

Monitored Party <b>XXXXXXXXXXXXXXXXXX</b>	amfori ID <b>156-009896-000</b>	Address <b>XXXXXXXXXXXXXXXXXX</b>
Monitoring Activity <b>amfori Social Audit - Manufacturing</b>	Monitoring Type <b>Follow-up Monitoring</b>	Monitoring Partner <b>SGS</b>
Monitoring Start Date <b>18/05/2023</b>	Closing Meeting Finished Date <b>25/05/2023</b>	Submission Date <b>25/05/2023</b>
Expiration Date <b>01/06/2024</b>	Announcement Type <b>Semi Announced</b>	
Site <b>XXXXXXXXXXXXXXXXXX</b>	Site amfori ID <b>156-009896-002</b>	

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## OVERALL RATING



## SECTION RATING

PA1: Social Management System	<b>C</b>	
PA 2: Workers Involvement and Protection	<b>A</b>	
PA 3: The Rights of Freedom of Association and Collective Bargaining	<b>A</b>	
PA 4: No Discrimination	<b>A</b>	
PA 5: Fair Remuneration	<b>A</b>	
PA 6: Decent Working Hours	<b>D</b>	

PA 7: Occupational Health and Safety	<b>A</b>	
PA 8: No Child Labour	<b>A</b>	
PA 9: Special Protection for Young Workers	<b>A</b>	
PA 10: No Precarious Employment	<b>A</b>	
PA 11: No Bonded Labour	<b>A</b>	
PA 12: Protection of the Environment	<b>A</b>	
PA 13: Ethical Business Behaviour	<b>A</b>	

## GENERAL DESCRIPTION

Name of lead auditor: Kyle Hu; APSCA membership number (CSCA 21701765).

Monitoring partner name: SGS (Monitoring firm APSCA #: 11600006).

Audit schedule details: The audit was planned for 1 auditor x 1 day. The follow up audit (semi announced) was conducted on May 18, 2023.

Business partner information: XXXXXXXXXXXXXXXX was located at XXXXXXXXXXXXXXXXXXXXXXXXXXXX China. The factory registered in Jiaying Xiuzhou Market Supervision Administration, have unified social credit code: 913304007315040188, the valid date was from Aug.29,2001 to

Aug.28,2051. The factory was one limited liability company.

The factory specialized in luggage.

The main processes were cutting, sewing, assembly, inspection and packing.

The production capacity was about 267300 pieces/year.

Audited location information:

There were 3 buildings in the factory, buildings details as below:

1. One 1-storey production building (the building was about 9600Sqm, rented out to XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX as warehouse).
2. One 1-storey production building (part of the building (about 4800Sqm) used by the auditee as warehouse and cutting workshop, the other part of the building (about 4800Sqm) rented out to XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX as warehouse).
3. One 5-storey production building (the building was about 18500Sqm, 1F used as warehouse, 2F used as sewing, assembly and packing workshops, 3F used as sewing, assembly and packing workshops, 4F used as sewing workshop and warehouse, 5F used as office and canteen).

The management stated that the auditee and XXXXXXXXXXXXXXXX., Ltd were independent companies, and they have the independent business license and operated independently, and no employees or areas were mixed. This audit only covered with these areas used by the auditee.

Operating shifts and hours:

The factory made a policy of working hours system on Jan.4,2022 and controlled working hours. According to the policy and implementation records, the workers worked in one shift, 8:00-12:00, 13:00-17:00. All workers attendances were recorded by fingerprint attendance machine and saved the attendance records from Jun.1,2022 to May.18,2023. The attendance records showed that the factory arranged workers working on Saturday sometimes and workers had right to choose working overtime or not and factory ensured workers had every Sunday off per week. Overtime wages were paid at 150%/200% on weekdays/rest days respectively. The maximum amount of daily/ monthly overtime hours was 2 hours /82hours, the max weekly working hours were 58h.

Time recording system: All workers attendances were recorded by fingerprint attendance machine.

Salary payment details:

The main auditee had established wage and benefits policy, workers' minimum wage, statutory holidays, annual leaves etc. were defined in the policy. During the audit, the main auditee provided attendance records from Jun.1 2022 to audit day and wage records from Jun 2022 to Mar 2023 for review, based on review documents and interview with workers, workers were paid by hourly rate, their minimum wage was RMB2300 per month, that was more than the minimum wage standard of local city (RMB2070 per month since Aug.1 2021). Only social insurance was deducted from workers' wage, the auditee would not punish employees with fines. The auditee paid workers' current month wage to workers around 20th of the following month by bank. The auditee provided social insurance to all workers.

Worker number information:

- Total worker details: 146 workers included 134 production workers and 12 non-production workers.

- Production worker details: 68 male and 66 female workers.
  - Vulnerable worker details: No young worker, child worker, disabled worker, lactating employees or pregnant women in the auditee. 100 migrant workers included 52 male and 48 female workers.
  - No other special group workers (interns, apprentices, contractor workers etc.) in the auditee.
- Good practices: No good practice.

Worker organization details: There were 3 worker representatives in the auditee which were selected on Jan.10,2023.

Circumstances: The audit was conducted in good professional working environment and auditee was very supportive and cooperative throughout the audit activities.

The special circumstances can be classified as followed:

By checking websites such as IPE and Tianyancha, there were no special abnormalities and no fatal shortcomings in the factory, also there was no incident, no strike, no bribery, no coaching happened in the factory.

Summary of findings:

PA1.1: The factory could not ensure that the BSCI values and principles are followed in a satisfactory manner.

PA1.4: Working hours' management was not perfect.

PA2.2: The factory representative explained she didn't know long-term goals for protecting workers.

PA6.2: Workers' monthly overtime hour exceeded 36 hours.

PA7.1: HS management was not perfect.

PA7.17: Machine missed safeguard.

PA12.3: No acceptance report of environmental protection facilities.

Living wage calculation: #LivingWge: The living wage data is provided by the auditing company because there is no data on GLWC website in the city where the factory is located.

The living costs estimated by auditing company involves developing a model diet for workers using the method developed in Anker Methodology. Second, the housing cost is estimated by evaluating the cost of various rental units, utility costs, other housing costs, and routine repairs/maintenance costs which are basic for a family. Third, auditing company estimates non-food-non-housing(NFNH) cost for a living wage. Fourth, auditing company estimates the number of full-time equivalent workers per family providing support in order to estimate a net living wage for workers based on information from government websites and published papers. Finally, payroll taxes and deductions are taken into consideration to estimate the gross living wage for workers.

Reference:

1) <http://www.stats.gov.cn/sj/ndsj/2021/indexch.htm>

Precautions taken about #COVID-19 in the facility: no special precaution.

The Personal Information Protection Law of the People's Republic of China was promulgated on August 20, 2021, the producer ensured that relevant personal data and information provided to SGS auditor(s) has been obtained the individual's consent during the audit.

Attachments : Based on document review, it was evident that some of required documents were not applicable in organization like Agency Labour Contract, Government Waiver on working hours and Collective Bargaining Agreement. Then the factory didn't obtain acceptance report of environmental protection facilities. All of above documents were not involved in document report.

## SITE DETAILS

Site  
XXXXXXXXXXXXXXXXXX

Site amfori ID  
156-009896-002

### GICS Classification

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Sector	Industry Group	Industry
<b>Consumer Discretionary</b>	<b>Consumer Durables &amp; Apparel</b>	<b>Textiles, Apparel &amp; Luxury Goods</b>
Sub Industry		
<b>Apparel, Accessories &amp; Luxury Goods</b>		

### amfori Process Classifications

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N.A.

### NACE Classification

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N.A.

### GS1 Classifications

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N.A.

### Water Stress Situation

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N.A.

# METRICS

## Key Metrics

Total workforce	146	Workers
Legal minimum wage in local currency	2070	Monthly
Lowest wage paid for regular work at the site	2300	Monthly
Calculated living wage in local currency	2970	Monthly
Total sample	5	Workers

## Other Metrics

Male workers	73	Workers
Female workers	73	Workers
Permanent workers - Male	73	Workers
Permanent workers - Female	73	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	5	Workers
Management - Female	3	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers with night shift - Male	0	Workers
Workers with night shift - Female	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Domestic migrant workers - Male	52	Workers
Domestic migrant workers - Female	48	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	73	Workers
Workers hired directly - Female	73	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Pregnant workers	0	Workers

Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	0 Workers
Sample - Male	3 Workers
Sample - Female	2 Workers

# FINDINGS



## PA1: Social Management System

Site: XXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-009896-002

ENGLISH	LOCAL LANGUAGE
<b>Finding(s)</b>	
<p>1st follow up audit on 18/05/2023: Open</p> <p>1.1 The main auditee partially respected this principle because based on management interview, the auditee had set up a management system to implement the BSCI Code of Conduct on Jan.4,2022, however due to management negligence, the factory could not ensure that the BSCI values and principles are followed in a satisfactory manner for some performance area such as Occupational Health and Safety etc.</p> <p>It violated the requirement of question 1.1 in amfori BSCI system manual.</p>	<p>2023年5月18日跟进审核：未关闭</p> <p>主要被审核方部分遵循该准则。原因是根据管理层访谈，被审核方在2022年1月4日建立了管理体系去实施BSCI行为准则，但是由于管理疏忽，不能确保BSCI的价值和准则能被满意的体现，如健康安全方面存在不足等。</p> <p>违反了amfori BSCI管理手册中问题1.1的要求。</p>
<p>1st follow up audit on 18/05/2023: Open</p> <p>1.4 The main auditee partially respected this principle because based on management interview, the main auditee had realistically calculated the capacity of production and delivery times. But the main auditee did not provide the related document and records on capacity planning for review. In addition, based on electric attendance records review, workers' monthly OT hours exceeded the legal requirement, the max were 82h, happened in Jul.2022.</p> <p>It violated the requirement of question 1.4 in amfori BSCI system manual.</p>	<p>2023年5月18日跟进审核：未关闭</p> <p>主要被审核方部分遵守该准则。原因是根据管理层访谈，被审核方了解如何计算生产产能和订单周期，但无计算方法和记录保留。另外根据被审核方提供的考勤记录显示，员工的月加班时间超法规要求，最大达到82小时，发生在2022年7月。</p> <p>违反了amfori BSCI管理手册中问题1.4的要求。</p>



## PA 2: Workers Involvement and Protection

Site: XXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-009896-002

ENGLISH	LOCAL LANGUAGE
<b>Finding(s)</b>	
<p>1st follow up audit on 18/05/2023: Open</p> <p>2.2 The main auditee partially respected this principle because the main auditee had set up long-term goals for protecting workers, but the main auditee did not analyze the current situation or did not determine the target completion time, the</p>	<p>2023年5月18日跟进审核：未关闭</p> <p>被审核方部分遵守该准则。原因是主要被审核方已建立了保护工人的长期目标，但是主要被审核方未分析当前状况，未确定目标完成时间，工厂代表解释她不了解相关的要求。</p>



Finding(s)	
factory representative explained she didn't know the relevant requirements.	违反了amfori BSCI管理手册中问题2.2的要求。
It violated the requirement of question 2.2 in amfori BSCI system manual.	

### PA 6: Decent Working Hours

Site: XXXXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-009896-002

ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>1st follow up audit on 18/05/2023: Open</p> <p>6.2 The main auditee did not respect this principle because sample 5 workers' monthly overtime hour exceeded 36 hours. Based on the attendance records from Jun.1, 2022 to the audit day, the maximum monthly overtime were 82 hours (42 hours OT on weekday, 40 hours OT on weekend), which happened in Jul 2022. The factory explained that the workers voluntarily worked overtime to earn more overtime pay.</p> <p>It violated Labor Law of the People's Republic of China (2018 Amendment), Article 41</p>	<p>2023年5月18日跟进审核：未关闭 被审核方未遵循该准则。根据工厂提供的2022/06/01至审核当天的考勤记录显示，抽样5名工人月加班时间均超过36小时，最大月加班为82小时（平时加班42小时，周末加班40小时），发生在2022年7月，工厂解释工人是自愿加班，可以挣更多的加班费。</p> <p>违反了中华人民共和国劳动法（2018修正）第四十一条</p>

### PA 7: Occupational Health and Safety

Site: XXXXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-009896-002

ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>1st follow up audit on 18/05/2023: Open</p> <p>7.1 The main auditee partially respected this principle because the factory had established complete management system on health and safety on Jan.4,2022, included the identification and awareness of related legal regulation, health and safety check, training, there were still findings issued due to management negligence, such as 10% raw materials were stored against the walls, the distance was less than 0.5 meter.</p> <p>It violated Regulations on Fire Prevention of Warehouse (1990) Article 18</p>	<p>2023年5月18日跟进审核：未关闭 被审核方部分遵守该准则。原因是工厂于2022年1月4日已建立完整的健康安全管理体系，包括相关法规的识别与了解，健康安全检查，培训等，但是由于管理疏忽，导致仍然有问题发生，例如10%原材料靠墙堆放，距离小于0.5米。</p> <p>违反了仓库防火安全管理规则（1990）第十八条</p>

Finding(s)	
1st follow up audit on 18/05/2023: Closed 7.3 The auditee respected this principle, because occupational health check was provided for the operators who contact occupational hazardous factor.	2023年5月18日跟进审核：关闭 被审核方已遵循该准则。原因是工厂已安排接触职业危害的员工进行职业病体检。
1st follow up audit on 18/05/2023: Closed 7.7 The main auditee respected this principle because all chemicals were equipped with safety labels and secondary containment.	2023年5月18日跟进审核：关闭 主要被审核方已遵循该准则。所有化学品均配备了二次容器和安全标签。
1st follow up audit on 18/05/2023: Open 7.17 The main auditee partially respected this principle because in sewing workshop, 5 sewing machines were not equipped with finger guard, 3 sewing machines were not installed with belt cover. The factory representative explained the equipment was old, the safeguard has fallen, and the mechanic did not repair the above equipment timely.  It violated General Rules of Design on Health and Safety of Production Facility (GB 5083-1999) article 6.1	2023年5月18日跟进审核：未关闭 被审核方部分遵守该准则。原因是根据现场审核，缝纫车间5台缝纫机没有安装护指环，3台缝纫机无皮带轮保护罩，工厂代表解释设备老旧，防护罩掉落，同时机修工没有及时维修上述设备。  违反了生产设备安全卫生设计总则（GB 5083-1999）第6.1条
1st follow up audit on 18/05/2023: Closed 7.25 The auditee respected this principle, because the auditee conducted occupational hazard factor test on Dec.31,2022 which included all workshops.	2023年5月18日跟进审核：关闭 被审核方已遵循该准则。原因是工厂于2022年12月31日进行了职业危害因素检测，包含了所有车间。

## PA 12: Protection of the Environment

Site: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-009896-002

ENGLISH	LOCAL LANGUAGE
Finding(s)	
1st follow up audit on 18/05/2023: Open 12.3 The main auditee partially respected this principle because the main auditee obtained EIA report and approval but didn't obtain Acceptance report of environmental protection facilities. The factory representative explained that the acceptance has not yet been organized and no acceptance report has been obtained.  It violated Environmental Protection Law of the People's Republic of China (2014 Revision), Article	2023年5月18日跟进审核：未关闭 被审核方部分遵循该准则。根据文件审核，被审核方取得了环评报告和环评批复，但没有取得环保设施验收报告供审核，工厂代表解释目前还没有组织验收，没有取得验收报告。  违反了中华人民共和国环境保护法（2014修订）第四十一条

Finding(s)	
41.	