

Monitored Party ZHENJIANG KIMTEX FASHION INC.	amfori ID 156-002840-000	Address Dashan, Luxi Village, Baoyan Town, Dantu District, 212125 Zhenjiang, Jiangsu Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner QIMA Limited
Monitoring Start Date 06/07/2024	Closing Meeting Finished Date 10/07/2024	Submission Date 10/07/2024
Expiration Date 10/07/2025	Announcement Type Fully Announced	
Site Zhenjiang Kimtex Fashion Inc.	Site amfori ID 156-002840-002	

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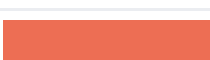
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OVERALL RATING



SECTION RATING

PA1: Social Management System	D	
PA 2: Workers Involvement and Protection	A	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination, Violence or Harassment	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, 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: Thomas Hu; APSCA membership number: CSCA21702074

Monitoring partner name: QIMA LIMITED

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

Audit type: Announced full audit

Business partner information:

Zhenjiang Kimtex Fashion Inc. (Business license registration number: 913211126701138993)

镇江金特服饰有限公司

Dashan, Luxi Village, Baoyan Town, Dantu District, Zhenjiang City, Jiangsu Province, China

中国江苏省镇江市丹徒区宝堰镇鲁西村大山

The announced full audit was conducted on July 6, 2024. The auditee established on December 17, 2007. The total floor area used by the auditee was around 3320 m2. The auditee was specialized in the manufacturing of textile products. The main production process was rewinding, knitting, cutting, sewing, inspection and packing. Printing process was subcontracted.

Audited location information:

There were totally six buildings in the same compound owned by the audited factory, including one flat building used as office and rewinding, knitting, sewing, inspection, packing workshop, one flat building used as finished product warehouse, one flat building used raw material warehouse, 1F of one 2-storey building used as cutting workshop (2F was idle). No dormitory, kitchen& canteen or transportation was provided for employees in the audited factory. In the factory compound, there was one 2-storey building used as private living area and one flat building used as kitchen & canteen for the factory boss only.

Operating shifts and hours:

The auditee used electronic attendance system to record workers' working time. All employees work for 5 days a week from Monday to Friday in one shift. The normal working hours is 8 hours from 8:00 to 17:00 with 1 hour for lunch time from 12:00 to 13:00.

The attendance records from June 2023 to the audit day were reviewed in the audit. 6 sampled workers' attendance records from May 2024(current month), December 2023 (random month) and August 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 14 hours per week and the maximum monthly overtime hours were 56 hours in 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 2280 per month equivalent to RMB 13.10 (2280/21.75/8) per hour since August 1, 2021 and RMB 2490 per month equivalent to RMB 14.31 (2490/21.75/8) per hour since January 1, 2024. Payroll records from June 2023 to May 2024 were provided for review. 6 sampled workers' payroll records from May 2024(current month), December 2023 (random month) and August 2023 (random month) were selected for checking. Workers were paid by hourly rate basis; the minimum basic wage was RMB 14.94 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 partial employees and provided commercial insurance for all other employees who did not participate in social insurance.

Worker number information:

- Total worker number: 28; (Among of them 24 were production employees and 4 were non-production employees); All employees were permanent employees and 5 were domestic migrant employees.

- Production worker number: 24, including 4 males and 20 females.

Worker organization details:

There was no labor union in the auditee currently. 1 worker representative had been elected by employees, and the auditee had conducted internal communication meetings with worker representative 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 were not implemented properly. The auditee had not reasonable evaluated whether its workforce capacity could meet the expectations of delivery orders or contracts. Monthly overtime hours of randomly selected employees exceeded legal requirements.

Performance area 2:

The overall observation showed that the auditee partially fulfilled the requirement of this performance area. The sampled worker representative was not quite aware of amfori BSCI values and principles.

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.

Insufficient social insurance participated.

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. The factory did not install secondary containers for chemicals (such as machine oil) onsite. The goods were stored against the wall or pillar in the warehouse.

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.

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

Zhenjiang Kimtex Fashion Inc.

Site amfori ID

156-002840-002

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

N.A.

METRICS

Key Metrics

Total workforce	28	Workers
Legal minimum wage in local currency	2,490	Monthly
Lowest wage paid for regular work at the site	2,600	Monthly
Calculated living wage in local currency	2,090	Monthly
Total sample	6	Workers

Other Metrics

Male workers	6	Workers
Female workers	22	Workers
Non-binary workers	0	Workers
Permanent workers - Male	6	Workers
Permanent workers - Female	22	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	2	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	3	Workers
Domestic migrant workers - Female	2	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	6	Workers
Workers hired directly - Female	22	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	1	Workers
Sample - Female	5	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: Zhenjiang Kimtex Fashion Inc. | Site amfori ID: 156-002840-002

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 has established a system of social responsibility, conducted internal assessment and management review, and conformed to amfori BSCI requirements and relevant local law requirements in most performance areas, however, some performance areas should be improved, for example, systematically overtime and insufficient social insurance coverage were found.

被审核方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amfori BSCI要求和相关的法规要求，但一些领域仍需要提高，如存在系统性地加班和社保参保不足。

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

Through document review, the auditee had established workforce capacity management procedure, but the auditee had not reasonable evaluated whether its workforce capacity could meet the expectations of delivery orders or contracts. In addition, based on attendance records provided by the auditee, monthly overtime hours of randomly selected employees exceeded legal requirements.

通过文件查阅，被审核方有建立生产能力管理程序，但没有合理的评估其生产能力是否可以满足其生产订单要求。另外，根据被审核方提供的考勤记录，随机抽取的员工的月加班时间超出了法规要求。



PA 2: Workers Involvement and Protection

Site: Zhenjiang Kimtex Fashion Inc. | Site amfori ID: 156-002840-002

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

The auditee had posted the amfori BSCI Code of Conduct publicly, and provided amfori BSCI training with all employees, but according to interviews, it was noted that the sampled worker representative was not quite aware of amfori BSCI values and principles.

被审核方张贴了 amfori BSCI 行为准则，提供了 amfori BSCI 行为准则的培训给所有员工，但抽样访谈的员工代表并不太清楚 amfori BSCI 的标准和原则。

PA 5: Fair Remuneration

Site: Zhenjiang Kimtex Fashion Inc. | Site amfori ID: 156-002840-002

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

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.

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。

Question: 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

Insufficient social insurance participated. Based on management interviews, document review, and employee interviews, there were 28 employees (including 15 retired employees and no new employee) in the factory, 5 employees (38.46%) had participated in basic endowment insurance, basic medical insurance, unemployment insurance, maternity insurance, employment injury insurance. The auditee purchased commercial insurance for all other employees who did not participate in social insurance.
Reference Law: Social Insurance Law of the People's Republic of China, Article 10, Article 23,

社会保险参保不足。根据管理层访谈，文件查看和员工访谈，被审核方28名员工（包括15名退休返聘人员，没有新员工），5人（38.46%）参加养老保险，医疗保险，失业保险，生育保险和工伤保险。受审核方为其余所有未参加社会保险的员工购买了商业保险。
参考法规：《中华人民共和国社会保险法》第十条，第二十三条，第三十三条，第四十四条和第五十三条。

Finding

Article 33, Article 44 and Article 53.

PA 6: Decent Working Hours

Site: Zhenjiang Kimtex Fashion Inc. | Site amfori ID: 156-002840-002

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

Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 6 out of 6 randomly selected employees were 50 hours in May 2024 (current month), 6 out of 6 randomly selected employees were 56 hours in December 2023(random month), 6 out of 6 randomly selected employees were 52 hours in August 2023 (random month).
Reference law: The PRC Labour Law article 41.

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，6名随机抽取的员工中6人月加班时间为50小时，2023年12月份（随机月）的考勤中，6名随机抽取的员工中6人月加班时间为56小时，2023年8月份（随机月）的考勤中，6名随机抽取的员工中6人月加班时间为52小时。
参考法规：中华人民共和国劳动法第四十一条。

PA 7: Occupational Health and Safety

Site: Zhenjiang Kimtex Fashion Inc. | Site amfori ID: 156-002840-002

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 complied with occupational health and safety regulations in most areas, but some areas still needed to be improvement, such as chemicals without secondary containers, goods were stored against the wall and etc.

被审核方在大部分区域遵守了职业健康安全法规，但有一些地方仍需改善，例如化学品没有二次容器，货物靠墙堆放等。

Question: 7.7 Is there satisfactory evidence that the auditee implements engineering and administrative control measures to avoid or minimise the release of hazardous substances into the work environment, keeping the level of exposure below internationally established or recognised limits?

ENGLISH	LOCAL LANGUAGE
Finding	
During facility tour, auditor found that the factory did not install secondary containers for chemicals (such as machine oil) onsite. Reference law: Code of Design on Building Fire Protection and Prevention, Article 3.6.12	在现场巡查时，发现工厂没有对现场的化学品(例如机油)安装二次容器。 参考法规：建筑设计防火规范（GB 50016-2014，2018修正）3.6.12。

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	
The goods were stored against the wall or pillar in the warehouse. During facility tour, partial goods were stored against the wall or the pillar in finished products warehouse. Reference law: General Rules for Fire Safety Management of Storage Occupancies GA1131-2014 Article 6.8.	企业的仓库中货物靠墙靠柱堆放。经现场走访发现，企业的成品仓库中部分货物靠墙靠柱堆放。 参考法规：仓储场所消防安全管理通则 GA1131-2014第6.8条。

PA 12: Protection of the Environment

Site: Zhenjiang Kintex Fashion Inc. | Site amfori ID: 156-002840-002

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	
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.	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。