an District, Shenzhen City, Guangdong Province, China (中国广东省深圳市宝安区西乡街道臣田社区宝田工业区49栋1层-5层). The auditor verified the business license with the address, legal entity representative, business scope, and other information according to website <http://www.gsxt.gov.cn/> (National Enterprise Credit Information Publicity System). The local name was the same as above. The address on business license was 2F of Building 47, 1F and 3-5F of Building 49, BaoTian Industrial Zone, Chentian Community, Xixiang Street, Bao'an District, Shenzhen City, Guangdong Province, China (中国广东省深圳市宝安区西乡街道臣田社区宝田工业区49栋1层、3-5层、47栋2层). The auditee did not update its address on the business license to the actual production address, NC had been raised. The auditee was a limited company, established on Nov 25, 2020 and valid to a long time.

The auditee specialized in the manufacture of phone cases. Production activities mainly included injection, assembling (including cutting, printing, paint edging, gluing, cleaning and pressing) and packing. No process/service/product was subcontracted. Peak season was from Jul to Sep. The annual production volume was 6000000 pieces.

Audited location information:

The auditee rented partial 3F and whole 1F, 2F, 4F, 5F of one 5-storey building with the total used construction areas of approximately 8300 square meters from SZ HY Precision Industries Co., Ltd (SZ HY 精密工业有限公司) used as office, warehouse and workshops. For the 5-storey building, the 1F was used as warehouse, office and injection workshop, the 2F was used as warehouse, partial 3F was used as warehouse, the 4F was used as assembling (including cutting, printing, paint edging, gluing, cleaning and pressing) and packing workshop, the 5F was used as warehouse. The remaining area of the 3F was leased to another factory by the landlord. One evacuation stair and exit were shared, the landlord was responsible for the fire safety of the shared area, the auditee conducted regular inspection. No worker was exchanged. The auditee did not provide kitchen or dormitory for workers. Workers brought meals by themselves.

Operating shifts and hours:

The policy and interview information showed that the regular workdays were from Monday to Friday with 8 hours per day. The auditee ran 1 shift for all employees, 08:00-12:00, 13:30-17:30 for office staffs, 08:00-11:30, 12:30-17:00 for injection workers and 08:00-12:00, 13:00-17:00 for other workers. 16 samples' payroll from Oct 2022 to Sep 2023 and time records since Oct 1, 2022 were selected for verification. Based on the sampled workers' payroll and attendance records in Sep 2023, Jul 2023 and May 2023, it was noted that the workers' maximum overtime hours were 2 hours a weekday, 8 hours a rest day, 0 hours a holiday, 18 hours a week, 49 hours a month. The longest consecutive working days were 6 days.

Time recording system:

The factory used an electronic attendance system (face scan) to register workers' attendance status.

Salary payment details:

All workers were paid at an hourly rate before/on the 7th of next month by bank transfer. The minimum wage of the sampled workers was RMB2360 per month, which was in line with the local legal minimum wage standard (RMB2360 per month since Jan 1, 2022). All workers were paid 150% and 200% of normal wage for the overtime working on weekday and rest day respectively. It was noted there were 134 employees including 8 retired employees and 12 newly joined employees, but no temporary worker or dispatch worker used, 114 out of 134 employees should be enrolled in 5 kinds of social insurances. Based on social insurance payment voucher of recent year, the auditee provided pension insurance, unemployment insurance, medical insurance, maternity insurance and work-related injury insurance to all 114 employees (100%) in Sep 2023. The auditee provided commercial accident insurance to 131 employees (131/134=97.8%) including all employees who did not have social insurance. The period of validity of commercial accident insurance was from Mar

20, 2023 to Mar 19, 2024 (62 workers), May 28, 2023 to May 27, 2024 (22 workers) and Aug 11, 2023 to Aug 10, 2024 (47 workers). The auditee did not obtain a social insurance waiver.

Worker number information:

There were 43 male employees and 91 female employees, including 92 production workers (22 males and 70 females) and 115 migrant workers used. There were no vulnerable workers or any other special group workers (interns, apprentices, contractor workers etc.). There was no child or young worker found during this audit. The youngest worker in the auditee was 21 years old, born on Aug 20, 2002 and entered the auditee on Dec 31, 2020.

Good practices:

The auditee paid allowances and grants for workers.

Worker organization details:

No trade union, collective bargaining agreements are applicable currently. Worker representative was elected in the auditee.

Circumstances:

No special circumstance happened during the audit. All the findings were discussed with the management in the closing meeting. The factory signed the onsite finding report. The auditor reminded the factory that they should submit the Remediation Plan into the amfori BSCI Platform within 60 days. The management was receptive of all the findings and gave the willingness to take appropriate corrective actions.

Summary of findings:

The performance areas needed improvement were PA1, PA2, PA5, PA6, PA7 and PA13.

Living wage calculation:

Please refer to living wage part in the sheet of Remuneration and Working Hours.

Precautions taken about #COVID-19 in the facility:

The auditee was located at a low Covid-19 risk area now. Risk assessment of Covid-19 was conducted.

Remark:

1. There was no contractor or agency used by the auditee, which makes the agency labour contract or contractor license/permit not applicable; the auditee did not obtain a government waiver.
2. The Personal Information Protection Act was issued in China and implemented since 1 November 2021. The auditor had mosaicked the personal information related to attached documents on amfori BSCI platform.
3. The auditee rented the used building from the landlord (SZ HY Precision Industries Co., Ltd (SZ HY 精密工业有限公司)), the landlord rented the building from SZ CT Joint Stock Cooperative Company (SZ CT 股份合作公司).
4. The auditee was separated from another company, and some employees were transferred from the original company, so the entry time of these employees was earlier than the establishment time of the business license.
5. The 2F of Building 47 was not used by the auditee since Oct 2023. The process inside has been moved back to Building 49.

SITE DETAILS

Site	Site amfori ID
Ash Cloud Tech Co.,Ltd. Shenzhen	156-019565-001

GICS Classification

Sector	Industry Group	Industry
Consumer Discretionary	Retailing	Internet & Direct Marketing Retail
Sub Industry		
Internet & Direct Marketing Retail		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	134	Workers
Legal minimum wage in local currency	2,360	Monthly
Lowest wage paid for regular work at the site	2,360	Monthly
Calculated living wage in local currency	4,619.28	Monthly
Total sample	16	Workers

Other Metrics

Male workers	43	Workers
Female workers	91	Workers
Non-binary workers	0	Workers
Permanent workers - Male	43	Workers
Permanent workers - Female	91	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	21	Workers
Management - Female	20	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	0	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	39	Workers
Domestic migrant workers - Female	76	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	43	Workers
Workers hired directly - Female	91	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	0	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	0	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	3	Workers
Sample - Female	13	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: Ash Cloud Tech Co.,Ltd. Shenzhen | Site amfori ID: 156-019565-001

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>Based on management and worker interviews, document review and site tour, it was noted the management system of amfori BSCI had not been effectively implemented and still needed continuous improvement because some non-compliances were noted in several performance areas (PA1, PA2, PA5, PA6, PA7 and PA13), such as the auditee did not update its address in business license to the actual production address. The auditee partially respected this principle because the auditee established and implemented amfori BSCI management system. For example, it has established written amfori BSCI management policies and procedures.</p>	<p>根据管理人员和员工访谈、文件审核和现场观察，发现amfori BSCI管理体系未得到有效实施仍需持续改进，因为在几个绩效领域（绩效领域1, 2, 5, 6, 7和13）发现了一些不符合项，如被审核方未将营业执照上的地址更新为实际生产地址。被审核方部分遵循该准则，因为被审核方建立并实施了amfori BSCI管理体系，如建立了书面的amfori BSCI管理方针和政策。</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>Based on management and worker interviews, document review and site tour, it was noted the auditee did not properly evaluate its production capacity and did not properly formulate its production schedule to match delivery expectation of orders, which led to sampling workers' monthly overtime hours exceeded legal requirements of 36 hours. The auditee partially respected this principle because the auditee had established the production capacity calculation procedure.</p>	<p>根据管理人员和员工访谈、文件审核和现场观察，发现被审核方没有正确地对其产能进行评估，也未合理安排生产计划以满足订单的交付预期，导致抽样员工的月加班时间超过了法定的36小时。被审核方部分遵循该准则，因为发现被审核方已建立了产能规划程序。</p>



PA 2: Workers Involvement and Protection

Site: Ash Cloud Tech Co.,Ltd. Shenzhen | Site amfori ID: 156-019565-001

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	
Based on management and worker interviews, document review, it was noted the auditee had set long term goals to protect workers. However, the set goals were incomplete which did not cover performance areas such as special protection for young workers, no precarious employment, etc. The auditee partially respected this principle because the auditee had set long term goals.	根据管理人员和员工访谈，文件审核，发现被审核方已经设定了保护员工的长期目标，但是设定的目标不够完整，缺少了保护青年工人、无缺乏保障就业等绩效领域。被审核方部分遵循该准则，因为被审核方设定了长期目标。

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	
Based on management and worker interviews, document review and site tour, it was noted the auditee had established a grievance mechanism, but the auditee did not conduct regular surveys on users' satisfaction with the grievance procedure; the auditee did not set up grievance mechanism for the external interested parties; the auditee did not receive any grievances from the workers in the latest 12 months, but the auditee did not provide any records or documents to prove that they had conducted due diligence investigation upon this situation. The auditee partially respected this principle because the auditee established a grievance mechanism.	根据管理人员和员工访谈，文件审核和现场观察，发现被审核方建立了申诉机制，但是被审核方没有建立对申诉程序满意度的常规调查；被审核方没有建立针对外部利益相关方的申诉机制；被审核方在最近十二个月内没有收到任何来自员工的申诉，但是被审核方没有提供任何记录或者文件证明其对该情况进行了尽职调查。被审核方部分遵循该准则，因为被审核方建立了申诉机制。

PA 5: Fair Remuneration

Site: Ash Cloud Tech Co.,Ltd. Shenzhen | Site amfori ID: 156-019565-001

Question: 5.4 Is there satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on management and worker interviews and payroll records review, it was noted the basic wages paid to all sample workers were RMB13.56/H, which was in line with local legal minimum wage standard (RMB2360/M since Jan 1, 2022, equal to RMB13.56/H), but lower than the local decent living	根据管理层和员工访谈以及工资记录的审核，发现所有抽样员工的基本工资为13.56元/小时，符合当地法定最低工资标准（2022年01月01日起为2360元/月，等于13.56元/小时），但低于了当地体面生活工资标准（深圳市：4619.28元/月，等于26.55元/小时）。被审核方未遵循该准则，因为被审核方没有计

Finding	
wage standard (Shenzhen City: RMB4619.28/M, equal to RMB26.55/H). The auditee did not respect this principle because the auditee did not calculate decent living wage in the region.	算该地区的体面生活工资。

PA 6: Decent Working Hours

Site: Ash Cloud Tech Co.,Ltd. Shenzhen | Site amfori ID: 156-019565-001

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	
Based on management and worker interviews, time records review and site tour, it was noted the auditee provided attendance records from Oct 1, 2022 to audit day. The monthly overtime hours of 15/16 randomly selected workers in Jul 2023 (peak month) were 37-49 hours, which exceeded the legal overtime limit of 36 hours per month. The monthly overtime hours of all 16 randomly selected workers in May 2023 (non-peak month) were 11-24.5 hours, all 16 randomly selected workers in Sep 2023 (current month) were 14-34 hours, which were in line with the legal overtime limit of 36 hours per month. The auditee partially respected this principle because sample workers' monthly overtime exceeded the legal requirement of 36 hours in only one sampling month for the urgent order. (Labor Law of the People's Republic of China (1994), Article 41)	根据管理人员和员工访谈，考勤记录审查和现场观察，发现被审核方提供了2022年10月01日至审核当日的考勤，2023年07月（旺季）随机抽样的15/16名员工的月加班时间为37-49小时，超过了法定要求的月加班时间36小时的限制。2023年05月（非旺季）随机抽样的所有16名员工的月加班时间为11-24.5小时，2023年9月（当前月）随机抽样的所有16名员工的月加班时间为14-34小时，符合法定要求的月加班时间36小时的限制。被审核方部分遵循该准则，因为抽样工人的月加班时间在一个抽样月份由于紧急订单超过了法定要求的36小时。（《中华人民共和国劳动法》（1994）第四十一条）

PA 7: Occupational Health and Safety

Site: Ash Cloud Tech Co.,Ltd. Shenzhen | Site amfori ID: 156-019565-001

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on management and worker interviews, document review and site tour, it was noted the system of Occupational Health and Safety	根据管理人员和员工访谈、文件审查和现场观察，发现职业健康安全管理体系仍需要改善因为发现了下列不符合项，如被审核方没有将营业执照地址更

Finding	
Management System still needed improvements due to some non-compliances issues were identified as below, such as the auditee did not update the business license address to the actual production address, goods were stored against wall, etc. The auditee partially respected this principle because the auditee had set up and implemented an Occupational Health and Safety Management System according to amfori BSCI standards and law requirements.	新为实际生产地址，物品靠墙堆放等。被审核方部分遵循该准则因为被审核方已根据amfori BSCI标准和法规的要求建立并实施了职业健康安全管理体系。

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	
Based on management and worker interviews, document review, it was noted the auditee had conducted health and safety risk assessment for its production operation, but worker representatives were not involved in the process. The auditee partially respected this principle because the auditee conducted risk assessment.	根据管理人员和员工访谈、文件审查，发现被审核方进行了生产活动的健康安全风险评估，但员工代表未参与到评估中。被审核方部分遵循该准则因为被审核方进行了风险评估。

Question: 7.5 Is there satisfactory evidence that the auditee regularly provides OHS trainings to ensure workers understand the rules of work, personal protection and measures for preventing and reacting to injury to themselves and fellow workers?	
ENGLISH	LOCAL LANGUAGE
Finding	
Based on management and worker interviews, document review and site tour, it was noted the auditee did not provide the main responsible person certificate for review. The auditee partially respected this principle because the auditee provided trainings of OHS for workers. (Law of the PRC on Work Safety Article 24)	根据管理人员和员工访谈、文件审查和现场观察，发现被审核方没有提供生产经营单位的主要负责人的证书供审核。被审核方部分遵循该准则因为被审核方为员工提供了职业健康安全的培训。（《中华人民共和国安全生产法》第二十四条）

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	
Based on management and worker interviews, document review and site tour, it was noted that the auditee did not provide helmets to crane operators in injection workshop. 1/1 paint edging worker (exposed to chemical (edge paint)) did not wear provided gloves. The auditee partially respected this principle because the auditee provided earplugs and masks for workers. (Law of the PRC on Work Safety Article 45)	根据管理人员和员工访谈、文件审查和现场观察，发现被审核方没有注塑车间行车操作人员提供安全帽。1/1油边员工（接触化学品（边油））没有佩戴提供的手套。被审核方部分遵循该准则因为被审核方为员工提供了耳塞和口罩。（《中华人民共和国安全生产法》第45条）

Question: 7.7 Is there satisfactory evidence that the auditee implements engineering and administrative control measures to avoid or minimise the release of hazardous substances into the work environment, keeping the level of exposure below internationally established or recognised limits?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on workers and management interview, document review and site tour, it was noted 20% chemicals (cleaning agent, edge paint, etc.) stored onsite were not equipped with label and effective secondary containment (anti-leakage device). The auditee partially respected this principle because the auditee established the procedure of chemicals handling. (Regulations on Safety Use of Chemicals in Workplaces Article 12 and Regulations on safety Administration of Hazardous Chemicals, Article 20)	根据管理人员和员工访谈，文件审查和现场观察，发现现场存储的20%的化学品（清洗剂、边油等）没有配置标签和有效的二次容器（防泄漏装置）。被审核方部分遵循该准则因为被审核方建立了化学品处理程序。（《工作场所安全使用化学品规定》第十二条和《危险化学品安全管理条例》第二十条）

Question: 7.25 Is there satisfactory evidence the auditee verifies that temperature, humidity, space, sanitation, illumination are adequate for the health and safety of workers?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on management and worker interviews and site tour, it was noted 10% goods in workshop storage area and warehouse were stored against wall. The auditee partially respected this principle because not all goods were stored against wall. (Article 18 of the Provisions for the Administration of Fire Safety in Warehouses)	根据管理人员和员工访谈和现场观察，发现车间存储区及仓库中10%的物品靠墙堆放。被审核方部分遵循该准则因为不是所有物品都靠墙堆放。（《仓库防火安全管理规则》第十八条）

PA 13: Ethical Business Behaviour

Site: Ash Cloud Tech Co.,Ltd. Shenzhen | Site amfori ID: 156-019565-001

Question: 13.2 Is there satisfactory evidence that the auditee keeps accurate information regarding its own activities, structure and performance?

ENGLISH

LOCAL LANGUAGE

Finding

Based on management and worker interviews, document review and site tour, it was noted the auditee did not update its address on the business license to the actual production address. The address on business license was 2F of Building 47, 1F and 3-5F of Building 49, BaoTian Industrial Zone, Chentian Community, Xixiang Street, Bao'an District, Shenzhen City. The actual production address was 1-5/F, Building 49, BaoTian Industrial Zone, Chentian Community, Xixiang Street, Bao'an District, Shenzhen City. The auditee did not use the 2F of Building 47 and added 2F of building 49 since Oct 2023. (Regulations on Business Entity Registration Administration of the People's Republic of China, Article 17)

根据管理人员和员工访谈，文件审核和现场观察，发现被审核方未将营业执照地址更新为实际生产地址。营业执照地址为深圳市宝安区西乡街道臣田社区宝田工业区47栋2楼、49栋1楼、3-5楼。实际生产地址为深圳市宝安区西乡街道臣田社区宝田工业区49栋1-5楼。被审核方从2023年10月开始不再使用47号楼的二楼，增加了49号楼的二楼。（《中华人民共和国企业法人登记管理条例》第十七条）