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|-----------------------------------|---|
| Auditee :                         | <b>YUANSHI COUNTY HENGYIYUAN KNITTING PRODUCTS CO., LTD.</b>            |
| Audit Date From :                 | <b>02/09/2019</b>   |
| Audit Date To :                   | <b>02/09/2019</b>   |
| Expiry Date of the Audit :        | <b>Please refer to the producer profile in the amfori BSCI platform</b> |
| Auditing Company :                | <b>TUEV Rheinland</b>   |
| Auditor's Name(s) :               | <b>Jackey Ji(Lead)</b>  |
| Auditing Branch (if applicable) : | <b>TUV Rheinland China</b>  |

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This is an extract of the on line Audit Report. The complete report is available in the amfori BSCI Platform.  
Access [www.bsciplatform.org](http://www.bsciplatform.org), for entitled users only.

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This is an extract of the amfori BSCI Audit Report, which is available in the amfori BSCI Platform. © amfori, 2018 - The English version is the legally binding One.

**Rating Definitions**



| Rating  | A combination of ratings per Performance Area where:  | Consequence   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|
| <p style="text-align: center;"><b>A</b><br/><b>Very Good</b></p>    | <ul style="list-style-type: none"> <li>• Minimum 7 Performance Areas rated A</li> <li>• No Performance Areas rated C, D or E</li> </ul> <p>These are three examples:</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr> </table> | A   | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | A | B | B | B | A | A | A | A | A | A | A | B | B | B | B | B | B | <p>The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit.</p>                                   |
| A   | A   | A   | A | A | A | A | A | A | A | A | A | A |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| A   | A   | A   | A | A | A | A | A | A | A | B | B | B |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| A   | A   | A   | A | A | A | A | B | B | B | B | B | B |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| <p style="text-align: center;"><b>B</b><br/><b>Good</b></p>         | <ul style="list-style-type: none"> <li>• Maximum 3 Performance Areas rated C</li> <li>• No Performance Areas rated D or E</li> </ul> <p>These are three examples:</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td></tr> <tr><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td></tr> </table>    | A   | A | A | A | A | A | B | B | B | B | B | B | B | A | A | A | A | A | B | B | B | B | B | B | B | C | B | B | B | B | B | B | B | B | B | B | C | C | C | <p>The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit.</p>                                   |
| A   | A   | A   | A | A | A | B | B | B | B | B | B | B |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| A   | A   | A   | A | A | B | B | B | B | B | B | B | C |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| B   | B   | B   | B | B | B | B | B | B | B | C | C | C |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| <p style="text-align: center;"><b>C</b><br/><b>Acceptable</b></p>   | <ul style="list-style-type: none"> <li>• Maximum 2 Performance Areas rated D</li> <li>• No Performance Areas rated E</li> </ul> <p>These are three examples:</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>C</td><td>C</td><td>C</td><td>C</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>D</td></tr> <tr><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td></tr> </table>         | A   | A | A | A | A | A | A | A | A | C | C | C | C | A | A | A | A | A | B | B | B | B | C | C | C | D | C | C | C | C | C | C | C | C | C | C | C | D | D | <p>The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days.</p> |
| A   | A   | A   | A | A | A | A | A | A | C | C | C | C |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| A   | A   | A   | A | A | B | B | B | B | C | C | C | D |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| C   | C   | C   | C | C | C | C | C | C | C | C | D | D |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| <p style="text-align: center;"><b>D</b><br/><b>Insufficient</b></p> | <ul style="list-style-type: none"> <li>• Maximum 6 Performance Areas rated E</li> </ul> <p>These are three examples:</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>D</td><td>D</td><td>D</td></tr> <tr><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td><td>D</td><td>E</td></tr> <tr><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> </table>   | A   | A | A | A | A | A | A | A | A | A | D | D | D | A | A | A | B | B | B | C | C | C | D | D | D | E | D | D | D | D | D | D | D | E | E | E | E | E | E | <p>The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days.</p> |
| A   | A   | A   | A | A | A | A | A | A | A | D | D | D |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| A   | A   | A   | B | B | B | C | C | C | D | D | D | E |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| D   | D   | D   | D | D | D | D | E | E | E | E | E | E |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| <p style="text-align: center;"><b>E</b><br/><b>Unacceptable</b></p> | <ul style="list-style-type: none"> <li>• Minimum 7 Performance Areas rated E</li> </ul> <p>These are three examples:</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> <tr><td>A</td><td>A</td><td>B</td><td>B</td><td>C</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> <tr><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr> </table>   | A   | A | A | A | A | A | E | E | E | E | E | E | E | A | A | B | B | C | D | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | E | <p>amfori BSCI Participants shall closely oversee the auditee's progress as the producer may represent a higher risk than other business partners.</p>     |
| A   | A   | A   | A | A | A | E | E | E | E | E | E | E |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| A   | A   | B   | B | C | D | E | E | E | E | E | E | E |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| E   | E   | E   | E | E | E | E | E | E | E | E | E | E |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| <p style="text-align: center;"><b>Zero Tolerance</b></p>            | <p>A Zero Tolerance issue was identified (see amfori BSCI System Manual Part V – Annex 5: amfori BSCI Zero Tolerance Protocol)</p>  | <p>Immediate actions are required. The amfori BSCI Zero Tolerance Protocol is to be followed.</p> |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |

**Main Auditee Information**



|                             |   |                 |                                   |
|-----------------------------|---|-----------------|-----------------------------------|
| Name of producer :          | YUANSHI COUNTY HENGYIYUAN KNITTING PRODUCTS CO., LTD.   |                 |                                   |
| DBID number :               | 393327  |                 |                                   |
| Audit ID :                  | 161194  |                 |                                   |
| Address :                   | (Huainan Industry Zone), Beiyuan Section of Binhe Avenue, Dongzhang Town, Yuanshi County Shijiazhuang |                 |                                   |
| Province :                  | Hebei   | Country :       | China                             |
| Management Representative : | Congxuan Zhang  |                 |                                   |
| Contact person:             | Ningda Gu   | Sector :        | Non-Food                          |
| Industry Type :             | Textiles, clothing, leather   | Product group : | other soft goods (please specify) |
| Product Type :              | Knitted towel, bath towel, chemical fiber cloth   |                 |                                   |

**Audit Details**



|  |   |   |   |
|--|---|---|---|
| Audit Range :  | <input checked="" type="checkbox"/> Full Audit      | <input type="checkbox"/> Follow-up Audit      |   |
| Audit Scope :  | <input checked="" type="checkbox"/> Main Auditee    | <input type="checkbox"/> Main Auditee & Farms |   |
| Audit Environment :                                    | <input checked="" type="checkbox"/> Industrial      | <input type="checkbox"/> Agricultural         | <input type="checkbox"/> Small Producer |
| Audit Announcement :                                   | <input checked="" type="checkbox"/> Fully-Announced | <input type="checkbox"/> Fully-Unannounced    | <input type="checkbox"/> Semi-Announced |
| Random Unannounced Check (RUC) :                       | No  |   |   |
| Audit extent (if applicable) :                         | none  |   |   |
| Audit interferences or contingencies (if applicable) : | none  |   |   |
| Overall rating :                                       | C   |   |   |
| Need of follow-up :                                    | Yes   | If YES, by : 02/09/2020                       |   |

**Rating per Performance Area (PA)**

| PA 1 | PA 2 | PA 3 | PA 4 | PA 5 | PA 6 | PA 7 | PA 8 | PA 9 | PA 10 | PA 11 | PA 12 | PA 13 |
|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|
| D    | A    | A    | A    | A    | D    | A    | A    | A    | A     | A     | A     | A     |

**Executive summary of audit report**

YUANSHI COUNTY HENGYIYUAN KNITTING PRODUCTS CO., LTD. was located at "(Huainan Industry Zone), Beiyuan Section of Binhe Avenue, Dongzhang Town, Yuanshi County, Shijiazhuang City, Hebei Province, China" (中国河北省石家庄市元氏县东张乡滨河大道北岩段(槐南工业区)). It was founded and started operation at the existing location in 2009. The occupied land areas was 15000 square meters. In view of the facilities, the factory consists of one 3-storey building used as office, canteen, and kitchen, and one 3-storey building and five flat buildings used as workshop and warehouse. No dormitory was provided to the workers in the factory. The main products manufactured by the factory were knitted towel, bath towel, chemical fiber cloth, and the main production processes were as follows: weaving, dyeing, cutting, sewing, finishing, inspection and packing. Except the dyeing process was needed to subcontract to another factory, the other processes were completed by the factory self. Through management interview and worker interview, all production processes in the factory were in normal operation on the day of audit. Usually, the peak season was not obvious in the factory. All employees were directly hired by the factory. Subsequently Mr. Ningda Gu/Sale manager granted the auditor full access to the factory, including document review, employee interview and factory walkthrough. All buildings were visited in this audit, and all findings were acceptable by the factory management at the end of the audit. No other factories were in the same building and same address.

**Remark:**

- There were no agencies used by the factory, which made the agency labor contract not applicable; there were no contractors used by the factory, which made the contract permit not applicable; there was no waiver obtained by the factory, which made the government waiver not applicable; there was no collective bargaining agreements in the factory, which made the collective bargaining agreements not applicable; The local Environmental Protection Bureau did not require the factory to obtain the environmental related certificate, which made the environmental related certificate not applicable.
  - PA 2: The auditee established worker representatives' management procedure. There were 2 worker representatives freely-elected in the auditee. The auditee conducted training of workers right and responsibility such as overtime, holiday, the rule of labor contract and amfori BSCI basic knowledge. amfori BSCI Code of Conduct and poster in local language were posted on the notice board. Through worker interview, workers knew about their basic right and responsibility. Communication procedure and record were provided for review.
  - PA 3: The auditee established Freedom of Association and Collective Bargaining policy, the policy was communicated to all workers by training. There were 2 worker representatives freely-elected in the auditee. The interviewed workers confirmed that the auditee respects their right to establish trade union and freely elect their representatives.
  - PA 4: The auditee had established a written policy concerning non-discrimination. No evidence was found that the auditee discriminated in its hiring, salary, benefits etc. on the basis of personal characteristics, gender, race, religion, age, disability, ethnic origin, caste, political opinion and sexual orientation. The auditee had effectively cascaded non-discrimination policy to all employees. All interviewed employees stated that there was no discrimination within the auditee.
  - PA 8: The auditee had set up the policy of checking ages of employees at application stage, and this includes checking ID's. Once employees have joined their original ID's are copied and given back to them whilst copies only are kept in their personnel file. There was no children on site during document review, factory tour and worker interview.
  - PA 9: The auditee could respect this principle Special protection for young employees, the auditee established Young Employee Protection Management Procedure. Moreover, through management interview, worker interview, site observation and document review, noted that no young employees existed in the auditee at present.
  - PA 10: The auditee established Hiring Management Procedure. As the recruitment flow, the HR department will sign labor contract or labor agreement with workers within one month, and the copy of labor contract was issued to each worker. The labor contract or labor agreement were local language (Chinese). The auditee did not use the temporary workers or workers from agency. Through document review and worker interview, there was no violation in the employment.
  - PA 11: The auditee did not use bonded labor or prison labor, and has set up anti-forced labor policy. The employees could leave the work place after work finished, could have rest or drink water freely, could resign by noticing the auditee in advance of 30 days. The employees stated that they are not required to pay any 'deposits' or leave their ID cards with the employer.
  - PA 13: The factory had established business anti-corruption and anti-bribery policy. Per interview with management, no corruption, extortion or bribery case was found in the past. The factory had provided accurate document information during this audit.
3. Jackey Ji (APSCA registration number was 21701861).



**Ratings Summary**



| <b>Auditee's background information</b> |  |  |                                |
|---|--|--|--------------------------------|
| Auditee's name :                        | <b>YUANSHI COUNTY HENGYIYUAN<br/>KNITTING PRODUCTS CO., LTD.</b>                                       | Legal status :   | <b>Limited company</b>         |
| Local Name :                            | <b>元氏县恒益源针织品有限公司<br/>(91130132693483446U)</b>  | Year in which the auditee was founded :                        | <b>2009</b>                    |
| Address :                               | <b>(Huainan Industry Zone), Beiyan Section<br/>of Binhe Avenue, Dongzhang Town,<br/>Yuanshi County</b> | Contact person (please select) :                               | <b>Ningda Gu</b>               |
| Province :                              | <b>Hebei</b>   | Contact's Email :  | <b>hengyiyuantowel@163.com</b> |
| City :                                  | <b>Shijiazhuang</b>  | Auditee's official language(s) for written<br>communications : | <b>Chinese</b>                 |
| Region :                                | <b>North East Asia</b>   | Other relevant languages for the<br>auditee :                  | <b>Not applicable</b>          |
| Country :                               | <b>China</b>   | Website of auditee (if applicable) :                           | <b>Not applicable</b>          |
| GPS coordinates :                       | <b>N37°41'29" E114°32'38"</b>  | Total turnover (in Euros) :                                    | <b>2920000.00</b>              |
| Sector :                                | <b>Non-Food</b>  | Of which exports % :   | <b>75.00</b>                   |
| Industry :                              | <b>Textiles, clothing, leather</b>   | Of which domestic market % :                                   | <b>25.00</b>                   |
| If other, please specify :              |  | Production volume :  | <b>2000000 pieces per year</b> |
| Product Group :                         | <b>other soft goods (please specify)</b>   | Production cost calculation :                                  | <b>Yes</b>                     |
| If other, please specify :              |  | Lost time injury calculation cost :                            | <b>Yes</b>                     |
| Product Type :                          | <b>Knitted towel, bath towel, chemical fiber<br/>cloth</b>   |  |                                |

| <b>Auditee's employment structure at the time of the audit</b> |                     |  |
|--|---------------------|--|
| Total number of workers :                                      | <b>48</b>           | Total number of workers in the production unit to be monitored (if applicable) : |
|  |                     | <b>0</b>   |
|  | <b>MALE WORKERS</b> | <b>FEMALE WORKERS</b>  |
| Permanent workers  | <b>12</b>           | <b>36</b>  |
| Temporary workers  | <b>0</b>            | <b>0</b>   |
| In management positions  | <b>3</b>            | <b>1</b>   |
| Apprentices  | <b>0</b>            | <b>0</b>   |
| On probation   | <b>0</b>            | <b>0</b>   |
| With disabilities  | <b>0</b>            | <b>0</b>   |
| Migrants (national citizens)                                   | <b>0</b>            | <b>0</b>   |
| Migrants (foreign citizens)                                    | <b>0</b>            | <b>0</b>   |
| Workers on the permanent payroll                               | <b>12</b>           | <b>36</b>  |
| Production based workers                                       | <b>0</b>            | <b>0</b>   |
| With shifts at night   | <b>0</b>            | <b>0</b>   |
| Unionised  | <b>0</b>            | <b>0</b>   |
| Pregnant   | <b>-</b>            | <b>0</b>   |
| On maternity leave   | <b>-</b>            | <b>0</b>   |

**Finding Report**



**Performance Area 1 : Social Management System and Cascade Effect**

Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: D

Deadline date:01/07/2020

**GOOD PRACTICES:**

**AREAS OF IMPROVEMENT:**

The auditee had set up a management system to implement the amfori BSCI Code of Conduct. Mr. Congxuan Zhang/Administration department director was appointed as the amfori BSCI management representative by the auditee. The auditee conducted internal audit and management review on its social performance once per year. The auditee established the supplier management procedure to monitor the suppliers' social performance, and also communicated amfori BSCI COC and Tol to all business partners such as dyeing subcontracted factory, raw material supplier, and packing material supplier. However, gaps have been identified in implementation.

被审核方建立了管理体系来执行amfori BSCI行为守则。行政部主任张聪旋被指定为amfori BSCI管理者代表。被审核方每年一次就其社会责任的表现进行了内部的审核。被审核方建立了供应商管理程序来监管供应商的社会责任绩效，并将amfori BSCI行为守则和实施条款传达给商业合作伙伴如染色分包工厂、原料供应商和包材供应商。然而，发现被审核方在实施中仍存在与该执行领域要求之间的差距。

1.1 - The auditee established written amfori BSCI management procedures such as working hour management procedure, remuneration management procedure, machine safety management procedure, and etc. however, the amfori BSCI management procedures were not implemented effectively, the findings such as no social insurance was provided to the workers, excess of overtime, and no needle protection device for the sewing machine, etc. were in place. Interview with auditee management, the management said that the auditee set up the amfori BSCI management procedures, and most of daily operation was according to the requirements of the amfori BSCI management procedure, but there actually were the gaps between the auditee social performance and the amfori BSCI requirements.

被审核方建立了书面的amfori BSCI管理程序，例如工作时间管理程序、工资管理程序和设备安全管理程序等，但被审核方的BSCI管理程序没有有效执行，例如，社会保险不足、超时加班、缝纫机没有护针器等问题还存在。基于管理层访谈，管理层说被审核方建立了amfori BSCI管理程序，被审核方日常的运作大部分是按照amfori BSCI管理程序的要求执行，但是被审核方的的社会责任表现与BSCI的要求之间确实还存在差距。

1.4 - The auditee established the production cost and capacity calculation procedure, but did not establish effective production capacity evaluation to match delivery order contract' expectations, which led to workers have the monthly overtime hours exceed 36 hours. The interviewed management representative confirmed that the auditee did not implement the effective production evaluation. Interview with production supervisor, the production supervisor said that the auditee established the production planning management procedure, but actual overtime was arranged as per the customer's order.

被审核方建立了生产成本和产能计算程序，但没有进行有效产能评估来确保产能满足交付订单合同的需求，导致工人的加班时间超出36小时每月。被访谈的管理代表确认被审核方没有进行有效产能评估。与生产主管访谈，生产主管说被审核方建立了生产计划管理程序，但实际的加班安排要根据客户订单要求。

**Remarks from Auditee:**

**Performance Area 2 : Workers Involvement and Protection**

Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A

Deadline date:

**GOOD PRACTICES:**

**AREAS OF IMPROVEMENT:**

**Remarks from Auditee:**

**Performance Area 3 : The rights of Freedom of Association and Collective Bargaining**

Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A

Deadline date:

**GOOD PRACTICES:**

**AREAS OF IMPROVEMENT:**

**Remarks from Auditee:**

**Performance Area 4 : No Discrimination**

Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A

Deadline date:

**GOOD PRACTICES:**

**AREAS OF IMPROVEMENT:**

**Remarks from Auditee:**

**Performance Area 5 : Fair Remuneration**

Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A

Deadline date:01/07/2020

**GOOD PRACTICES:**

The auditee was aware of fair remuneration and has collected the local living costs data. 被审核方有了解公平报酬, 也收集了当地的生活成本的数据。

**AREAS OF IMPROVEMENT:**

Legal minimum wage was RMB 1480 per month equal to RMB 8.51 per hour since 1 July 2016. Payrolls from August 2018 to July 2019 were reviewed. As shown in the payroll, paid annual leave and paid statutory holidays were provided. Pay slip was issued to workers. In Employee Handbook, paid annual leave, statutory holiday, sick leave, marriage leave, maternity leave and funeral leave were defined. The whole month was counted as a wage calculation cycle, and the corresponding wage was paid on 15 days of next month. The wages of all workers were paid at hourly rate by cash. The auditee paid at least RMB 11.50 per hour, which was higher than the local minimum standard (RMB1480 per month equal to RMB 8.51 per hour). 150 %, 200% and 300% of normal rate were for overtime on normal working days, weekend and statutory holidays respectively. The wages paid to the employees by the auditee was higher than the living wage calculated by the auditor. However, gaps have been identified in implementation.

当地最低工资自2016年7月1日起为人民币1480元每月相当于人民币8.51元每小时。查阅了2018年8月至2019年7月的工资记录。工资表上显示, 年休假工资和法定假日工资已支付。工资条会提供给员工。员工手册中, 年休假, 法定假, 病假, 婚假, 生育假和丧假被清楚的写明。整个自然月为薪资计算周期且下月的15号发上个自然月的工资。所有员工工资按计时制现金发放, 最低为人民币11.50元每小时, 高于当地的最低工资标准(人民币1480元每月相当于人民币8.51元每小时)。平常加班、周末加班和法定假日加班分别按照基本基数的150%、200%和300%支付工资。被审核方支付员工的工资高于审核员计算出的最低生活工资。然而, 发现被审核方在实施中仍存在与该执行领域要求之间的差距。

- 5.5 - There were 48 employees (included 18 retired employee hired again, who did not need to participate in any social insurance according to the law, no new employee hired in August 2019 and September 2019) in the auditee. The social insurance documents from June 2019 to August 2019 were provided for review. However, according to the social insurance documents of August 2019, excluded 18 retired employees hired again, 21 employees did not participate in basic endowment insurance, employment injury insurance, basic medical insurance, unemployment insurance and maternity insurance. Through management interview and worker interview, the interviewees stated that the employees in the auditee were from the villages, most employees had participated in the new rural cooperative medical insurance and rural endowment insurance in their village, and did not want to participate in any social insurances. But, the auditee did not provide any documents about employees participated in the new rural cooperative medical insurance and rural endowment insurance in their village for review. (Reference law and regulations: Social Insurance Law of PRC, Article 10, Article 23, Article 33, Article 44, and Article 53) Remark: The status of social insurance could not be checked through website because the local social insurance check system was not established. In addition, the auditee provided the commercial group accident injury insurance to all 48 employees from 1 August 2019 to 31 July 2020.

被审核方有48名员工(包含依据法律要求不需要参加任何社会保险的18名退休返聘员工, 2019年8月和2019年9月没有新入职员工)。被审核方仅提供了2019年6月到2019年8月的保险文件供审核。可是, 根据2019年8月社会保险文件, 除了18名退休返聘员工, 21名员工没有参加养老保险、工伤保险、医疗保险、失业保险和生育保险。通过管理人员访谈和员工访谈, 被访谈者称被审核方所有员工都来自农村, 大部分员工在自己村里已经参加新型农村合作医疗保险和农村养老保险, 不愿意参加社会保险。但被审核方不能提供员工已经在村里参加新型农村合作医疗保险和农村养老保险的任何资料供审核。(参考法律法规:《中华人民共和国社会保险法》第10、23、33、44和53条)备注: 由于当地社保查询系统未建立, 因此社保参保状况无法通过网络查询。此外, 被审核方在2019年8月1日到2020年7月31日提供商业团体意外伤害险给所有48名员工。

**Remarks from Auditee:**



**Performance Area 6 : Decent Working Hours**

Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: D

Deadline date:01/03/2020

**GOOD PRACTICES:**

**AREAS OF IMPROVEMENT:**

IC card scanning attendance system was used to record the time in/out by the auditee. The auditee defined from Monday to Sunday as a week. Normal working hour is 8 hours per day and 5 days per week. All production workers worked in one shift, which was from 08:00 to 18:00 with 2 hours from 12:00 to 14:00 for lunch from May to September, and from 08:00 to 17:00 with 1 hour from 12:00 to 13:00 for lunch from October to April of next year. The attendance records from 1 August 2018 to audit date were reviewed. 10 samples were selected from September 2019, August 2019, July 2019, May 2019, and December 2018 respectively. The maximum overtime on normal working days was 2 hours, the maximum overtime per week was 16 hours, the maximum overtime per month was 74 hours, and 1 day off after 6 days consecutive working days was guaranteed. In September 2019 (from 1 September 2019 to 2 September 2019), the maximum monthly overtime working hours was 0 hour. During the worker interview, workers confirmed that they worked overtime voluntarily. However, gaps have been identified in implementation.

被审核方使用IC卡考勤系统来记录员工的上下班时间。被审核方定义周一到周日为一周，正常的工作时间为每天8小时，每周5天。所有生产工人实行一班工作制5月到9月从08:00到18:00，中午有2小时午餐时间(从12:00到14:00)，10月到次年4月从08:00到17:00，中午有1小时午餐时间(从12:00到13:00)。查阅了从2018年8月1日到审核当天的考勤记录。审核从2019年9月、2019年8月、2019年7月、2019年5月和2018年12月分别抽取了10个样本。正常工作日最多有2小时加班，每周最多加班16小时，每月最多加班74小时，最多每工作6天会休息1天。2019年9月(从2019年9月1日到2019年9月2日)，最大月加班时间0小时。通过员工访谈，员工确认加班均为自愿。然而，发现被审核方在实施中仍存在与该执行领域要求之间的差距。

- 6.2 - Through reviewing the attendance records from 1 August 2018 to 2 September 2019, the monthly overtime hours of 10 out of 10 randomly selected employees exceeded 36 hours and reached 74 hours; however, the auditee didn't have effective system to control its overtime work compliance on daily operation. The management explained that the auditee used the IC card scanning attendance system to record the workers' working hours included overtime working hours. They normally arranged workers worked 8 to 9 overtime working hours on Statuary and worked 1 to 2 overtime hours on normal working days, they did not have an early warning system to give notice when the workers' overtime working hours had reached or exceeded 36 hours. The interviewed workers only knew that they used the IC card scanning attendance system to record their working hours included overtime working hours, but did not know whether there was the overtime working control system in the auditee. (1) Through reviewing the attendance records in August 2019, the monthly overtime hours of 10 out of 10 randomly selected employees ranged from 66 hours to 67 hours; (2) Through reviewing the attendance records in July 2019, the monthly overtime hours of 10 out of 10 randomly selected employees ranged from 58 hours to 59 hours; (3) Through reviewing the attendance records in May 2019, the monthly overtime hours of 10 out of 10 randomly selected employees were 58 hours; (4) Through reviewing the attendance records in December 2018, the monthly overtime hours of 10 out of 10 randomly selected employees ranged from 72 hours to 74 hours.. (Reference law and regulation: PRC Labour Law article 41)
- 通过查阅2018年8月1日至2019年9月2日的考勤显示，随机抽取10名员工中10名员工月加班时间超过36小时，最高月加班时间达到74小时。然而，被审核方在日常运行中没有有效的系统去控制加班。管理人员解释说被审核方使用IC卡考勤来记录员工的工作时间包括加班时间，一般都是安排员工在周六加班8到9小时，平常加班1到2小时，没有预警系统在员工加班时间达到或已经超过36小时时发出预警。被访谈员工说他们使用IC卡考勤来记录工作时间包括加班时间，但不知道被审核方是否有加班管控系统。(1)通过查阅2019年8月10名员工考勤显示，10名员工月加班66小时到67小时；(2)通过查阅2019年7月10名员工考勤显示，10名员工月加班58小时到59小时；(3)通过查阅2019年5月10名员工考勤显示，10名员工月加班58小时；(4)通过查阅2018年12月10名员工考勤显示，10名员工月加班72小时到74小时。(参考法律法规：《中华人民共和国劳动法》第41条)

**Remarks from Auditee:**

|  |   |
|--|---|
| <b>Performance Area 7 : Occupational Health and Safety</b>   |   |
| Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A  | Deadline date:01/03/2020  |
| <b>GOOD PRACTICES:</b>   |   |
| <b>AREAS OF IMPROVEMENT:</b>   |   |
| <p>Potable water was freely available in all areas. Sufficient toilets segregated by gender were available at all times to employees. Ventilation, temperature and lighting were adequate in the auditee. There was a safety committee in the auditee, the safety committee conducted meeting regularly. There were at least 2 exits from each work area and were clearly marked. The firefighting equipment was adequate and checks were up-to-date. Evacuation maps were posted in all areas. The last fire drill was conducted on 18 June 2019. There were adequate first aid kits in each areas and all of them were well stocked. There were 2 qualified first aiders in the auditee, and the auditee signed the medical agreement with Yuanshi County People Hospital. The auditee had provided the personal protection equipment to the workers such as metal glove to the cutting worker in cutting workshop. The auditee provided the canteen and kitchen to the employees, which were good sanitary condition, and had valid catering service license. The staff in canteen had the valid health certificates. However, gaps have been identified in implementation.</p> <p>Remark: The auditee did not provide the dormitory, or transportation to the workers.</p> <p>饮用水是免费提供的。提供了不同性别使用的洗手间, 员工随时可以使用。通风、温度和照明是足够的。被审核方有健康委员会, 其定期举行会议。每个工作区域至少有2个出口, 且有清楚标识。灭火设施是足够的且有效的。疏散图张贴在所有区域。最近一次消防演习在2019年6月18日举行。在每个区域都有足够的急救药箱且装有足够的急救药品。被审核方有2名有资质的急救员, 并跟元氏县人民医院签署了医疗协议。被审核方有机器安全维修人员, 所有生产员工在都参加了如何正确操作机器的培训。被审核方提供了防护用品给员工如金属手套给裁剪车间的裁剪员工。被审核方提供食堂和厨房给所有员工, 食堂卫生条件良好并且有有效食品经营许可证。厨房有有效健康证。然而, 发现被审核方在实施中仍存在与该执行领域要求之间的差距。备注: 被审核方未提供宿舍和交通工具给员工。</p> |   |
| 7.1 -  | <p>1. The auditee only conducted the on-job occupational health examination for the workers exposed to occupational hazards position such as weaving workers in weaving workshop with the noise and dust, but did not conduct the pre-job or post-job occupational health examination for the workers exposed to occupational hazards position such as weaving workers in weaving workshop with the noise and dust. (Reference Laws and Regulations: PRC Law of Prevention and Control of Occupational Diseases Article 35) 2. The auditee did not conduct the evaluation in the relevant workshop with occupational hazard factors regularly, such as the occupational hazardous factors about noise and dust in weaving workshop. (Reference law and regulation: Provisions on the Supervision and Administration of Workplace Occupational Health Article 20) 3. The EHS laws and regulation collected by auditee were not updated timely, e.g. the auditee only collected version 2009 of Fire Prevention Law of the PRC, not version 2019.</p> <p>1.被审核方仅定期组织从事有职业病危害工种的人员进行在岗职业病体检如织造车间织造员工接触噪音和粉尘, 但没有组织从事有职业病危害工种的人员进行岗前和离岗职业病体检如织造车间织造员工接触噪音和粉尘。(参考法律法规:《中华人民共和国职业病防治法》第三十五条) 2.被审核方未定期对存在职业病危害因素的车间进行职业病危害因素检测, 如织造车间存在噪音和粉尘职业病危害因素。(参考法律法规:《工作场所职业病卫生监督管理规定》第二十条) 3.被审核方收集的部分EHS法规不是最新的, 例如中华人民共和国消防法, 收集的是2009版, 不是2019版。</p> |
| 7.17 -   | <p>No needle protection device was equipped on one sewing machine in the sewing workshop of the auditee. Through management interview and employee interview, the interviewees stated that due to it did not affect the use, the auditee did not repair the relevant machine timely. (Reference law and regulation: Law of the PRC on Work Safety article 33)</p> <p>被审核方缝纫车间1台缝纫机没有安装护针器。通过管理人员访谈和员工访谈, 被访谈者称由于不影响使用, 被审核方没有及时维修相关设备。(参考法律法规:《中华人民共和国安全生产法》第33条)</p>   |
| 7.21 -   | <p>The auditee did not retain food samples for 48 hour. (Reference Laws and Regulations: catering and mass meal delivery hygiene requirement article 35)</p> <p>被审核方没按要求把食品留样48小时。(参考法律法规:餐饮业和集体用餐配送单位卫生规范 第三十五条)</p>   |
| <b>Remarks from Auditee:</b>   |   |
| <b>Performance Area 8 : No Child Labour</b>  |   |
| Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A  | Deadline date:  |
| <b>GOOD PRACTICES:</b>   |   |
| <b>AREAS OF IMPROVEMENT:</b>   |   |
| <b>Remarks from Auditee:</b>   |   |
| <b>Performance Area 9 : Special protection for young workers</b>   |   |
| Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A  | Deadline date:  |
| <b>GOOD PRACTICES:</b>   |   |
| <b>AREAS OF IMPROVEMENT:</b>   |   |
| <b>Remarks from Auditee:</b>   |   |

| <b>Performance Area 10 : No Precarious Employment</b>   |                |
|---|----------------|
| Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A   | Deadline date: |
| <b>GOOD PRACTICES:</b>  |                |
| <b>AREAS OF IMPROVEMENT:</b>  |                |
| <b>Remarks from Auditee:</b>  |                |
| <b>Performance Area 11 : No Bonded Labour</b>   |                |
| Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A   | Deadline date: |
| <b>GOOD PRACTICES:</b>  |                |
| <b>AREAS OF IMPROVEMENT:</b>  |                |
| <b>Remarks from Auditee:</b>  |                |
| <b>Performance Area 12 : Protection of the Environment</b>  |                |
| Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A   | Deadline date: |
| <b>GOOD PRACTICES:</b>  |                |
| <b>AREAS OF IMPROVEMENT:</b>  |                |
| <p>The auditee established the environment management system, identified the environmental laws and regulations. The main products manufactured by the auditee were knitted towel, bath towel, chemical fiber cloth, and the main production processes were as follows: weaving, cutting, sewing, finishing, inspection and packing. The auditee obtained EIA document, EIA approval and environmental protection acceptance check approval for its construction project. Remark: Environmental related certificate was not applicable to the auditee.</p> <p>被审核方建立了环境管理制度。被审核方收集了环境法律法规。被审核方生产的产品为针织毛巾、浴巾、化纤布，主要工序为织造、裁剪、缝制、后道、检验和包装。被审核方已经获得了其建设项目的的环境影响评价文件，环境影响审查批复和环境保护竣工验收报告。备注：被审核方不适用环境相关证书。</p> |                |
| <b>Remarks from Auditee:</b>  |                |
| <b>Performance Area 13 : Ethical Business Behaviour</b>   |                |
| Full Audit [Audit Id - 161194] Audit Date: 02/09/2019 PA Score: A   | Deadline date: |
| <b>GOOD PRACTICES:</b>  |                |
| <b>AREAS OF IMPROVEMENT:</b>  |                |
| <b>Remarks from Auditee:</b>  |                |

**Summary**



| Audit Type | Date       | Audit Id | PA1 | PA2 | PA3 | PA4 | PA5 | PA6 | PA7 | PA8 | PA9 | PA10 | PA11 | PA12 | PA13 | Overall Rating |
|------------|------------|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|----------------|
| Full Audit | 02/09/2019 | 161194   | D   | A   | A   | A   | A   | D   | A   | A   | A   | A    | A    | A    | A    | C              |

**Producer Photos**



External photo(s) of the production unit(s)  
Factory gate.JPG



Photo of fire safety equipment  
Fire hydrant.JPG



Photo of the inside of the main production hall  
Cutting.JPG



External photo(s) of the production unit(s)  
Factory name.JPG



Photo of non-conformity  
NC-5.5 insufficient social insurance.JPG



Photo of the inside of the main production hall  
Finished products.JPG



External photo(s) of the production unit(s)  
Factory overview.JPG

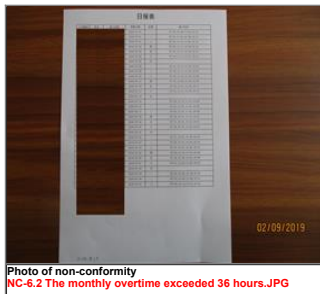


Photo of non-conformity  
NC-6.2 The monthly overtime exceeded 36 hours.JPG



Photo of the inside of the main production hall  
Finishing.JPG



Photo first aid facilities  
First aid box.JPG

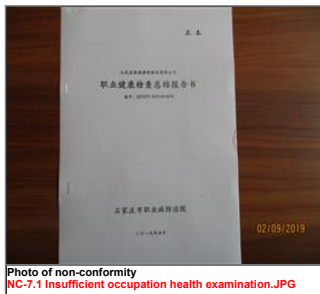


Photo of non-conformity  
NC-7.1 Insufficient occupation health examination.JPG



Photo of the inside of the main production hall  
Inspection and packing.JPG



Photo of fire safety equipment  
Emergency light fire alarm and safety exit sign.JPG



Photo of non-conformity  
NC-7.1 The health and safety law and regulation did not update timely.JPG



Photo of the inside of the main production hall  
Sewing.JPG



Photo of fire safety equipment  
Evacuation plan.JPG



Photo of non-conformity  
NC-7.17 No needle protection device for the sewing  
machine.JPG



Photo of the inside of the main production hall  
Weaving.JPG



Photo of fire safety equipment  
Evacuation sign.JPG



Photo of the canteen (if applicable)  
Canteen.JPG



Photo of the sanitary facilities  
Drinking water.JPG



Photo of fire safety equipment  
Fire extinguishers.JPG



Photo of the canteen (if applicable)  
Kitchen.JPG



Photo of the sanitary facilities  
Toilet.JPG



Photo of fire safety equipment  
Fire hydrant testing.JPG

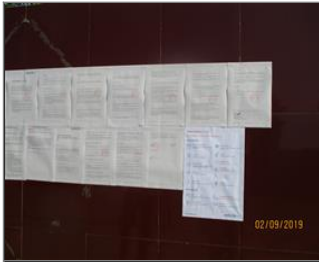


Photo of the code of conduct on display  
amfori BSCI COC and poster posted onsite.JPG