

Monitored Party Shuyang Hengxing Garment Co., Ltd.	amfori ID 156-002255-000	Address No 10, Taizhou Bei Road, Shuyang Industrial Zone (North), 223600 Suqian, Jiangsu Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner SGS
Monitoring Start Date 25/10/2023	Closing Meeting Finished Date 02/11/2023	Submission Date 02/11/2023
Expiration Date 02/11/2024	Announcement Type Semi Announced	
Site Shuyang Hengxing Garment Co., Ltd.	Site amfori ID 156-002255-002	

This is an extract of the online Monitoring Result, generated on 06/11/2023, 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	C	
PA 2: Workers Involvement and Protection	B	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination	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 Labour	A	
PA 12: Protection of the Environment	A	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Betty Deng; APSCA membership number (CSCA21701984)

Name of team auditor: Isaac Yang; APSCA membership number (CSCA21701793)

Name of observers, translators, trainees, advisors/consultants: Nil

Monitoring partner name: SGS (Monitoring firm APSCA #: 11600006)

Audit schedule details: The audit is planned for 2.5 Mandays (one auditor in 1.5 days and one auditor in 1 day). The full audit (semi announced) was conducted on Oct. 25-26, 2023.

Business partner information:

Shuyang Hengxing Garment Co., Ltd. (沭阳恒星时装有限公司) was a private enterprise, located at No 10, Taizhou Bei Road, Shuyang Industrial Zone (North), Suqian, Jiangsu Province, China. (中国江苏宿迁市沭阳工业园(北区) 台州北路10号).

The business license number is 913213227546289887. It was established on Nov. 7, 2003 to long term.

The main product of auditee are: Garments. The main processes are: cutting, sewing, ironing, inspection and packing. The annual production volume was 2,100,000 pcs.

Audited location information:

There were below 6 buildings in the factory:

Building 1: 1-storey Floor 1: materials warehouse, cutting, office. 2608.65 sq. meters.

Building 2: 1-storey: sewing, inspecting, ironing, packaging, finished goods warehouse. 2588.19 sq. meters.

Building 3: 4-storey Floor 1-4: dormitory. 1432.03 sq. meters.

Building 4: 1-storey: idled dormitory. 657.12 sq. meters.

Building 5: 1-storey: canteen. 981.34 sq. meters.

Building 6: 1-storey: finished goods warehouse. 926.9 sq. meters.

Operating shifts and hours:

All workers' attendance were recorded by electronic attendance system (swiping IC cards). The auditee provided the payroll list from Sep. 2022 to Aug. 2023 and working time records from Sep. 1, 2022 to audit day (Oct. 25, 2023) for review. All production workers worked in one shift: 07:30-11:30, 12:00-16:00. Maximum 2.5 hours overtime per day were arranged on workdays (16:00-18:30), and max 7.5 hours overtime were arranged on Saturday irregularly (07:30-11:30, 12:00-15:30). No obvious peak season in the factory. No inconsistency was detected. 16 samples' payroll & attendance records were selected for verification. Based on the records, it was noted that the maximum overtime hours were 2.5 hours per day and 92.5 hours per month, the maximum weekly working hours were 60 hours. All workers had one day off per seven days.

Salary payment details:

Workers' wages were co-decided by hourly rate and piece rate, and depended on the higher one of the hourly rate and piece rate. They were paid on or before the end of the following month by bank transfer. As shown in the payroll, the paid minimum wage was CNY1840 per month, which was in line with the local legal minimum wage standard of CNY1840 per month since Aug 1, 2021. For overtime wages, 150% and 200% of regular wages were paid to employees for their overtime hours on workdays and Saturdays, no overtime was arranged on Sundays and in statutory holidays.

Worker number information:

There were 111 employees, 19 out of them were management staffs (8 males and 11 females), 92 out of them were production workers (10 males and 82 females). No migrant workers, child labor, disabled workers, young labor, breastfeeding employees, pregnant women used in auditee. No interns, apprentices, dispatched or contractor workers used by auditee.

Good practices: The auditee provided free working meals and dormitory for workers.

Worker organization details:

There was no union established in auditee, 1 worker representative was elected by workers freely.

Circumstances:

The factory management agree the auditor to access to all facilities, copy documents and records requested by the audit; take photo of the factory, copy relevant document records and conduct confidential worker interview.

The special circumstances can be classified as followed: No special situations occurred during audit. According to the IPE and China Credit official website, the factory had no record of being punished.

Summary of findings:

PA1: 1.1: Not all policies were properly implemented. 1.4: The factory did not control overtime per the regulation's requirement.

PA2: 2.4: The training on BSCI code provided to workers were not effective. 2.5: Some workers did not know all grievance mechanisms clearly.

PA5: 5.5 Not all workers were provided for 5 social insurances.

PA6: 6.2: The monthly overtime hours of workers exceeded legal limit.

PA7: 7.1: Did not fully implement the health and safety requirements of amfori BSCI. 7.13: One distribution box in workshop was not locked during audit. No warning signs was posted on one electrical box.

PA3, PA4, PA8, PA9, PA10, PA11, PA12 and PA13: Nil

Precautions taken about #COVID-19 in the facility: There are currently no control requirements for COVID-19 in China.

The Personal Information Protection Law of the People's Republic of China was promulgated on August 20, 2021, the producer ensured that relevant personal data and information provided to SGS auditor(s) has been obtained the individual's consent during the audit.

Living Wage: The living wage data is provided by the auditing company because there is no data on GLWC website in the city where the factory is located.

The living costs estimated by auditing company involves developing a model diet for workers using the method developed in Anker Methodology. Second, the housing cost is estimated by evaluating the cost of various rental units, utility costs, other housing costs, and routine repairs/maintenance costs which are basic for a family. Third, auditing company estimates non-food-non-housing (NFNH) cost for a living wage. Fourth, auditing company estimates the number of full-time equivalent workers per family providing support in order to estimate a net living wage for workers based on information from government websites and published papers. Finally, payroll taxes and deductions are taken into consideration to estimate the gross living wage for workers.

Reference:

1) <http://www.stats.gov.cn/sj/ndsj/2021/indexch.htm>

Attachments :

1. There was no contractor and agency used by the auditee, so the agency labour contract or contractor license/permit not applicable for the auditee. 2. The auditee did not obtain any government waivers 3. There was no collective bargaining agreement in the auditee.

SITE DETAILS

Site

Shuyang Hengxing Garment Co., Ltd.

Site amfori ID

156-002255-002

GICS Classification

Sector

Consumer Discretionary

Industry Group

Consumer Durables & Apparel

Industry

Textiles, Apparel & Luxury Goods

Sub Industry

Textiles

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

This site is not located in a water stressed region

METRICS

Key Metrics

Total workforce	111	Workers
Legal minimum wage in local currency	1,840	Monthly
Lowest wage paid for regular work at the site	1,840	Monthly
Calculated living wage in local currency	3,340.67	Monthly
Total sample	16	Workers

Other Metrics

Male workers	18	Workers
Female workers	93	Workers
Permanent workers - Male	18	Workers
Permanent workers - Female	93	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	11	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	0	Workers
Workers with night shift - Female	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Domestic migrant workers - Male	0	Workers
Domestic migrant workers - Female	0	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	18	Workers
Workers hired directly - Female	93	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	2	Workers
Sample - Female	14	Workers

FINDINGS

PA1: Social Management System

Site: Shuyang Hengxing Garment Co., Ltd. | Site amfori ID: 156-002255-002

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

1.1 The main auditee partially respects this principle because the auditee had set up the management procedures to implement the amfori BSCI Code of Conduct, internal review was conducted in Aug. 2023, but not all policies were properly implemented, Such as Workers Involvement and Protection, Occupational Health and Safety and working hour etc.

It violated the requirement of question 1.1 in amfori BSCI system manual.

主要被审核方部分遵守该准则。原因是被审核方建立了确保amfori BSCI行为准则有效实施的管理制度，在2023年8月进行了内审，但是不是所有制度都得以有效实施。如工人的参与和保护，职业健康和安全、工作时间等。

违反了：amfori BSCI管理手册中问题1.1的要求。

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

1.4 The main auditee partially respects this principle because the audited factory established a capacity planning program, the factory only arranged the production plan according to the delivery time, the factory did not arrange production plan in accordance with amfori BSCI requirement of overtime, the factory did not control overtime per the regulation's requirement, employee's monthly overtime had exceeded the limit of local law.

It violated the requirement of question 1.4 in amfori BSCI system manual.

主要被审核方部分遵循该准则。被审核方制定了产能规划的程序，工厂目前只是按照出货时间来排生产计划，工厂未按amfori BSCI加班时间的要求安排生产计划，工厂没有按法规要求来管控加班时间，员工的月加班时间超过法规要求。

违反了：amfori BSCI管理手册中问题1.4的要求。

PA 2: Workers Involvement and Protection

Site: Shuyang Hengxing Garment Co., Ltd. | Site amfori ID: 156-002255-002

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	
2.4 The main auditee partially respects this principle. The factory had provided training of amfori BSCI Code to all employees and posted amfori BSCI code onsite, but the factory did not assess the training effect, most interviewed workers did not know the BSCI Code clearly.	主要被审核方部分遵循该准则。工厂对所有员工进行amfori BSCI内容的培训，现场张贴了amfori BSCI行为准则，但工厂没有评估培训效果，大部分访谈员工不太了解BSCI的内容。
It violated the requirement of question 2.4 in amfori BSCI system manual.	违反了：amfori BSCI管理手册中问题2.4的要求。

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	
2.5 The main auditee partially respects this principle because the auditee had set up several grievance mechanisms, but some workers did not know all of them clearly.	主要被审核方部分遵循该准则，因为工厂设立了多种投诉机制，但部分员工不完全的了解。
It violated the requirement of question 2.5 in amfori BSCI system manual.	违反了：amfori BSCI管理手册中问题2.5的要求。

PA 5: Fair Remuneration

Site: Shuyang Hengxing Garment Co., Ltd. | Site amfori ID: 156-002255-002

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

ENGLISH	LOCAL LANGUAGE
Finding	
5.5 The main auditee does not respect this principle because the factory did not provide social insurance for some of all 111 employees: there were 12 employees could not be participated in social insurance due to overage. The invoices of Aug. to Oct. 2023 indicated the factory provided 5 social insurances to 67 (67.68%) employees. The factory purchased commercial insurance with one year period for rest employees since May 15, 2023. Social insurance benefit was communicated with the employees upon hiring per workers interview and the facility management interview. Some	主要被审核方未遵循该准则。工厂没有为所有111名员工中的部分人提供社会保险。工厂有12名已超过缴纳社保的年龄的员工。2023年8-10月的社保发票显示工厂为其中67名（67.68%）员工缴纳了五项社会保险。工厂于2023年5月15日为剩下的工人购买了一年期限的商业保险。根据员工和管理层访谈，社保福利在员工入职的时候和员工沟通。部分受访员工表示他们不愿意在工厂买社保，因为他们不愿意从工资中扣除社保费用，且他们家里有农保。工厂没有收集农保的相关记录。
	违反了：中华人民共和国劳动法（2018修正）第七

Finding

interviewed workers stated that they did not want to have social insurance in the facility, as they did not want wage to be deducted of social insurance fee, and they had rural insurance at home. The facility did not collect the related rural insurance records.

十二条 及第七十三条

It violated Labor Law of the People's Republic of China (2018 Amendment) Article 72 & Article 73

PA 6: Decent Working Hours

Site: Shuyang Hengxing Garment Co., Ltd. | Site amfori ID: 156-002255-002

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

Finding

6.2 The main auditee does not respect this principle because the monthly overtime hours of workers in the factory exceeded legal limit, based on document review and management interview and the attendance records from Sep. 1, 2022 to Oct. 25, 2023, it was noted that all the sampled workers' monthly overtime working hours exceeded 36 hours from Sep. 2022 to Sep. 2023, and the maximum overtime hours were 92.5 hours (including 55 hours of weekday overtime and 37.5 hours of weekend overtime) in Dec. 2022. The maximum weekly working hours were 60 hours. The factory stated that due to the workers' desire for more overtime pay and the demand for order quantity, employees worked overtime.

It violated Labor Law of the People's Republic of China (2018 Amendment), Article 41

主要被审核方未遵循该准则。因为工人月加班超时，根据管理层访谈、员工访谈及2022年9月1日至2023年10月25日的考勤记录，所有抽样工人的月加班在2022年9月至2023年9月，超过法律要求的36小时，最大为92.5小时(包含55小时平时加班及37.5小时周末加班)，发生在2022年12月。最大周工作时间为60小时。工厂表示由于工人希望获得更多的加班费以及订单量的需求，所以员工加班超时。

违反了：中华人民共和国劳动法（2018修正）第四十一条

PA 7: Occupational Health and Safety

Site: Shuyang Hengxing Garment Co., Ltd. | Site amfori ID: 156-002255-002

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

ENGLISH

LOCAL LANGUAGE

Finding	
<p>7.1 The main auditee partially respects this principle. The auditee had established management system on health and safety, but the auditee did not collect and update the latest health and safety related laws and regulations, and did not fully implement the health and safety requirements of amfori BSCI. Such as some finished goods were stored against the wall.</p> <p>It violated the requirement of question 7.1 in amfori BSCI system manual and Regulations on Fire Prevention of Warehouse, Article 18</p>	<p>主要被审核方部分遵循该准则。被审核方建立了健康安全管理体系，但是工厂未收集更新最新的健康安全相关的法律法规，未完全执行amfori BSCI对健康安全的要求，如工厂部分成品靠墙堆放。</p> <p>违反了：amfori BSCI管理手册中问题7.1的要求和仓库防火安全管理规则第十八条</p>

Question: 7.13 Is there satisfactory evidence that the auditee makes sure a competent person periodically checks the electrical installations and equipment?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>7.13 The main auditee partially respects this principle because the factory had a qualified electrician to inspect the electrical facilities regularly, but it was noted that one distribution box in workshop was not locked during audit. No warning signs was posted on one electrical box.</p> <p>It violated National Safety Technical Code for Electric Equipments (GB19517-2009) 2.2.3</p>	<p>主要被审核方部分遵循该准则。原因是工厂内有1名有资质的电工定期对电气设施进行检查，但审核期间车间一个的电箱没有上锁，一个电箱没有张贴警示标识。</p> <p>违反了：国家电气设备安全技术规范（GB19517-2009）2.2.3</p>