

Monitored Party ZHEJIANG ZHONGDING TEXTILE CO., LTD.	amfori ID 156-017615-000	Address No.388, Zhongshan Road, Industrial District, Chongfu Town, Tongxiang City, Jiaxing City, Zhejiang Province, China, JIAXING, Zhejiang Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner QIMA Limited
Monitoring Start Date 17/07/2024	Closing Meeting Finished Date 25/07/2024	Submission Date 25/07/2024
Expiration Date 31/07/2025	Announcement Type Fully Announced	
Site ZHEJIANG ZHONGDING TEXTILE CO., LTD.	Site amfori ID 156-017615-001	

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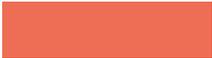
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OVERALL RATING



SECTION RATING

PA1: Social Management System	C	
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	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	B	

GENERAL DESCRIPTION

Name of lead auditor: Thomas Hu; APSCA membership number: CSCA21702074

Monitoring partner name: QIMA LIMITED

Audit schedule details: (Total md is 2MD) The audit is planned for 1 auditor x 1.5 days. 1.5 days on site, and 0.5 day for reporting.

Audit type: Announced follow up audit (PA1, PA2, PA5, PA6, PA7, PA12, PA13 were covered, follow up audit were done)

Business partner information:

ZHEJIANG ZHONGDING TEXTILE CO., LTD. (Business license registration number: 91330483732428555N)

浙江中鼎纺织股份有限公司

No.388, Zhongshan Road, Industrial District, Chongfu Town, Tongxiang City, Jiaxing City, Zhejiang Province, China

中国浙江省嘉兴市桐乡市崇福镇工业区中山路388号

The announced follow up audit was conducted from July 17, 2024 to July 18, 2024. The auditee established on October 19, 2001. The total occupied areas were 117,017 square meters. The auditee was specialized in the manufacturing of yarns. The main production process was blending, roving, spinning, winding, doubling, twisting, inspection and packing.

Audited location information:

The auditee owned one 4-storey office building, one 2-storey canteen building, two 5-storey dormitory buildings, one 2-storey warehouse building and six 2-storey production buildings,

one 2-storey new building as production building, one 3-storey new building as warehouse and canteen.

One 4-storey building (#1): 1-4F office

One 2-storey building (#2): 1-2F canteen and kitchen

Two 5-storey buildings (#3, 4): 1-5F dormitory

One 2-storey building (#5): 1-2F warehouse

Three 2-storey buildings (#6, 7, 8): 1-2F blending, roving, spinning, winding, doubling, twisting, inspection and packing.

Three 2-storey buildings (#9, 10, 11): 1-2F in the stage of technological transformation

One 2-storey building (New #1): blending, roving, spinning, winding, doubling, twisting, inspection and packing.

One 3-storey building (New #2): warehouse, canteen

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 production positions employees worked in two shifts: The first shift is from 8:00 to 20:00; the second shift is from 20:00 to 08:00 of next day. Other all employees worked in one shift from 8:00 to 17:00 with 1 hours for lunch time from 12:00 to 13:00. The peak months were not obvious.

The attendance records from June 2023 to the audit day were reviewed in the audit. 20 sampled workers' attendance records from May 2024(current month), March 2024 (random month) and December 2023 (random month) were selected for checking. No obvious peak season in the factory.

According to the provided attendance records and workers interviews, the maximum daily overtime hour was 2 hours, the maximum weekly overtime hours were 20 hours per week and the maximum monthly overtime hours were 92 hours in March 2024 and December 2023.

Time recording system:

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

Salary payment details:

The local minimum wage was RMB 2070 per month equivalent to RMB 11.90 (2070/21.75/8) per hour since August 1, 2021 and RMB 2260 per month equivalent to RMB 12.99 (2260/21.75/8) per hour since January 1, 2024. Payroll records from June 2023 to May 2024 were provided for review. 20 sampled workers' payroll records from May 2024(current month), March 2024 (random month) and December 2023 (random month) were selected for checking. Workers were paid by hourly rate basis; the minimum basic wage was RMB 13.22 per hour, which was higher than the legal requirement. Wage was released by bank transfer on the 25th of 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. The auditee provided five kinds of social insurance for all employees.

Worker number information:

- Total worker number: 543; (Among of them 458 were production employees and 85 were non-production employees); All employees were permanent employees and 287 were domestic migrant employees.
- Production worker number: 458, including 207 males and 251 females.

Worker organization details:

There was no labor union in the auditee currently. 5 worker representatives had been elected by employees, and the auditee had conducted internal communication meetings with worker representatives regarding workplace-related issues regularly.

Circumstances:

During the whole audit, the auditee was collaborative. The management showed a cooperative attitude during the whole process and provided fully access to the whole facility. The production and workforce were operated in normal level.

Summary of findings:

Performance area 1:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. The Social Management System was not implemented properly. The auditee didn't provide relevant written records of calculating the production capacity or the costs of production. The workforce capacity was not properly organized to meet the expectations of the delivery order and/or contracts.

Performance area 2:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. The auditee did not track the goals to ensure the goals can be reached by step-by-step approach.

Performance area 5:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. The auditee management did not collect the datum and conduct the assessment for the remuneration of decent standard of living as per amfori BSCI requirements.

Performance area 6:

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

Performance area 7:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. No off-job occupational health examination was provided to employees engaged in post with occupational disease hazards. No warning signs of electricity danger were posted for partial electric switch boxes. Partial goods in warehouse were stacked against wall and pillar.

Performance area 12:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. There was no grievance mechanism in place to address the environmental concerns of surrounding communities.

Performance area 13:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. The address of the business license was not updated in time. The auditee did not establish procedure to collect, use and otherwise process personal information with reasonable care and in accordance with privacy and information security laws and regulatory requirements. And the auditee did not provide the training about this item.

Living wage calculation:

The auditee management did not collect the datum and conduct the assessment for the remuneration of decent standard of living as per amfori BSCI requirements.

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
**ZHEJIANG ZHONGDING TEXTILE
CO., LTD.**

Site amfori ID
156-017615-001

GICS Classification

Sector Consumer Discretionary	Industry Group Consumer Durables & Apparel	Industry Textiles, Apparel & Luxury Goods
Sub Industry Textiles		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	543	Workers
Legal minimum wage in local currency	2,260	Monthly
Lowest wage paid for regular work at the site	2,300	Monthly
Calculated living wage in local currency	2,090	Monthly
Total sample	20	Workers

Other Metrics

Male workers	247	Workers
Female workers	296	Workers
Permanent workers - Male	247	Workers
Permanent workers - Female	296	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	11	Workers
Management - Female	6	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	207	Workers
Workers with night shift - Female	251	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Domestic migrant workers - Male	105	Workers
Domestic migrant workers - Female	182	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	247	Workers
Workers hired directly - Female	296	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	10	Workers

FINDINGS



PA1: Social Management System

Site: ZHEJIANG ZHONGDING TEXTILE CO., LTD. | Site amfori ID: 156-017615-001

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>Follow-up audit (07/17-18/2024) The previous finding had not been corrected.</p> <p>Based on document review, auditee tour, employee and management interview, the auditee had set up social compliance management system to implement the amfori BSCI Code of Conduct, and arranged the internal audit and management review every year. While parts of them were not implemented properly. For example, findings were raised in the following Performance areas: PA2, PA5, PA6, PA7, PA12 and PA13.</p> <p>It violated the requirement of question 1.1 in amfori BSCI system manual.</p>	<p>跟进审核（2024年7月17-18日）上次发现的问题没有改善。</p> <p>依据文件审核，现场走访，员工访谈和管理人员访谈。被审核方建立了确保amfori BSCI COC有效实施的社会责任管理体系，并且每年进行内审和管理评审。但是部分程序未恰当实施。比如，在如下绩效领域：PA2，PA5，PA6，PA7，PA12和PA13都存在审核发现点。</p> <p>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>Follow-up audit (07/17-18/2024) The previous finding had not been corrected.</p> <p>Based on document review, auditee tour, employee and management interview. The auditee had established the procedure on calculation of the costs of production and delivery times, while did not provide relevant written records of calculating the production capacity or the costs of production for review; the auditee's workforce capacity was not properly organized to meet the expectations of the delivery order and/or contracts due to the overtime hours exceeded the legal requirement. Through interview, the employees were voluntary to work overtime. The relevant policies were not implemented properly due to busy production, and employees were willing to work more overtime to earn more money.</p> <p>It violated the requirement of question 1.4 in amfori</p>	<p>跟进审核（2024年7月17-18日）上次发现的问题没有改善。</p> <p>依据文件审核，现场走访，员工访谈和管理人员访谈。被审核方建立了核算产能和订单周期的制度，但是没有相关的计算记录供查看；被审核方的人力资源没有合适的进行组织以达到交付订单和/或合同的预期要求，因为加班时间超过法规要求。根据员工访谈，员工是自愿加班的。相关制度因生产忙碌未恰当实施，而员工也愿意多加班来获取更多工资。</p> <p>违反了amfori BSCI管理手册中问题1.4的要求。</p>

Finding	
BSCI system manual.	

PA 2: Workers Involvement and Protection

Site: ZHEJIANG ZHONGDING TEXTILE CO., LTD. | Site amfori ID: 156-017615-001

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	
<p>Follow-up audit (07/17-18/2024) The previous finding had not been corrected.</p> <p>Based on document review, auditee tour, employee and management interview. The auditee defined long-term goals to protect workers according to the amfori BSCI values and principles, but the auditee did not track the goals to ensure the goals can be reached by step-by-step approach.</p> <p>It violated the requirement of question 2.2 in amfori BSCI system manual.</p>	<p>跟进审核（2024年7月17-18日）上次发现的问题没有改善。</p> <p>依据文件审核，现场走访，员工访谈和管理人员访谈。被审核方根据amfori BSCI价值观和原则设定了长期目标保护员工，但没有追踪所设定的目标确保目标能逐步实现。</p> <p>违反了amfori BSCI管理手册中问题2.2的要求。</p>

PA 5: Fair Remuneration

Site: ZHEJIANG ZHONGDING TEXTILE CO., LTD. | Site amfori ID: 156-017615-001

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	
<p>Follow-up audit (07/17-18/2024) The previous finding had not been corrected.</p> <p>Through document review and management interview, auditor noted that the auditee management did not collect the datum and conduct the assessment for the remuneration of decent standard of living as per amfori BSCI requirements. The actual regular wage paid by auditee for all employees was more than the fair remuneration figure calculated by audit company and local minimum wage.</p> <p>It violated the requirement of question 5.4 in amfori</p>	<p>跟进审核（2024年7月17-18日）上次发现的问题没有改善。</p> <p>通过文件查阅和管理人员访谈，审核员发现被审核方的管理层没有按照 amfori BSCI要求收集相关数据并对当地体面生活工资标准进行评估。但被审核方实际实付的所有员工基本工资高于审核公司计算的公平需求工资也高于最低工资标准。</p> <p>违反了amfori BSCI管理手册中问题5.4的要求。</p>

Finding	
BSCI system manual.	

PA 6: Decent Working Hours

Site: ZHEJIANG ZHONGDING TEXTILE CO., LTD. | Site amfori ID: 156-017615-001

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>Follow-up audit (07/17-18/2024) The previous finding had not been corrected.</p> <p>Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 20 out of 20 randomly selected employees were 78-84 hours in May 2024 (current month), 20 out of 20 randomly selected employees were 84-92 hours in March 2024 (random month), 20 out of 20 randomly selected employees were 40-92 hours in December 2023 (random month).</p> <p>Although the auditee had working hours management procedure, the overtime was not required to follow the law requirement completely in the auditee currently. The overtime of most of samples exceeded the law requirement due to busy production; and employees were willing to work more overtime to earn more money.</p> <p>Reference law: The PRC Labour Law article 41.</p>	<p>跟进审核（2024年7月17-18日）上次发现的问题没有改善。</p> <p>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，20名随机抽取的员工中20人月加班时间为78-84小时，2024年3月份（随机月）的考勤中，20名随机抽取的员工中20人月加班时间为84-92小时，2023年12月份（随机月）的考勤中，20名随机抽取的员工中20人月加班时间为40-92小时。</p> <p>虽然被审核方有工时管控制度，但是被审核方目前没有要求加班时间完全符合法律要求。被审核方因生产需要导致大部分样本的加班时间超过法律要求，员工也愿意通过多加班来获取更高的工资。</p> <p>参考法规：中华人民共和国劳动法第四十一条。</p>

PA 7: Occupational Health and Safety

Site: ZHEJIANG ZHONGDING TEXTILE CO., LTD. | Site amfori ID: 156-017615-001

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?	
ENGLISH	LOCAL LANGUAGE
Finding	
<p>Follow-up audit (07/17-18/2024) The previous finding had not been corrected.</p> <p>7.1-1 Based on document review, auditee tour, employee and management interview. The auditee</p>	<p>跟进审核（2024年7月17-18日）上次发现的问题没有改善。</p> <p>7.1-1 依据文件审核，现场走访，员工访谈和管理人员访谈。被审核方大部分符合了职业健康安全与其</p>

Finding	
<p>was in line with most of the regulations on occupational health and safety relevant for its activities such as the regulations on electricity, fire protection, escape routes and emergency exit, first aid etc. But the auditee was not fully in line with some occupational health and safety regulations applicable for its activities such as warehouse safety and etc.</p> <p>7.1-2 Based on document review, auditee tour, employee and management interview. The auditee did not provide the off-job occupational health examination to employees engaged in post with occupational disease hazards. While the relevant employees in the course of the work were arranged the on-job and pre-job occupational health examination.</p> <p>Reference law: Law of the PRC Law of Prevention and Control of Occupational Diseases Article 35.</p>	<p>活动相关的规定如关于电力、防火、逃生路线和紧急出口、急救等方面的规定。但是，被审核方没有完全遵守适用于其活动的职业健康安全规定，如仓库安全等。</p> <p>7.1-2 依据文件审核，现场走访，员工访谈和管理人员访谈。被审核方没有为从事职业性危害作业的员工提供离岗时的职业健康检查，但是给所有在岗人员和上岗前人员提供职业健康检查。</p> <p>参考法规：中华人民共和国职业病防治法第三十五条。</p>

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	
<p>Follow-up audit (07/17-18/2024) The previous finding had not been corrected.</p> <p>Through factory tour, it was noted that no warning signs of electricity danger were posted for 2 electric switch boxes in production area.</p> <p>Reference Law: Law of the PRC on Work Safety Article 32.</p>	<p>跟进审核（2024年7月17-18日）上次发现的问题没有改善。</p> <p>通过现场走访发现2个电源开关盒附近没有粘贴有电危险的警示标志。</p> <p>参考法规：中华人民共和国安全生产法第三十二条。</p>

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	
<p>Follow-up audit (07/17-18/2024) The previous finding had not been corrected.</p> <p>Based on document review, auditee tour, employee and management interview. Auditors noted that partial goods in warehouse were stacked against wall and pillar. Auditor found that about 20% goods</p>	<p>跟进审核（2024年7月17-18日）上次发现的问题没有改善。</p> <p>依据文件审核，现场走访，员工访谈和管理人员访谈。被审核方部分货物靠墙靠柱堆放。通过现场巡查，审核员发现被审核方的原料仓和成品仓库约20%的货物挨墙靠柱存放。被审核方建立了仓库安</p>

Finding	
<p>in the raw materials warehouse and finished products warehouse were put against the walls and pillar directly. The auditee had established procedures for warehouse safety and conducted training. The auditee management knew about the requirement. Parts of products were not properly stored due to space limited in the auditee.</p> <p>Reference law: General Rules for Fire Safety Management of Storage Occupancies GA1131-2014 Article 6.8.</p>	<p>全的程序，也进行了培训。被审核方的管理人员了解要求。部分产品没妥善存放是因为被审核方的场地有限导致的。</p> <p>参考法规：仓储场所消防安全管理通则 GA1131-2014第6.8条。</p>

PA 12: Protection of the Environment

Site: ZHEJIANG ZHONGDING TEXTILE CO., LTD. | Site amfori ID: 156-017615-001

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	
<p>Follow-up audit (07/17-18/2024) The previous finding had not been corrected.</p> <p>Through document review, auditor noted that the auditee had identified the significant impacts and environmental implications associated to its activity, but there was no grievance mechanism in place to address the environmental concerns of surrounding communities.</p> <p>It violated the requirement of question 12.1 in amfori BSCI system manual.</p>	<p>跟进审核（2024年7月17-18日）上次发现的问题没有改善。</p> <p>通过文件审核，审核员发现：受审核方识别了其商业活动的重大影响以及对环境造成的后果，但受审核方没有建立有关周围社区环境问题的申诉机制。违反了amfori BSCI管理手册中问题12.1的要求。</p>

PA 13: Ethical Business Behaviour

Site: ZHEJIANG ZHONGDING TEXTILE CO., LTD. | Site amfori ID: 156-017615-001

Question: 13.2 Is there satisfactory evidence that the auditee keeps accurate information regarding its own activities, structure and performance?	
ENGLISH	LOCAL LANGUAGE
Finding	
<p>Follow-up audit (07/17-18/2024) New findings was found.</p> <p>The actual auditee address was " No.688, Fumin</p>	<p>受审核方的实际地址是“中国浙江省嘉兴市桐乡市崇福镇工业区中山路388号、富民路688号”，而营业执照上的注册地址是“浙江省嘉兴市桐乡市崇福镇工业</p>

Finding	
<p>Road No.388, Zhongshan Road, Industrial District, Chongfu Town, Tongxiang City, Jiaxing City, Zhejiang Province, China", while the registration address in business license was " Zhongshan Road, Industrial District, Chongfu Town, Tongxiang City, Jiaxing City, Zhejiang Province ".</p> <p>The factory management said that the address of the business license was not updated in time.</p> <p>Reference law: Administrative Regulation on Registration for Enterprise Legal Person of the People's Republic of China Article 17</p> <p>跟进审核 (2024年7月17-18日) 新问题。</p>	<p>区中山路”。工厂管理层表示没有及时更新营业执照地址。</p> <p>参考法规：中华人民共和国企业法人登记管理条例第十七条</p>

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	
<p>Follow-up audit (07/17-18/2024) The previous finding had not been corrected.</p> <p>Based on document review, auditee tour, employee and management interview. The auditee did not establish procedure to collect, use and otherwise process personal information with reasonable care and in accordance with privacy and information security laws and regulatory requirements. And the auditee did not provide the training about this item.</p> <p>It violated the requirement of question 13.4 in amfori BSCI system manual.</p>	<p>跟进审核 (2024年7月17-18日) 上次发现的问题没有改善。</p> <p>依据文件审核，现场走访，员工访谈和管理人员访谈。被审核方没有建立程序以按照隐私和信息安全法和监控要求收集、使用和进行合理谨慎的处理。也没有对以上内容进行培训。</p> <p>违反了amfori BSCI管理手册中问题13.4的要求。</p>