

Monitored Party xx.	amfori ID xxxxxxxxxx	Address xx xxxxx
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TÜV SÜD
Monitoring Start Date 24/10/2023	Closing Meeting Finished Date 30/10/2023	Submission Date 01/11/2023
Expiration Date 01/11/2024	Announcement Type Semi Announced	
Site xx. xxxxxx.	Site amfori ID xxxxxxxxxxxxxx	

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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	A	
PA 5: Fair Remuneration	B	
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: Diana Wang; APSCA membership number: CSCA 21702573

Monitoring partner name: TUV SUD

Audit schedule details: The audit is planned for 1 auditor x 1.5 day on October 24&25, 2023.

Announcement Type: Semi-Announced.

Business partner information: The audited factory named xxxxxxxxxxxxxxxxxxxxxxxx. (Uniform Code of Social Credit: xxxxxxxxxxxx) was located at xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx, China. The factory was established on March 2, 2011. The factory was specialized in the manufacturing of blankets, bathrobes, cushions, picnic blankets. The main production processes included cutting, sewing, inspection and packing.

Audited location information: The facility used one 4-storey building (the first floor used as sample-making room, the second floor used as office area and the third and fourth floors used as show rooms), one 3-storey building (the first floor used as material storage area and cutting area, the second floor used as inspection and packing area and the third floor used as sewing section) and one 4-storey building for production and warehouse (the first floor used as cutting section, the second and third floors both used as sewing section, inspection and packing section and the fourth floor used as sewing section), one temporary flat building for canteen. No dormitory or kitchen is provided by the facility. The audited facility is the landlord.

Operating shifts and hours: The regular working hours of all employees were 8 hours per day and 40 hours per week. The regular working days of workers were 5 days from Monday to Friday per week and generally had 8 hours overtime on Saturdays. All workers fixed rest on Sundays. 1 shift was arranged for all workers: 7:30-11:00, 13:00-17:30 for summertime and 8:00-11:00, 12:00-17:00 for wintertime. Regular overtime hours were conducted for 3 hours as overtime hours on weekdays.

Time recording system: The factory used IC card scanning attendance system to record working hours of all employees.

Salary payment details: All employees were paid by hourly rate and the wages were paid in cash by the 15th of each month for the preceding month.

Worker number information: On the audit day, there were total 78 workers working in the factory, that included 61 production workers (18 males and 43 females) and 17 non-production workers (7 males and 10 females) and 6 of them are management staff. There were 12 domestic migrant workers (4 males and 8 females) and no foreign migrant worker in the factory. The factory did not have young worker, pregnant worker, seasonal worker, temporary worker, disabled worker, or home-based worker. The factory also did not have other special group workers such as interns, apprentices, contractor workers etc.

Good practices: None

Worker organization details: The factory did not have trade union; however, one worker representative was elected by workers.

Circumstances: 1. There was no agency or contractor used by the factory, and no government waivers and collective bargaining agreement were provided during the audit.

2. No inconsistencies between time records and production records were observed.

3. Remark: There is Personal Information Protection Law in China. Hence, the personal information of employees is removed from the uploaded documents.

Summary of findings: In this audit, non-compliances were observed in six performance areas, please refer to PA1, PA 2, PA 5, PA6, PA7 &PA10 for details.

Living wage calculation: # For living wage, the data on GLWC website was not used, but the calculation method still

follows Anker's methodology. The data were mainly manually collected through local market investigation and worker interview by auditor.

SITE DETAILS

Site
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX Site amfori ID
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
x

GICS Classification

Sector	Industry Group	Industry
Consumer Discretionary	Consumer Durables & Apparel	Household Durables
Sub Industry		
Home Furnishings		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

Manufacture of furniture

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	78	Workers
Legal minimum wage in local currency	2,070	Monthly
Lowest wage paid for regular work at the site	2,500	Monthly
Calculated living wage in local currency	2,457.16	Monthly
Total sample	12	Workers

Other Metrics

Male workers	25	Workers
Female workers	53	Workers
Permanent workers - Male	25	Workers
Permanent workers - Female	53	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	2	Workers
Management - Female	4	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	4	Workers
Domestic migrant workers - Female	8	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	25	Workers
Workers hired directly - Female	53	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	9 Workers

FINDINGS



PA1: Social Management System

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxx

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	
Based on onsite observation, document review, management interview, worker interview and worker representative interview, the facility had set up management procedures to implement the BSCI Code of Conduct, but not all procedures were properly implemented, such as insufficient social insurance participated and excessive overtime hours. As per management interview, they claimed that they would improve towards BSCI COC step by step and some requirements were too strict to follow. The question is rated as partially because most requirements were followed. (BSCI Code of Conduct)	基于现场观察，文件查看，管理人员访谈，员工访谈和员工代表访谈，被审核方已经建立了执行BSCI行为准则的管理程序，但并不是所有的程序都得到了适当的执行，例如社保不足及过多的加班时间。工厂管理层表示他们会朝BSCI行为准则一步一步的改善，有些规定很难达成。此问题点评级为部分不符合，因为大部分要求已达成。(BSCI行为准则)

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	
Based on onsite observation, document review, management interview, worker interview and worker representative interview, the facility established a production capacity assessment procedure to assess whether its specific production capacity could meet its production order requirements, but no capacity assessment records were kept, and the monthly overtime hours of employees exceeded the legal limit. The question is rated as partially because the requirements are partially met, such as relevant procedures have been established. (BSCI Code of Conduct)	基于现场观察，文件查看，管理人员访谈，员工访谈和员工代表访谈，工厂建立了生产能力评估程序来评估其具体生产能力是否可以满足其生产订单要求，但是没有保留产能评估记录，而且员工的月加班时间超出了法定限值。此问题点评级为部分不符合，因为部分要求已达成，如工厂建立了相关的程序。(BSCI行为准则)



PA 2: Workers Involvement and Protection

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx. | Site amfori ID: xxxxxxxxxxxxxxxxxxxx

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	
<p>Based on onsite observation, document review, management interview, worker interview and worker representative interview, the factory set long-term goals in accordance with the BSCI code of conduct to protect employees but did not monitor the achievement of these goals. The question is rated as partially because the requirements are partially met. (BSCI Code of Conduct)</p>	<p>基于现场观察，文件查看，管理人员访谈，员工访谈和员工代表访谈，工厂根据BSCI行为准则制定了长期目标来保护员工，但未监控目标的达成情况。此问题点评级为部分不符合，因为部分要求已达成。(BSCI行为准则)</p>

PA 5: Fair Remuneration

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxxxxxxxxxx

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

ENGLISH	LOCAL LANGUAGE
Finding	
<p>Based on onsite observation, document review, management interview, worker interview and worker representative interview, insufficient social insurance was provided to the employees. There were total 78 employees of the factory, with 26 retired employees, no newly hired employees, temporary employees and dispatched employees in the factory. The factory provided social insurance voucher of July 2023, August 2023 and September 2023 for review, but the factory purchased maternity insurance, unemployment insurance, medical insurance, retirement insurance and injury insurance for 42 employees (80.8%) as per the social insurance voucher of September 2023. The facility provided commercial group accident insurance to 70 workers, valid from July 12, 2023 to July 11, 2024. As per interviews, reason for workers not joining the social insurance was they were not willing to pay the individual parts. The question is rated as No, as it is a systematic violation of local law. PRC Labor Act, Article 72 and Article 73.</p>	<p>基于现场观察，文件查看，管理人员访谈，员工访谈和员工代表访谈，社会保险参保不足。工厂有78人，有26名退休员工，没有新进工人，临时工人和派遣工人。工厂提供了2023年7月，2023年8月和2023年9月的社保记录供审核，但是2023年9月的社保记录显示工厂给42个员工购买了生育保险，失业保险，医疗保险，养老保险和工伤保险，社保比率是80.8%。此外，工厂为70名员工购买了团体商业意外保险，有效期为2023年7月12日至2024年7月11日。根据访谈得知，员工没有参加社保的原因是他们不愿意支付个人缴纳部分。此问题点评级为完全不符合，因为其系统地违反法律要求。（中华人民共和国劳动法第72条和第73条）</p>

PA 6: Decent Working Hours

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxxxxxxxxxx

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	
<p>The time records of April 2023, July 2023 and September 2023 were sampled for review. The factory normally arranged the 2 hours overtime work on regular working days and 8 hours on Saturdays. Per document review, management interview and worker interview, all the overtime work is arranged on voluntary basis. However, it was noted that monthly overtime hours exceeded legal limits for 12 out of 12 sampled workers from cutting, sewing, inspection and packing section. The maximum was up to 64 hours in July 2023. The management stated that it is hard to control overtime hours within legal limit to meet the shipment requirement. The interviewees stated that they were willing to conduct overtime hours to earn more salary. The question is rated as No, as excessive monthly overtime hours were detected in all sampled months. (PRC Labor Act, Article 41).</p>	<p>抽样查看了 2023年4月, 2023年7月和2023年9月的考勤记录。工厂平时工作日安排2小时加班, 周六加班8小时。基于文件查看, 管理人员访谈和员工访谈, 所有加班都是自愿的。但是裁剪, 缝纫, 检验和包装部门的12名抽样员工中的12名员工月加班时间超过法律规定, 最高达到2023年7月的64小时。管理人员表示为满足出货要求, 很难将工作时间控制在法定范围内。受访员工表示他们乐意加班挣更多工资。此问题点评级为完全不符合, 因为所有抽样月份都存在月加班超时。(《中华人民共和国劳动法第41条》)</p>

PA 7: Occupational Health and Safety

Site: xxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxxxxxxx

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

ENGLISH	LOCAL LANGUAGE
Finding	
<p>Based on onsite observation, document review, management interview, worker interview and worker representative interview, the facility had established procedures to obtain applicable health and safety laws and regulations, and a list of relevant regulations was provided; while there were non-compliances on health and safety noted as per legal requirement, please refer to other checkpoint in PA7 for details. The question is rated as partially, as most requirements have been fulfilled. (BSCI Code of Conduct)</p>	<p>基于现场观察, 文件查看, 管理人员访谈, 员工访谈和员工代表访谈, 被审核方已经建立了相关程序来获取健康和安全方面的适用法律法规, 同时相关法规清单也有提供; 但是在健康安全方面依据法规有发现一些不符合项, 详情请参考PA7其他检查点。此问题点评级为部分不符合, 因为大部分要求已达成。(BSCI行为准则)</p>

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	
<p>Based on onsite observation, document review, management interview, worker interview and worker representative interview, proper personal protective equipment such as metal mesh gloves were provided to most workers. However, the masks provided to cutting workers were improper. Regular medical mask, rather than anti-dust masks, were provided. The question is rated as partially, as most requirements have been fulfilled. PRC Work Safety Law (2002), Amendment (2014), Article 42.</p>	<p>基于现场观察，文件查看，管理人员访谈，员工访谈和员工代表访谈，工厂提供了合适的劳保用品给大部份工人，如钢丝手套。但是提供给裁剪员工的口罩不恰当，提供的是普通医用口罩，而不是防尘口罩。此问题点评级为部分不符合，因为大部分要求已达成。(中华人民共和国安全生产法 第四十二条)</p>



PA 10: No Precarious Employment

Site: xxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxx

Question: 10.1 Is there satisfactory evidence that auditee employment relationships are not precarious for the workers?	
ENGLISH	LOCAL LANGUAGE
Finding	
<p>Based on onsite observation, document review, management interview, worker interview and worker representative interview, The facility had signed labor contracts with all employees, but social security was not provided for some employees, no precarious employment could not be guaranteed. Please refer to PA5.5. The question is rated as partially, as most requirements have been fulfilled. (BSCI Code of Conduct)</p>	<p>基于现场观察，文件查看，管理人员访谈，员工访谈和员工代表访谈，被审方已和所有员工签订劳动合同，但未给部分员工提供社会保险，无法保障无不稳定的就业。请参考PA5.5。此问题点评级为部分不符合，因为大部分要求已达成。(BSCI行为准则)</p>