

Monitored Party <b>Hubei Yuanzhihan Garment Industrial Co.,Ltd</b>	amfori ID <b>156-011525-000</b>	Address <b>Special No.1 Yuyang Road, Yuyang Town, Qianjiang, Hubei Sheng, China</b>
Monitoring Activity <b>amfori Social Audit - Manufacturing</b>	Monitoring Type <b>Full Monitoring</b>	Monitoring Partner <b>QIMA Limited</b>
Monitoring Start Date <b>17/05/2024</b>	Closing Meeting Finished Date <b>18/05/2024</b>	Submission Date <b>20/05/2024</b>
Expiration Date <b>20/05/2025</b>	Announcement Type <b>Semi Announced</b>	
Site <b>HuBei Yuanzhihan Garment Industrial Co., Ltd.</b>	Site amfori ID <b>156-011525-002</b>	

This is an extract of the online Monitoring Result, generated on 21/05/2024, and is only valid as an acknowledgement of the result. To see all the details, review the full monitoring result, which is available on the [amfori Sustainability Platform](#) - The English version is the legally binding one.




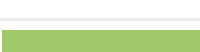


amfori does not assume any liability with regard to the compliance of this extract, or any versions of this extract, with the Regulation (EU) 2016/679 (General Data Protection Regulation).

All rights reserved. No part of this publication may be reproduced, translated, stored in a retrieval system, or transmitted, in any form or by any means electronic, mechanical, photocopying, recording or otherwise, be lent, re-sold, hired out or otherwise circulated without the amfori consent. © amfori, 2021

## OVERALL RATING



## SECTION RATING

PA1: Social Management System	<b>C</b>	
PA 2: Workers Involvement and Protection	<b>B</b>	
PA 3: The Rights of Freedom of Association and Collective Bargaining	<b>A</b>	
PA 4: No Discrimination, Violence or Harassment	<b>A</b>	
PA 5: Fair Remuneration	<b>B</b>	
PA 6: Decent Working Hours	<b>D</b>	

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: Claud Zhou: APSCA registered number: CSCA21704187.

Monitoring partner name: QIMA LIMITED. APSCA Membership Number: 11600049.

Audit schedule details: This is a Semi Announced Full Monitoring audit.

(Total MD is 2.0MD) The audit is planned for 1 auditor x 1.5 days on site, and 0.5 day for reporting.

### Business partner information:

Hubei Yuanzhihan Garment Industrial Co., Ltd (Business license registration number: 91429005309736884Y) 湖北远之瀚制衣有限公司 was located at Special No.1 Yuyang Road, Yuyang Town, Qianjiang City, Hubei Province, China. 中国湖北省潜江市渔洋镇渔洋大道特1号。

The auditee established on Aug 05, 2014. The main products manufactured by the facility were garments, and main production processes are listed as follows: cutting, sewing, ironing, inspection and packing.

All the processes were finished in the auditee, no subcontractors were used by the auditee, and nor homeworkers were used by the auditee.

### Audited location information:

The total occupied areas were 29674.89 square meters and the structure areas used by the auditee was 10121.88 square meters.

There were total 4 buildings in this site, all of them belong to the auditee.

And the auditee rented one flat building to another printing factory, and provided the lease contract so this building was not including in this audit scope.

There were no any employees and facility shared between the factory and the landlord.

One 3-storey office, warehouse and building (1F was used as office, raw material warehouse, cutting, ironing, inspection and packing workshop; 2F was used as sewing workshop, 3F was used as finished goods warehouse), one 2-storey canteen and kitchen building (1F was used as kitchen, canteen and worker canteen, 2F was used as management and client canteen), one 5-storey dormitory building.

No subcontractor, catering service or security service was used or sub-contracted.

### Operating shifts and hours:

All employees worked for 8 hours per day and 5 days a week from Monday to Friday, sometimes had overtime on Saturdays and had rest on Sundays and Holidays.

All employees worked in one shift (from 08:00 to 17:00 with lunch break 12:00~13:00). The peak months were not obvious. Overtime were 2 hours arranged on weekdays, and overtime were arranged on Saturdays sometimes. The auditee provided the working time records from Apr/2023 to audit day for review. Among them, 12 samples selected in Jul/2023 (random month), 12 samples selected in Nov/2023 (random month), 12 samples selected in Mar/2024 (current month) were reviewed. Based on the records, the regular working time was 8 hours per day, 5 day per week, maximum 2 hours overtime arranged on weekday and 8 hours overtime on Saturdays normally, no overtime arranged on Sundays or holidays. Found monthly overtime hours of all sampled months were exceeded legal limit. According to the provided attendance records and workers interviews, the maximum daily overtime hours were 2 hours, the maximum weekly overtime hours were 16 hours per week and the maximum monthly overtime hours were 74 hours.

### Time recording system:

The auditee used electric attendance system to record workers' working time.

### Salary payment details:

The local minimum wage was RMB 1800 equal to RMB 10.34 per hour since Feb 01, 2024 and RMB 1650 equal to RMB 9.48 per hour before Feb 01, 2024. Payroll records from Apr/2023 to Mar/2024 were provided for review. 12 sampled workers' payroll records from Mar/2024 (current month), 12 sampled workers' payroll records from Nov/2023 (random month) and 12 sampled workers' payroll records from Jul/2023 (random month) were selected for checking. Workers were paid by monthly rate basis; the minimum basic wage was RMB2200 per month, which was higher than the legal requirement. Wage was released by bank transfer on or before the end of the next month. The auditee paid 150% and 200% of normal rate for the overtime on regular working days and rest days respectively. No overtime work was arranged on Sundays and holidays. All the employees didn't participate in social insurance but participant with commercial accident

insurance.

Worker number information:

- Total worker number: 83 (non-production workers: 9).
- Production worker number: 74, including 12 male and 62 females.

All employees were permanent employees, and no domestic migrant employees worked in the factory.

Worker organization details:

There was no labor union in the auditee currently. Two worker representatives had been elected by employees, and the auditee had conducted internal communication meetings with the worker representative regarding workplace-related issues regularly.

Circumstances:

There was no special circumstance observed during this audit. Factory management cooperate with the audit during the whole audit process.

Summary of findings:

Performance area 1:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. Social Management System was not implemented properly. Workforce capacity was not assessed and properly planned to match delivery order contracts or expectations.

Performance area 2:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. The auditee established long term goals, but found non-confirmations in some parts. Workers were not trained well about BSCI COC principles, so they were not quite aware of BSCI values and principles.

Performance area 5:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. Auditee did not identify the living cost of the workforce in the region, gap between actual remuneration and fair remuneration and potential actions. All the employees didn't participate in social insurance but participant with commercial accident insurance.

Performance area 6:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. Monthly overtime hours exceeded legal requirement.

Performance area 7:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. Workers and worker representatives were not involved in occupational H&S issues and relevant risk assessment process then have gap in PA 7. No "Caution Hot" warning signs posted on the water dispenser area. No needle protects and belt guards installed for parts of the sewing machines. No basic washing materials provide in toilets.

Living wage calculation:

Auditee did not identify the living cost of the workforce in the region, gap between actual remuneration and fair remuneration.

Precautions taken about #COVID-19 in the facility:

The auditee provided training on Covid-19 to all employees and required all employees to report if infected Covid-19.

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

HuBei Yuanzhihan Garment Industrial Co., Ltd.

Site amfori ID

156-011525-002

GICS Classification

Sector

Consumer Discretionary

Industry Group

Consumer Durables & Apparel

Industry

Textiles, Apparel & Luxury Goods

Sub Industry

Apparel, Accessories & Luxury Goods

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

## METRICS

### Key Metrics

Total workforce	83	Workers
Legal minimum wage in local currency	1,800	Monthly
Lowest wage paid for regular work at the site	2,200	Monthly
Calculated living wage in local currency	2,277	Monthly
Total sample	12	Workers

### Other Metrics

Male workers	16	Workers
Female workers	67	Workers
Non-binary workers	0	Workers
Permanent workers - Male	16	Workers
Permanent workers - Female	67	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	1	Workers
Management - Female	2	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	0	Workers
Domestic migrant workers - Female	0	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	16	Workers
Workers hired directly - Female	67	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	9	Workers
Sample - Non-binary	0	Workers



## FINDINGS

### PA1: Social Management System

Site: HuBei Yuanzhihan Garment Industrial Co., Ltd. | Site amfori ID: 156-011525-002

**Question:** 1.1 Is there satisfactory evidence that the auditee has set up an effective management system to implement the amfori BSCI Code of Conduct?

#### ENGLISH

#### LOCAL LANGUAGE

##### Finding

The auditee partially respects this principle:  
Based on management interview and document review, it was identified that, the auditee partially respects this principle because the facility had established a system of social responsibility, conducted internal assessment and management review, and conformed to BSCI requirements and relevant local law requirements in most performance areas, however, some performance areas should be improvement, such as there were findings noted in PA2, PA5, PA6, PA7 etc.

工厂部分遵循该准则:  
基于管理者访谈和文件审核发现, 尽管工厂建立了社会责任体系, 进行了内审及管理评审, 在大部分执行领域符合了BSCI要求和相关的法规要求, 但一些领域仍需要提高, 比如在PA2, PA5, PA6, PA7等有发现点。

**Question:** 1.4 Is there satisfactory evidence that the auditee's workforce capacity is properly organised to meet the expectations of the delivery order and/or contracts?

#### ENGLISH

#### LOCAL LANGUAGE

##### Finding

The auditee partially respects this principle:  
Based on management interview, document review and time records review, it was identified that, the auditee has established the workforce capacity analysis procedure, but there's no satisfactory evidence that the workforce capacity in the company is sufficient and properly planned to match delivery order contracts' expectations and excessive overtime is detected.

工厂部分遵循该准则:  
基于管理者访谈、文件审核和考勤记录发现, 被审核方已经建立了劳动力能力分析程序, 但没有满意的证据表明工厂有合理的生产计划来满足订单的交货期, 并且在审核期间发现了加班超时的情况。

### PA 2: Workers Involvement and Protection

Site: HuBei Yuanzhihan Garment Industrial Co., Ltd. | Site amfori ID: 156-011525-002

**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	
<p>The auditee partially respects this principle: Based on management interview, onsite review, workers interview, document review and time records review, it was identified that, the main auditee partially respects this principle: the auditee has established long term goals to protect workers according to the BSCI Code of Conduct, including step-by-step approach toward sustainable improvements, but still found non-confirmations in social insurance, working time and HS part.</p>	<p>被审核方部分遵循该准则： 基于管理者访谈、现场审核、员工访谈、文件审核和考勤记录发现，工厂根据BSCI行为准则定义了长期目标来保护员工，以及包括按部就班的可持续改进方法等。但是本次审核中仍然发现比如社保、工时超时和部分健康安全方面的问题点。</p>

**Question:** 2.4 Is there satisfactory evidence that the auditee builds sufficient competence among managers, workers and workers representatives to successfully embed responsible practices in the business operation?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respects this principle: Based on management interview, onsite review, workers interview and document review, it was identified that, the facility has posed the BSCI Code of Conduct in all areas publicly, and provided BSCI training with all employees, but according to interviews, it was noted that the workers representative and some interviewed workers were not quite aware of BSCI values and principles, such as workers participation in health and safety matters, living wage etc.</p>	<p>工厂部分遵循该准则： 基于管理者访谈、现场审核、员工访谈和文件审核发现，工厂在所有厂区均张贴了BSCI行为准则和实施条款，并且提供了对员工的培训记录供审阅。但员工代表和一些受访员工并不太清楚BSCI的标准和原则，比如工人在健康安全事务中的参与，生活工资等。</p>

## PA 5: Fair Remuneration

Site: HuBei Yuanzhihan Garment Industrial Co., Ltd. | Site amfori ID: 156-011525-002

**Question:** 5.4 Is there satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respects this principle. Based on management interview, workers interview and document review, it was identified that, the actual paid wages ensured decent living standards. However, the factory did not conduct basic living wage calculation. According to interview, the factory management knew some about how to</p>	<p>工厂部分遵循该准则： 基于管理者访谈、员工访谈和文件审核发现，虽然实际的工资水平确保的体面生活标准，但是工厂没有进行基本生活工资的计算。访谈得知工厂管理层部分了解生活工资，但是审核期间没有提供生活工资的计算。</p>

Finding	
calculate the living wage but didn't provide the living wage information during audit.	
<b>Question:</b> 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	
<p>The auditee does not respect this principle.</p> <p>Based on management interview, workers interview and document review, it was identified that, insufficient social insurance participated in the factory. The auditee didn't provided retirement, unemployment, work-related injury, medical insurances to all the employees (100%). (Reference Law: Social Insurance Act of the People's Republic of China, article 2&amp;4).</p> <p>Remark: The auditee provided commercial accident insurance to all of the employees, it was valid from May 27, 2023 to May 26, 2024.</p>	<p>工厂未遵循该准则:</p> <p>基于管理者访谈、员工访谈和文件审核发现,企业社会保险参与不足,受审核方没有为所有员工(100%)支付养老、失业、工伤、医疗保险。(参考法规:中华人民共和国社会保险法第二条、第四条)</p> <p>备注:被审核方为所有员工购买了商业意外保险,有效期从2023年5月27日至2024年5月26日。</p>

PA 6: Decent Working Hours

Site: HuBei Yuanzhihan Garment Industrial Co., Ltd. | Site amfori ID: 156-011525-002

<b>Question:</b> 6.2 CRUCIAL: Is there satisfactory evidence that the auditee request of overtime is in line with the requirements of the amfori BSCI Code of Conduct?	
ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee does not respect this principle.</p> <p>The monthly overtime in the factory exceeded legal limit. Through attendance records review, management interview and workers interview verified. According to the attendance records from Apr/2023 to audit day, and three months were selected as sample to review: 12 samples selected in Jul/2023 (random month), 12 samples selected in Nov/2023 (random month), 12 samples selected in Mar/2024 (current month) were reviewed.</p> <p>Auditor found that the monthly overtime hours of all the sampled workers were up to 74 hours in Jul/ 2023 (random month), up to 68 hours in Nov/2023 (random month) and up to 72 hours in Mar/ 2024(currently month) respectively. (PRC Labor</p>	<p>工厂未遵循该准则:</p> <p>工厂加班超时。通过考勤记录审核、管理者访谈和员工访谈确认。被审核方提供了从2023年4月起至审核当天的考勤记录,随机抽取了2023年7月、2023年11月和2024年3月作为抽样分析。考勤记录显示所有抽取的月份的月加班都超过了法律要求:所有抽取的12名员工月加班在2023年7月(随机月份)达到74小时,所有抽取的12名员工月加班在2023年11月(随机月份)达到68小时,所有抽取的12名员工月加班在2024年3月(最近月份)达到72小时。(参考法规:中华人民共和国劳动法(1994)第四十一条)</p>

## Finding

Law, Article 41)

## PA 7: Occupational Health and Safety

Site: HuBei Yuanzhihan Garment Industrial Co., Ltd. | Site amfori ID: 156-011525-002

**Question:** 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?

### ENGLISH

### LOCAL LANGUAGE

#### Finding

The auditee partially respect this principle. Based on management interview, onsite review, workers interview and document review, it was identified that, general observation, the facility had in observance of related occupational health and safety regulation, but through communication with workers and worker representatives, they were not involved in drafting and enforcing its internal procedure on occupational health and safety, and also gaps of following check point in this PA.

工厂部分遵循该准则：  
基于管理者访谈、现场审核、员工访谈和文件审核发现，总体上企业遵守了相关的健康和法规，但员工或员工代表没有参与到拟定并执行职业健康安全内部程序，以及存在本部分其他检查点的差距。

**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

The auditee partially respects this principle. Based on management interview, workers interview and document review, it was identified that, the facility conducts the risk evaluation for its health and safety regularly, but through interviewed with workers and worker representatives, they were not involved in that process.

工厂部分遵循该准则：  
基于管理者访谈、员工访谈和文件审核发现，企业定期组织健康安全风险评估，但访谈得知，员工或员工代表未参与健康与安全的风险评估。

**Question:** 7.9 Is there satisfactory evidence that the auditee makes visible potential hazards to the workers and visitors through signs and warnings?

### ENGLISH

### LOCAL LANGUAGE

#### Finding

The auditee partially respects this principle: Based on onsite review it was identified that, there were no "Caution Hot" warning signs posted on the water

工厂部分遵循该准则：基于现场审核发现，工厂未在饮水机周围张贴小心烫伤的警示语。

Finding	
dispenser area in the factory.	

**Question:** 7.17 Is there satisfactory evidence that the auditee ensures adequate safeguards for any machine part, function, or process which may cause injury to workers?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respects this principle: Based on onsite review, it was identified that, about 30% of the sewing machines didn't install with needle protects and four sets of the sewing machines didn't install with belt guards in the sewing workshop. Reference law: Machinery Safety Guard Requirement (GB 8196-87), Article 2.2.1.</p>	<p>工厂部分遵循该准则: 基于现场审核发现, 缝纫车间的约30%的缝纫机没有安装挡指。四台缝纫机没有安装皮带轮防护罩。参考法规: 机械设备防护罩安全要求(GB 8196-87) 2.2.1。</p>

**Question:** 7.22 Is there satisfactory evidence that the auditee provides workers with clean washing facilities, changing rooms and toilets that are also respectful of local customs?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The auditee partially respects this principle. Based on onsite review it was identified that, no basic supplies, such as toilet paper, liquid soap and paper towels were available in the toilets.</p>	<p>工厂部分遵循该准则: 基于现场审核发现, 车间的卫生间没有提供基本备品如厕纸、洗手液和擦手纸。</p>