

Maison LVMH SA Dior Packaging	Auditing Firm QIMA-R-Cloud-2128979
Supplier name KAN SHING METAL	Auditor name Dennis Yang
Supplier Tier Not provided	Date 22/04/2021
Tier1 name (if Audited Supplier is TIER2+) No information	Country China
Address (Legal Entity): Building 2#, huali industrial park, No. 92, Xianghe road, Shui pin Village, Dalang Town, Dongguan City, Guandong Province	Address (Audit Site): Building 2#, huali industrial park, No. 92, Xianghe road, Shui pin Village, Dalang Town, Dongguan City, Guandong Province

## OVERALL COMMENTS

The purpose of this Annex is to provide overall comments on the factory audited, based on the Auditor's working experience, which could be important for the Maison to know. It may contain info of Neighbours' activity or advice on the necessity of a follow-up or a full re-audit onsite. It is not mandatory if no remarks need to be highlighted.

**Shall not be shared with the Factory Representative under any circumstances.**

### Auditor's Overall Comments

#### 1. Basic information:

- Supplier Name: KAN SHING METAL
- Factory Name: KAN SHING METAL
- Country: China
- Audit Date: April 22, 2021
- Compliance Level: Need Major Improvement
- Risk level: Medium

#### 2. Audit type and man-day(s):

The announced social compliance audit was conducted by QIMA ethical auditor Dennis Yang on April 22, 2021. Auditor arrived at the factory at 8:30 am and started opening meeting, then finished the closing meeting at 17:00 on April 22, 2021 and then left the factory.

#### 3. Negative findings:

Part A LVMH Social Grid: Compliance level is Need Major Improvement, Details of NCs as below:

- Item 1 Health & Safety:
  - 1.No occupational health examinations for ten workers contacting hazard elements.
  - 2. No ergonomics with some positions, such as no back rest chair to long standing workers.
  - 3. Inadequate PPE use
  - 4. No toilet paper and soap at toilet.
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- Item 2 Child Labour: No negative finding was identified.

-Item 3 Forced Labour: No negative finding was identified.

-Item 4 Working Hours:

Monthly overtime hours exceeded the legal requirement of 36 hours per month. According to the attendance records of recent 3 months for 10 randomly selected workers, details were 60-62 hours in December 2020 (random month) and 62-66 hours in August 2020 (random month).

Remark: Factory did not obtain Consolidated Working Hour System Approval, and overtime of February 2021 (Current month) was 12-14 hours.

- Item 5 Wages & Benefits:

It was noted that only 26 out of 97 employees (26.8%) covered in pension, medical, unemployment, work-related injury and maternity insurance of social insurance scheme based on latest social insurance receipt of April 2021

- Item 6 Workers' Rights: No negative finding was identified.

- Item 7 Management System: No negative finding was identified.

- Item 8 Anti-Corruption: No negative finding was identified.

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Part B Questionnaire 10 questions: Compliance level is acceptable, scoring is 82.9%.

Part C Supplier transportation on its subcontractor Networks: Compliance level is Satisfactory. No negative finding was identified.

Part D Collaborativeness: Satisfactory. No negative finding was identified.

#### **4. Neighbour Audit Review:**

17:30 Left the factory after finishing the audit and start the neighbors audit without noticing the factory.

17:35 Some workers went out the factory after working time.

Departure time: when you finish and left the site (e.g. 6:20pm)

##### **Interview with neighbor shops:**

17:35 There are another factory (Dongguan Guike Electric Equipment Factory) nearby the audited factory, interviewed several people from the other factory, they told the auditor that the audited factory usually overtime till 20:30 around. Saturday usually overtime.

**Interview with neighbor shopkeeper:** 18:00 Auditor talked with shopkeeper( Remark : There was one small neighbor shop(Tianfu Grocery) located nearby the factory gate. ) The shopkeeper knew the factory working time,just because if workers were available at the facility, workers at this factory usually shopping at this shop when they after work at PM 8:30 and usually overtime on Saturdays.

#### **5. Suggestion on Follow-up actions:**

It is suggested that on site visit to be conducted to this factory.

#### **6. Others (if any):**

Nil