

Monitored Party Gao'an xinchaodian Packaging Co., Ltd	amfori ID 156-015156-000	Address Huibu Huixiang Industrial Park, Gao'an City, 330800 Yichun, Jiangxi Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner SGS
Monitoring Start Date 03/07/2024	Closing Meeting Finished Date 04/07/2024	Submission Date 10/07/2024
Expiration Date 13/07/2025	Announcement Type Fully Announced	
Site Gao'an xinchaodian Packaging Co., Ltd	Site amfori ID 156-015156-001	

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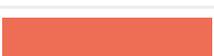
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OVERALL RATING



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	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

[Audit Information]

Name of lead auditor: Mason Shao; APSCA membership number (CSCA 21701749)

Name of team auditor (if applicable): Nil

Name of observers, translators, trainees, advisors/consultants (if applicable): Nil

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

Audit schedule details: The audit is planned for 1 auditor x 1 day. The follow up audit (Fully announced) was conducted on Jul. 3, 2024.

[Business partner information]

Gao'an xinchao dian Packaging Co., Ltd (高安市新超点包装有限公司) is located at Huibu Huixiang Industrial Park, Gao'an City, Yichun City, Jiangxi Province, China (江西省宜春市高安市灰埠回乡产业园). The type of the factory was Limited Liability Company. It was founded on Nov. 26, 2020 and its operating period was long term. The No. of business license is 91360983MA39RJQ48U. The audited factory specialized in Bags. The main production process flow was cutting, sewing, inspection, packing. Its annual production volume was 1000000 pcs.

[Audited location information]

There were five 3-storey production buildings, one 3-storey office building and one 3-storey dormitory building in the industrial park. The factory rented three quarters areas of 1/F and 2/F of production building(B3) from Gao'an Huibu Government as workshop, warehouse and office. During the audit, the factory provided lease contract for review. Based on onsite observation, 3/F of B3 building was idle. Other buildings were used by other facilities in the industrial park. So, the audit was only covered the area used by the audited factory. Detail information list as below:

Building 1, Used by factory A, total 6048 Square meters, 2016 Squar meters per floor.

Building 2, Used by factory B, total 6048 Square meters, 2016 Squar meters per floor.

Building 3, 2016 Squar meters per floor. 1/F: Partial area (around 1516 Squar meters) was used as raw materials, cutting, finished goods area, other area (around 500 Square meters) was idle. 2/F: Sewing, inspection, packing, finished goods area, office. 3/F: Idle

Building 4, Used by factory C, total 6048 Square meters, 2016 Squar meters per floor.

Building 5, Used by factory D, total 6048 Square meters, 2016 Squar meters per floor.

Dormitory and office building, construction area was unknow.

All above facilities had independent business license, no mixing worker was found during the audit day, this audit only cover the main auditee.

[Operating shifts and hours]

The factory established a policy of working hour system. According to the policy and implementation records, workers worked 8 hours per day, and 5 days per week. Workers worked from 8:00 to 12:00; from 13:00 to 17:00. Workers had 0 to 2 OT hours on weekdays (18:00 to 20:00) and worked 0 to 8 OT hours on Saturdays. OT wages were paid at 150% and 200% respectively on weekdays and rest days, which was in line with local law. Meanwhile, workers had right to choose working overtime or not. The factory ensured workers had at least one day off per week. Furthermore, workers had at least 8 hours rest on every day, workers could move freely and have a rest in workshops. All these processes and implementation were cross checked by interview and document review. The factory used fingerprint & face recognition recorder system to record workers working time. The factory provided workers' attendance records from Jul. 1, 2023 to Jul. 3, 2024 for review, it was noted that 5 sampled workers' monthly overtime hours exceeded 36 hours, the 1st sampled month (Jun. 2024-Currently month), the standard hours was 160 hours, the max monthly overtime hours were 64 hours, the max daily overtime hours were 2.0 hours, the max weekly working hours were 54 hours (including 40 standard hours and 14 weekly OT); the 2nd sampled month (Dec. 2023-Random month), the standard hours was 168 hours, the max monthly overtime hours were 66 hours, the max daily overtime hours were 2.0 hours, the max weekly working hours were 54 hours (including 40 standard hours and 14 weekly OT); the 3rd sampled month (Sep. 2023-Random month), the standard hours was 160 hours, the max monthly overtime hours were 56 hours, the max daily overtime hours were 2.0 hours, the max weekly working hours were 54 hours (including 40 standard hours and 14 weekly OT).

[Salary payment details]

The factory established wages and benefit paying system, which included paid statutory holidays, sick leave, annual

leave, marriage leave and maternity leave etc. Based on the wages from Jul. 2023 to May 2024 provided by the factory, workers were paid at least RMB 2800/month, which was more than the legal requirement (RMB 1740/Month). All workers were paid by monthly rate, and wages were paid at the end of following month by cash. The overtime wages of weekdays, weekends and statutory holidays were paid with 150%, 200% and 400% of regular hourly rate per local law requirement. No illegal deduction was identified according to wages records of workers. All these process and evidence were cross checked by document review, worker interview and management interview.

[Worker number information]

- Total worker number: 46 (non-production workers: 7, production workers: 39).
- Production worker number: 39 (male: 3, female: 36).
- Vulnerable worker number: Domestic migrant workers: 3 (male: 1, female: 2). No young worker, child labor, disabled workers, lactating employees or pregnant women.
- Any other special group workers (interns, apprentices, contractor workers etc.): No trainee, apprentice, subcontract staff.

[Good practices]

Nil

[Worker organization details]

The factory did not have union, but one worker representative was elected by workers freely in factory.

[Circumstances]

The management showed a cooperative attitude during the audit. They agreed auditor conducted whole audit including workplace observation and confidential workers interviews without any influence. There was no special circumstance during the audit.

[The special circumstances can be classified as followed]

The auditor did not find any special abnormal situation by viewing of IPE and Credit China website. There was no specific control requirement for COVID-19 in China.

[Summary of findings]

PA1: Amfori BSCI management system and working hours' management system was not perfect.

PA2: The factory did not invite employee representatives to participate in the goal setting. The factory didn't collect and keep the communication record with stakeholders.

PA5: Social insurance did not cover all workers.

PA6: Workers' monthly overtime hours exceeded 36 hours.

PA7: HS management system was not perfect, e.g.: the factory's partial goods in warehouse were directly leaned against the wall, all flat sewing machines in the factory were not installed with finger protectors, all computer sewing machines were not installed with needle guards, 4 high sewing machines were not installed with pulley guards.

PA3, PA4, PA8, PA9, PA10, PA11, PA12, PA13: Not rated.

[Living wage calculation]

#LivingWge: The living wage data is provided by the auditing company and please refer to the PA5 summary to find the details of calculation method of living wage.

[Personal Information protection law]

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.

[Attachments]

There is no canteen used by the auditee, which makes the canteen not applicable.

There is no dormitory used by the auditee, which makes the dormitory not applicable.

There is no Consolidated Working Hours System Approval obtained by the auditee, which makes documented valid authorisation to make exemptions not applicable.

The audit is not SPA, which makes self-declaration of producer not applicable.

SITE DETAILS

Site
Gao'an xinchaodian Packaging Co., Ltd

Site amfori ID
156-015156-001

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	46	Workers
Legal minimum wage in local currency	1,740	Monthly
Lowest wage paid for regular work at the site	2,800	Monthly
Calculated living wage in local currency	2,763	Monthly
Total sample	5	Workers

Other Metrics

Male workers	5	Workers
Female workers	41	Workers
Permanent workers - Male	5	Workers
Permanent workers - Female	41	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	2	Workers
Management - Female	5	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	3	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	5	Workers
Workers hired directly - Female	41	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	1 Workers
Sample - Female	4 Workers

FINDINGS



PA1: Social Management System

Site: Gao'an xinchaodian Packaging Co., Ltd | Site amfori ID: 156-015156-001

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>1.1 1st follow up audit on Jul. 3, 2024: Open The main auditee partially respected this principle because the factory established the procedures on social responsibility and amfori BSCI management system, Lu Wanli / Production supervisor was appointed as amfori BSCI management representative by factory, but based on documents review, onsite check, interview with workers and managements, some issues appeared in Workers Involvement and Protection, Fair Remuneration, Decent Working Hours, Occupational Health and Safety. The facility management declared that they did not understand the related requirement. It violated the requirement of question 1.1 in amfori BSCI system manual.</p>	<p>第一次跟进审核在2024年7月3日：未关闭 主要被审核方（生产商）部分遵循该原则，因为工厂建立了社会责任管理程序和amfori BSCI管理系统，卢万丽/生产主管被工厂指定为amfori BSCI管理层代表，但根据文件审核，现场审核，员工及管理层访谈确认，工厂在员工参与和保护，公平报酬，体面劳动时间，职业健康与安全方面，出现问题。工厂管理层解释其对相关要求不了解。违反了amfori BSCI管理手册中问题1.1的要求。</p>

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	
<p>1.4 1st follow up audit on Jul. 3, 2024: Open The main auditee partially respected this principle because based on management interview, onsite check and documents review, the factory knew how to calculate production capacity and order cycle, but the calculation of production capacity was not reasonable to cause workers' monthly overtime working hours exceeded legal requirement. The facility management declared that their understanding about the requirements for capacity planning calculations was inadequate. It violated the requirement of question 1.4 in amfori BSCI system manual.</p>	<p>第一次跟进审核在2024年7月3日：未关闭 主要被审核方（生产商）部分遵循该原则，因为基于管理层访谈、现场查看以及文件审核确认，工厂了解如何计算生产产能和订单周期，但产能分析不合理，导致员工的月加班工时超过法规要求。工厂管理层解释他们对产能规划计算的要求了解不充分。违反了amfori BSCI管理手册中问题1.4的要求。</p>



PA 2: Workers Involvement and Protection

Site: Gao'an xinchaodian Packaging Co., Ltd | Site amfori ID: 156-015156-001

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

2.2 1st follow up audit on Jul. 3, 2024: Open
The main auditee partially respected this principle because the factory defined a long-term goal to protect employees but did not invite employee representatives to participate in the goal setting. The facility declared that was due to the management and workers didn't know the related requirement
It violated the requirement of question 2.2 in amfori BSCI system manual.

第一次跟进审核在2024年7月3日：未关闭
主要被审核方（生产商）部分遵循该准则，因为工厂定义了保护员工的长期目标，但是没有邀请员工代表参与该目标制定。工厂解释这是由于管理层和员工不清楚相关要求。
违反了amfori BSCI管理手册中问题2.2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 1st follow up audit on Jul. 3, 2024: Open
The main auditee partially respected this principle because opening policy was established in the factory for internal workers and outside stakeholders, which defined the corresponding departments and their responsibilities. But the factory didn't collect and keep the communication record with stakeholders. The facility declared that was due to the management and workers didn't know the related requirement
It violated the requirement of question 2.5 in amfori BSCI system manual.

第一次跟进审核在2024年7月3日：未关闭
主要被审核方（生产商）部分遵循该准则，因为工厂建立了对内对外的沟通程序，并规定了对应的利益相关方的各部门及其职责，但工厂未收集并保留与利益相关方之间的信息沟通记录。工厂解释这是由于管理层和员工不清楚相关要求。
违反了amfori BSCI管理手册中问题2.5的要求。

PA 5: Fair Remuneration

Site: Gao'an xinchaodian Packaging Co., Ltd | Site amfori ID: 156-015156-001

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

5.4 1st follow up audit on Jul. 3, 2024: Closed
Based on payroll records review, the minimum wage paid for workers by factory was above

第一次跟进审核在2024年7月3日：关闭
根据工资表查看，工厂支付工人的工资高于当地体面生活工资（RMB2763/月）。

Finding	
calculated local decent living wage (RMB2763/month).	

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>5.5 1st follow up audit on Jul. 3, 2024: Open The main auditee did not respect this principle because according to social insurance payment vouchers of Mar. 2024 to May 2024 provided by factory, it was noted that the factory provided retirement, illness, maternity, unemployment and injury insurance for 3 workers, but the factory had total 46 workers. Besides, the factory provided commercial casualty insurance to all workers, whose valid date was from May 23, 2024 to May 22, 2025. The factory explained the reason for poor social insurance coverage rate was high turnover rate and the unwillingness of workers. Based on management interview and worker interview, they had already bought new-pattern rural social old-age insurance at home. It violated Labor Law of the People's Republic of China (2018 Amendment), Article 72 and 73.</p>	<p>第一次跟进审核在2024年7月3日：未关闭 主要被审核方（生产商）未遵循该准则，因为根据工厂提供的2024年3月至2024年5月的社保缴费凭证发现工厂提供了养老、医疗、生育、失业和工伤保险给3名员工，而工厂共有46名员工。此外，工厂给所有员工提供了商业意外险，其有效期限为2024年5月23日至2025年5月22日。工厂解释社保不足的原因是工人流动性大且工人不愿意购买社保。根据管理层访谈和员工访谈确认员工已在老家购买新农保。 违反了中华人民共和国劳动法（2018修正），第七十二条和第七十三条。</p>

PA 6: Decent Working Hours

Site: Gao'an xinchaodian Packaging Co., Ltd | Site amfori ID: 156-015156-001

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
Finding	
<p>6.2 1st follow up audit on Jul. 3, 2024: Open The main auditee did not respect this principle because workers' monthly overtime hours exceeded legal requirement. During the audit, based on workers' attendance records from Jul. 1, 2023 to Jul. 3, 2024 provided by the factory, it was noted that 5 sampled workers' monthly overtime hours exceeded 36 hours, The 1st sampled month (Jun. 2024-Currently</p>	<p>第一次跟进审核在2024年7月3日：未关闭 主要被审核方（生产商）未遵循该原则，因为员工的月加班时间超过法规要求。 审核期间，根据工厂提供了工人从2023年7月1日至2024年7月3日的考勤记录，发现5名抽样员工的月加班均超过36小时， 第一个抽样月（2024年6月-当前月），标准工时160小时，最大月加班为64小时，最大日加班为2小时，最大周工作时间为54小时（包括标准工时40小时以</p>

Finding

month), the standard hours was 160 hours, the max monthly overtime hours were 64 hours, the max daily overtime hours were 2.0 hours, the max weekly working hours were 54 hours (including 40 standard hours and 14 weekly OT);

The 2nd sampled month (Dec. 2023-Random month), the standard hours was 168 hours, the max monthly overtime hours were 66 hours, the max daily overtime hours were 2.0 hours, the max weekly working hours were 54 hours (including 40 standard hours and 14 weekly OT);

The 3rd sampled month (Sep. 2023-Random month), the standard hours was 160 hours, the max monthly overtime hours were 56 hours, the max daily overtime hours were 2.0 hours, the max weekly working hours were 54 hours (including 40 standard hours and 14 weekly OT).

The facility management declared that the reason for overtime working was catch up the shipping date.

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

及周加班时间14小时)；

第二个抽样月(2023年12月-随机月)，标准工时168小时，最大月加班为66小时，最大日加班为2小时，最大周工作时间为54小时(包括标准工时40小时以及周加班时间14小时)；

第三个抽样月(2023年9月-随机月)，标准工时160小时，最大月加班为56小时，最大日加班为2小时，最大周工作时间为54小时(包括标准工时40小时以及周加班时间14小时)。

工厂管理层解释加班的原因是为了赶出货交期。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: Gao'an xinchaodian Packaging Co., Ltd | Site amfori ID: 156-015156-001

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

ENGLISH

LOCAL LANGUAGE

Finding

7.1 1st follow up audit on Jul. 3, 2024: Open

The main auditee partially respected this principle because the factory had established complete management system on health and safety, included the identification and awareness of related legal regulation, health and safety check, training, etc. But there were still some health and safety issues were identified during the audit day due to management negligence, e.g.: the factory's partial goods in warehouse were directly leaned against the wall. The facility management declared that they did not understand the related requirement. It violated the requirement of question 7.1 in amfori BSCI system manual and Regulations on Fire Prevention of Warehouse (1990) Article 18.

第一次跟进审核在2024年7月3日：未关闭

主要被审核方(生产商)部分遵循该准则，因为工厂已建立完整的健康安全管理体系，包括相关法规的识别与了解，健康安全检查，培训等，但是由于管理疏忽，审核当天还是发现了部分健康安全方面的问题点，如工厂仓库的部分货物挨墙存放。工厂管理层解释其对相关要求不了解。

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(1990)第十八条。

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>7.17 1st follow up audit on Jul. 3, 2024: Open</p> <p>The main auditee partially respected this principle because the factory established the procedure on equipment management and appointed the person to maintain, but the management system needed improve. For example, all flat sewing machines in the factory were not installed with finger protectors, all computer sewing machines were not installed with needle guards, 4 high sewing machine was not installed with pulley guard. The facility declared that was due to the management and workers didn't know the related requirement.</p> <p>It violated the requirement of General Rules of Design on Health and Safety of Production Facility (GB 5083-1999).</p>	<p>第一次跟进审核在2024年7月3日：未关闭</p> <p>主要被审核方（生产商）部分遵循该准则，因为工厂建立了设备管理制度和任命人员去维护保养，但管理系统需要提升。例如，所有平车未安装护指器，所有电脑车未安装挡针板，4台高车未安装皮带轮保护罩。工厂解释这是由于管理层和员工不清楚相关要求。</p> <p>违反了生产设备安全卫生设计总则（GB 5083-1999）的要求。</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>7.22 1st follow up audit on Jul. 3, 2024: Closed</p> <p>The audited factory provided clean and hygienic restrooms, and the restrooms were prepared with toilet paper.</p>	<p>第一次跟进审核在2024年7月3日：关闭</p> <p>被审核工厂提供了干净卫生的洗手间，并且洗手室内配备纸巾。</p>