

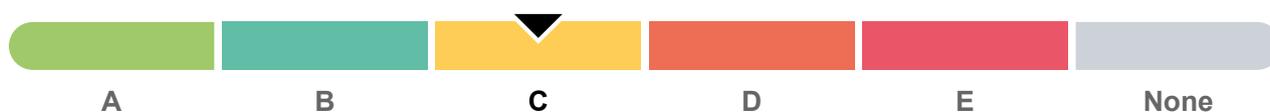
Monitored Party HEBEI ZHAOXIN FUR PRODUCTS COMPANY LIMITED BY SHARES	amfori ID 156-005966-000	Address SHUNDA ROAD NORTH,XIYUAN INDUSTRIAL PARK,GUCHENG COUNTY,HEBEI,CHINA, 253800 Hengshui, Hebei Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner APCER
Monitoring Start Date 18/10/2023	Closing Meeting Finished Date 19/10/2023	Submission Date 27/10/2023
Expiration Date 27/10/2024	Announcement Type Semi Announced	
Site HEBEI ZHAOXIN FUR PRODUCTS COMPANY LIMITED BY SHARES	Site amfori ID 156-005966-001	

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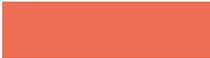
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OVERALL RATING



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, Violence or Harassment	A	
PA 5: Fair Remuneration	B	

PA 6: Decent Working Hours	D	
PA 7: Occupational Health and Safety	B	
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: Zoe ZHANG; APSCA membership number: CSCA 21700960

Monitoring partner name: APCER (Monitoring firm APSCA #: 11600046)

Audit schedule details: The audit is planned for 1 auditor x 1 day.

Announcement Type: Semi Announced Full Monitoring.

Business partner information:

HEBEI ZHAOXIN FUR PRODUCTS COMPANY LIMITED BY SHARES (Local Name: 河北兆鑫裘革制品股份有限公司, Uniform Code of Social Credit: 911311007288032796) was located at Shunda Road North, Xiyuan Industrial Park, Gucheng County, Hengshui City, Hebei Province, China (中国河北省衡水市故城县西苑工业园区顺达路北侧). The factory was established in 2001 at current production address.

The factory is specialized in the manufacturing of gloves.

Main production activities include cutting, sewing, finishing (mending, shaping, inspection and packing). No production process or service was subcontracted.

As per management interview, peak season in the factory was not obvious per year.

Audited location information:

The factory used part of one flat □-shaped production building (No.2) for production workshops, warehouses and office. The building was owned by the audited factory. The rest parts of the production building were rented to 2 garment factories, which had independent business license, the factory provided the rental contract for review. Other buildings including canteen and dormitory building were rented to other factories with separate business licenses, lease contracts were provided for review, thus, those buildings and the rest part of the building (No.2) were not covered by the audit. The factory did not provide canteen, kitchen, dormitory or transportation to workers. The construction area was about 1,800 square meters.

Operating shifts and hours:

During the current audit, attendance records from September 2022 to the audit date were provided for review. All employees worked in one shift, the regular working hours were from 8:00 to 17:00 with 1 hour of lunch time from 12:00 to 13:00. Overtime working is arranged for 2 hours a day on weekdays from 18:00 to 20:00 and for 8 hours a day on Saturdays if needed. Normal working days are from Monday to Friday.

Time recording system:

The factory used fingerprinting and face recognition time attendance system to record workers' working hours including regular working hours and overtimes.

Salary payment details:

Based on documents review and management interview, payroll records from September 2022 to August 2023 were provided for review, all employees were paid by monthly rate. Wages were paid in cash at the 30th date of each month for the preceding month. The lowest basic wage among samples was RMB 2000 per month, which was higher than the legal minimum wage standard of RMB 1800 per month since January 1, 2023. For overtime premium, 150% and 200% of basic wages were paid to employees for their overtime hours on workdays and rest days respectively, and no overtime was arranged on public holidays.

Worker number information:

On the audit day, there were total 43 employees (including 5 males and 38 females) in the factory, of which 33 employees (including 2 males and 31 females) were production workers. All employees were local people and hired by the factory directly. There was no vulnerable worker (such as pregnant, foreign migrant, young, disabled, temporary, seasonal, home-based worker) in the factory. The youngest employee was over 32 years old and was born on December 8, 1990 and started working in the factory on March 8, 2023. No special group worker (such as interns, apprentices, contractor workers etc.) was found in this factory.

6 employees were interviewed, including 1 males and 5 females.

Good practices:

The factory calculated basic living wage prior to the audit.

Worker organization details:

There was no union available in the factory, but there were 2 worker's representatives elected by workers in September 2022.

Circumstances:

The management agreed auditor to visit the whole areas of the factory and kept an open attitude during the audit. During the onsite tour, no obvious gap identified between the workforce and production capacity, and all production processes were running normally. There was no special circumstance during the audit.

Summary of findings:

The factory management and workers (representative) showed a positive attitude to this audit during the whole process. The audit was basically fulfilled according to the audit plan sent prior to the audit. At the end of the audit, auditor communicated the findings in detail to them and allowed them to ask questions and make any needed clarifications. Finally, they agreed on the findings and signed the on-site audit findings report. The performance areas needed improvements were as follows: PA 1-2 and PA 5-7. No other serious issue is noted in this audit.

Living wage calculation:

- a. There is no GLWC benchmark for the audited location, so the data of Living Wage in the report were provided by the auditing company. Detailed data for Living Wage calculation were filled in the report.
- b. Generally, by Anker Methodology, Net Living Wage = Cost of Basic but Decent Life for a Family / Number of Workers per Family. Based on the concept of Anker methodology, the formula "Living Wage = per capita consumption expenditure x (0.5 x avg. household size) x 1.1" is used for calculation, because "per capita consumption expenditure" covers the daily basic costs of living.
- c. In the formula, the "Number of Workers per Family" is taken granted as two because of the realistic difficulty in investigation and calculation. The data on "avg. household size" all come from The Seventh National Census report. The data of "per capita consumption expenditure" generally come from local Statistics Bureaus, because those data meet the expectations of Anker methodology, for example, the participation of local people and organizations in order to increase its credibility and acceptance by stakeholders, and, transparency and detailed documentation and analysis to ensure that the living wage estimate is solid and credible.
- d. The factory had collected local data and calculated the Living Wage by using the table of Fair Remuneration Scan, which is RMB 1958/month. Relevant evidence was uploaded under Attachment. During this audit, the factory's data were accepted and used when PA5.4 was evaluated. The basic wages (not including overtime compensation) paid to all sampled workers in 3 sampled months were from RMB 2000 to RMB 2100, which were more than the local living wage RMB 1958 per month calculated by the factory.

Personal Information Protection:

As Personal Information Protection Law implemented in China since Nov 1, 2021, so workers' faces, names, ID numbers, contact information, brand names and logos etc. taken in the photos are protected in the sake of privacy.

Remark:

The factory has not obtained any government waiver, not achieved any collective bargaining agreement with employees, and all employees were hired by the factory directly, so no government waiver, collective bargaining agreement or agency labours contract was uploaded on BSCI platform.

SITE DETAILS

Site
**HEBEI ZHAOXIN FUR PRODUCTS
COMPANY LIMITED BY SHARES**

Site amfori ID
156-005966-001

GICS Classification

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

amfori Process Classifications

Sewing / Stitching

GS1 Classifications

Segment	Personal Accessories
Family	Personal Accessories
Product Class	Personal Accessories Variety Packs

NACE Classification

Manufacture of articles of fur

Water Stress Situation

This site is not located in a water stressed region

METRICS

Key Metrics

Total workforce	43	Workers
Legal minimum wage in local currency	1,800	Monthly
Lowest wage paid for regular work at the site	2,000	Monthly
Calculated living wage in local currency	2,114.35	Monthly
Total sample	6	Workers

Other Metrics

Male workers	5	Workers
Female workers	38	Workers
Non-binary workers	0	Workers
Permanent workers - Male	5	Workers
Permanent workers - Female	38	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	3	Workers
Management - Female	7	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	5	Workers
Workers hired directly - Female	38	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: HEBEI ZHAOXIN FUR PRODUCTS COMPANY LIMITED BY SHARES | Site amfori ID: 156-005966-001

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>By interviewing with management, worker representative and workers, documents review and onsite observation, the factory already established the social responsibility management manual and procedures based on amfori BSCI principles and local legal requirements. Relevant laws and regulations had been collected and updated by assigned person (Mr. Ruihua LI / Sales Manager) periodically. The factory management also conducted regular internal audits and provided related training for workers. However, the management system was not operated effectively as there were findings identified in PA2 and PA5-7, such as monthly overtime not controlled well. This question is rated as partially non-compliance, because the general condition in the factory is acceptable and no serious issue was found.</p>	<p>通过与管理层、工人代表和工人的访谈、文件审查及现场走访，工厂已经根据amfori BSCI原则和当地法律要求建立了社会责任管理手册和程序。相关法律法规由专人（李瑞华先生/业务经理）定期收集和更新。工厂管理层还定期进行内部审核，并为工人提供相关培训。但由于在PA2和PA5-7中发现问题点，如月加班控制不到位等，导致管理体系运行仍不够有效。这个问题被评为部分符合，因为工厂的总体情况是可以接受的，没有发现严重的问题。</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>During this audit, although the factory had established the workforce capacity procedure and made production plan for each order, the workforce capacity in the factory had not been properly assessed and planned to match delivery order contracts' expectations. This question is rated as partially non-compliance, because the factory has established relevant procedures, but workers monthly overtime hours exceeded the legal requirement due to poor implementation.</p>	<p>此次审核中，虽然工厂有制定产能评估的程序文件，且针对每个订单制定了生产计划，但是工厂没有对现有员工产能是否可以按时完成客户订单数量进行评估。这个问题被评为部分符合，工厂制定了相关程序，但是由于执行不足导致工人的月加班超过法定要求。</p>

PA 2: Workers Involvement and Protection

Site: HEBEI ZHAOXIN FUR PRODUCTS COMPANY LIMITED BY SHARES | Site amfori ID: 156-005966-001

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

According to interviewing with management as well as documents review, that factory had set long-term of goals to protect employees as per BSCI COC, while they did not monitor the achieving situation in last 12 months.
This question is rated as partially because long-term of goals are feasible but they have not been implemented.

通过与管理层的访谈以及文件查看，审核发现工厂已根据 BSCI 的行为准则制定保护工人的长期目标，但没有监控过去 12 个月的目标达成情况。这个问题被评为部分符合的原因是长期目标是可行的，但并未执行。

PA 5: Fair Remuneration

Site: HEBEI ZHAOXIN FUR PRODUCTS COMPANY LIMITED BY SHARES | Site amfori ID: 156-005966-001

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

During this audit, through management and workers interview and document review, based on the social insurance receipt of September 2023, there were total 43 permanent employees that time (including 12 retired employees, 1 newly hired employee, no temporary or dispatched employee), all 30 eligible employees (100%) had participated in pension insurance, 10 out of 30 eligible employees (33.33%) had participated in injury insurance, no employee (0%) had participated in medical, maternity and unemployment insurances. The factory did not provide commercial injury insurance for the rest employees. No social insurance waiver was obtained by the factory. This violated the PRC Labor Law article 72 and 73.
Remark: Through worker and management interviews, they stated that participating in social insurance was voluntary and some employees were reluctant to participate in social insurance. This question is rated as fully non-compliance, because the proportion of social insurance was less than 80%.

此次审核中，通过管理层及员工访谈和文件审查。根据2023年9月份的社保缴费情况，工厂当时有43名员工（有12名退休员工、1名新进员工、无临时和派遣员工），工厂有给30名有资格的员工中的30名（100%）员工提供养老保险，10名员工（33.33%）提供工伤保险，没有员工（0%）参加医疗、生育和失业保险。工厂没有为剩下的员工提供商业工伤保险。工厂没有获得任何社保批文。这违反了《中华人民共和国劳动法》第72、73条。
备注：通过员工及管理层访谈，均表示参加社会保险是自愿的原则，部分员工不愿意参加社保。这个问题被评为完全不符合，因为工厂参保比例没有达到80%以上。

PA 6: Decent Working Hours

Site: HEBEI ZHAOXIN FUR PRODUCTS COMPANY LIMITED BY SHARES | Site amfori ID:

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>During this audit, by interviewing with management, worker representative and workers as well as documents review. According to worker attendance records from September 2022 to audit day, the auditor selected 3 months as sample moths, the monthly overtime hours of all 6 randomly selected employees were 66 hours in April 2023 (holiday month), all 6 randomly selected employees were 74 hours in July 2023 (random month), all 6 randomly selected employees were 68 hours in August 2023 (current month), which exceed the legal limitation of 36 hours per month. This violated the PRC Labor Law article 41.</p> <p>This question is rated as no because employees' monthly overtime exceeds legal limits systematically in the factory.</p>	<p>此次审核中，通过与管理层、工人代表和工人的面谈以及文件审查。根据工厂提供的2022年9月至审核当日的考勤，审核员抽取3个月份作为样本，在2023年4月（假日月），全部6名随机抽样员工的月加班工时为66小时，在2023年7月（随机月），全部6名随机抽样员工中的月加班工时为74小时，在2023年8月（当前月），全部6名随机抽样员工的月加班工时为68小时，超过了法定要求的每月加班工时不超过36小时的要求。这违反了《中华人民共和国劳动法》第41条。</p> <p>这个问题被评为不符合的原因是员工的月加班时间存在系统性超出法规要求的情况。</p>

PA 7: Occupational Health and Safety

Site: HEBEI ZHAOXIN FUR PRODUCTS COMPANY LIMITED BY SHARES | Site amfori ID: 156-005966-001

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>According to interviewing with management, employees' representative and employees, document review as well as site tour, it was noted that the factory had established a complete occupational health management system, but it did not operate effectively which resulted in the discovery of occupational health and safety issue in violation of laws in PA7.</p> <p>This question is rated as partially because the general condition of health and safety in the factory is acceptable and no serious issue is found.</p>	<p>通过与管理层、工人代表和工人的访谈，文件查看以及现场走访，审核发现工厂已经建立了完整的职业健康管理体系，但并未有效的运行，导致在 PA7 发现存在违反法定的职业健康安全问题的。</p> <p>这个问题被评为部分符合的原因是工厂健康安全的总体状况尚可接受，没有发现严重问题。</p>

Question: 7.2 Is there satisfactory evidence that the auditee seeks to improve workers' protection in case of accident, including through compulsory insurance schemes?

ENGLISH	LOCAL LANGUAGE
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Finding	
<p>During this audit, by interviewing with management and workers as well as documents review, 33 out of 43 employees were not covered by injury insurance or commercial injury insurance.</p> <p>This question is rated as no, because most employees were not covered by work-related injury insurance currently.</p>	<p>此次审核中，通过与管理层和工人的面谈以及文件审查，工厂目前43名员工中有33名员工没有被商业保险或者工伤保险覆盖。</p> <p>这个问题被评为不符合，因为目前大部分员工没有被工伤保险覆盖。</p>

Question: 7.5 Is there satisfactory evidence that the auditee regularly provides OHS trainings to ensure workers understand the rules of work, personal protection and measures for preventing and reacting to injury to themselves and fellow workers?	
ENGLISH	LOCAL LANGUAGE
Finding	
<p>Through document review and management interview, there was no license of the qualified person for the control of work safety in the factory. This violated the Law of the PRC on Work Safety Article 21.</p> <p>This question is rated as partially because there was EHS committee in the factory and assigned sales manager to be responsible for health and safety.</p>	<p>根据文件查阅和管理层访谈，审核发现工厂没有安全生产管理员的证书。这违反了《中华人民共和国安全生产法》第二十一条。</p> <p>这个问题被评为部分符合是因为工厂有健康安全委员会并且任命业务主管负责健康安全。</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>Based on site observation, no warning sign was posted on electrical switch boxes. There was no safety reminder of "Beware of scalding" posted nearby the drinking water station. This violated the Law of the PRC on Work Safety Article 32.</p> <p>This question is rated as partially because factory conducted related risk assessment and the risk level is relatively low.</p>	<p>根据现场观察，工厂电开关没有张贴防触电标识，另外，工厂饮水区未张贴“小心烫伤”的安全提醒。这违反了中华人民共和国安全生产法》第三十二条。</p> <p>此问题被评为部分符合，是因为工厂有做相关的风险评估，此类风险等级相对较小。</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>Through onsite observation, workers and management interviews and document review: The factory did not provide the fire prevention inspection report and the certificate or report of acceptance checks for completion of the used flat production building (No.2). The building was built in 2012, and the total construction area was about 4,000 square meters. This violated PRC Fire Prevention Law article 11 and Construction Law of the People's Republic of China, Article 61. This question is rated as partially non-compliance, because the factory has equipped adequate fire protection facilities, and the buildings were in good condition, no cracks was found. The main evacuation routes were marked clearly.</p>	<p>通过现场走访，员工及管理层访谈和文件审阅：工厂没有提供其使用的1栋单层厂房（2号）的建筑工程验收和消防验收。该建筑建于2012年，总面积4,000平方米。这违反了《中华人民共和国消防法》第十一条和《中华人民共和国建筑法》61条。这个问题被评为部分符合，因为工厂车间配备了足够的消防设施，且建筑完好，没有出现裂痕。车间主要的疏散路线已被清楚地标记。</p>

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>Based on site observation, interviewing with management and workers as well as documents review, no belt guard was installed on 50% sewing machines and all cutting machines. This violated the Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene. This question is rated as partially because the auditee provided machine safety training for employees regularly, and no similar accident happened in recent 12 months.</p>	<p>基于现场观察，管理层，员工访谈，以及文件审核，审核员发现工厂50%缝纫机和所有的裁床机器没有安装皮带轮保护罩。这违反了《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条。这个问题被评为部分符合，因为工厂定期为员工提供了机器安全的培训，最近12个月未发生类似的工伤。</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>Based on site observation, no privacy door was installed in the toilets, and no basic supplies such as toilet paper, soap were provided in toilets. Moreover, the sanitation of the toilet was bad. This question is rated as partially because there are sufficient toilet squatting position provided in the factory.</p>	<p>根据现场查看，工厂厕所没有安装隐私门，且没有提供纸巾，肥皂等基本用品，另外，工厂洗手间卫生较差。这个问题被评为部分符合是因为工厂有足够的厕所蹲位。</p>