

Monitored Party XXXXXXXXXXXXXXXXXXXXX.	amfori ID 156-001843-000	Address XXXXXXXXXXXXXXXXXXXXX XXXXXXX
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner TUV Rheinland
Monitoring Start Date 12/09/2024	Closing Meeting Finished Date 12/09/2024	Submission Date 19/09/2024
Expiration Date 25/09/2025	Announcement Type Semi Announced	
Site XXXXXXXXXXXXXXXXXXXXX XXXXXXX	Site amfori ID 156-001843-002	

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

GENERAL DESCRIPTION

Name of lead auditor: Bill Pei; APSCA membership number: CSCA 21701834;

Name of observers: Edison Li from TUV Rheinland as internal monitor.

Monitoring partner name: TUV Rheinland;

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

Announcement Type: This is a Semi-Announced audit; This follow up audit only covered PA1, PA2, PA5, PA6, PA7, the rest PAs were not included and the rating and evidence were kept same as previous audit;

Business partner information: The auditee was found on 19 November 2009. The auditee was located at XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXX China. XXXXXXXXXXXXXXXX. The auditee changed its Chinese name from XXXXXXXXXXXXXXXXXXXX XXn 10 July 2024. The auditee mainly produced bags. The production processes in the factory included cutting/punching, sewing, inspection and packing. No production process was subcontracted to outsource.

Audited location information: There were 3 main buildings within the audited site, total areas occupied by the auditee were around 20000m2, building details as below: One 1-storey warehouse building. One 4-storey building was used dormitory, canteen and kitchen. One 3-storey (partial 4-storey) building was used as office, workshop and warehouse (1F for warehouse, cutting and packing workshop, 2F for sewing and packing workshop, 3F for sample making room, warehouse and office, 4F for exhibition room). All site buildings were rented from Landlord. The auditee provided rental agreement and landlord's business license for review during audit.

Operating shifts and hours: Normal working hours were 8 hours per day and 5 days per week. There was only one shift for all employees (07:30-17:00, with 11:30-13:00 for lunch break). Time records from August 2023 to the audit period were checked. 3 males and 5 females' samples were selected from November 2023, June 2024 and July 2024. The maximum daily, weekly and monthly overtime detected were 2, 16, 70 hours respectively.

Time recording system: Face scan attendance system.

Salary payment details: Workers were paid by bank transfer in the end of each month on time. Payroll records from August 2023 to July 2024 were selected and reviewed. 3 males and 5 females' samples were selected from November 2023, June 2024 and July 2024. Hourly rate wage was provided to all employees in the facility. The provided lowest hourly rate wage was RMB13, which was higher than the local minimum wage standard which was RMB2070 before 1 January 2024 and RMB2260 since 1 January 2024. Overtime on regular days and weekend was paid at 150% and 200% of regular wage rate for all employees. No holiday overtime was conducted.

Worker number information: There were total 187 employees (52 males and 135 females) in the factory currently, including 40 non-production workers and 147 production workers (31 male and 116 females). There were 39 domestic migrant workers, no foreign migrant workers. There was no young worker, pregnant worker, seasonal workers, temporary worker, disabled worker, home-based worker, interns, apprentices, contractor worker. all workers were hired by the factory directly.

Good practices: Free meal and dormitory were provided to workers.

Worker organization details: There was no labor union. Four worker representative was elected in the factory.

Circumstances: The factory management and workers were cooperative with auditor. The factory management allowed auditor to conduct onsite observation, take photos, document review, workers interview, etc. In the closing meeting, the factory agreed with all findings, and they would continually improve the system to fulfill the amfori BSCI requirements. There was no special circumstance during the audit.

Summary of findings: Findings were noted in PA1, PA2, PA5, PA6, PA7.

PA1 Insufficient CSR management system. Unreasonable production capacity assessment.

PA2 Not all employees were familiar with amfori BSCI code.

PA5 Insufficient social insurance.

PA6 Monthly overtime hours exceeded legal requirement.

PA7 The auditee did not regular update relevant health & safety regulations, did not follow amfori BSCI requirements for health and safety fully. Insufficient fire safety and building structure safety certificates. Insufficient machine safety management.

Living wage calculation: #LivingWage: 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 had been obtained the individual's consent during the audit. 2. a) No contractor was used by the auditee, which makes the contractor license/permit not applicable; b) No agency was used by the auditee, which makes the agency labour contract not applicable; c) No government waivers such as Comprehensive Working Hours System waiver, social insurance waiver and etc. were obtained by the auditee, which makes the government waivers not applicable; d) No collective bargain agreements existed in the factory, which makes the collective bargain agreements not applicable.

SITE DETAILS

Site
XXXXXXXXXXXXXXXXXX

Site amfori ID
156-001843-002

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	187	Workers
Legal minimum wage in local currency	2,260	Monthly
Lowest wage paid for regular work at the site	2,262	Monthly
Calculated living wage in local currency	2,854.22	Monthly
Total sample	8	Workers

Other Metrics

Male workers	52	Workers
Female workers	135	Workers
Permanent workers - Male	52	Workers
Permanent workers - Female	135	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	1	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	4	Workers
Workers with night shift - Female	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Domestic migrant workers - Male	17	Workers
Domestic migrant workers - Female	22	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	52	Workers
Workers hired directly - Female	135	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	5	Workers

FINDINGS

PA1: Social Management System

Site: XXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-001843-002

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 main auditee partially respects this principle because through document review, factory tour, management interview, worker interview, written policy and procedure regarding amfori BSCI management was in place, but the factory did not implement the management system effectively, nonconformities were found in areas of social insurance, working hours, health & safety, etc. The management confirmed that the factory did not establish a systematic plan to supervise and implement the established compliance procedures. Interviewed workers reported that overtime work was voluntary and they did not want to be covered in social insurance. Reference Code: amfori BSCI system manual	被审核方部分遵守该准则，原因是通过文件审核，现场审核，管理人员访谈和员工访谈，工厂有建立关于amfori BSCI管理的书面的政策和程序，但是工厂没有有效的执行管理制度，导致被审核方在社保，工作时间，健康安全等方面存在问题。管理层确认工厂没有建立系统性规划来监督和执行已建立的合规程序。访谈员工表示加班都是自愿的，他们不想参加社保。参考守则：amfori BSCI 系统手册

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 main auditee partially respects this principle because through document review, management interview, worker interview, the auditee conducted cost accounting and capacity planning, but the auditee did not control overtime per legal requirement, monthly overtime of workers had exceeded legal requirement. Reference Code: amfori BSCI system manual	被审核方部分遵守该准则，原因是通过文件审核，管理人员访谈和员工访谈，被审核方有进行成本核算和产能规划，但是被审核方没有按照法规要求来管控加班时间，员工的月加班时间超出法规要求。参考守则：amfori BSCI 系统手册

PA 2: Workers Involvement and Protection

Site: XXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-001843-002

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	
The main auditee partially respects this principle because through document review, management interview, worker interview, the training on amfori BSCI COC was provided to all employees, amfori BSCI COC was posted in workshops. However, the facility did not assess the effectiveness of the training, 4 out of 8 interviewed workers did not understand amfori BSCI COC requirements, such as fair remuneration. Reference Code: amfori BSCI system manual	被审核方部分遵守该准则，原因是通过文件审核，管理人员访谈和员工访谈，关于amfori BSCI行为准则的培训有提供给了所有员工，在现场张贴了amfori BSCI行为准则。然而，工厂没有评估培训的有效性，8名受访员工中的4名员工对amfori BSCI行为准则不理解，例如公平报酬等。参考守则: amfori BSCI 系统手册

PA 5: Fair Remuneration

Site: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-001843-002

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted?	
ENGLISH	LOCAL LANGUAGE
Finding	
The main auditee partially respects this principle because through document review, management interview, worker interview, the factory had total 187 employees at present, including 0 newcomer and 48 retirees, therefore, the social insurance should cover 139 employees. The social insurance payment records of September 2023 to August 2024 were provided to review, according to social insurance payment evidence of August 2024, the factory only provided medical insurance, maternity insurance, retirement insurance, unemployment insurance and accident insurance to 119 employees, the rest 20 employees were not provided with any social insurance. The factory management explained that they have communicated with employees about social insurance upon hiring, but some employees did not want to have social insurance in the facility since they have rural insurance at home. The interviewed workers stated that they did not want to join in social insurance, as they have rural insurance. Reference law: Social Insurance Law of the People's Republic of China; Article 10, Article 23, Article 33, Article 44, Article 53. Remark: The factory provided commercial group accident insurance to all employees, the effective period was	被审核方部分遵守该准则，原因是通过文件审核，管理人员访谈和员工访谈，工厂现有187名员工（其中包括0名新进员工和48退休返聘员工），因此社会保险应覆盖139名员工。工厂提供2023年9月至2024年8月的社保缴费记录以供审核，根据2024年8月社保缴费证据，工厂只给119名员工提供了医疗，生育，养老，失业和工伤保险，其他20名员工没有参加任何社会保险。工厂管理者表示他们有在员工入职的时候已经和员工沟通过社保的事情，但是部分员工因为家里有农保而不愿意在工厂参加社保。被访谈员工表示他们自己在家有参加农保。参考法律法规：中华人民共和国社会保险法，第10条，23条，33条，44条和53条。备注：工厂为所有员工购买了商业团体意外保险，保险有效期限为2024年7月25日至2025年7月24日。

Finding	
from 25 July 2024 to 24 July 2025.	

PA 6: Decent Working Hours

Site: XXXXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-001843-002

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 main auditee does not respect this principle because through document review, factory tour, management interview, worker interview, the factory did not have effective overtime management control system and did not monitor compliance status in daily operation. The factory attendance system did not have the overtime hours limit warning. The factory management explained that it was difficult for them to control the overtime due to heavy production task. Interviewed worker did not know overtime control mechanism. The monthly overtime hours exceeded 36 hours in 3 out of 3 sampled months, for example: the highest monthly overtime hours of 8 sampled workers in November 2023 were 66 hours, in June 2024 were 70 hours, in July 2024 were 68 hours. Reference law: PRC Labour Law article 41.</p>	<p>被审核方未遵守该准则，原因是通过文件审核，现场审核，管理人员访谈和员工访谈，工厂没有建立一个有效的加班时间管控系统，没有在日常运行中对加班时间进行监控。工厂考勤系统没有加班上限预警的提示。工厂管理人员表示由于生产任务繁忙，他们控制加班时间比较困难。被访谈的员工不知道加班时间管控机制。审核发现企业在抽样的3个月中员工的月加班超过36小时。例如，抽取的8名样本员工的月最高加班时间为：在2023年11月加班时间达到66小时；在2024年6月加班时间达到70小时；在2024年7月加班时间达到68小时。参考法律法规：《中华人民共和国劳动法》第41条</p>

PA 7: Occupational Health and Safety

Site: XXXXXXXXXXXXXXXXXXXXXXXXXXXX | Site amfori ID: 156-001843-002

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>The main auditee partially respects this principle because through factory tour and management interview, the auditee did not regular update relevant health & safety regulations which related to its production activities, did not follow amfori BSCI's requirements for health and safety fully.</p>	<p>被审核方部分遵守该准则，原因是现场审核和管理人员访谈发现被审核方未定期更新与其生产经营活动相关的健康安全法律法规，也未完全执行amfori BSCI对健康安全的要求。参考守则: amfori BSCI 系统手册</p>

Finding	
Reference Code: amfori BSCI system manual	

Question: 7.11 Is there satisfactory evidence that the auditee confirms that the equipment and buildings used for production are stable and safe?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The main auditee partially respects this principle because through document review and management interview, 1. The auditee added 3rd floor (about 1600 square meters) to one 2-storey (partial 4-storey) production building as workshop in 2020, but the auditee failed to provide Fire Safety Approval for above area. Additionally, the auditee changed the usage of one 4-storey production building (about 2,400 square meters) as canteen and dormitory in 2015, but the auditee did not re-apply fire inspection again. Sufficient firefighting equipment was installed in the above buildings. Reference law: PRC Fire Prevention Law article 11</p> <p>2. The auditee added 3rd floor (about 1600 square meters) to one 2-storey (partial 4-storey) production building as workshop in 2020, the auditee failed to provide Construction Safety Approval for this addition area. The building looks sturdy and durable, without visible cracks. Reference law: PRC Construction Law Article 61</p>	<p>被审核方部分遵守该准则，原因是文件审核和管理人员访谈发现 1. 被审核方于2020年在1栋2层局部4层建筑上加建了第3层（约1600平方米）用作车间，但是被审核方未能提供上述加建区域的消防验收报告，且被审核方将1栋4层生产建筑（约2400平方米）于2015年变更为餐厅和宿舍，未重新进行消防验收。建筑内安装了足够的灭火器材。参考法律法规：《中华人民共和国消防法》第十一条</p> <p>2. 被审核方于2020年在1栋2层局部4层建筑上加建了第3层（约1600平方米）用作车间，被审核方未能提供上述加建区域的竣工验收报告。建筑看起来坚固耐用，没有明显裂缝。参考法律法规：《中华人民共和国建筑法》第六十一条</p>

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	
<p>The main auditee partially respects this principle because through factory tour and management interview, no needle guards were installed for 3 sewing machines in sample making workshop. Reference law: General rules of design on health and safety of production auditee (GB5083-1999) article 6.1.2.</p>	<p>被审核方部分遵守该准则，原因是现场审核和管理人员访谈发现被审核方打样车间有3台缝纫机没有安装挡针板。参考法律法规：生产设备安全卫生设计总则(GB5083-1999)第6.1.2条</p>