Monitoring summary report for xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

MONITORING ID: 23-0201626-1

amfori
Trade with purpose

Monitored Party
**xxxxxxxxxxxxxxxxxxxx

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 Labour	**A**	
PA 12: Protection of the Environment	**A**	
PA 13: Ethical Business Behaviour	**A**	

GENERAL DESCRIPTION

Name of lead auditor: Stanley Yang; APSCA membership number: CSCA21702342
Name of team auditor (if applicable): N/A; APSCA membership number: N/A
Name of observers, translators, trainees, advisors/consultants (if applicable): Nil
Monitoring partner name: Bureau Veritas Consumer Products Service
Audit Company APSCA Number: 11600002
Audit schedule details: The audit is planned for 1 auditor x 1 days on July 5, 2024
Announcement Type: semi - announced. This is a follow up audit, the scope covered PA1, PA2, PA5, PA6 and PA7 with evaluations are done according to management and employee interview, factory tour and document review.

Business partner information: The factory's Chinese name was xxxxxxxxxxxxxxx, with the Uniform Social Credit Co. 91350205671291988X. The factory's address was xxxxxxxxxxxxxxxxxn, China (Chinese address xxxxxxxxxxxxxxxxxxxxxxxxxxxxx). July 3, 2008. The factory specialized in manufacturing bags. The main production processes including cutting, sewing, inspection and packing.

Audited location information: The audited rent the 5th floor of one 5-storey production building from xxxxxx (xxxx) xxxxxxxxxxxxxxxxxxxx
No Dormitory, canteen was provided.

• 1-4F: xxxxxxxxxxxxxxxxxxxxxxxxx.
• 5F: xxxxxxxxxxxxxxxxxxxxx

Audited Company Operating shifts and hours: The normal workweek was from Monday to Friday, with the administrative personals and all the workers worked in one shift per day and working times were 08:00-12:00 & 13:00-17:00 and sometimes worked for 2 hours of overtime (18:00-20:00) on normal working days and eight hours of overtime on Saturdays. The Sunday was always rest. There was no peak season month in this factory. Time recording system: The workers in this facility used finger print system to record their working hours. Salary payment details: The workers' wages were calculated by hourly rate. The factory paid wages to its employees on 30th of the following month by cash.

Worker number information: There was a total of 98 workers in this factory with 9 management employees and 89 production workers (including 18 male workers and 71 female workers). There were 62 domestic migrant workers (10 male workers and 52 female workers). All employees were at present on the audit day. No seasonal, temporary, foreign migrant, disabled or home-based workers were noted in this factory. And there were no any other special group workers (interns, apprentices, contractor workers etc.), either.
Good practices: The factory is tidy and neat.
Worker organization details: There was no union in this factory. The factory respected the rights of workers to elect the workers' representatives. 2 workers' representatives were elected by all workers in 2024.

Circumstances: There was no special circumstance during the audit.

Summary of findings: There were non-compliances at Performance Area 1.1, 1.4, Performance Area 2.4, 2.5 Performance Area 5.4, 5.5 Performance Area 6.2 and Performance Area 7.3 and 7.4 during this audit.
Living wage calculation: BV has used the methodology which is similar with Anker Benchmark methodology to estimate the living wage by estimating the cost of a basic but decent life style for a worker and his/her family. This involves adding up the cost of three expenditure groups: food (for a low-cost nutritious diet), housing (for basic healthy housing), and other essential expenses for a family, and then adding a small margin for sustainability and emergencies. The reason BV does not use Anker benchmark is no data in GLWC for area where the factory is located. The data source: onsite audit information collection (BV BNW)

Remark:
1. Documents not attached in the report:
•Contractor license/permit

Not Applicable. There was no contractor used in this factory.

•Agency labor contract

Not Applicable. There was no agency labor used in this factory.

• Government waivers

Not Applicable. There was no government waiver provided by the factory.

• Collective bargaining agreements

Not Applicable. No collective bargaining agreements were provided by the factory.

SITE DETAILS

Site
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Site amfori ID
156-016646-001

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.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	98	Workers
Legal minimum wage in local currency	2,030	Monthly
Lowest wage paid for regular work at the site	3,800	Monthly
Calculated living wage in local currency	2,664.87	Monthly
Total sample	5	Workers

Other Metrics

Male workers	21	Workers
Female workers	77	Workers
Permanent workers - Male	21	Workers
Permanent workers - Female	77	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	3	Workers
Management - Female	6	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	10	Workers
Domestic migrant workers - Female	52	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	21	Workers
Workers hired directly - Female	77	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	**2**	**Workers**
Sample - Female	**3**	**Workers**

FINDINGS

PA1: Social Management System

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: 156-016646-001

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	
Previous finding: Per document review, employee interview, management interview and onsite tour, it was noted that the auditee did not establish effective management system to implement the BSCI Code of Conduct in production, performance area 1, 2, 5, 6 and 7 need to improve. This question was rated as partially because the policy and procedure had established, but the management did not effectively work. This violated BSCI 1.1. Not Corrected Per document review, employee interview, management interview and onsite tour, it was noted that the auditee did not establish effective management system to implement the BSCI Code of Conduct in production, performance area 1, 2, 5, 6 and 7 need to improve. This question was rated as partially because the policy and procedure had established, but the management did not effectively work. This violated BSCI 1.1.	前次问题点 通过文件查阅，员工访谈，管理层访谈以及现场走访，工厂未建立有效的管理系统将BSCI的运作融入日常生产中，执行领域1, 2, 5, 6和7需要改善。这个问题被评为部分不符合，是因为政策和程序已经建立，但管理没有有效地工作。不符合BSCI 1.1条款. 未改善 通过文件查阅，员工访谈，管理层访谈以及现场走访，工厂未建立有效的管理系统将BSCI的运作融入日常生产中，执行领域1, 2, 5, 6和7需要改善。这个问题被评为部分不符合，是因为政策和程序已经建立，但管理没有有效地工作。不符合BSCI 1.1条款.

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	
Previous finding: Per document review, employee interview, management interview，the factory had made plan for its production and could meet the expectation of the delivery order or contract, but it was found that the factory did not organize its workforce capacity reasonably and effectively. Based on the finding on PA6.2, workers' monthly overtime hours exceeded legal limits systematically. This question was rated as partially because the policy and procedure had established, but the management did not effectively work. This violated BSCI 1.4	前次问题点 通过文件查阅，员工访谈，管理层访谈,工厂已经制定了生产计划且能够满足订单及合同的交期需求，但发现工厂没有合理有效地安排其员工劳动力。根据PA6.2的审核发现，工人的月加班时间系统性的超出法规要求。这个问题被评为部分不符合，是因为政策和程序已经建立，但管理没有有效地工作。不符合BSCI 1.4条款. 未改善 通过文件查阅，员工访谈，管理层访谈,工厂已经制定了生产计划且能够满足订单及合同的交期需求，但发现工厂没有合理有效地安排其员工劳动力。根

Finding	
Not Corrected Per document review, employee interview, management interview，the factory had made plan for its production and could meet the expectation of the delivery order or contract, but it was found that the factory did not organize its workforce capacity reasonably and effectively. Based on the finding on PA6.2, workers' monthly overtime hours exceeded legal limits systematically. This question was rated as N because the policy and procedure had established, but the management did not effectively work. This violated BSCI 1.4	据PA6.2的审核发现，工人的月加班时间系统性的超出法规要求。这个问题被评为不符合，是因为政策和程序已经建立，但管理没有有效地工作。不符合BSCI 1.4条款.

PA 2: Workers Involvement and Protection

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: 156-016646-001

Question: 2.4 Is there satisfactory evidence that the auditee builds sufficient competence among managers, workers and workers representatives to successfully embed responsible practices in the business operation?

ENGLISH	LOCAL LANGUAGE
Finding	
Previous finding: Per document review, management interview, employee interview, it was noted that the factory did not have completed system for training to related responsible person in order to ensure they have sufficient competence to implement BSCI management system. For example, the management representative provided training on BSCI Code to its managers and workers and posted BSCI code onsite, but according to the interview statement of workers, workers did not know what BSCI is. Thus, the finding was rating as partially. This violated BSCI 2.4. Not Corrected Per document review, management interview, employee interview, it was noted that the factory did not have completed system for training to related responsible person in order to ensure they have sufficient competence to implement BSCI management system. For example, the management representative provided training on BSCI Code to its managers and workers and posted BSCI code onsite, but according to the interview statement of workers, workers did not know what BSCI is. Thus, the finding was rating as	前次问题点 通过文件查阅，管理层访谈，员工访谈，审核发现工厂并未有完整的培训系统来保证相关负责人有足够的能力来实施BSCI管理系统。例如工厂BSCI管理者代表虽给经理和员工提供BSCI行为准则培训，并将BSCI的行为准则张贴在现场，但根据员工访谈，员工不清楚什么是BSCI。因此，该问题被评为部分不符合。根据BSCI 2.4要求改善。 未改善 通过文件查阅，管理层访谈，员工访谈，审核发现工厂并未有完整的培训系统来保证相关负责人有足够的能力来实施BSCI管理系统。例如工厂BSCI管理者代表虽给经理和员工提供BSCI行为准则培训，并将BSCI的行为准则张贴在现场，但根据员工访谈，员工不清楚什么是BSCI。因此，该问题被评为部分不符合。根据BSCI 2.4要求改善。

Finding	
partially. This violated BSCI 2.4.	

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	
Previous finding: Per document review, management interview, employee interview, it was noted that the facility did not have a functional and transparent system in place to guarantee that workers can address complaints in a confidential manner and receive a proper follow up within a reasonable period of time. This question was rated as no because the factory management did not know how to establish a functioning and transparent system. This violated BSCI 2.5. Not Corrected Per document review, management interview, employee interview, it was noted that the facility did not have a functional and transparent system in place to guarantee that workers can address complaints in a confidential manner and receive a proper follow up within a reasonable period of time. This question was rated as no because the factory management did not know how to establish a functioning and transparent system. This violated BSCI 2.5.	前次问题点 通过文件查阅，员工访谈，管理层访谈,审核发现被审核方没有一个有效和透明的制度，以保证工人能够以保密的方式处理投诉，并在合理的时间内得到适当的跟进 。这个问题被评为否，是因为工厂管理层不知道如何建立一个有效和透明的系统。依据BSCI 2.5的要求改善。 未改善 通过文件查阅，员工访谈，管理层访谈,审核发现被审核方没有一个有效和透明的制度，以保证工人能够以保密的方式处理投诉，并在合理的时间内得到适当的跟进 。这个问题被评为否，是因为工厂管理层不知道如何建立一个有效和透明的系统。依据BSCI 2.5的要求改善。

PA 5: Fair Remuneration

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: 156-016646-001

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	
Previous finding: Per document review, management interview, employee interview, it was noted that the facility did not have a good understanding about living costs of the workforce in the region, possible gaps that exist between the actual remuneration and the fair	前次问题点 通过文件查阅，员工访谈，管理层访谈,审核发现被审核方未很好地理解劳工在所在地区的生活成本、实际报酬和公平报酬之间可能存在的差异和填补差距的潜在措施。这个问题被评为否，是因为工厂管理层不知道如何计算最低生活工资。根据BSCI 5.4

Finding	
remuneration and potential actions to fill the gaps. This question was rated as no because the factory management did not know how to calculate the BNW. This violated BSCI 5.4. Not Corrected Per document review, management interview, employee interview, it was noted that the facility did not have a good understanding about living costs of the workforce in the region, possible gaps that exist between the actual remuneration and the fair remuneration and potential actions to fill the gaps. This question was rated as no because the factory management did not know how to calculate the BNW. This violated BSCI 5.4.	改善。 未改善 通过文件查阅，员工访谈，管理层访谈,审核发现被审核方未很好地理解劳工在所在地区的生活成本、实际报酬和公平报酬之间可能存在的差异和填补差距的潜在措施。这个问题被评为否，是因为工厂管理层不知道如何计算最低生活工资。根据BSCI 5.4改善。

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted?

ENGLISH	LOCAL LANGUAGE
Finding	
Previous finding: Per document review, management interview, employee interview, it was noted that according to the social insurance payment receipts of May 2023 provided by factory management, it was noted that 79 out of 98 (80%) employees were provided with pension, unemployment, medical, maternity and accident insurance in May 2023. And the facility also provided the commercial insurance for 46 employees with the valid date from March 19, 2023 to March 18, 2024. This question was rated as partially because the average participation rate of five kinds of social insurance was more than 80%. This violated Article 73 of the Labor Law of the People’s Republic of China. Not Corrected Per document review, management interview, employee interview, it was noted that according to the social insurance payment receipts of June 2024 provided by factory management, it was noted that 66 out of 98 employees were provided with pension, unemployment, medical, maternity and accident insurance in June 2024. And the facility also provided commercial insurance for all 98 employees with the valid date from December 15, 2023 to December 14, 2024. This question was rated as partially. This violated Article 73 of the Labor Law of the People’s Republic of China.	前次问题点 通过文件查阅，员工访谈，管理层访谈,根据工厂管理层提供的2023年5月社保收据，98名员工中有79人(80%)获得了养老保险、失业保险、医疗保险、生育保险、工伤保险。此外，工厂给46名员工提供了商业保险，有效期为2023年3月19日至2024年3月18日。这个问题被评为部分不符合，工厂员工五险的平均参保率大于80%。 根据《中华人民共和国劳动法》第73条改善。 未改善 通过文件查阅，员工访谈，管理层访谈,根据工厂管理层提供的2024年6月社保收据，98名员工中有66人获得了养老保险、失业保险、医疗保险、生育保险、工伤保险。此外，工厂给全部98名员工提供了商业保险，有效期为2023年12月15日至2024年12月14日。这个问题被评为部分不符合。 根据《中华人民共和国劳动法》第73条改善。

PA 6: Decent Working Hours

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: 156-016646-001

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	
Previous finding: Per document review, employee interview, management interview, it was noted that 23 out of 30 sample population employees worked in excess of the statutory overtime hour limits. Not Corrected Based on management and employee interview, and time records review, it was noted that 15 out of 15 sample population employees worked in excess of the statutory overtime hour limits. A review of 15 sample time records (5 samples from July, December 2023 and May 2024 respectively) yielded the following: • 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 76 hours) in July 2023, which was not in compliance with the legal requirement; • 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 72 hours) in December 2023, which was not in compliance with the legal requirement; • 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 72 hours) in May 2024, which was not in compliance with the legal requirement. The policy on the working hours including overtime hours was established, but no relevant personnel have been designated to count the workers ' working hours and make timely adjustments. Therefore, this finding was raised as no. In accordance with Article 41 of the Labor Law of the PRC.	前次问题点 通过文件查阅，员工访谈，管理层访谈,根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。 未改善 经管理人员及员工面谈及厂方提供的工时记录审阅，审核员发现员工加班时间超出了法定标准。 审核员从厂方提供的工时记录中抽取15个样本(其中从2023年7月，12月和2024年5月各抽取5个)，发现共有15名员工加班时间超出了法定标准，具体为：• 5/5名员工在2023年7月的加班时间为76小时，超过每月加班时间不能超过36小时的法律规定；• 5/5名员工在2023年12月的加班时间为72小时，超过每月加班时间不能超过36小时的法律规定；• 5/5名员工在2024年5月的加班时间为72小时，超过每月加班时间不能超过36小时的法律规定。 工厂关于上班时间包括加班时间的政策有建立，但是没有指定相关人员来统计工人的上班时间并做出及时调整。因此，这个问题被判定为完全不符合。根据《中华人民共和国劳动法》第41条改善。

PA 7: Occupational Health and Safety

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: 156-016646-001

Question: 7.3 Is there satisfactory evidence that the auditee regularly carries out risk assessments for safe, healthy and hygienic working conditions?

ENGLISH	LOCAL LANGUAGE

Finding	
Previous finding: Per employee interview, onsite tour, document review and management interview, it was noted that the risk assessment did not cover other facilities in the same building. This question was rated as no because the manager did not know they need to take the risk assessment cover the facilities in the same building. This violated BSCI 7.3. Not Corrected Per employee interview, onsite tour, document review and management interview, it was noted that the risk assessment did not cover other facilities in the same building. This question was rated as no because the manager did not know they need to take the risk assessment cover the facilities in the same building. This violated BSCI 7.3.	前次问题点 通过员工访谈，现场走访和管理层访谈，文件查阅，审核员发现受审核方的风险评估没有覆盖到同栋楼的其他工厂。这个问题被评为否，因为工厂管理层不了解工厂的风险评估需要覆盖到同栋楼的其他工厂。根据BSCI 7.3改善。 未改善 通过员工访谈，现场走访和管理层访谈，文件查阅，审核员发现受审核方的风险评估没有覆盖到同栋楼的其他工厂。这个问题被评为否，因为工厂管理层不了解工厂的风险评估需要覆盖到同栋楼的其他工厂。根据BSCI 7.3改善。

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	
New finding: Based on factory tour and document review, it was noted that the factory had developed the systems towards ensuring OHS and conducted risk assessment to all positions in the factory. This question was rated as partially as no evidence to prove that employees or employees' representatives were involved in the OHS system's implementation or risk assessment. This violated BSCI 7.4.	新问题点： 根据工厂巡视和文件审核，审核发现工厂虽然建立了职业健康和安全体系，也进行了风险评估。该问题点判定为部分不符合，因为没有证据证明员工或员工代表参与了制定职业健康安全体系的过程或参与了风险评估的过程。 根据BSCI 7.4改善。