

Monitored Party Dongguan Cainan Clothing Co., LTD	amfori ID 156-048176-000	Address Room 103, No. 18, Yingfeng 1st Road, Dajingtou, Dalang Town, Dongguan City, Guangdong Province, Dongguan, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner QIMA Limited
Monitoring Start Date 17/07/2024	Closing Meeting Finished Date 20/07/2024	Submission Date 20/07/2024
Expiration Date 20/07/2025	Announcement Type Fully Announced	
Site Dongguan Cainan Clothing Co., LTD	Site amfori ID 156-048176-001	

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OVERALL RATING



SECTION RATING

PA1: Social Management System	C	
PA 2: Workers Involvement and Protection	B	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination, Violence or Harassment	A	
PA 5: Fair Remuneration	B	

PA 6: Decent Working Hours	D	
PA 7: Occupational Health and Safety	A	
PA 8: No Child Labour	A	
PA 9: Special Protection for Young Workers	A	
PA 10: No Precarious Employment	A	
PA 11: No Bonded, Forced Labour or Human Trafficking	A	
PA 12: Protection of the Environment	A	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: James Zhu;

APSCA membership number: CSCA21700198

Monitoring partner name: QIMA LIMITED (APSCA number 11600049)

Audit schedule details: (Total md is 1.5 MD) The audit is planned for 1 auditor x 1 day on site, and 0.5 days for reporting.

Announcement Type: Fully announced

Business partner information: The audited factory Dongguan Cainan Clothing Co., Ltd /东莞市彩南服装有限公司 is located at Room 103, No. 18 Yingfeng 1st Road, Dalang Town, Dongguan City, Guangdong Province, China./中国广东省东莞市大朗镇盈丰一路18号103室。 The business license number is 91441900325179045C. The total structure area is 4208 square meters. The factory started its operation since January 13, 2015. Main products in the factory are sweater. And main production processes are knitting, linking, hand stitching, sewing, ironing, inspection and packing

Audited location information: The factory currently rented and used the whole 2F/3F/5F of one 5-storey building as office, and production and warehouse for all production processes. Remark: 1F: it's used as workshop by other factory named "Guangdong Sheng tian Technology Co., Ltd"; 2F: knitting workshop and warehouse; 3F: linking, hand stitching, sewing, inspection, ironing and packing workshop; 4F: it's used as workshop, warehouse and office by other factory named "Dongguan Hai ming Leather Products Co., Ltd"; 5F: office and knitting workshop. The factory did not provide dormitory, canteen, or kitchen to employees. The building used by the audited factory were rented from the private individual, and the lease contract was provided for review during the audit.

Operating shifts and hours: Attendance records from June 1, 2023 to July 17, 2024 (audit day) were reviewed in this audit. Employees worked 5 days per week and 8 hours per day in one shift, all department workers worked in 1 shift: 8:00-12:00 and 14:00-18:00. All workers were paid by hourly rate. The maximum monthly overtime were 82 hours.

Time recording system: Finger scan system was used to record employees' working hours.

Salary payment details: Payroll from June 2023 to May 2024 were provided for review, May 2024 (current month), March 2024 (randomly selected month) and July 2023 (randomly selected month) were taken as samples. Workers were paid by hourly rate basis; the minimum basic wage paid to worker was RMB 1900 per month equivalent to RMB 10.92 per hour which meet the local minimum wage RMB 1900 per month equivalent to RMB10.92 per hour since 1-December-2021. Wage was released by bank transfer before the 30th of the following month. The auditee paid 150% and 200% of normal rate for the overtime on regular working days and rest days respectively. all employees were paid by hourly rate. Benefits such as paid sick leave etc. were legally granted for employees, but insufficient social insurance participated.

Worker number information: There were 38 employees including 23 female employees and 15 male employees are currently working in the facility. The ages range from 25 to 59 years old. There are 35 production employees (include 14 male and 21 female)and 3 non-production employees. All 38 employees are permanent and 26 domestic migrant employees(include 10 male and 16 female), no young, interns, apprentices, contractor workers etc in the factory.

Worker organization details: There was no trade union established in the factory. One worker committee organization was established in the factory, and two workers representative was elected freely by workers in the factory. Workers could access and complaint to the worker representatives freely.

Circumstances: 1, During this audit, the facility management gave full access to all necessary areas for facility tour and a private room was arranged for employees' interview. All documents required for review were provided for review. In the closing meeting, the management were receptive to the current findings and did not raise any negative feedback.

Summary of findings:

PA1. The overall observation showed that the auditee partially fulfilled the requirement of this performance area, some non-compliance noted in this audit and all sampled employees worked excessive monthly overtime hours.

PA 2. The overall observation showed that the auditee partially fulfilled the requirement of this performance area, the

factory set up the long term social compliance goals, in which no timeline defined; no specific implementation plan was set up to achieve such goal, and goal and implementation plan to reduce overtime hour and purchase social insurance for their employees, in addition the facility didn't establish an effective operational-level grievance mechanism for external communities (i.e. neighbors, factories, suppliers, local government, NGO, etc.).

PA 5. The overall observation showed that the auditee partially fulfilled the requirement of this performance area, the actual paid wages ensured decent living standards. However, insufficient social insurance participated.

PA 6. The overall observation showed that the auditee partially fulfilled the requirement of this performance area. Overtime hours exceeded the legal requirement.

PA 7. The overall observation showed that the auditee partially fulfilled the requirement of this performance area. Some non-compliances were observed during this audit, no involvement of worker representative when developing and implementing system toward OHS management (risk assessment), The materials and the finished goods in warehouse were placed against the wall directly without any gap. Machines without protective devices.

PA 12, The overall observation showed that the auditee partially fulfilled the requirement of this performance area, the factory did not have a plan or took measures to reduce use of water resource or other resources.

PA 13, The overall observation showed that the auditee partially fulfilled the requirement of this performance area, the factory management had no good awareness of the importance of handling personal information respectfully, and didn't establish a system to handle personal information to ensure respect worker's right to privacy.

Living wage calculation: The actual paid wages ensured decent living standards, the factory had conducted basic living wage calculation. According to interview, the factory management knew some about how to calculate the living wage and had provided the living wage information during audit,

Remark: 1. There was a personal data protection law in China, so the auditor had desensitized the uploaded attachment. 2. Below documents were not uploaded because: 1). There are no contractors used by the auditee, which makes the contractor license/permit not applicable. 2). There are no agencies used by the auditee, which makes the agency labour contract not applicable. 3). There are no collective bargaining agreements set by the auditee, which makes the collective bargaining agreements not applicable. 4). There is no documented valid authorization to make exemptions on working hours by the auditee, which makes the documented valid authorization to make exemptions on working hours not applicable.

SITE DETAILS

Site
Dongguan Cainan Clothing Co., LTD

Site amfori ID
156-048176-001

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.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	38	Workers
Legal minimum wage in local currency	1,900	Monthly
Lowest wage paid for regular work at the site	1,900	Monthly
Calculated living wage in local currency	2,029.5	Monthly
Total sample	6	Workers

Other Metrics

Male workers	15	Workers
Female workers	23	Workers
Non-binary workers	0	Workers
Permanent workers - Male	15	Workers
Permanent workers - Female	23	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	2	Workers
Management - Female	1	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	0	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	10	Workers
Domestic migrant workers - Female	16	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	15	Workers
Workers hired directly - Female	23	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	0	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	0	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	3	Workers
Sample - Female	3	Workers
Sample - Non-binary	0	Workers

FINDINGS

PA1: Social Management System

Site: Dongguan Cainan Clothing Co., LTD | Site amfori ID: 156-048176-001

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

Per document review, employee interview and factory tour, it was noted that the factory established and implemented BSCI management system, but continuous improvement was needed because some non-compliances were noted in several performance areas.

通过文件查阅，员工访谈以及现场观察，发现工厂建立和实施了BSCI管理体系，但仍然需要持续改善，因为在几个执行领域发现一些不符合项。

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

Through document review, the auditee did not establish workforce capacity management procedure, and did not reasonable evaluated whether its workforce capacity could meet the expectations of delivery orders or contracts. In addition, based on attendance records provided by the auditee, monthly overtime hours of randomly selected employees exceeded legal requirements.

通过文件查阅，被审核方未建立生产能力管理程序，没有合理的评估其生产能力是否可以满足其生产订单要求。另外，根据被审核方提供的考勤记录，随机抽取的员工的月加班时间超出了法规要求。

PA 2: Workers Involvement and Protection

Site: Dongguan Cainan Clothing Co., LTD | Site amfori ID: 156-048176-001

Question: 2.2 Is there satisfactory evidence that the auditee defines long-term goals for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct?

ENGLISH

LOCAL LANGUAGE

Finding

Per document review, employee interview and factory tour, it was noted that the factory set up the long term social compliance goals, in which no timeline defined; no specific implementation plan was set up to achieve such goal, and goal and

通过文件查阅，员工访谈以及现场观察，发现工厂建立了社会责任的长远目标。此目标没有定义达成目标的时限；具体的执行计划以达到设定的目标，另外没有减少加班时间和购买社保的目标和执行计划。

Finding	
implementation plan to reduce overtime hour and purchase social insurance for their employees.	

Question: 2.5 Is there satisfactory evidence that the auditee has established, or participates in, an effective operational-level grievance mechanism for individuals and communities?

ENGLISH	LOCAL LANGUAGE
Finding	
Per document review and management interview, it was noted that the facility didn't establish an effective operational-level grievance mechanism for external communities (i.e. neighbors, factories, suppliers, local government, NGO, etc.).	通过文件审核和管理层访谈，审核员发现工厂没有建立针对利益相关方（如周边居民，工厂，供应商，当地政府，NGO等）的有效的议和申诉机制。

PA 5: Fair Remuneration

Site: Dongguan Cainan Clothing Co., LTD | Site amfori ID: 156-048176-001

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted without negative impact on their pay, level of seniority, position, or promotion prospects?

ENGLISH	LOCAL LANGUAGE
Finding	
Insufficient social insurance participated. Through document review, auditor found that there were 5 out of 38 employees had participated in basic endowment insurance, injury insurance, maternity insurance, basic medical insurance and unemployment insurance. (The Social Insurance Law of the People's Republic of China, Article 10, Article 23, Article 33, Article 44, and Article 53) Remark: 1, The factory had provided one group commercial insurance for all workers in the facility. 2, There are 4 retired employees and 1 newly employees in the recent month.	社会保险参保不足，通过文件审核，审核员发现企业的38员工中只5人参加养老保险，失业保险，工伤保险，生育保险和医疗保险，备注：1，工厂为所有员工提供一份商业保险，2，工厂当前月有4名退休返聘员工和1名新进员工。

PA 6: Decent Working Hours

Site: Dongguan Cainan Clothing Co., LTD | Site amfori ID: 156-048176-001

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
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Finding	
Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of out 6 of 6 randomly selected employees were 76 hours in May 2024 (Current months); 6 out of 6 were 82 hours in March 2024 (randomly selected month). 6 out of 6 were 82 hours in July 2023 (current month) (China Labor Law, Article 41).	加班时间超过法规要求, 通过文件审核, 审核员发现在抽取的2024年5月份(当前月)的考勤中, 6名随机抽取的员工中有6人的月加班时间为76小时, 2024年3月份(随机月)的考勤中, 6名随机抽取的员工中6人的月加班时间为82小时. 2023年7月份(随机月)的考勤中, 6名随机抽取的员工6人的月加班时间为82小时.

PA 7: Occupational Health and Safety

Site: Dongguan Cainan Clothing Co., LTD | Site amfori ID: 156-048176-001

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?	
ENGLISH	LOCAL LANGUAGE
Finding	
Per onsite observation, document review and employee interview, it was noted that the factory established OHS (occupational health and safety) policy and procedure and OHS meeting was held every 6 months to review the compliance of OHS. However, some non-compliances were observed during this audit.	通过现场观察, 员工访谈和文件查阅, 发现工厂有建立职业健康安全方面的政策和程序, 每6个月进行一次职业健康安全的会议来检讨工厂在职业健康安全方面的符合性。但是, 此次审核中发现一些不符合项。

Question: 7.4 Is there satisfactory evidence of active cooperation between management and workers (and/or their representatives) when developing and implementing systems towards ensuring OHS?	
ENGLISH	LOCAL LANGUAGE
Finding	
Per document review and employee interview, it was noted that there was no involvement of worker representative when developing and implementing system toward OHS management (risk assessment).	通过文件查阅和员工访谈, 发现工厂在开发和执行职业健康安全体系(风险评估)中没有涉及到员工代表的参与。

Question: 7.8 Is there satisfactory evidence that the auditee has developed and implemented accident and emergency procedures?	
ENGLISH	LOCAL LANGUAGE
Finding	
Per document review and onsite observation, it was	通过现场观察发现工厂已建立了意外和应急程序但

Finding	
noted that the factory had developed accident and emergency procedure but did not post it onsite.	没有将其张贴在现场。

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	
Per onsite observation, it was noted that the materials and the finished goods in warehouse were placed against the wall directly without any gap. (Rules Concerning Warehouse Safety and Fire Control article 18).	通过现场观察发现工厂原材料和成品仓库部分货物直接靠墙存放，没有任何间隙。

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	
Machines without protective devices. During facility tour, auditor found that no safety guard was installed for rolling part of 12 out of 18 linking machines, and no finger protector and need guard in stalled 4 out of 5 sewing machine. (Law of the PRC on Work Safety article 33)	设备缺少安全防护装置。在现场巡查时，审核员发现18台封盘机中的12台没有皮带防护罩，5台针车的的4台没有安装护指器和护眼器。（依据《中华人民共和国安全生产法》第33条）

PA 12: Protection of the Environment

Site: Dongguan Cainan Clothing Co., LTD | Site amfori ID: 156-048176-001

Question: 12.5 Is there satisfactory evidence that water is managed in a way that respects the environment, particularly but not limited to preserving local water sources?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on documents review and management interview, the factory did not have a plan or took measures to reduce use of water resource or other resources.	通过文件查阅和管理层访谈发现工厂未建立计划或采取措施去减少水资源和其他资源的使用。

PA 13: Ethical Business Behaviour

Site: Dongguan Cainan Clothing Co., LTD | Site amfori ID: 156-048176-001

Question: 13.4 Is there satisfactory evidence that the auditee collects uses and otherwise processes personal information with reasonable care and in accordance with privacy and information security laws and regulatory requirements?

ENGLISH

LOCAL LANGUAGE

Finding

Per document review and management interview, it was noted that the factory management had no good awareness of the importance of handling personal information respectfully, and factory didn't establish a system to handle personal information to ensure respect worker's right to privacy.

通过管理层访谈和文件查阅发现工厂管理层不了解处理个人信息的重要性，工厂没有建立一个系统来处理个人信息，以确保尊重员工的隐私权。