

Monitored Party SHANGHAI EAST DRAGON FABRIC&GARMENT CO.,LTD	amfori ID 156-025902-000	Address NO 8 Nanlu Road Nanhui Industrial Park, Pudong New District , 201300 Shanghai, Shanghai Shi, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner TUV Rheinland
Monitoring Start Date 08/01/2024	Closing Meeting Finished Date 09/01/2024	Submission Date 16/01/2024
Expiration Date 18/01/2025	Announcement Type Fully Announced	
Site SHANGHAI EAST DRAGON FABRIC&GARMENT CO.,LTD	Site amfori ID 156-025902-001	

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OVERALL RATING



SECTION RATING

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

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

GENERAL DESCRIPTION

Name of lead auditor: Alice Wang; APSCA membership number: CSCA 21701959

Monitoring partner name: TUV Rheinland.

Audit schedule details: The audit is planned for one auditor x 1.5 onsite day.

Announcement Type: This is a Fully Announced Audit. PA1, PA2, PA5, PA6, PA7, PA12 and PA13 were followed in this audit. PA3-4 and PA8-11 were not rated in this follow up audit, the ratings were kept the same with previous report.

Business partner information:

The auditee was located at NO 8 Nanlu Road Nanhui Industrial Park, Pudong New District, Shanghai, China. (上海市南汇工业园区南芦公路8号). It was established on 16 July 1999.

The auditee was specialized in manufacturing of zipper. The main production processes were weaving, dyeing, metal processing, paint spraying, injection, assembly, inspection and packing. As claimed by factory management that all production processes were completed in the factory and no process was subcontracted to other factories.

Per business license, the registration location was “上海市南汇工业园区南芦公路8号”, which should be literally translated as “NO 8 Nanlu Road Nanhui Industrial Park, Shanghai”. No foreign trade operator register was provided. Based on management interview, Nanhui District had been merged into Pudong New District for several years. Thus, they confirmed that the address in the report should be NO 8 Nanlu Road Nanhui Industrial Park, Pudong New District, Shanghai.

Audited location information:

In view of the plant, there were total 12 buildings inside the factory boundary, and they all owned by the auditee. No dormitory or transportation was provided for workers. Total land area was about 50346 m2. The total construction area used by the auditee was about 35000 square meters. Details as follows:

one 2-storey canteen building.

one 4-storey office building.

one 3-storey main production building (1F injection, metal processing, warehouse for raw materials and final products; 2F assembly; 3F weaving).

one partial 2-storey building used as dyeing workshop.

one 1-storey warehouse building for semi-finished products.

one flat sundries warehouse.

one flat chemical warehouse.

one 2-storey electricity distribution room.

one flat boiler building

one 2-storey office building

one 2-storey building for toilet and one 2-storey building previous was warehouse of the auditee were rented out to other companies such as wedding company, car maintenance company, etc., those facilities had no production activities at site. Per management interview, employee interview and factory tour, no business relationship existed between the auditee and other companies in the same boundary, no employee was shared. So, this audit scope just focused on the used area of the auditee.

Operating shifts and hours:

Based on the records, the regular working time was 8 hours per day, 5 days per week. All production and office employees worked in one shift, which was from 07:30-11:30, 12:30-16:30, if needed, 2 hours overtime work from 17:30-19:30 would be arranged. The Canteen staffs worked from 09:00-13:00; 14:00-18:00. The security worked in 3 shifts: 08:00-16:00; 16:00-24:00; 24:00-08:00. Workers worked 8 hours overtime on Saturday in general. No overtime arranged on Sundays and holidays. No obvious peak season or low season existed in the factory. Based on the attendance records from December 2022 to the audit date of 18 sampled workers, workers maximum overtime worked 2 hours per day, 14 hours per week, and 36 hours per month.

Time recording system:

Factory used electronic fingerprint & facial scanning attendance system to record workers' working time.

Salary payment details:

Workers were paid by hourly rate basis. Wage was paid through bank transfer on or before 30th of following month. Reviewing the payrolls of 18 sampled workers from December 2022 to November 2023, it was noted that the minimum wage paid to workers was RMB 15.46/hour, which was no less than the legal requirement (RMB2690/month equal RMB15.46/hour since 1 July 2023 and RMB2590/month equal RMB14.89/hour before 1 July 2023). Workers' overtime wages were paid 150%, 200% and 300% of the normal wage rate for overtime on weekdays, weekends and statutory holidays respectively.

Worker number information:

There were 218 permanent employees (143 production workers, 75 non-production workers). Among them, 31 were local workers, 187 were domestic migrant workers (100 males and 87 females). Of the 143 production workers, 74 were males and 69 were females. All workers including the canteen staffs and security guards were recruited by the auditee directly. There was no foreign migrant, young, pregnant, seasonal, temporary, disabled, home-based workers, interns, apprentices, contractor workers etc. used in the auditee.

Good practices: Free meals were provided in the auditee.

Worker organization details:

There was no Union in the auditee, only 6 worker representatives democratically elected by workers.

Circumstances:

The auditee was cooperative and active throughout the whole audit, full access to facility walk-through and employee interview were granted, and photo-taking of necessary evidences for the audit were permitted. There was no special circumstance during the audit.

Summary of findings:

Findings were noted in PA1, PA2, PA5, PA7 and PA 12.

PA1) 1. Insufficient management system.

PA2) 1. No regular satisfaction survey on grievance mechanism.

PA5) 1. Insufficient coverage of social insurance.

PA7) 1. Insufficient work injury insurance; 2. One ultraviolet light for disinfection in the kitchen was not working; 3. One privacy door in toilet was missing.

PA12) 1. No grievance mechanism for surrounding communities.

Refer to finding table for details.

Attachment:

1. The Personal Information Protection Law of the People's Republic of China was effective as of 1 November 2021, the producer signed General Terms and Conditions of Business of TUV Rheinland in China before the audit and ensured that relevant personal data and information provided to TUV Rheinland auditor(s) had been obtained the individual's consent during the audit.

2. Agency labour contract was not reviewed as no agency was used. No contractor license/permit was reviewed as no contractor was used during audit period. The auditee had not got any government waiver or collective bargaining agreement.

Remark: after the management and worker representative signed the onsite report during the closing meeting, the auditor noted that one finding that had confirmed with the management and worker representative during the closing meeting was missed to show on the report, the auditor added this finding and updated the onsite report, however, as the worker representative had gone for lunch already, the last signing page was not updated again.

SITE DETAILS

Site

**SHANGHAI EAST DRAGON
FABRIC&GARMENT CO.,LTD**

Site amfori ID

156-025902-001

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	218	Workers
Legal minimum wage in local currency	2,690	Monthly
Lowest wage paid for regular work at the site	2,690	Monthly
Calculated living wage in local currency	5,114	Monthly
Total sample	18	Workers

Other Metrics

Male workers	118	Workers
Female workers	100	Workers
Permanent workers - Male	118	Workers
Permanent workers - Female	100	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	8	Workers
Management - Female	2	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers with night shift - Male	5	Workers
Workers with night shift - Female	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Domestic migrant workers - Male	100	Workers
Domestic migrant workers - Female	87	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	118	Workers
Workers hired directly - Female	100	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Pregnant workers	0	Workers

Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	0 Workers
Sample - Male	10 Workers
Sample - Female	8 Workers

FINDINGS

PA1: Social Management System

Site: SHANGHAI EAST DRAGON FABRIC&GARMENT CO.,LTD | Site amfori ID: 156-025902-001

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	
<p>The main auditee partially respected this principle, because based on document review, management interview and workers interview, it was noted the auditee established related procedure to comply with amfori BSCI requirement, such as working hours management procedure, benefits management procedure, OHS management procedure, but the auditee did not establish system on the internal to on-going monitor its social performance and correct the identified findings, such as insufficient social insurance for workers, OHS management not fully met OHS compliance requirement. The interviewed workers stated that they abandoned social insurance voluntarily, and OHS issues need to be improved step by step. Reference to amfori BSCI system manual.</p>	<p>被审核方部分遵守该准则。原因是根据文件审核、管理层和员工访谈，发现被审核方建立了相关的程序以满足amfori BSCI要求，如工时管理程序、福利管理程序、职业健康安全程序，但是没有建立有效的内部监管系统去确保其绩效并改进识别到的问题，例如员工社保购买不足，职业健康安全管理没有完全满足职业健康安全合规的要求。访谈工人表示他们自愿放弃社保，且职业健康安全问题需逐步改善。参见amfori BSCI系统手册。</p>

PA 2: Workers Involvement and Protection

Site: SHANGHAI EAST DRAGON FABRIC&GARMENT CO.,LTD | Site amfori ID: 156-025902-001

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	
<p>The main auditee partially respected this principle, because based on document review and management interview, it was noted the factory established the grievance mechanism. However, the factory still did not carry out the regular satisfaction survey on grievance mechanism. Based on the grievance records review, no grievance case reported in the past 12 months, the interviewed workers also said they had no complaint. Reference to amfori BSCI system manual.</p>	<p>被审核方部分遵守该准则。原因是根据文件审核和管理层访谈，发现工厂建立了申诉机制，但是工厂还是未对申诉机制进行定期的满意度调查。根据申诉记录查阅，在过去12个月未有申诉案例汇报，被访谈的工人也表示他们没有任何抱怨。参见amfori BSCI系统手册。</p>

PA 5: Fair Remuneration

Site: SHANGHAI EAST DRAGON FABRIC&GARMENT CO.,LTD | Site amfori ID: 156-025902-001

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>The main auditee partially respected this principle, because based on document review, management interview and workers interview, it was noted insufficient social insurance coverage was detected in the factory. There were 218 workers in the auditee, 13 of them were retired and re-employed (of the 13 rehired retirees, 6 of them still participated social insurance in the auditee). There were no new employees joined after November 2023 (the latest social insurance declaration date) and 3 workers resigned after November 2023. Therefore, 211 workers could purchase five types of social insurances in the auditee. However, based on the online verification of social insurance payment records in the past 1 year, according to the latest social insurance payment record in November 2023, 6 out of 211 employees were not provided with pension, medical, unemployment, maternity and work-related injury insurance. According to the management interview and employee interview, the interviewed workers stated that they abandoned social insurance voluntarily, they reported they wanted to get more income and were unwilling to pay social insurance individual part. Reference law: Social Insurance Law of P.R.C, Article 10, Article 23, Article 33, Article 44, Article 53</p> <p>Remark: 275 workers joined social insurance in November 2023 per online system checking, the factory management explained there were 67 personnel from another facility owned by the auditee's boss (a trading company) participated in social insurance in the auditee, affiliation agreement, business license and roster of the affiliation facility was provided, moreover, the social insurance participant roster of the auditee could be verified in the online social insurance payment system.</p>	<p>被审核方部分遵守该准则。原因是根据文件审核、管理层访谈和员工访谈，发现工厂社会保险参保不足。被审核方共有218名工人，其中有13名工人是退休返聘的(这13名退休返聘工人中有6名仍在工厂继续参保)，2023年11月(最近一次社保申报日期)后没有新员工入职但有3人离职，因此211名工人可以在工厂参保社保。但是基于过去1年的社保缴费记录的在线核实，2023年11月份最近一次的社保扣费记录显示，工厂有6名员工没有参养老、医疗、失业、生育和工伤保险。根据管理层访谈和员工访谈，访谈工人表示他们自愿放弃社保，他们表示想获取更多的收入而不愿意缴纳社保个人部分。参考法规：《中华人民共和国社会保险法》第10、23、33、44及53条</p> <p>备注：根据在线系统查验，2023年11月有275名工人在工厂参保社保。工厂管理层解释说工厂老板的另外一家公司(一家贸易公司)的67名人员在被审核工厂参加社会保险，挂靠协议、挂靠工厂的营业执照和名册提供了查看，并且审核工厂的社保参保人员名单可以在网上社保缴费系统中进行验证。</p>

PA 7: Occupational Health and Safety

Site: SHANGHAI EAST DRAGON FABRIC&GARMENT CO.,LTD | Site amfori ID: 156-025902-001

Question: 7.2 Is there satisfactory evidence that the auditee seeks to improve workers' protection in case of accident, including through compulsory insurance schemes?

ENGLISH

LOCAL LANGUAGE

Finding

The main auditee partially respected this principle, because based on document review and management interview, it was noted the factory failed to provide work related injury insurance or additional commercial accident insurance for 13 workers (including 7 rehired retirees). The factory had provided trainings on work injury management and OHS. No work injury was noted in the past year. Reference Law: social Insurance Law of the People's Republic of China, Article 33.

被审核方部分遵守该准则。原因是根据文件审核和管理层访谈，发现工厂没有给13名工人(包括7名退休返聘人员)购买工伤保险或者附加的商业意外险。工厂提供了工伤管理、职业健康安全方面的培训。过去一年未发现工伤事故。参考法规：《中华人民共和国社会保险法》，第33条。

Question: 7.21 Is there satisfactory evidence that the auditee provides workers with access to an appropriate, clean area for storing food, eating and/or cooking?

ENGLISH

LOCAL LANGUAGE

Finding

The main auditee partially respected this principle, because based on site observation and management interview, it was noted one ultraviolet light for disinfection in the kitchen was not working. Reference Law: Food Safety Law of the People's Republic of China, article 33.

被审核方部分遵守该准则。原因是根据现场观察和管理层访谈，发现后厨的一处紫外线杀毒灯无法正常工作。参考法规：《中华人民共和国食品安全法》第33条。

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

The main auditee partially respected this principle, because based on site observation and management interview, it was noted the privacy door for one stall in the female toilet on the 2nd floor of the production building was missing. Reference to amfori BSCI system manual.

被审核方部分遵守该准则。原因是根据现场观察和管理层访谈，发现生产楼2楼女厕所1处栅格的隐私门缺失。参见amfori BSCI系统手册。

PA 12: Protection of the Environment

Site: SHANGHAI EAST DRAGON FABRIC&GARMENT CO.,LTD | Site amfori ID: 156-025902-001

Question: 12.1 Is there satisfactory evidence that the auditee continuously identifies the significant impacts and environmental implications associated to its activity?

ENGLISH

LOCAL LANGUAGE

Finding

The main auditee partially respected this principle, because per document review and management interview, it was noted the auditee still did not establish a grievance mechanism in place to address the environmental concerns of surrounding communities. The management explained they monitored their environmental performance on regular basis and always ensure the emission of waste air, wastewater and boundary noise within legal limit, if there were any violation, the internal EHS team will take immediate corrective actions. Reference to amfori BSCI system manual.

被审核方部分遵守该准则。原因是根据文件审核和管理层访谈，发现被审计方还是没有建立以解决周围社区环境问题的申诉机制。管理层解释说，他们定期监测自己的环境绩效，并始终确保废气、废水和厂界噪音等的排放法定限度内，如果有任何违规行为，内部EHS团队将立即采取纠正措施。参见amfori BSCI系统手册。