
Auditee :	INNER MONGOLIA ROYAL CASHMERE PRODUCTS CO.,LTD
Audit Date From :	30/10/2020
Audit Date To :	30/10/2020
Expiry Date of the Audit :	Please refer to the producer profile in the amfori BSCI platform
Auditing Company :	ALGI
Auditor's Name(s) :	Milo Lu(Lead)
Auditing Branch (if applicable) :	ALGI China



This is an extract of the on line Audit Report. The complete report is available in the amfori BSCI Platform.
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Rating Definitions



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

Main Auditee Information



Name of producer :	INNER MONGOLIA ROYAL CASHMERE PRODUCTS CO.,LTD		
DBID number :	388774		
Audit ID :	196534		
Address :	Fuxing Cashmere Industrial Zone, Dongsheng District, Ordos		
Province :	Inner Mongolia	Country :	China
Management Representative :	Mr. Li Mingsheng / Manager		
Contact person:	Li Mingsheng	Sector :	Non-Food
Industry Type :	Accessories	Product group :	other accessories (please specify)
Product Type :	Sweaters, gloves, scarfs and caps.		

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 type="checkbox"/> Fully-Announced	<input type="checkbox"/> Fully-Unannounced <input checked="" 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 : 30/10/2021

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	B	A	A	C	D	B	A	A	A	A	C	A

Executive summary of audit report

INNER MONGOLIA ROYAL CASHMERE PRODUCTS CO.,LTD (Local Name: 内蒙古绒锦园羊绒制品有限责任公司, Uniform Code of Social Credit: 91150602MA0N6HRF1G) is located at Fuxing Cashmere Industrial Zone, Dongsheng District, Ordos City, Inner Mongolia Autonomous Region, China. (中国内蒙古自治区鄂尔多斯市东胜区富兴羊绒工业园区). The factory was established in 2017 and specializes in the manufacturing of cashmere products, such as sweaters, gloves, scarfs and caps. Main production activities included winding, weaving, seaming, washing, drying, ironing, inspecting and packing. No production process needed to be subcontracted.

The factory consists of one 3-storey office & production & warehouse building. No transportation, canteen, kitchen or dormitory is provided for the workers in the factory. The total land area occupied is about 2,306 square meters and the total used construction area is 2,257 square meters. On the audit day, there were total 47 employees in the factory, of which 37 employees were production workers. As per management interview, peak season in the factory is not obvious currently.

Based on documents review and management interview, it was noted that all employees are paid by hourly rate. Wages are paid in cash before the 20th date of each month for the preceding month. The factory uses face recognition and fingerprint scanning attendance machine to keep records of all employees' working hours. All employees work in one shift and the regular working hours of the employees are from 8:00 to 18:30 with lunch break from 12:00 to 14:30 (8 hours per day). Normal working days are from Monday to Friday. Max. 8 hours a day is normally arranged on Saturdays and max. 2 hours' overtime working a day from 19:30 to 21:30 is normally arranged on weekdays if needed.

During the current audit, payroll records from October 2019 to September 2020 and attendance records from October 1, 2019 to the audit date were provided for review. The auditor randomly selected 6 samples from September 2020 (current month), 6 samples from January 2020 (random month) and 6 samples from October 2019 (random month) for verification.

The opening meeting was held at 8:00 on October 30, 2020, the management representative Mr. Li Mingsheng / Manager and one worker representative Ms. Liu Shuqin were invited to this meeting. The closing meeting was held at 16:30 on October 30, 2020, the management representative Mr. Li Mingsheng / Manager and one worker representative Ms. Liu Shuqin were invited to this meeting too, all the findings were communicated to the management representative and she agreed all the raised findings. At the end of the closing meeting at 17:00, the invited management representative Mr. Li Mingsheng / Manager and the worker representative signed on the report.

Remark:

- The local legal minimum wage standard has been raised to RMB 1760 per month equivalent to RMB 10.11 per hour since August 1, 2017.
- No agency labour contract, government waiver or collective bargaining agreement was attached in the report for there was no agency, waiver or collective bargaining agreement in the factory.
- The factory established the procedure to calculate local basic living wage, but did not calculate before the audit. So the auditor used ALGI's calculated basic living wage RMB 3724.76 which based on the data from the local government. And the wages paid to 5 out of total 6 sampled workers in October 2019 & January 2020 & September 2020 ranged from RMB 2862 to RMB 3631 per month, which were lower than the Living Wage standard of Ordos City as RMB 3724.76 per month.
- The audit was conducted on October 30, 2020 by ALGI auditor Mr. Milo Lu (Lead auditor) - APSCA registration No. RA21703478.

Ratings Summary



Auditee's background information			
Auditee's name :	INNER MONGOLIA ROYAL CASHMERE PRODUCTS CO.,LTD	Legal status :	Limited Company
Local Name :	内蒙古绒锦园羊绒制品有限责任公司 (91150602MA0N6HRF1G)	Year in which the auditee was founded :	2017
Address :	Fuxing Cashmere Industrial Zone, Dongsheng District,	Contact person (please select) :	Li Mingsheng
Province :	Inner Mongolia	Contact's Email :	lucywang@eanfashion.com
City :	Ordos	Auditee's official language(s) for written communications :	Chinese
Region :	North East Asia	Other relevant languages for the auditee :	None
Country :	China	Website of auditee (if applicable) :	N/A
GPS coordinates :	N39°48'35.83", E110°02'25.16"	Total turnover (in Euros) :	5800000.00
Sector :	Non-Food	Of which exports % :	90.00
Industry :	Accessories	Of which domestic market % :	10.00
If other, please specify :		Production volume :	150,000 pieces per year
Product Group :	other accessories (please specify)	Production cost calculation :	Yes
If other, please specify :	Cashmere products	Lost time injury calculation cost :	No
Product Type :	Sweaters, gloves, scarfs and caps.		

Auditee's employment structure at the time of the audit		
Total number of workers :	47	Total number of workers in the production unit to be monitored (if applicable) :
		0
	MALE WORKERS	FEMALE WORKERS
Permanent workers	5	42
Temporary workers	0	0
In management positions	1	0
Apprentices	0	0
On probation	0	0
With disabilities	0	0
Migrants (national citizens)	2	7
Migrants (foreign citizens)	0	0
Workers on the permanent payroll	5	42
Production based workers	3	34
With shifts at night	0	0
Unionised	0	0
Pregnant	-	0
On maternity leave	-	0

Finding Report



Performance Area 1 : Social Management System and Cascade Effect

Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: D

Deadline date:29/10/2021

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The overall observation showed that the factory partially fulfilled the requirement of this performance area. The factory had set up a series of procedures and policies that states their mission, vision and objectives to match the BSCI Code of Conduct and their dedication to comply with social responsibilities. The established procedures and records had included the overall social responsibility policies which consist of anti-discrimination, freedom of association, no child labor, protection for young workers, wages and benefits, working hours, occupational health and safety, environment protection and anti-corruption; appointment documents for BSCI affair and various of training records such as legal requirements training and health & safety training. The factory had nominated one senior management, Mr. Li Mingsheng / Manager, who had some understanding of BSCI standards, for the establishment, implementation and maintenance of the BSCI system. However, gaps had been identified in implementation:

整体观察显示, 被审核方目前部分履行对该区域的要求。被审核方建立了表明其使命、愿景和目标的且符合BSCI行为准则和社会责任需要的程序和政策。建立的程序和政策包括总体的社会责任政策, 比如反歧视、自由结社、不使用童工、未成年工保护、工资和福利、工作时间、职业健康和安全、环境保护、反腐败等, 以及BSCI事宜任命书, 以及各种培训记录, 比如法规培训、健康安全培训等。被审核方指定了一名对BSCI要求有所了解的高级管理人员(李明生先生/经理)来负责BSCI系统的建立、施行和维护。然而, 在实际执行过程中仍然存在问题:

- 1.1 -** During the audit, it was found that the factory did not have an effective management system regarding Workers Involvement and Protection, Fair Remuneration, Decent Working Hours, Occupational Health & Safety and Protection of the Environment. (For details, please refer to Performance Area 2, 5, 6, 7 and 12 respectively.)
审核发现, 被审核方在工人参与和保护、公平报酬、体面劳动时间、职业健康与安全以及保护环境等方面缺少有效的管理。(详细分别见第2、5、6、7和12部分。)
- 1.3 -** During the audit, it was found that the factory had established the procedures about assessing and monitoring on its partners, such as suppliers. However, the assessment records provided by the factory only had a final evaluation results but did not show the details of the non-compliance description or the non-compliance evidences.
审核发现, 被审核方有建立程序对合作伙伴如供应商等进行社会责任的评估及监控, 但被审核方提供的评估记录只有评估结果, 没有具体的不符合项的描述或证据。
- 1.4 -** During the audit, it was found that the workforce capacity in the factory was not assessed and properly planned to match delivery order contracts or expectations, as excessive monthly overtime working hours were detected in all three sampled months. For details, please refer to 6.2.
审核发现, 被审核方没有对现有员工的产能是否可以按时完成客户订单数量进行有效的评估和合理计划, 以致于抽样三个月份都发现有员工月加班超时的现象。具体加班信息请参考6.2部分。

Remarks from Auditee:

Nil

Performance Area 2 : Workers Involvement and Protection

Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: B

Deadline date:29/10/2021

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The overall observation showed that the factory partially fulfilled the requirement of this performance area. There were 2 workers' representatives in the factory and relevant election procedures and records were provided for review. BSCI Code of Conduct was displayed on the notice board in the production area. All interviewed workers had a good understanding of their rights and responsibilities. Provided documents indicated that the factory provided regular training to workers on their rights and responsibilities. The factory periodically conducted internal communication meetings with workers and workers' representative regarding workplace-related issues, and also had set up grievance mechanism which allowed workers to use the mechanism via suggestion box, workers' representative or senior management directly. Satisfactory evidences had shown that workers knew the channels of reflecting their grievances. However, gaps had been identified in implementation:

整体观察显示, 被审核方目前部分履行对该评估区域的要求。被审核方选举了两名员工代表, 并提供了相关的选举程序和记录。BSCI行为准则张贴在生产区域的公告栏内。通过员工访谈, 发现所有被访谈员工很清楚自己的权利和义务。所提供的文件资料显示被审核方有定期给员工提供关于其权利和义务的培训。被审核方定期安排管理层代表和员工以及员工代表就工作场所相关的问题进行内部沟通; 同时, 建立了员工申诉机制, 允许员工通过意见箱、员工代表或者直接找管理者代表反映问题或者意见。充分证据表明员工知道申诉的渠道。然而, 在实际执行过程中仍然存在问题:

- 2.2 -** During the audit, it was found that the factory had defined long term goals for protecting workers, but this long term goals did not show step-by-step approach toward sustainable improvements, such as the monthly or annually plan.
审核发现, 被审核方已定义了保护员工的长期目标, 但是该目标并未包括按部就班的可持续改进方法, 例如月度或年度计划。
- 2.5 -** During the audit, it was found that the factory established grievance policy for their own employees, but the written procedure did not define the content of potential conflicts of interest and how to overcome them, the timelines to address grievances and the process for appeals or escalation as an additional guarantee. Besides, no grievance mechanism was established for communities.
审核发现, 被审核方建立了内部员工使用的申诉政策, 但是书面的申诉程序中未包括潜在的利益冲突以及如何克服这些冲突, 提出申诉的时间表和时效性, 有上诉程序或升级投诉的程序作为额外担保等内容。另外, 被审核方没有建立供当地社区提供申诉的渠道。

Remarks from Auditee:

Nil

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

Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: A

Deadline date:

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

None observed. The overall observation showed that the factory currently fulfilled the requirements of this performance area. The factory had set up the social policy regarding freedom of association and collective bargaining, which allowed workers to participate associations on their own will if legally permitted and prohibited discriminating those workers for any identity. Workers' representatives were not discriminated but had free access to workers and were encouraged to communicate with workers regarding anything about workers' rights and obligations. The factory facilitated meetings between workers and workers' representatives like the arrangement of meeting time and places.

无不符合项发现。整体观察显示，被审核方目前满足该评估区域的要求。被审核方建立了有关自由结社和集体谈判的社会责任政策，尊重员工自由参加法律允许的团体或组织的自由和权利，而且禁止对这些员工有任何歧视的行为。员工代表没有受到歧视，而是可以自由地接近员工并被鼓励积极与员工沟通有关其权利和义务的任何问题。被审核方积极促进员工与员工代表的会议比如安排会议时间、提供会议场地等。

Remarks from Auditee:

N/A

Performance Area 4 : No Discrimination

Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: A

Deadline date:

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

None observed. The overall observation showed that the factory fulfilled the requirement of this performance area. The factory had set up the social policy of no discrimination which prohibited discriminating workers for any identity, sex, age and background. Workers had equal opportunities to work overtime, get promotion and receive training. The factory trained human resources department and supervisors that disciplinary measures or dismissals cannot occur based on workers' complaints and workers had no fear of reprisals to submit complaints about infringements of their rights. Disciplinary policy and measures were established within legal frames.

无不符合项发现。整体观察显示，被审核方目前满足该评估区域的要求。被审核方建立了反歧视的社会责任政策，禁止对员工的身份、性别、年龄、背景等进行任何形式的歧视行为。员工有平等加班，晋升和接受培训的机会。被审核方有给人力资源部门及各部门主管培训，强调不能因员工申诉而处罚员工，员工也表示不担心因为申诉而被报复。被审核方的奖惩政策和措施符合法律要求。

Remarks from Auditee:

N/A

Performance Area 5 : Fair Remuneration

Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: C

Deadline date:29/10/2021

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The overall observation showed that the factory partially fulfilled the requirement of this performance area. The factory had made its own regulations and rules on wages and benefits based on the legal requirements and BSCI Code of Conduct. As per sampled payroll and attendance records, it was found that the lowest basic wage among samples was RMB 1900 per month and the factory paid 150% and 200% of regular wage rate for overtime hours on weekdays and rest days to workers, which was in compliance with legal requirements. The factory paid wages on time before the 20th date of each month for the preceding month and payslips were also provided to workers each month. No monetary fines or other illegal deductions were detected in payroll records. Meanwhile, the factory provided required benefits such as paid annual leave to all eligible workers. However, the gaps have been identified in implementation:

整体观察表明，被审核方部分履行对该区域的要求。被审核方基于法律规定和规则以及BSCI行为守则制定了工资和福利制度。根据所抽样员工的工资和考勤记录发现，在抽样人员中最低的月工资为人民币1900元/月，被审核方在周中和周末的加班会支付正常工资的150%和200%作为加班费。被审核方每月20号之前准时发放工资且有工资条提供。在工资表中没有发现罚款或者其他非法扣款。同时，被审核方为所有符合条件的员工提供了带薪年假。然而，在实施过程中仍有差距：

- 5.4 -** During the audit, the factory understood what living wage is, but did not conduct a calculation. Besides, the factory did not create a plan for payment of living wages to the workers within a realistic timeline and the wages paid to 5 out of total 6 sampled workers in October 2019 & January 2020 & September 2020 ranged between RMB 2862 and RMB 3631 per month, lower than the Living Wage standard of Erdos City as RMB 3724.76 per month.

审核发现，被审核方理解什么是基本需求工资，但是没有计算员工的基本需求工资。另外，被审核方也没有制定计划为员工提供足额基本需求工资的时间表，而且所有6名抽样员工中的5名在2019年的10月以及2020年的1月和9月的工资处于人民币2862元至人民币3631元每月，低于当地基本生活需求工资的标准。鄂尔多斯市的基本生活需求工资为每个月人民币3724.76元。

- 5.5 -** During the audit, it was found that there were total 47 permanent employees (Retiree: 2, no temporary employee, no dispatch employee, no newly joined employee) in the factory of October 2020, but the factory did not provide any evidence to prove whether they had provided all kinds of social insurances to all permanent workers. Besides, all permanent workers were not provided with commercial injury insurance by the factory. This violated the PRC Labor Law, Article 72 and 73.

审核发现，被审核方在2020年10月共有47名正式员工(退休：2名、无临时员工、无派遣员工、无新进员工)，但被审核方未能提供证据证明是否为所有正式员工提供了社会保险。另外，被审核方也没有为所有正式员工提供商业意外伤害险。该项违反了《中华人民共和国劳动法》第72和73条的要求。

Remarks from Auditee:

Nil

Performance Area 6 : Decent Working Hours

Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: D

Deadline date:29/10/2021

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The overall observation showed that the factory partially fulfilled the requirement of this performance area. The factory had made its own working hour regulations and rules based on the legal requirements and BSCI Code of Conduct. As per on-site observation and documents review, the factory used face recognition and fingerprint scanning attendance machine attendance machine to record all workers' working hours including overtime hours. As per sampled payroll and attendance records, it was found that all workers worked for 8 hours a day and for 5 days a week as regular working hours. Overtime working was arranged for no more than 2 hours a day on weekdays and for no more than 8 hours a day on Saturdays. One rest day in every 7-day period was guaranteed. And the factory also provided orientation training to new hired workers about the rules on working hours. However, gaps had been identified in implementation:

整体观察显示，被审核方目前部分履行对该区域的要求。被审核方根据法律要求以及BSCI要求建立了工作时间规章制度。根据现场观察以及文件审核发现，被审核方采用脸部识别和指纹扫描的电子考勤系统记录员工的工作时间包括加班时间。根据所抽样员工的工资和考勤记录发现，所有员工的正常工作时间为每天8小时，每周工作五天。加班通常在工作日不超过每天2小时，周六不超过8小时，且能确保连续工作六天后休息一天。同时被审核方给新进的员工入职培训有包括关于工作时间的规定。然而，在实际执行过程中仍然存在问题：

- 6.2 -** During the audit, as per the provided time records by the factory, it was noted that the monthly overtime working hours of 6 out of total 6 sampled workers were 60 hours in September 2020, of 6 out of total 6 sampled workers were 44 hours in January 2020 and of 6 out of total 6 sampled workers were 58 hours in October 2019. All sampled workers' monthly overtime working hours of October 2019 & January 2020 & September 2020 exceeded the legal limit of 36 hours per month. This violated the PRC Labor Law, Article 41.

根据被审核方提供的考勤记录发现，2020年9月份所有抽样6名员工中6名的月加班时间为60小时，2020年1月份所有抽样6名员工中6名的月加班时间为44小时，2019年10月份所有抽样6名员工中6名的月加班时间为58小时。所有抽样员工在2019年10月、2020年1月以及2020年9月的月加班时间均超过了法律规定的每月加班不超过36小时的要求。该项违反了《中华人民共和国劳动法》第41条的要求。

Remarks from Auditee:

Nil

Performance Area 7 : Occupational Health and Safety

Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: B

Deadline date:29/10/2021

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The overall observation showed that the factory partially fulfilled the requirement of this performance area. The factory had made its own health and safety regulations and rules based on the legal requirements and BSCI Code of Conduct and also established OHS committee. The factory had appointed specialized management staff to take charge of the OHS affairs and provided periodical health and safety training to workers regarding such as medical emergency treatment, PPE usage, machine operation and fire drill exercises. Furthermore, the factory provided a safe and comfortable working environment to workers: installing sufficient fire equipment, inspecting the fire equipment and facilities on a monthly basis, providing sufficient toilets, first aid kits and qualified drinking water. However, gaps had been identified in implementation: Remark: 7.21: The factory currently did not provide catering service to workers. 7.23: The factory currently did not provide transportation to workers.

整体观察显示，被审核方目前部分履行对该区域的要求。被审核方根据法律要求以及BSCI的要求建立了健康安全规定和守则，同时也建立了职业健康安全委员会。被审核方委任专门的管理层代表负责职业健康安全事宜并定期给员工举行关于健康安全的培训，比如医疗救护培训、个人防护用品培训、机器设备操作培训、消防演习等。另外，被审核方给员工提供了安全的工作环境，比如提供了足够的消防设备、对消防设备和器材等每月进行检查、提供了足够的洗手间、急救药箱、合格的饮用水等。然而，在实际执行过程中仍然存在问题：备注：7.21: 被审核方目前没有给员工提供餐饮服务。7.23: 被审核方目前没有给员工提供交通工具。

- 7.1 -** During the audit, although the factory had established the occupational health & safety regulations and procedures and provided all the updated laws and regulations list which applied to the factory on H&S, but the problems still existed in the actual implementation of occupational health and safety regulations and procedures, please refer to the non-compliances of PA 7 for detailed information. Besides, during the audit, it was found that about 50% observed raw materials & packing materials & finished products in the warehouse were stored against with the wall. This violated Rules Concerning Warehouse Safety and Fire Control, Article 18.

审核发现，虽然被审核方建立了职业健康安全方面的程序和相关制度，而且提供了完整的更新的健康安全方面的法律法规清单，但是被审核方在实际的执行过程中还存在问题，详情请参考PA 7的不符合项。另外，审核发现，被审核方仓库中约50%的原材料、包装材料和成品靠墙摆放。该项违反了《仓库防火安全管理规划》第18条的要求。

- 7.2 -** During the audit, it was found that the factory did not provide any injury related insurance to all 47 permanent workers.

审核发现，被审核方没有为所有的47名正式员工提供任何关于工伤的保险。

- 7.3 -** During the audit, it was found that: 1. The factory did not provide pre-job, in-job or off-job occupational health check to the washing workers who were exposed to noise & chemical during the production and did not provide pre-job, in-job or off-job occupational health check to the weaving workers who were exposed to noise & dust during the production. This violated the PRC Law of Prevention and Control of Occupational Diseases, Article 35. 2. The factory did not conduct the occupational hazards factors testing in the washing process which generated noise & chemical smell and did not conduct the occupational hazards factors testing in the weaving process which generated noise & dust. This violated Provisions on the Supervision and Administration of Workplace Occupational Health, Article 20.

审核发现：1、被审核方没有给接触噪音以及化学品危害的水洗员工提供岗前、岗中和离岗的职业健康体检，也没有给接触噪音和粉尘危害的机织员工提供岗前、岗中和离岗的职业健康体检。该项违反了《中华人民共和国职业病防治法》第三十五条的要求。2、被审核方没有存在噪音以及化学品危害的水洗工序进行职业危害因素的检测，也没有存在噪音和粉尘危害的机织工序进行职业危害因素的检测。该项违反了《工作场所职业卫生监督管理规定》第二十条的要求。

- 7.4 -** During the audit, it was noted that the risk assessment for safe, healthy and hygienic working conditions was not participated by OHS committee and workers representatives.

审核发现，被审核方的健康安全风险评估没有健康安全委员会和员工代表的参与。

- 7.17 -** During the audit, it was found that the factory did not install belt protective safeguard for about 50% observed seaming machines in the seaming workshop. This violated Law of the PRC on Work Safety, Article 33.

审核发现，被审核方没有为缝合车间约50%的缝合机安装皮带保护装置。该项违反了《中华人民共和国安全生产法》第33条的要求。

- 7.22 -** During the audit, it was noted that there were no basic supplies, such as toilet paper & soap provided in all toilets of the factory.

审核发现，被审核方所有的卫生间内均没有提供基本的备品，如厕纸和肥皂。

Remarks from Auditee:

Nil

Performance Area 8 : No Child Labour

Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: A

Deadline date:

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

None observed. The overall observation shows that the factory fulfilled the requirement of this performance area. The policy of recruiting was set up by the factory. And it regulated that the factory would not recruit workers who are under 16 years old. The factory checked workers' ID cards during recruiting and HR specialist knew the skills of asking workers' experience and ages when he had any doubt of workers' ID card or age according to interview with HR specialist. Meanwhile, the factory established remediation measure of child labor in order to set up measure of recruiting child labor incidentally. After checking all personnel files of workers, no child labor was identified in the factory.

无不符合项发现。整体观察显示，被审核方目前履行对该区域的要求。被审核方制定了合适的招聘政策，并且该政策规定被审核方不允许招聘16周岁以下的员工。员工入职时被审核方均会查看员工的身份证并且当人事专员对员工年龄有怀疑时，会通过有技巧地面谈以核实员工情况。同时，被审核方制定了童工补救措施以防万一发现童工的应对措施。在审核过程中，通过查阅所有员工的人事资料，未发现有任何童工存在。

Remarks from Auditee:

N/A

Performance Area 9 : Special protection for young workers	
Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: A	Deadline date:
<u>GOOD PRACTICES:</u> None	
<u>AREAS OF IMPROVEMENT:</u> <p>None observed. The overall observation showed that the factory fulfilled the requirement of this performance area. The factory had set up the social policy and procedures on young workers' protection. Although there was no young worker working in the factory currently, the factory had a clear understanding that young workers were more vulnerable than most workers and stipulated a series of protection rules for young workers, such as, young workers should be adequately protected against any harmful working condition, should not be engaged in night shifts, should have access to effective grievance mechanism and should be properly trained on OHS.</p> <p>无不符合项发现。整体观察显示，被审核方目前履行对该区域的要求。被审核方建立了有关未成年工保护的社会责任政策和程序。尽管被审核方目前没有使用未成年工，但对于未成年工的保护仍有充分的认知，且制定了一系列的未成年工保护规定，比如：不得安排未成年工从事有毒有害的工作，不得安排未成年工上晚班，需要给未成年工提供有效的申诉渠道，需要给未成年工提供有关健康安全的培训，等等。</p>	
<u>Remarks from Auditee:</u> N/A	
Performance Area 10 : No Precarious Employment	
Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: A	Deadline date:
<u>GOOD PRACTICES:</u> None	
<u>AREAS OF IMPROVEMENT:</u> <p>None observed. The overall observation showed that the factory fulfilled the requirement of this performance area. The factory had set up hiring procedures and provided orientation training to workers about their legal rights and responsibilities regarding such as wages and benefits, working hours, occupational health and safety and disciplinary measures. As per documents review, on-site observation and worker interviews, it was noted that there were no temporary workers, home workers or students at school ages hired by the factory. All employees were recruited by the factory directly and the factory also did not use dispatched workers. At the same time, the factory signed labor contracts with all workers and also provided copies of the labor contracts to all workers.</p> <p>无不符合项发现。整体观察显示，被审核方目前履行对该区域的要求。被审核方建立了招聘程序并给新进员工提供了关于合法权利与义务的入职培训，比如有关工资福利、工作时间、职业健康安全、惩戒措施等。通过文件审核，现场审核以及员工访谈，发现被审核方没有使用临时员工、家庭工人以及学生工，所有员工都是被审核方直接招聘，没有使用劳务派遣工。同时，被审核方和所有员工都签订了劳动合同并给员工提供了一份劳动合同副本。</p>	
<u>Remarks from Auditee:</u> N/A	
Performance Area 11 : No Bonded Labour	
Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: A	Deadline date:
<u>GOOD PRACTICES:</u> None	
<u>AREAS OF IMPROVEMENT:</u> <p>None observed. The overall observation showed that the factory fulfilled the requirement of this performance area. The factory had set up the social policy and procedures on no bonded labor and special training was provided to management particularly supervisors and those in human resources department. As per factory regulations and worker interviews, it was confirmed that workers chose the factory freely without monetary deposit or original personal documents withheld. The factory only kept copies of workers' identification card for documentation purpose in personnel files. There was no restriction on workers' movement, and workers could access to drinking water or toilet facilities as they desired and left the factory freely when they were off duty. All overtime hours were arranged on workers' voluntary basis, and workers could resign from the factory with a one-month prior notice to the factory management. Through on-site observation and worker interviews, no corporal punishment, mental or physical coercion or verbal abuse was found.</p> <p>无不符合项发现。整体观察显示，被审核方目前履行对该区域的要求。被审核方建立了关于禁止强迫劳动的社会责任政策和程序，且为管理人员尤其是主管和人力资源部门的人员提供了专门的培训。通过查看被审核方的规章制度以及员工访谈发现，员工都是自主选择在被审核方工作，没有交付押金或者个人证件的原件。被审核方仅在人事档案中保留了员工身份证的复印件。员工在厂内的行动自由，喝水、使用洗手间或在下班后自由活动都不受限制。加班也是基于员工自愿。如果需要辞职，只需提前一个月通知管理层即可。通过现场观察和员工访谈，没有发现体罚、精神或身体胁迫或口头虐待等存在。</p>	
<u>Remarks from Auditee:</u> N/A	

Performance Area 12 : Protection of the Environment

Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: C

Deadline date:29/10/2021

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

The overall observation showed that the factory partially fulfilled the requirement of this performance area. In accordance with the applicable environmental regulations, there was a designated staff (Mr. Li Mingsheng / Manager) responsible for collecting and updating relevant regulations and laws. However, gaps had been identified in implementation:

整体观察显示，被审核方目前部分履行对该区域的要求。被审核方根据其所适用的环境法规，指定了专门的负责人（李明生先生/经理）负责相关环境法规的收集和更新。然而，在实际执行过程中仍然存在问题：

12.1 - During the audit, it was found that the factory had identified the significant impacts and environmental implications associated to its activity, but no grievance mechanism in place to address the environmental concerns of surrounding communities was established.
审核发现，被审核方已识别了其商业活动的重大影响以及对环境造成的后果，但是没有建立有关周围社区环境问题的申诉机制。

12.3 - During the audit, it was noted that the factory did not compile Environmental Impact Report, Environmental Impact Report Form or fill out Environmental Impact Registration Form as per the regulatory requirement. This violated PRC Environmental Impact Assessment Law, Article 16.
审核发现，被审核方没有按照法规要求组织编制环境影响报告书、环境影响报告表或者填报环境影响登记表。该项违反了《中华人民共和国环境影响评价法》第16条的要求。

12.5 - During the audit, it was found that the factory had established actual active plans focusing on water waste reduction and saving water, but did not have possible mechanisms about preserving including proper identification of water springs, rivers, lakes and other water ecosystems in the area.
审核发现，被审核方已针对降低污水的排放以及节约用水建立了实际的行动，但是没有进行周边泉水、江河、湖泊及其他水资源地图的识别。

Remarks from Auditee:

Nil

Performance Area 13 : Ethical Business Behaviour

Full Audit [Audit Id - 196534] Audit Date: 30/10/2020 PA Score: A

Deadline date:

GOOD PRACTICES:

None

AREAS OF IMPROVEMENT:

None observed. The overall observation showed that the factory fulfilled the requirement of this performance area. The factory had identified the situations and activities where act of corruption, extortion and embezzlement were most likely to occur and developed relevant policies and procedures against them. During the audit process, all required documents were provided timely and as per cross checking, no inconsistent or falsified information was detected. The factory also established a set of procedures to avoid, investigate and discipline any fraud, falsification and misrepresentation in the supply chain.

无不符合项发现。整体观察显示，被审核方目前履行对该区域的要求。被审核方识别了各种可能存在贪污、勒索和侵占的情形及行为并制定了相关的反腐败、反贪污的政策和程序。在审核过程中，被审核方及时提供了所要求的所有文件和信息且在交叉核对时没有发现不一致或者伪造的信息。同时，被审核方建立了一系列程序以避免、调查和惩罚任何欺骗、伪造及虚假陈述的行为。

Remarks from Auditee:

N/A

Summary



Audit Type	Date	Audit Id	PA1	PA2	PA3	PA4	PA5	PA6	PA7	PA8	PA9	PA10	PA11	PA12	PA13	Overall Rating
Full Audit	30/10/2020	196534	D	B	A	A	C	D	B	A	A	A	A	C	A	C

Producer Photos



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



External photo(s) of the production unit(s)
Office and production and warehouse building.JPG



Photo first aid facilities
Emergency procedure was posted on site.JPG



Photo first aid facilities
Eye washing facility.JPG



Photo first aid facilities
First aid kit.JPG

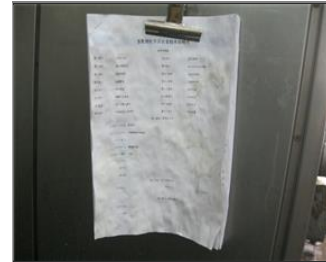


Photo of chemical storage room (if applicable)
MSDS was posted on site.JPG



Photo of chemical storage room (if applicable)
The chemical was stored and labeled properly.JPG

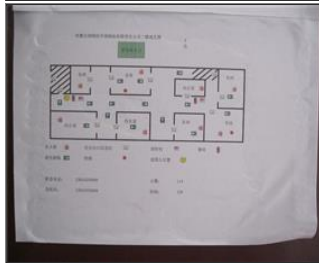


Photo of fire safety equipment
Evacuation map.JPG



Photo of fire safety equipment
External inspection record of the fire extinguisher.jpg



Photo of fire safety equipment
Fire safety equipment.JPG



Photo of fire safety equipment
Internal inspection records of the fire safety equipment.JPG



Photo of fire safety equipment
Test of the emergency lighting and exit sign.JPG



Photo of fire safety equipment
Test of the fire alarm.JPG



Photo of fire safety equipment
Test of the fire hydrant.JPG



Photo of fire safety equipment
The pressure of the fire extinguisher was normal.JPG



Photo of non-conformity
NC-Monthly overtime working hours exceeded legal requirement.JPG



Photo of non-conformity
NC-No basic supplies such as toilet paper and soap provided in all toilets.JPG



Photo of non-conformity
NC-The factory did not install belt protective safeguard for the seaming machine.JPG



Photo of non-conformity
NC-The observed packing materials and finished products were stored against with the wall.JPG



Photo of non-conformity
NC-The observed raw materials in the warehouse were stored against with the wall.JPG

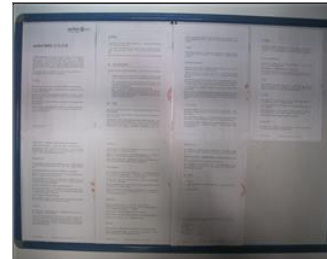


Photo of the code of conduct on display
BSCI Code of Conduct was posted on site.JPG



Photo of the inside of the main production hall
Drying process.JPG



Photo of the inside of the main production hall
Inspecting process.JPG



Photo of the inside of the main production hall
Ironing process.JPG



Photo of the inside of the main production hall
Packing process.JPG



Photo of the inside of the main production hall
Seaming process.JPG



Photo of the inside of the main production hall
Washing process.JPG



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



Photo of the inside of the main production hall
Winding process.JPG



Photo of the inside of the main production hall
Accessories warehouse.JPG



Photo of the inside of the main production hall
Face recognition and fingerprint scanning attendance machine.JPG



Photo of the inside of the main production hall
Finished products and packing materials warehouse.JPG



Photo of the inside of the main production hall
Raw materials warehouse.JPG



Photo of the inside of the main production hall
Suggestion box.JPG



Photo of the inside of the main production hall
The cargo elevator which was out of service.JPG



Photo of the inside of the main production hall
The distribution box with external cover and warning signs.JPG



Photo of the personal protection equipments (if applicable)
The weaving worker wore PPEs properly.JPG



Photo of the personal protection equipments (if applicable)
Warning signs of PPEs.JPG



Photo of the sanitary facilities
Drinkable water.JPG



Photo of the sanitary facilities
The toilet.JPG