

Monitoring summary report for DECOR ZONE CO., LIMITED (DE ZHENG CRAFTS CO., LIMITED)

MONITORING ID: 22-0128080-1



Monitored Party DECOR ZONE CO., LIMITED (DE ZHENG CRAFTS CO., LIMITED)	amfori ID 156-020583-000	Address Tanglong Industrial Zone, Guanqiao, Anxi, 362441 Quanzhou, Fujian Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner SGS
Monitoring Start Date 22/05/2023	Closing Meeting Finished Date 29/05/2023	Submission Date 29/05/2023
Expiration Date 01/06/2024	Announcement Type Semi Announced	
Site DECOR ZONE CO., LIMITED (DE ZHENG CRAFTS CO., LIMITED)	Site amfori ID 156-020583-001	

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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	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: Willie Liu; APSCA membership number (CSCA 21701768)

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 0.5 day. The follow up audit (semi-announced) was conducted on 22 May 2023.

Business partner information: DECOR ZONE CO., LIMITED (DE ZHENG CRAFTS CO., LIMITED) (安溪中港德正工艺有限公司) was located at Tanglong Industrial Zone, Guanqiao, Anxi, 362441 Quanzhou, Fujian, China (福建省泉州市安溪县官桥镇塘龙工业区). The factory was limited company. The Unified social credit code number was 913505245959790422, effective from 23 May 2012 to 22 May 2042. The factory specialized in the manufacturing of iron furniture and iron handicrafts. The main production activities in the factory were welding, polishing, electrophoresis, powder spraying, painting and packing. The production capacity was 400,000pcs per year.

Audited location information: There were three 1-storey production buildings and one 6-storey production building in the factory yard. The factory rented two 1-storey production buildings. The lease contract was provided for review. This audit only covered the area rented by the factory. The building owner rented out the rest areas to the other two companies. Based on onsite observation, document review, management interview and worker interview, the audited factory was independent with the other two companies. No cooperation or shared employee among the factory and companies.

Building details as below:

1# building: 1-storey, 2160.8 square meters, rented by the audited factory, used as materials warehouse, welding, polishing, electrophoresis, powder spraying and painting workshop.

2# building: 1-storey, 2376.3 square meters, rented by the audited factory, used as packing workshop, finished goods warehouse, office and show room.

3# building: 1-storey, 4000 square meters, rented by Zhanglin Metal Crafts Factory.

4# building: 6-storey, 3600 square meters, rented by Garment Factory.

Operating shifts and hours, Time recording system: The factory established working hour procedure and provided relevant training to workers. Working hour system was 8 hours per week, 5 days per week. There was only one shift: 7:30-11:30, 13:00-17:00, if overtime 18:00-20:00. Workers usually overtime worked on Saturdays and rest on Sundays. Working hours were recorded by fingerprint attendance recorder. Based on attendance records review, and confirmed by workers interview, the normal working hours, daily overtime working hours and one day off per seven days were in compliance with legal requirement. Overtime is voluntary. And workers had right to rest in rest breaks in every working day, such as go to toilet, drink water. The max daily overtime was 2hours, the max monthly overtime was 60hours (including 28hours on weekdays and 32hours on weekends), happened in Mar 2023, the max weekly working hour was 58hours.

Salary payment details: The factory established salary and benefit policy according to amfori BSCI Code and local law. Payroll records from Jun 2022 to Apr 2023 were provided for review. Based on sampled payroll and attendance records, it was noted that the lowest basic wage among samples matched the local minimum wage and the auditee paid 150% and 200% of regular wage rate for overtime hours on weekdays and rest days to workers, which were in compliance with legal requirements. The wage was calculated by hourly rate, paid by cash on 15th of the following month, and pay slip was also provided to workers each month. The factory assessed the local decent living stand, the wages paid to workers were more than the living standard. No monetary fines or other illegal deductions were detected in payroll records. Benefits such as paid annual leave, sick leave, maternity leave were legally provided.

Worker number information:

Total 34 workers in the factory, production: 28 (male 16, female 12), non-production: 6.

Workers from other provinces: 21 (male 13, female 8).

No child workers, young workers, disabled workers, breastfeeding employees, pregnant women, interns, apprentices, contractor workers in the factory.

Good practices: Nil.

Worker organization details: No trade union in the factory. Two worker representatives were freely elected and could communicate workplace issues with the management regularly.

Circumstances: The production was in normal operation and the factory representative was cooperative during the audit. No special situation during the audit.

The special circumstances can be classified as followed: Based on checking IPE and Credit China website, no special circumstance.

Summary of findings: Non-compliances found as below: PA1: 1.1 Social Management System not implemented sufficiently, 1.4 workforce capacity was not evaluated to meet the expectations of deliver order; PA2: 2.2 the long term goals were not monitored; PA3: Nil, PA4: Nil, PA5: 5.5 the factory didn't provide social insurance to part of employees; PA6: 6.2 the monthly overtime hours exceeded legal requirement; PA7: 7.1 no occupational hazard factors monitoring and no occupational health examination, 7.3 the risk assessments did not cover some key operation posts, 7.17 welders' special work permits were not regularly reviewed; PA8: Nil, PA9: Ni, PA10: Nil, PA11: Nil, PA12: 12.1 Nil, PA13: Nil.

Living wage calculation: 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>

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

Attachments : There was no contractor used by the auditee, which made the contractor license/permit not applicable.

There was no agency used by the auditee, which made the agency labour contract not applicable. There was no government waiver issued to the auditee, which made the government waivers not applicable. There was no collective bargaining agreement in the auditee, which made the collective bargaining agreements not applicable.

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.

SITE DETAILS

Site

**DECOR ZONE CO., LIMITED (DE
ZHENG CRAFTS CO., LIMITED)**

Site amfori ID

156-020583-001

GICS Classification

Sector

Consumer Discretionary

Industry Group

Consumer Durables & Apparel

Industry

Household Durables

Sub Industry

Home Furnishings

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

Manufacture of furniture

Water Stress Situation

This site is not located in a water stressed region

METRICS

Key Metrics

Total workforce	34	Workers
Legal minimum wage in local currency	1810	Monthly
Lowest wage paid for regular work at the site	3000	Monthly
Calculated living wage in local currency	3333	Monthly
Total sample	3	Workers

Other Metrics

Male workers	19	Workers
Female workers	15	Workers
Permanent workers - Male	19	Workers
Permanent workers - Female	15	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	1	Workers
Management - Female	0	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	13	Workers
Domestic migrant workers - Female	8	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	19	Workers
Workers hired directly - Female	15	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	1	Workers

FINDINGS

PA1: Social Management System

Site: DECOR ZONE CO., LIMITED (DE ZHENG CRAFTS CO., LIMITED) | Site amfori ID: 156-020583-001

ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>1.1</p> <p>Follow up audit result on 22 May 2023: Open</p> <p>Finding: The main auditee partially respects this principle because based on onsite observation, document review, worker interview and management interview, the factory had established amfori BSCI management system and relevant procedures according to amfori BSCI Code, but there were still gaps between the current situation and the amfori BSCI Code, such as: 1) Workers' monthly overtime hours exceeded the legal requirement; 2) The factory did not provide social insurances to part of employees. The reason explained by the factory was that the internal supervision of the BSCI system operation was insufficient. The factory would strengthen internal supervision in the future and gradually improve existing problems.</p> <p>It violated the requirement of question 1.1 in amfori BSCI system manual.</p>	<p>2023年5月22日的跟进审核结果：未关闭</p> <p>被审核方部分遵循该原则，原因是根据现场查看、文件查看、员工访谈和管理层访谈，工厂已经根据 amfori BSCI 行为准则建立了社会责任管理体系和相应的程序文件。但是工厂的当前情况与 amfori BSCI 的行为准则仍然存在一些差距，例如：1) 员工月加班超过法规要求；2) 工厂未给部分员工缴纳社保。工厂解释原因是工厂对BSCI体系运行的内部监督不足，工厂后续将加强内部监督，逐步改善存在的问题。</p> <p>违反了 amfori BSCI 管理手册中问题1.1的要求</p>
<p>1.4</p> <p>Follow up audit result on 22 May 2023: Open</p> <p>Finding: The main auditee partially respects this principle because based on document review, worker interview and management interview, the management was aware of the workforce planning and cost accounting, and the workforce planning and cost accounting procedure was established. But the factory did not establish a comprehensive production capacity plan, and it caused workers' monthly overtime hours exceeded the legal requirement. The factory explained that the reason was that the factory did not designate personnel to establish a comprehensive production capacity plan,. In order to meet the order arrangement, overtime was arranged on the premise that workers voluntarily worked overtime.</p> <p>It violated the requirement of question 1.4 in amfori BSCI system manual.</p>	<p>2023年5月22日的跟进审核结果：未关闭</p> <p>被审核方部分遵循该原则，原因是根据文件查看、员工访谈和管理层访谈，管理层有了解产能规划和成本核算，且工厂建立了产能规划和成本核算程序，但是没有建立完善的产能规划，导致员工的月加班时间超过法规要求。工厂解释原因是工厂未指定人员建立完善的产能规划，为满足订单安排，在员工自愿加班的前提下安排了加班。</p> <p>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: DECOR ZONE CO., LIMITED (DE ZHENG CRAFTS CO., LIMITED) | Site amfori ID: 156-020583-001

ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>2.2</p> <p>Follow up audit result on 22 May 2023: Open Finding: The main auditee partially respects this principle because based on document review, worker interview and management interview, the factory had established long-term goals for employees' protection, involving employees' benefits, insecure employment, work environment and employee trainings, etc. However, the factory did not follow up the achievement of the goals every year. The factory explained that due to insufficient training, related responsible person was not aware of relevant requirements. It violated the requirement of question 2.2 in amfori BSCI system manual.</p>	<p>2023年5月22日的跟进审核结果：未关闭</p> <p>被审核方部分遵守该原则，原因是根据文件查看，员工访谈和管理层访谈，工厂建立了保护员工的长期目标，涉及到员工福利，无保障就业，员工工作环境和员工培训等。但是，工厂没有针对每年的目标达成情况做跟进。工厂解释是由于培训不足，导致相关负责人不了解相关要求。</p> <p>违反了 amfori BSCI 管理手册中问题2.2的要求</p>

PA 5: Fair Remuneration

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>5.5</p> <p>Follow up audit result on 22 May 2023: Open Finding: The main auditee does not respect this principle because based on document review, worker interview and management interview, the factory didn't provide social insurance to part of employees. During the audit, there were total 34 employees. Based on social insurance payment receipts in Apr 2023 and management interview, the factory provided retirement, unemployment, injury, medical and maternity insurances to 8 employees. The factory explained that part of workers had attended New Rural Cooperative Medical System in their hometown and they did not want to buy social insurance in the factory. But the factory didn't verify it. The factory provided commercial injury insurance to other 26 employees, valid from 12 Jun 2022 to 11 Jun 2023. It violated Labor Law of the People's Republic of China (2018 Amendment) Article 72 & Article 73</p>	<p>2023年5月22日的跟进审核结果：未关闭</p> <p>被审核方未遵守该原则，原因是根据文件查看、员工访谈和管理层访谈，工厂未给部分员工缴纳社保。审核期间，厂内共有34名员工。根据2023年4月的社保缴费记录和管理层访谈，工厂只给8名员工缴纳养老、失业、工伤、医疗和生育保险。工厂解释部分员工已在老家购买了新农合保险，不愿意在工厂再买社保。但工厂未对员工购买新农合保险进行核实。工厂给另外26名员工购买了商业意外险，有效期从2022年6月12日至2023年6月11日。</p> <p>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: DECOR ZONE CO., LIMITED (DE ZHENG CRAFTS CO., LIMITED) | Site amfori ID: 156-020583-001

ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>6.2</p> <p>Follow up audit result on 22 May 2023: Open Finding: The main auditee does not respect this principle because based on document review, worker interview and management interview, the monthly overtime hours exceeded legal requirement. During the audit, the factory provided the attendance records from 1 Jun 2022 to 22 May 2023 for review. 3 sampled workers' monthly overtime hours exceeded legal requirement in all months except Jan 2023. The max daily overtime was 2hours, the max monthly overtime was 60hours (including 28hours on weekdays and 32hours on weekends), happened in Mar 2023, the max weekly working hour was 58hours. The factory explained that the reason was that the factory did not designate personnel to evaluate production capacity. In order to meet the order arrangement, overtime was arranged on the premise that workers voluntarily worked overtime.</p> <p>It violated Labor Law of the People's Republic of China (2018 Amendment), Article 41</p>	<p>2023年5月22日的跟进审核结果：未关闭</p> <p>被审核方未遵守该原则，原因是根据文件查看、员工访谈和管理层访谈，员工月加班超过法规要求。审核期间，工厂提供了员工从2022年6月1日至2023年5月22日的考勤记录。根据记录显示，3名抽样员工在除了2023年1月外的所有月份的月加班均超过法规要求。员工最大日加班为2小时，最大月加班为60小时（包含平时加班28小时和周末加班32小时），发生在2023年3月，最大周工时为58小时。工厂解释原因是工厂未指定人员进行生产能力的评估，为满足订单安排，在员工自愿加班的前提下安排了加班。</p> <p>违反了中华人民共和国劳动法（2018修正）第四十一条</p>

PA 7: Occupational Health and Safety

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ENGLISH	LOCAL LANGUAGE
Finding(s)	
<p>7.1</p> <p>Follow up audit result on 22 May 2023: Open Finding: The main auditee partially respects this principle because based on onsite observation, document review, worker interview and management interview, the factory had established management system on health and safety, included the identify and awareness of related legal regulation, health and safety check, training and etc. But some health and safety issues were identified due to management negligence, such as 1) the factory did not provide occupational health examination for workers in hazardous position, such as polishing, powder spraying and painting workers. 2) The factory did not provide the occupational hazard factors monitoring report for review. The factory explained that due to</p>	<p>2023年5月22日的跟进审核结果：未关闭</p> <p>被审核方部分遵守该原则，原因是根据现场查看、文件查看、员工访谈和管理层访谈，工厂已建立健康安全管理体系，包括相关法规的识别与了解，健康安全检查和培训等，但是由于管理疏忽，导致仍然有健康安全问题存在，比如1）工厂未给危害岗位如抛丸、喷粉和刷色的员工进行职业健康体检。2）工厂未提供职业危害因素监测报告供查看。工厂解释是由于培训不足，导致相关负责人不了解相关要求。</p> <p>违反了中华人民共和国职业病防治法（2018修正）第三十五条和违反了中华人民共和国职业病防治法（2018修正）第二十六条</p>

Finding(s)	
insufficient training, related responsible person was not aware of relevant requirements. It violated Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35 and Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 26	
7.2 Follow up audit result on 22 May 2023: Closed Based on document review, worker interview and management interview, there were total 34 employees, the factory provided social injury insurance to 8 employees, provided commercial injury insurance to the other 26 employees, valid from 12 Jun 2022 to 11 Jun 2023.	2023年5月22日的跟进审核结果：关闭 根据文件查看、员工访谈和管理层访谈，工厂共34名员工，给8名员工缴纳了社保工伤险，给另外26名员工购买了商业险，有效期从2022年6月12日至2023年6月11日。
7.3 Follow up audit result on 22 May 2023: Open Finding: The main auditee partially respects this principle because based on document review, worker interview and management interview, the factory conducted the risk assessment for health and safety, but the risk assessments did not cover the key operation post such as the position of powder spraying and painting. The factory explained that due to insufficient training, related responsible person was not aware of relevant requirements. It violated the requirement of question 7.3 in amfori BSCI system manual.	2023年5月22日的跟进审核结果：未关闭 被审核方部分遵守该原则，原因是根据文件查看、员工访谈和管理层访谈，工厂有进行健康安全风险评估，但是风险评估未覆盖到关键岗位，例如，喷粉和刷色岗位等。工厂解释是由于培训不足，导致相关负责人不了解相关要求。 违反了 amfori BSCI 管理手册中问题7.3的要求
7.6 Follow up audit result on 22 May 2023: Closed Based on onsite observation, document review, worker interview and management interview, the factory established PPE management procedure, provided related training and PPE free of charge to workers, workers wore PPE correctly when operating.	2023年5月22日的跟进审核结果：关闭 根据现场查看、文件查看、员工访谈和管理层访谈，工厂建立了劳保用品管理规定，给员工提供相关的培训和免费的劳保用品，员工操作时正确佩戴了劳保用品。
7.17 Follow up audit result on 22 May 2023: New finding Finding: The main auditee partially respects this principle because based on onsite observation, document review, worker interview and management interview, two welders' special work permits were not reviewed in Nov 2022 as per the legal requirement. The factory explained that due to insufficient training, related responsible person was	2023年5月22日的跟进审核结果：新问题 被审核方部分遵守该原则，原因是根据现场查看、文件查看、员工访谈和管理层访谈，2名焊工的特殊作业证未按法规要求在2022年11月进行复审。工厂解释是由于培训不足，导致相关负责人不了解相关要求。 违反了特种作业人员安全技术培训考核管理规定（2015修正）第二十一条

Finding(s)

not aware of relevant requirements.
It violated Provisions on the Administration of
Safety Technology Training and Evaluation of
Special Operation Workers (2015Amendment),
Article 21

PA 12: Protection of the Environment

Site: DECOR ZONE CO., LIMITED (DE ZHENG CRAFTS CO., LIMITED) | Site amfori ID: 156-020583-001

ENGLISH

LOCAL LANGUAGE

Finding(s)

12.4
Follow up audit result on 22 May 2023: Closed
Based on onsite observation, document review and
management interview, the factory had set up a
dedicated hazardous waste warehouse, signed a
hazardous waste treatment contract with a qualified
company, and regularly transferred hazardous
waste to that company for treatment, the most
recent transfer was on 21 Dec 2022.

2023年5月22日的跟进审核结果：关闭
根据现场查看、文件查看和管理层访谈，工厂设置
了专门的危废仓库，与一家有资质的单位签订了危
废处理合同，并定期将危废转移给该单位处理，最
近一次在2022年12月21日。