

Monitored Party xxxxxxxxxxxxxx	amfori ID 156-040852-000	Address xxxxxxxxxxxxxx China Monitoring Partner TUV Rheinland
Monitoring Activity amfori Social Audit -Manufacturing	Monitoring Type Full Monitoring	Submission Date 05/12/2024
Monitoring Start Date 02/12/2024	Closing Meeting Finished Date 02/12/2024	
Expiration Date 05/12/2025	Announcement Type Semi Announced	
Site xxxxxxxxxxxxxx	Site amfori ID 156-040852-001	

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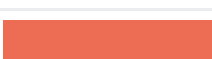
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OVERALL RATING



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, Violence or Harassment	A	
PA 5: Fair Remuneration	A	
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, 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: Kyle Zhang; APSCA membership number: CSCA 21701964

Monitoring partner name: TUV Rheinland

Audit schedule details: The audit was planned for 1 auditor x 1 day.

Announcement Type: Semi-announced

Business partner information: The auditee locates at xxxxxxxxxxxxxxxxxxxxxxxx China (中国xxxxxxxxxxxxxxxxxxxxxxxxxxxx). They started their business since 16 January 2009. The auditee was specialized in backpack, cross-body bag production. The main production processing were cutting, sewing, inspection and packaging. No process was subcontracted by other factories.

Remark: The English address in the previous report was 'xxxxxxxxxxxxxxxx..', in which the 'xxxxx' was in wrong typo of 'xxxxx'. During this audit, the incorrect address spelling had been revised.

Audited location information: The auditee owned the production land and buildings. For auditee, they used one 4-storey office building (1050 square meters), one 4-storey dormitory building (1923 square meters) with canteen and kitchen on the first floor. And one 3-storey production building (5065 square meters), while part of the first floor was leased to one metal company (1200 square meters). No business related or sharing workers between the auditee and the other factory. The audit scope covered the area where the auditee occupied.

The detail information of the building of auditee was listed below:

For the 3-storey production building:

1F: Part of the area was used by auditee as cutting area, and the other part was leased to one metal factory;

2F: Sewing and inspection area;

3F: Packaging area and warehouse area.

For the 4-storey dormitory building:

1F: Canteen and kitchen;

2F-4F: Dormitory rooms.

For the 4-storey office building: used as office area.

The auditee did not provide transportation to workers.

Operating shifts and hours: The auditee defined a normal working week as Monday through Friday, with rest days on Saturday and Sunday. Time control procedure and employee handbook showed normal working hours of 8 hours per day and 40 hours per week. The auditee implemented a standard working hour system, which was indicated in the labor contract.

One shift for all production sections and office staffs, 08:00-12:00, 13:30-17:30 with overtime from 18:30 to 20:30. Usually 10 hours overtime on Saturdays, and no overtime on Sundays. Workers had lunch break and dinner break if overtime was required.

The attendance records were reviewed from 1 November 2023 to 2 December 2024. Total 8 workers from different posts as sample and covering months of March 2024, June 2024 and October 2024. During the sample, maximum daily OT were 2 hours, maximum weekly OT were 20 hours and maximum monthly OT were 92 hours. The peak season was not obvious during the past months.

Time recording system: The attendance system was the fingerprint / facial recognition method.

Salary payment details: Wage was reviewed from November 2023 to October 2024 and was paid on or before 25th each month for previous month's wage by bank transfer. All workers were calculated on hourly rate basis with not less than CNY 11 per hour. The gross salary composed with basic wage, overtime premium, job allowance, full attendance allowance, high temperature allowance (June to October) and the deduction of social insurance or tax (if any) for the individual part. The OT wage was paid in compliance with the local law: 150%, 200%, and 300% of normal wage for OT on normal day, weekend, and holiday. No delay payment identified.

Worker number information:

Total worker number (46)

Production worker number (15 males and 23 females)

Domestic migrant worker number (15 males and 13 females)

No special employees, such as minors, temporary workers, assigned workers, pregnant women, etc

Good practices: The auditee had provided free meals and accommodation to workers.

Worker organization details: Total two worker representatives in the factory who were elected by workers in 2023. No Union in the factory.

Circumstances: During the audit, the factory management cooperated with the auditor both in on-site observation and documents review. The management was also willing to improve the shortages and the non-compliances found during the audit. All audited areas were open for investigation. There was no special circumstance during the audit.

Summary of findings:

PA 1:

Insufficient management of social compliance and amfori BSCI Code of Conduct.

No reasonable production plan, resulting in monthly overtime exceeded.

PA 5:

Insufficient social insurance coverage.

PA 6:

Monthly overtime exceeding law requirement.

PA 7:

Insufficient work-injury insurance coverage.

Incomplete risk assessment.

No warning sign posted.

Lacked protective guard.

No food operation license.

Attachment: The Personal Information Protection Law of the People's Republic of China was effective as of 1 November 2021, the producer signed General Terms and Conditions of Business of TUV Rheinland in China before the audit and ensured that relevant personal data and information provided to TUV Rheinland auditor(s) had been obtained the individual's consent during the audit.

Agency labour contract was not reviewed as no agency was used. No contractor license/permit was reviewed as no contractor was used during audit period. The auditee had not got any government waiver. There was no collective bargain in the factory, and no relevant documents were available.

#LivingWage:

1. No anker wage available for the producer's location, so we used the data provided by auditing company.
2. The calculation methodology refers to anker living wage structure.
3. The data comes from the local bureau of statistics for the current year.

SITE DETAILS

Site

xxxxxxxxxxxxxx

Site amfori ID

156-040852-001

GICS Classification

Sector

Consumer Discretionary

Industry Group

Consumer Durables & Apparel

Industry

Textiles, Apparel & Luxury Goods

Sub Industry

Apparel, Accessories & Luxury Goods

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

This site is not located in a water stressed region

METRICS

Key Metrics

Total workforce	46	Workers
Legal minimum wage in local currency	1,720	Monthly
Lowest wage paid for regular work at the site	1,914	Monthly
Calculated living wage in local currency	2,057.44	Monthly
Total sample	8	Workers

Other Metrics

Male workers	17	Workers
Female workers	29	Workers
Non-binary workers	0	Workers
Permanent workers - Male	17	Workers
Permanent workers - Female	29	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	1	Workers
Management - Female	2	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	15	Workers
Domestic migrant workers - Female	13	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	17	Workers
Workers hired directly - Female	29	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	5	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: xxxxxxxxxxxxxx | Site amfori ID: 156-040852-001

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	
The auditee partially complied with the principle, because based on interviews with management, workers, documents review and on-site observation, the factory lacked an effective management system to enforce the amfori BSCI Code of Conduct and comply with local laws and regulations. While management promptly addressed issues highlighted in internal audits, they struggled to resolve systemic problems, such as excessive overtime exceeding 36 hours per month and incomplete social insurance coverage for workers. Factory management believed that reducing overtime could cause delivery delays and exacerbate labor shortages, which contributed to the excessive overtime. The factory aimed to learn from industry peers and planned to implement measures to address these compliance issues. Violation of the requirements of amfori BSCI system manual.	被审核方部分遵守了原则，因为根据对管理层、工人的访谈、文件审查和现场观察，工厂缺乏有效的管理体系来执行amfori BSCI行为准则，并遵守当地的法律法规。虽然管理层及时解决了内部审核中出现的问题，但他们难以解决系统性问题，例如每月超时加班超过36小时，工人的社会保险覆盖不足。工厂管理层认为，减少加班可能会导致交货延迟，加剧劳动力短缺，从而导致过度加班。该工厂旨在向同行学习，并计划实施措施来解决这些合规问题。违反amfori BSCI系统手册的要求。

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	
The auditee partially complied with the principle, because based on interviews with management, workers, and documents review, the factory was aware of the production capacity per unit of output and had a production plan in place. However, they lacked a continuous operating plan and did not manage labor productivity efficiently. Furthermore, the HR department failed to communicate with worker representatives about the factory's production capabilities, leading to unreasonable scheduling and excessive monthly overtime hours, surpassing 36 hours. Violation of the requirements of amfori BSCI system manual.	被审核方部分遵守了原则，因为通过与管理层、工人的面谈和文件审核，工厂了解单位产量的生产能力，并制定了生产计划。然而，他们缺乏持续的经营计划，没有有效地管理劳动生产率。人力资源部没有与工人代表沟通工厂的生产能力，导致调度不合理，每月加班时间超过36小时。违反amfori BSCI系统手册的要求。

PA 5: Fair Remuneration

Site: xxxxxxxxxxxxxx | Site amfori ID: 156-040852-001

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted without negative impact on their pay, level of seniority, position, or promotion prospects?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially complied with the principle, because based on interviews with management, workers, and documents review, there were no new recruits within the month. And 23 retired and re-employed workers in the factory. Consequently, the auditee was responsible for arranging social insurance for 23 of the 46 employees. Upon reviewing the social Insurance online records over the past 12 months, it was found that the auditee failed to provide five types of insurance coverage to all employees. As of November 2024, 5 employees were without maternity, medical, pension, work-related injury, and unemployment insurance. Management's representative stated that some employees were from other provinces, which complicated the transfer of their insurance should they be insured locally. Despite being informed about social insurance, the employees had shown reluctance to participate. Reference law: Article 10, 23, 33, 44, and 53 of China's Social Insurance Law.	被审核方部分遵守了原则，因为根据与管理层、工人的面谈和文件审核，该月没有新增人员。有23名退休和再就业的工人。因此，被审核方应为46名员工中的23名提供社会保险。经对近12个月的社会保险在线记录进行审核，发现被审核方未为所有员工提供5种保险。截至2024年11月，有5名员工没有生育、医疗、养老、工伤和失业保险。管理部门代表说，有些雇员来自其他省份，如果他们在当地投保，这就使他们的保险转移变得复杂。尽管被告知有社会保险，员工们还是表现出不愿意参加。参考法律：中国社会保险法第10、23、33、44、53条。

PA 6: Decent Working Hours

Site: xxxxxxxxxxxxxx | Site amfori ID: 156-040852-001

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	
The auditee did not comply with the principle, because based on interviews with management, workers, onsite observation and documents review, according to the attendance from 1 November 2023 to 2 December 2024, the factory did not ensure that the monthly overtime hours of all workers complied with local regulations, and the monthly overtime hours exceeded 36 hours. A review of the three-month attendance of eight employees showed that the maximum monthly overtime hours in March	被审核方没有遵守原则，因为根据对管理层、工人的访谈、现场观察和文件审核，根据2023年11月1日至2024年12月2日的考勤，工厂没有确保所有工人每月加班时间符合当地规定，并且每月加班时间超过36小时。通过对8名员工3个月考勤的查阅，发现2024年3月的月最大加班时间为92小时，2024年6月的月最大加班时间为88小时，2024年10月的月最大加班时间为80小时。被审核方未对超时加班的原因进行分析，未制定有效的改进措施。另一方面，他们没有提前制定系统的每月加班计划来控制工人

Finding	
2024 were 92 hours, the maximum monthly overtime hours in June 2024 were 88 hours, and the maximum monthly overtime hours in October 2024 were 80 hours. The auditee did not analyze the reasons for excessive overtime hours, and did not formulate effective improvement measures. On the other hand, they did not formulate a systematic monthly overtime plan in advance to control workers' overtime hours. Management representative explained that the labor shortage was the main reason for casing this issue. Reference law: Article 41 of the Chinese Labor Law. Remarks: As of audit day, no overtime conducted in December 2024.	的加班时间。管理者代表解释说，人力不足是造成这一问题的主要原因。参考法律：中国劳动法第41条。备注：截至审核日，2024年12月未发生加班。

PA 7: Occupational Health and Safety

Site: xxxxxxxxxxxxxx | Site amfori ID: 156-040852-001

Question: 7.2 Is there satisfactory evidence that the auditee seeks to improve workers' protection in case of accident, including through compulsory insurance schemes?	
ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially complied with the principle, because based on interviews with management, workers, and documents review, there were 28 workers (including re-employed retire workers) neither covered by work-injury insurance nor provided with commercial accident insurance as a supplement. The factory had established a work-related injury handling procedure and there had been no work-related accidents in the past 12 months. Management representative mentioned that they would consider to provide extra commercial accident insurance to all workers next year. Reference law: Article 33 of the Social Insurance Law of the People's Republic of China.	被审核方部分遵守了原则，因为通过对管理层、工人的访谈和文件审核，有28名工人（包括再就业的退休工人）既没有参加工伤保险，也没有参加商业意外险补充保险。工厂建立了工伤处理程序，过去12个月没有发生工伤事故。管理者代表表示，明年将考虑向全体职工追加提供商业意外险。参照法律：《中华人民共和国社会保险法》第三十三条。

Question: 7.3 Is there satisfactory evidence that the auditee set up an effective management system that ensures they regularly carry out risk assessments for safe, healthy and hygienic working conditions?	
ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially complied with the principle,	被审核方部分遵守了原则，因为根据对管理层、工

Finding	
because based on interviews with management, workers, and onsite observation, the health and safety committee of the factory had conducted a risk assessment. However, they failed to identify several hazards, including the risk of fire from dormitory rooms and the potential for food-related illnesses due to meal preparation. Management representative explained that they had plan to conduct a fully assessment but not yet completed. Violation of the requirements of amfori BSCI system manual.	人的访谈和现场观察，工厂的健康安全委员会进行了风险评估。然而，他们未能识别出以下风险，包括宿舍消防的风险，以及食堂与食物有关的疾病的潜在风险。管理方代表解释说，他们计划进行全面评估，但尚未完成。违反amfori BSCI系统手册的要求。

Question: 7.9 Is there satisfactory evidence that the auditee makes visible potential hazards to the workers and visitors through signs and warnings?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially complied with the principle, because based on interviews with management, onsite observation and documents review, identified that no instruction sign of emergency stop button were displayed for the two cutting machines on the first floor of the production building. The interviewed employees confirmed that there were no work-related accidents related to this issue in the past 12 months and that they were aware of the operating procedure. Reference law: Article 35 of the Work Safety Law of the People's Republic of China.	被审核方部分遵守了原则，因为通过与管理层的面谈、现场观察和文件审核，发现生产楼一层的两台裁剪机没有紧急停止按钮的指示标志。接受访谈的员工证实，在过去的12个月里，没有发生与此问题相关的工伤事故，并且他们知道操作程序。参照法律：《中华人民共和国安全生产法》第三十五条。

Question: 7.17 Is there satisfactory evidence that the auditee ensures adequate safeguards for any machine part, function, or process which may cause injury to workers?

ENGLISH	LOCAL LANGUAGE
Finding	
The auditee partially complied with the principle, because based on interviews with management, workers, and onsite observation, at least 30% sewing machines on the second floor of the production building were not equipped with belt safety guards. Interviewed employees confirmed that there had been no prior injuries. Management had announced that safety guards would be installed in the forthcoming weeks. Reference law: General rules for the safety and health design of	被审核方部分遵守了原则，因为根据对管理层、工人的访谈和现场观察，生产楼二楼至少有30%缝纫机没有安装皮带安全防护装置。接受访谈的员工证实，之前没有人受伤。管理层告知将在未来几周内安装安全装置。参考法规：生产设备安全卫生设计通则6.1.2。

Finding	
production equipment 6.1.2.	

Question: 7.21 Is there satisfactory evidence that the auditee provides workers with access to an appropriate, clean area for storing food, eating and/or cooking?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially complied with the principle, because based on interviews with management, workers, documents review and onsite observation, the auditee provided a kitchen and canteen for workers, typically offering two meals a day. The kitchen staff had obtained health certificates. However, the auditee had not acquired the necessary food operation license for the canteen. Worker interviews indicated that there had been no incidents of food discomfort previously. Management representative mentioned that they had been applying for the license but not yet obtained. Reference law: Measures for the administration of food business license, Article 2.</p>	<p>被审核方部分遵守了原则，因为根据与管理层、工人的访谈、文件审查和现场观察，被审核方为工人提供了厨房和食堂，通常每天提供两餐。厨房工作人员都有健康证明。但是，被审核方没有取得食堂所需的食品经营许可证。对工人的访谈表明，以前没有发生过食物不适的事件。管理代表提到，他们有在申请许可证，但尚未获得。参考法律：《食品经营许可证管理办法》第二条。</p>