

Monitored Party CHIFENG SHENGLUN CASHMERE PRODUCTS CO., LTD.	amfori ID 156-014671-000	Address No.4, Textile Industrial Park, Hongshan Economic Development Zone, Hongshan District, Chifeng, Nei Mongol Zizhiqu, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner SGS
Monitoring Start Date 21/08/2024	Closing Meeting Finished Date 21/08/2024	Submission Date 26/08/2024
Expiration Date 29/04/2026	Announcement Type Semi Announced	
Site CHIFENG SHENGLUN CASHMERE PRODUCTS CO., LTD.	Site amfori ID 156-014671-002	

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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, Violence or Harassment	A	

PA 5: Fair Remuneration	B	
PA 6: Decent Working Hours	C	
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	C	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Shylock Yin (APSCA member No. CSCA21701704)

Name of team auditor (if applicable): NA

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

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

Audit schedule details: The audit was planned for 1 auditor x 1 day. The follow up audit (Semi-announced) was conducted on August 21, 2024.

Business partner information: Chifeng Shenglun Cashmere Products Co., Ltd.(赤峰圣伦绒毛制品有限公司) was founded on 22 May 2006 and located at No.4, Textile Industrial Park, Hongshan Economic Development Zone, Hongshan District, Chifeng City, Inner Mongolia Autonomous Region (内蒙古自治区赤峰市红山区红山经济开发区纺织产业园4号). The business license number was 911504027870859405, which was valid until 31 Dec. 2099. Main products were cashmere sweater, cashmere scarves and cashmere hats. The main processes: winding, knitting, linking, sewing, washing, ironing, inspecting, packing.

Audited location information: The audited factory mainly used one 1-storey production building (No. 1) for production and warehouse, one 4-storey office building, one 1-storey canteen/ kitchen building, the 1st floor of one 4-storey dormitory building. The other areas of that building and other buildings (such as No. 2~9 production building) were rented to "INNER MONGOLIA XIANGHAN SCIENCE AND TECHNOLOGY CO., LTD." (内蒙古橡翰科技有限公司) with separate business license. No mixed workers between them. The audited factory also provided the rented lease contract and its business license for review. Thus, the audit only covered the areas used by the audited factory.

Operating shifts and hours: The factory established the written policy of working hour's system and controlled working hours. According to the policy and implementation records, the workers worked 8 hours per day and 5 days per week. One shift for all workers: 08:00-12:00, 14:00-18:00. The factory punched electrical fingerprint recognition system 4 times per day, the workers usually had 0-1.5 OT hours on weekdays. The factory arranged workers working on Saturday sometimes and workers had right to choose working overtime or not. The factory ensured workers had one day off per week. Based on the attendance records provided by the factory from May 1, 2024 to the audit day, the workers' max. daily overtime were 1.5 hours, the max. weekly working hours were 54 hours, and the max. monthly overtime were 32.5 hours. Overtime wages were paid at 150%/200% on weekdays/rest days respectively. No overtime was arranged on statutory holidays.

1st sampled month (May 2024): standard hours (40) + maximum weekly OT (14)

2nd sampled month (June 2024): standard hours (40) + maximum weekly OT (14)

3rd sampled month (July 2024): standard hours (40) + maximum weekly OT (14)

Salary payment details: The factory established the wages and benefit paying system including paid statutory holidays, sick leave, annual leave, marriage leave and maternity leave etc. Based on reviewing the attendance records from May 1, 2024 to the audit day and the payroll records from May 2024 to July 2024 provided by the factory, the minimum wage paid by the factory was RMB2310 per month which above legal requirement of RMB1910 per month. All workers were paid by hourly rate, and the factory paid overtime wages for all employees according to legal requirements. All workers were paid by cash on or before 20th of next month. Satisfactory evidence showed that the factory provided skill training to workers and workers' position allowance will be increased accordingly when workers received more training. All these processes and evidence were cross checked by document review, worker interview and management interview.

Worker number information:

- Total worker number: 95 including 7 non-production workers and 88 production workers.
- Production worker number: 88 including 10 male workers and 78 female workers.
- Vulnerable worker number: No domestic migrant worker, no child labour, young worker, disabled worker, pregnant and on parental leave worker.
- Any other special group workers (interns, apprentices, contractor workers etc.): Nil

Good practices: Nil

Worker organization details: There was no trade union at the site. 2 worker representatives were elected freely at the factory. The workers could express their opinions through the worker representatives, suggestion box or communicate with

their supervisor directly.

Circumstances: No special circumstance was happened during the audit.

The special circumstances can be classified as followed: No special issue was identified by searching on the Creditable China and the IPE website. No incidents, shortcomings, building safety, national events, behaviour, coaching issue was identified during the audit.

Summary of findings:

PA1: The management system to implement amfori BSCI principle was not completed. (1.1) The management staff did not know clearly how to calculate workforce capacity in detailed. (1.4)

PA2: No suitable long-term goal. (2.2) The grievance procedure was not completed. (2.5)

PA5: Some employees' wages were less than calculated local decent living wage. (5.4)

PA6: No complete emergency plan in case of production accident was established. (6.2)

PA7: Some related health and safety regulations were missed. Goods were stored against the wall directly. (7.1) No regular occupational health examination to related workers. (7.3) Some sewing machines missed fingerguards. (7.17) No some occupational hazard factor testing. (7.25)

PA12: No regular monitoring test for boundary noise. (12.2) Procedure used to save water and reduce waste-water discharge was not completed. (12.5)

The follow up audit covered PA1/2/5/6/7/12

Living wage calculation: 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.

Precautions taken about #COVID-19 in the facility: No special precautions taken about #COVID-19 in China.

Personal data protection law/requirement in the country: 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: During documents review, some of required documents are not applicable in organization like Agency Labor Contract, Government Wavier on working hours and Collective Bargaining Agreement. The above documents were not involved in document report.

SITE DETAILS

Site
CHIFENG SHENGLUN
CASHMERE PRODUCTS CO.,
LTD.

Site amfori ID
156-014671-002

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.

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	95	Workers
Legal minimum wage in local currency	1,910	Monthly
Lowest wage paid for regular work at the site	2,310	Monthly
Calculated living wage in local currency	3,021	Monthly
Total sample	5	Workers

Other Metrics

Male workers	14	Workers
Female workers	81	Workers
Non-binary workers	0	Workers
Permanent workers - Male	14	Workers
Permanent workers - Female	81	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	3	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	0	Workers
Domestic migrant workers - Female	0	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	14	Workers
Workers hired directly - Female	81	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	2	Workers
Sample - Female	3	Workers
Sample - Non-binary	0	Workers

FINDINGS

PA1: Social Management System

Site: CHIFENG SHENGLUN CASHMERE PRODUCTS CO., LTD. | Site amfori ID: 156-014671-002

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	
1st follow-up audit on August 21, 2024 result: Open 1.1 The main auditee partially respected this principle. Based on management interview, workers' interview and documents review, though the auditee set up the management system to implement amfori BSCI Code of Conduct, had designated responsible person Liu Zhijun/Business Manager and conducted internal audit on June 18, 2024. Due to inadequate understanding of the regulations and amfori BSCI requirements, auditee's some of the management procedures were not implemented effectively. There were still some findings found in PA2, PA5, PA6, PA7, PA12 in this audit. It violated the requirement of question 1.1 in amfori BSCI system manual.	2024年8月21日第一次跟进结果：打开 被审核方（生产商）部分遵循该准则。基于管理层访谈、员工访谈和文件审核，虽然工厂建立了管理体系来执行amfori BSCI守则，并任命了刘志军/业务经理，也在2024年6月18日进行了内审。但是由于工厂未充分理解法规和amfori BSCI的要求，被审核方的部分管理程序没有有效执行。PA2/5/6/7/12存在不足。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	
1st follow-up audit on August 21, 2024 result: Open 1.4 The auditee partially respected this principle. Because on management interview and workers interview and document review, the factory had realistically calculated the workforce capacity, but no detailed written records of any calculating the production capacity was provided. It violated the requirement of question 1.4 in amfori BSCI system manual.	2024年8月21日第一次跟进结果：打开 被审核方（生产商）部分遵守该原则。原因是根据管理层和员工访谈及文件审核发现，工厂管理人员了解如何规划劳动力，但无详细的计算方法和记录保留。违反了amfori BSCI管理手册中问题1.4的要求。

PA 2: Workers Involvement and Protection

Site: CHIFENG SHENGLUN CASHMERE PRODUCTS CO., LTD. | Site amfori ID: 156-014671-002

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	
1st follow-up audit on August 21, 2024 result: Open 2.2 The main auditee partially respected this principle. Because based on document review and management interview, due to the inadequate understanding of management about amfori BSCI requirements, the factory did not analyze the gap between the current situation and BSCI requirements to establish the practical long-term goal (such as 1~5 years), step-by-step action plans and measures toward sustainable improvements to protect workers and meet amfori BSCI requirements. It violated the requirement of question 2.2 in amfori BSCI system manual.	2024年8月21日第一次跟进结果：打开被审核方（生产商）部分遵循该原则。原因是根据文件查看和管理层访谈，由于管理层未充分理解amfori BSCI的要求，工厂没有分析目前现状与BSCI要求的差距，去制定一个长期的（如1~5年）切实目标，可持续行动计划和措施去保护工人，确保符合amfori BSCI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	
1st follow-up audit on August 21, 2024 result: Open 2.5 The main auditee partially respected this principle. Because based on document review, management interview, workers interview and on-site observation, the factory updated grievance procedure (included in the management procedure named SLYR-CSR) including worker representatives and suggestion box for their own employees on 18 May 2023, did not define the content of timelines to address grievance and how to make complains anonymously etc., and the only one suggestion box was placed inside of the workshop. Besides, no channel was set for local communities or outside interested party coming up with its suggestions or complaints to management for improvement. It violated the requirement of question 2.5 in amfori BSCI system manual.	2024年8月21日第一次跟进结果：打开被审核方（生产商）部分遵循该准则。原因是根据文件审核，管理访谈，员工访谈及现场查看发现，工厂于2023年5月18日更新了包括员工代表和意见箱在内的供内部人员使用的申诉程序（包括在文件名为SLYR-CSR的管理程序里），但其中没有包括匿名申诉的渠道和申诉的时效性等内容，而且将唯一的意见箱放在车间里面。另外，工厂没有建立供当地社区等外部相关方申诉的渠道。违反了amfori BSCI管理手册中问题2.5的要求。

PA 5: Fair Remuneration

Site: CHIFENG SHENGLUN CASHMERE PRODUCTS CO., LTD. | Site amfori ID: 156-014671-002

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
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Finding	
1st follow-up audit on August 21, 2024 result: Open 5.4 Finding: The main auditee did not respect this principle. Based on document review, management interview and workers interview, the minimum wage paid for workers by factory above the local minimum wage standard, but about 90% employees' wages were less than calculated local decent living wage (RMB3021/month). It violated the requirement of question 5.4 in amfori BSCI system manual.	2024年8月21日第一次跟进结果：打开 5.4 发现点：被审核方（生产商）未遵循该准则。原因是根据文件审核，管理访谈及员工访谈发现，工厂支付工人的最低工资高于当地最低工资水平，约90%的员工的工资低于当地体面生活工资（3021元/月）。违反了amfori BSCI管理手册中问题5.4的要求。

PA 6: Decent Working Hours

Site: CHIFENG SHENGLUN CASHMERE PRODUCTS CO., LTD. | Site amfori ID: 156-014671-002

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	
1st follow-up audit on August 21, 2024 result: Open 6.2 The main auditee partially respected this principle. Because no complete emergency plan in case of production accident (such as lack of material, reworking and etc.) was established, to ensure workers' overtime hours always in line with legal requirement. It violated the requirement of question 6.2 in amfori BSCI system manual. Remark: The workers' maximum daily overtime hours were 1.5 hours, and the maximum weekly working hours were 54 hours. 1st sampled month (May 2024): standard hours (176 hours) + maximum monthly overtime (31 hours), 2nd sampled month (June 2024): standard hours (152 hours) + maximum monthly overtime (32.5 hours), 3rd sampled month (July 2024): standard hours (184 hours) + maximum monthly overtime (32.5 hours).	2024年8月21日第一次跟进结果：打开 被审核方（生产商）部分遵循该准则。工厂没有制定完整的生产意外(如物料短缺，返工等)的应急预案以确保加班时间一直符合法规要求。违反了amfori BSCI管理手册中问题6.2的要求。备注：工人的最大日加班时间为1.5小时，最大周工作时间为54小时。 第一个抽样月（2024年5月）：标准工时（176小时）+最大月加班（31小时）， 第二个抽样月（2024年6月）：标准工时（152小时）+最大月加班（32.5小时）， 第三个抽样月（2024年7月）：标准工时（184小时）+最大月加班（32.5小时）。

PA 7: Occupational Health and Safety

Site: CHIFENG SHENGLUN CASHMERE PRODUCTS CO., LTD. | Site amfori ID: 156-014671-002

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?
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ENGLISH	LOCAL LANGUAGE
Finding	
1st follow-up audit on August 21, 2024 result: Open The main auditee partially respects this principle. Because based on document review, management interview and onsite observation, the factory did not identify and collect all related health and safety regulations applicable for its activities, such as occupational health safety / safeguard of machine / food safety related regulations or national standards was not listed in the law list which was updated on 6 Mar. 2024. Besides, about 50% of goods were stored against the wall, which was not in line with legal requirements (Goods should be classified to be stored, the distance between stack and the wall should not be less than 0.5m.). It violated the requirement of question 7.1 in amfori BSCI system manual and Regulations on Fire Prevention of Warehouse (1990), Article 18.	2024年8月21日第一次跟进结果：打开被审核方（生产商）部分遵循该准则。原因是根据文件审核，管理访谈及现场查看发现，工厂未识别并收集完整的与其健康安全有关的法律法规，如更新于2024年3月6日的法规清单里没有职业健康安全/机器安全防护/食品安全等相关的法规或国家标准。另外，约50%的货物紧靠墙存放，不符合法规要求（货物应分类存放并距离墙面至少0.5米）。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: 7.3 Is there satisfactory evidence that the auditee set up an effective management system that ensures they regularly carry out risk assessments for safe, healthy and hygienic working conditions?

ENGLISH	LOCAL LANGUAGE
Finding	
1st follow-up audit on August 21, 2024 result: Open The main auditee partially respected this principle. Because based on document review, management interview and workers interview, the factory did not provide regular occupational health examination to most workers who contacted with occupational hazardous factors such as noise and cotton dust. It violated Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35.	2024年8月21日第一次跟进结果：打开被审核方（生产商）部分遵循该准则。原因是根据文件审核，管理访谈及员工访谈发现，工厂没有为接触噪声/棉尘等职业病危害因素的大部分员工提供定期的职业健康体检。违反了中华人民共和国职业病防治法（2018修正）第三十五条。

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	
1st follow-up audit on August 21, 2024 result: Open The main auditee did not respect this principle. Because based on document review, management interview and onsite observation, no finger guard or eye guard was installed for all sewing machines. It	2024年8月21日第一次跟进结果：打开被审核方（生产商）未遵循该准则。原因是根据文件审核，管理访谈及现场查看发现，所有缝纫机没有安装护指环或护眼板。违反了生产设备安全卫生设计总则（GB 5083-1999）第6.1.2条。

Finding	
violated General Rules of Design on Health and Safety of Production Facility (GB 5083-1999), 6.1.2.	
Question: 7.25 Is there satisfactory evidence the auditee verifies that temperature, humidity, space, sanitation, illumination are adequate for the health and safety of workers?	
ENGLISH	LOCAL LANGUAGE
Finding	
1st follow-up audit on August 21, 2024 result: Open The main auditee partially respected this principle. Because based on document review, management interview and onsite observation, there was occupational hazard factors such as noise, cotton dust and high temperature, the factory only conducted occupational hazard factor testing in winter for noise and cotton dust, but not high temperature. It violated Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 26.	2024年8月21日第一次跟进结果：打开被审核方（生产商）部分遵循该准则。原因是根据文件审核，管理访谈及现场查看发现，工厂有噪声、棉尘、高温（水洗工序）等职业病危害因素，但工厂只在冬季进行了噪声等检测，未进行高温的检测。违反了中华人民共和国职业病防治法（2018修正）第二十六条。

PA 12: Protection of the Environment

Site: CHIFENG SHENGLUN CASHMERE PRODUCTS CO., LTD. | Site amfori ID: 156-014671-002

Question: 12.2 Is there satisfactory evidence that the auditee has procedures in place to ensure integration of local environmental law into the business model?	
ENGLISH	LOCAL LANGUAGE
Finding	
1st follow-up audit on August 21, 2024 result: Open 12.2 The main auditee partially respected this principle. Because based on document review, management interview and workers interview, the factory did not conduct regular monitoring test for boundary noise according to Environmental Impact Assessment report, but only for wasted water and waste air. It violated Management Measures for Environmental Monitoring, Article 21.	2024年8月21日第一次跟进结果：打开被审核方（生产商）部分遵循该准则。原因是根据文件审核，管理访谈及员工访谈发现，工厂没有按环评报告的要求进行定期的厂界噪声监测，只定期进行废水和废气的监测。违反了环境监测管理办法第二十一条。
Question: 12.5 Is there satisfactory evidence that water is managed in a way that respects the environment, particularly but not limited to preserving local water sources?	
ENGLISH	LOCAL LANGUAGE

Finding

1st follow-up audit on August 21, 2024 result: Open
12.5 The main auditee did not respect this principle. Because based on document review, management interview and workers interview, the procedures (included in the management procedure named SLYR-CSR) which were updated on 18 May 2023 did not include procedure used to save water and reduce waste-water discharge which included detailed specified target, operable action plans and effective monitoring measure. It violated the requirement of question 12.5 in amfori BSCI system manual.

2024年8月21日第一次跟进结果：打开被审核方（生产商）未遵循该准则。原因是根据文件审核，管理访谈及员工访谈发现，工厂于2023年5月18日更新的程序（包括在文件名为SLYR-CSR的管理程序里）中没有涉及包含具体的目标、可操作的行动措施和效果监测等内容的节约用水和减少废水排放的程序。违反了amfori BSCI管理手册中问题12.5的要求。