

Monitored Party xxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxx	amfori ID xxxxxxxxxxxxxxxxxxxxxxxx	Address xxxxxxxxxxxxxxxxxxxxxxxxxxxx xxx, China
Monitoring Activity <b>amfori Social Audit - Manufacturing</b>	Monitoring Type <b>Full Monitoring</b>	Monitoring Partner <b>TUV Rheinland</b>
Monitoring Start Date <b>03/07/2023</b>	Closing Meeting Finished Date <b>03/07/2023</b>	Submission Date <b>10/07/2023</b>
Expiration Date <b>10/07/2024</b>	Announcement Type <b>Semi Announced</b>	
Site xxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxx	Site amfori ID xxxxxxxxxxxxxxxxxxxxxxxx	

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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: Michael Zhang; APSCA membership number: CSCA 21701862

Monitoring partner name: TUV Rheinland

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

Announcement Type: Semi-Announced; Monitoring date: 3 July 2023.

Business partner information: Based on business license, the auditee was established on 11 March 2015 and located at xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx, China (xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx). The auditee was specialized in manufacturing leather product. During the factory tour, the main production processes including: cutting, sewing, hot pressing, hand work, QC and packing. Audited location information: The auditee owned one 2-storey production building and one 3-storey dormitory building. 1F: Warehouse and cutting; 2F: sewing, hot pressing, hand work, QC and packing. Total area covered about 1832 square meters.

The auditee owned one 3-storey dormitory building. 1F: Canteen and kitchen area, 2F-3F: Living rooms of workers. Total area covered about 1638 square meters. No other company or factory in the same compound.

Operating shifts and hours: Attendance records from 1 June 2022 to audit date were provided and 9 samples were randomly selected for review. Regular working hour was 8 hours per day and 5 days per week. One shift was arranged for all workers as 8:00-12:00, 13:30-17:30. If needed, 2 hours overtime from 18:00 to 20:00 at weekday and worked overtime 8 hours on Saturday. Maximum overtime 14 hours per week and at least 1 day off after 6 consecutive working days was guaranteed on Sundays.

Time recording system: Fingerprint scan attendance machines.

Salary payment details: The legal minimum wage was RMB1900 per month equivalent to RMB10.92 per hour. Payrolls from June 2022 to May 2023 were provided for review, 9 sampled workers were elected randomly from the payrolls.

Workers were paid by hourly rate on or before 15th of following month in cash. The minimum wage of workers for regular working time paid in the auditee was at least RMB10.92 per hour (i.e. RMB1900 per month), which met local legal minimum wage. 150%, 200%, 300% of normal rate would be compensated for overtime on normal working days, weekends and holidays. The factory provided paid statutory holidays for workers. Pay slip was provided to the workers before the paid date.

Worker number information: There were total 46 employees in the auditee, included 20 production workers (11 male and 9 female workers) and 26 non-production workers. There were 41 domestic migrant workers.

Good practices: Nil

Worker organization details: Freedom association procedure was established, there was no trade union in the factory. The factory respects workers right to bargain freely. There were three worker representatives elected by workers freely in May 2022.

Circumstances: The auditee management was cooperative with this audit and gave full access to auditor for factory tour, documents review and worker interview. And the auditee management promised to improve all findings. There was no special circumstance during the audit.

Summary of findings: PA1: Insufficient implementation in management system, no good workforce planning; PA2: The auditee

has set not the completion time for long-term social responsibility goals; PA5: Insufficient social insurance; PA6: Excessive monthly OT; PA7: partial chemicals were not labelled with safety label, partial sewing machines were missing pulley belt safeguard and five computer sewing machines were missing needle protection guard, the kitchen operation areas were not kept hygienic, no lockers provided in the dormitory for workers to keep personal belongings.

#Living wage calculation: 1) No anker wage available for the producers 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.

Attachment:

1) 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.

2) 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.

Remark : The address of the auditee in last audit report was: TaoYuan Road, Nanshe District, ChaShan, Dongguan,

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx , and the address in business license is: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx, Chinaxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx. The auditee would like to use the address: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx, China (xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx) on amfori BSCI report to match the address on business license. These two different descriptions for the address of the auditee, there was no physical address change of the auditee.

# SITE DETAILS

Site  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXX

Site amfori ID  
1XXXXXXXXXXXXXXXXXXXXXXXXXXXX

## GICS Classification

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Sector <b>Industrials</b>	Industry Group <b>Commercial &amp; Professional Services</b>	Industry <b>Commercial Services &amp; Supplies</b>
Sub Industry <b>Office Services &amp; Supplies</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	46	Workers
Legal minimum wage in local currency	1,900	Monthly
Lowest wage paid for regular work at the site	1,900	Monthly
Calculated living wage in local currency	2,293.16	Monthly
Total sample	9	Workers

## Other Metrics

Male workers	23	Workers
Female workers	23	Workers
Permanent workers - Male	23	Workers
Permanent workers - Female	23	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	4	Workers
Management - Female	2	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	22	Workers
Domestic migrant workers - Female	19	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	23	Workers
Workers hired directly - Female	23	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	<b>0 Workers</b>
Workers on parental leave - Female	<b>0 Workers</b>
Sample - Male	<b>5 Workers</b>
Sample - Female	<b>4 Workers</b>

## FINDINGS



### PA1: Social Management System

Site: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxx

ENGLISH	LOCAL LANGUAGE
<b>Finding(s)</b>	
<p>The auditee partially respects this principle because of based on documents review, onsite observation, management and workers interview: the factory had established management policies and procedures to implement amfori BSCI Code of Conduct, but there were still gaps between their implementation and amfori BSCI COC or legal requirements. For example, the factory did not failed to effectively control workers' working hours that leading to workers' monthly overtime work exceeded 36 hours. Details refer to findings on PA1, PA2, PA5, PA6, PA7. It violated amfori BSCI manual requirements.</p>	<p>被审核方部分遵守该原则是因为通过文件审核，现场审核，管理层和工人访谈：工厂已实施amfori BSCI行为守则的管理制度和政策，但是工厂在实际执行方面与amfori BSCI行为准则和法律要求之间仍存在差距，比如工厂没有有效的控制工人的工作时间以至于工人的月加班有超过36小时。具体查看执行领域PA1，PA2，PA5，PA6，PA7中的问题点。违反了amfori BSCI行为手册中的要求。</p>
<p>The auditee partially respects this principle because of based on documents review, workers interview and management interview: the auditee established workforce planning procedure, but it was not effective due to the overtime working hours exceeded legal requirement (as finding in PA 6). The factory management stated that it was very difficult to control overtime within 36 hours per month so far. It violated amfori BSCI manual requirements.</p>	<p>被审核方部分遵守该原则是因为通过文件审核，员工访谈和管理访谈：被审核方建立了产能规划的程序，但是该程序不是有效的，基于工人的加班超时(如审核PA6的不符合)。工厂管理层表示目前控制加班时间在每月36小时以内是比较困难的。违反了amfori BSCI行为手册中的要求。</p>



### PA 2: Workers Involvement and Protection

Site: xxxxxxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxxxxxx

ENGLISH	LOCAL LANGUAGE
<b>Finding(s)</b>	
<p>The auditee partially respects this principle because of based on documents review, workers interview and management interview: The auditee has set long-term social responsibility goals that are in line with the interests of employees, but has not set the completion time of the goals, nor has it set the requirements for regular reviews of the goals. It violated amfori BSCI manual requirements.</p>	<p>被审核方部分遵守该原则是因为通过文件审核，员工访谈和管理访谈：被审核方设定了符合员工利益的社会责任长期目标，但没有设定目标的完成时间，也没有设定对目标进行定期评审的要求。违反了amfori BSCI行为手册中的要求。</p>



## PA 5: Fair Remuneration

Site: xxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxx

ENGLISH	LOCAL LANGUAGE
<b>Finding(s)</b>	
<p>The auditee partially respects this principle because of because of based on documents review, workers interview and management interview: Insufficient social insurance participation by the factory. At present, the auditee had 46 workers employed by the auditee, 2 workers reached the retired age, no new workers. Up to audit date, 44 employees were eligible to buy social insurance, social insurance in last 12 months were reviewed, latest records was showing that 21 employees did not participate in basic medical insurance and employment injury insurance, basic retirement insurance, unemployment insurance and maternity insurance. Through workers interviews, these workers bought local rural cooperative medical insurance in their village, so they did not buy social insurance at the factory. The factory did not collect and provide the information of rural cooperative medical insurance. Reference law: PRC Labour Law article 72&amp;73. Remark: all workers who without social insurance were provided with commercial work-related injury insurance. The period of the commercial work-related injury insurance was from 31 May 2023 to 30 May 2024.</p>	<p>被审核方部分遵守该原则是因为通过文件审核，员工访谈和管理访谈：工厂社会保险参保不足。目前被审核方雇佣了46名员工，两名员工达到退休年龄，没有新入职工人。截至审核当天，符合购买社保条件的员工为44人，本次审核查看过去12个月的社保记录。最新记录显示21名员工没有参加基本医疗保险，工伤保险、基本养老保险、失业保险和生育保险。通过员工访谈，这些工人在他们的村里面购买了当地农村合作医疗保险，所以没有在工厂购买社保。工厂没有收集和提供新农合医保的信息。参考法规：《中华人民共和国劳动法》第72和73条。备注：被审核方给所有没参加社保的工人购买了商业性质的工伤保险。商业性质的工伤保险的期限从2023年5月31日到2024年5月30日。</p>

## PA 6: Decent Working Hours

Site: xxxxxxxxxxxxxxxx| Site amfori ID:xxxxxxxxxxxxxx

ENGLISH	LOCAL LANGUAGE
<b>Finding(s)</b>	
<p>The auditee does not respect this principle because of because of based on documents review, workers interview and management interview: The monthly overtime exceeded legal requirements. Selected three months of sampled 9 workers attendance records from June 2022 to audit day to be reviewed, it was noted that excessive monthly overtime work observed. All 9 sampled workers monthly OT exceeded 36 hours, up to 60 hours, 58 hours and 52 hours in March, April and May 2023 respectively. Monthly OT in July 2023 did not</p>	<p>被审核方没有遵守该原则是因为通过文件审核，员工访谈和管理访谈：工厂的月加班超出法规要求。根据2022年6月到审核当天抽样的9名员工3个月的考勤记录显示，有月加班超时的情况：所有9名员工在2023年3月，4月和5月的月加班超过36小时，最大分别达到60小时，58小时和52小时。工厂目前2023年7月的月加班没有超过36小时，最大为8小时。根据管理层和工人访谈，工厂根据生产订单安排加班，工厂没有有效的系统去控制月加班，工人确认他们均自愿加班。参考法律法规：中华人民共和国劳动法第四十一条。</p>

Finding(s)	
<p>exceed 36 hours so far, and up to 8 hours. Based on management and workers interview, the factory arranged the overtime according to the production order, and they didn't have effective system to control its monthly overtime work compliance. Workers confirmed that they took the OT hours voluntarily. Reference law: China Labor Law, Article 41.</p>	

## PA 7: Occupational Health and Safety

Site: xxxxxxxxxxxxxxxx | Site amfori ID: xxxxxxxxxxxxxxxx

ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>The auditee partially respected this principle because based on onsite observation and management interview: partial chemicals (such as cleanser) stored in chemicals stored room were not labelled with safety label. Reference law: Regulations on Safety in Workplaces Where Chemicals Are Used, article 12.</p>	<p>被审核方部分遵守该原则是因为通过现场观察和管理访谈：工厂化学品存储房间的部分化学品（如清洗剂）没有张贴安全标签。参考法规：《工作场所安全使用化学品规定》，第12条。</p>
<p>The auditee partially respects this principle because of based on onsite observation and management interview: 20% sewing machines were missing pulley belt safeguard and five computer sewing machines were missing needle protection guard. Law reference: Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene.</p>	<p>被审核方部分遵守该原则是因为通过现场观察和管理访谈：20%的车缝机缺少了皮带轮保护装置，5台电脑车缝机缺少护针保护装置。参考法规：《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条。</p>
<p>The auditee partially respects this principle because of based on onsite observation and management interview: the kitchen operation areas were not kept hygienic, obvious stains/oil contamination found in the wall of the operation areas were not clean timely. Reference law: The Food Safety Law of The People's Republic of China, Article 33.</p>	<p>被审核方部分遵守该原则是因为通过现场观察和管理访谈：工厂厨房操作间未保持清洁，操作间墙面有明显的污迹/油污未及时清理。参考法律法规：《中华人民共和国食品安全法》第三十三条。</p>
<p>The auditee partially respects this principle because of based on onsite observation, workers interview and management interview: no lockers provided in the dormitory to keep personal belongings. Reference law: Code for design of dormitory building, 4.2.3.</p>	<p>被审核方部分遵守该原则是因为通过现场观察，员工访谈和管理访谈：宿舍未提供可以上锁的小柜子用于保存私人的贵重物品。参考法规：宿舍建筑设计规范, 4.2.3。</p>