

MONITORING ID: 24-0277684

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| Monitored Party QINGDAO HEALTHY CARE FOODSTUFFS CO., LTD. | amfori ID 156-022771-000 | Address NO.71 ZHUZHU ROAD, NANCUN TOWN, PINGDU, , 266736 QINGDAO, Shandong Sheng, China |
| Monitoring Activity amfori Social Audit - Manufacturing | Monitoring Type Full Monitoring | Monitoring Partner TÜV SÜD |
| Monitoring Start Date 18/09/2024 | Closing Meeting Finished Date 18/09/2024 | Submission Date 27/09/2024 |
| Expiration Date 27/09/2025 | Announcement Type Semi Announced | |
| Site QINGDAO HEALTHY CARE FOODSTUFFS CO., LTD. | Site amfori ID 156-022771-001 | |

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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: Vivian Li; APSCA membership number: CSCA21701816

Name of team auditor (if applicable): Nil

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

Monitoring partner name: TUV SUD

Audit schedule details: The audit is planned for 1 auditor x 1 day on Sep. 18, 2024.

Announcement Type: Semi-announced full audit

Business partner information: The audited factory named Qingdao Healthy Care Foodstuffs Co., Ltd. (Uniform Code of Social Credit: 913702835508409013) was located at No.71 Zhuzhu Road, Nancun Town, Pingdu City, Qingdao City, Shandong Province, China. The factory was established on 30 Mar 2010. The main business products were pet foods. The main production processes included thawing, mixing, forming, drying, metal detecting, weighing and packing.

Audited location information: The factory used one 1-storey (part 2-storey) building as office, one 1-storey building as workshop (thawing, mixing, forming, drying, metal detecting, weighing and packing) and warehouse, one 1-storey building as warehouse. No dormitory and canteen were provided by the facility. All the buildings were owned by the factory.

Operating shifts and hours: The regular working hours of all employees were 8 hours per day and 40 hours per week. The regular working days of workers were 5 days from Monday to Friday per week and generally had 8 hours overtime on Saturdays. All workers fixed rest on Sundays. All employees worked in one shift (8:00-12:00, 13:00-17:00). The attendance records indicated workers' maximum overtime hours were 1 hour per day, 60 hours per month and 14 hours per week. No overtime happened on Statutory holidays. There was no obvious peak or non-peak season in the factory.

Time recording system: The factory used fingerprint system to record working hours of all employees.

Salary payment details: All employees were paid by monthly rate and the wages were paid in cash on or before the 25th of each month for the preceding month.

Worker number information: On the audit day, there were total 47 workers working in the factory, that included 37 production workers (11 males and 26 females) and 10 non-production employees (including 6 management staffs). There was no domestic migrant worker from other provinces of China and no foreign migrant worker in the factory. The factory did not have young worker, pregnant worker, seasonal worker, temporary worker, disabled worker, or home-based worker. The factory also did not have other special group workers such as interns, apprentices, contractor workers etc.

Good practices: Nil

Worker organization details: The factory did not have trade union; however, two worker representatives were elected by workers.

Circumstances: 1. There was no agency or contractor used by the factory, and no government waivers and collective bargaining agreement were provided during the audit.

2. No inconsistencies between time records and production records were observed.

3. Building structure safety certificate and fire license were not available to review, so they were not uploaded.

4. Remark: There is Personal Information Protection Law in China. Hence, the personal information of employees is removed from the uploaded documents.

Summary of findings: In this audit, non-compliances were observed in five performance areas, please refer to PA1; PA2; PA5; PA6; PA7 for details.

Living wage calculation: # For living wage, the data on GLWC website was not used, but the calculation method still follows Anker's methodology. The data were mainly manually collected through local market investigation and worker interview by auditor.

SITE DETAILS

Site
**QINGDAO HEALTHY CARE
FOODSTUFFS CO., LTD.**

Site amfori ID
156-022771-001

GICS Classification

| | | |
|---|---|----------------------------------|
| Sector Consumer Staples | Industry Group Food, Beverage & Tobacco | Industry Food Products |
| Sub Industry Packaged Foods & Meats | | |

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

Manufacture of other food products

Water Stress Situation

This site is not located in a water stressed region

METRICS

Key Metrics

| | | |
|---|-------|---------|
| Total workforce | 47 | Workers |
| Legal minimum wage in local currency | 2,010 | Monthly |
| Lowest wage paid for regular work at the site | 2,750 | Monthly |
| Calculated living wage in local currency | 2,216 | Monthly |
| Total sample | 6 | Workers |

Other Metrics

| | | |
|--|----|---------|
| Male workers | 14 | Workers |
| Female workers | 33 | Workers |
| Non-binary workers | 0 | Workers |
| Permanent workers - Male | 14 | Workers |
| Permanent workers - Female | 33 | 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 | 1 | Workers |
| Management - Female | 5 | 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 | 33 | 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 | 4 | Workers |
| Sample - Non-binary | 0 | Workers |

FINDINGS



PA1: Social Management System

Site: QINGDAO HEALTHY CARE FOODSTUFFS CO., LTD. | Site amfori ID: 156-022771-001

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 | |
| This question was rated as partially because the factory had the policy and procedures on social management system in line with the requirements of BSCI; however, the procedures had not been implemented effectively, and no regular monitoring and continuous improvement was taken. There were still some performance areas which need improvement, for example: PA1; PA2; PA5; PA6; PA7. | 这个问题部分遵守，原因是工厂建立了符合BSCI要求的社会责任政策和程序，但是这些程序没有有效的实施，定期监控和持续改进。当前审核在几个执行领域发现一些有待完善的地方，如：PA1; PA2; PA5; PA6; PA7。 |

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 | |
| Based on document review, management interview, worker interview and onsite review, the factory did not appoint staff to conduct productivity evaluation. Through reviewing the attendance records from Aug. 1 2023 to Sep. 18 2024, the monthly overtime hours of sampled months exceeded 36 hours and the maximum monthly overtime reached 60 hours. This question was rated as no because there was multiple unsatisfaction evidence at this question, and there are systematic deficiencies, such as workers' overtime hours systematically exceeding legal requirements. It violated BSCI Code of Conduct. | 根据文件审阅，管理层访谈，员工访谈及现场审查，工厂没有指定员工进行生产力评估。通过查阅2023年8月1日至2024年9月18日的考勤显示，抽样月份的月加班时间超过36小时，最高月加班时间达到60小时。这个问题没有被遵守，原因是该问题点工厂有多个不符合证据，并且有系统性的缺失，如工人的加班时间系统性地超过法律要求。违反了BSCI行为准则。 |



PA 2: Workers Involvement and Protection

Site: QINGDAO HEALTHY CARE FOODSTUFFS CO., LTD. | Site amfori ID: 156-022771-001

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 | |
|--|---|
| <p>This question was rated as partially because based on document review, management interview, worker interview and worker representative interview, the audited factory established grievance policy, but the factory did not conduct the regular survey on the grievance mechanism to check its effectiveness and timeliness. It violated BSCI Code of Conduct.</p> | <p>这个问题部分遵守，原因是根据文件审阅，管理层访谈，员工访谈及员工代表访谈，被审核工厂建立了申诉政策，但是工厂没有定期对申诉机制进行评估以检查它的有效性和时效性。违反了BSCI行为准则。</p> |

PA 5: Fair Remuneration

Site: QINGDAO HEALTHY CARE FOODSTUFFS CO., LTD. | Site amfori ID: 156-022771-001

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 | |
| <p>Based on document review, management interview, worker interview and worker representative interview, the factory had 47 workers, it was noted that no temporary, dispatched and newly joined workers, the factory had 20 retirees, according to social insurance receipt of Jun., Jul. and Aug. 2024, the factory provided five kinds of social insurance to 81.5% workers. And the factory provided group commercial injury insurance to 42.6% workers, the valid period was from Aug. 23 2024 to Aug. 22 2025. As per interview, reason for the workers not joining the social insurance was they were not willing to pay the individual parts. This question was rated as no because the factory did not have a management system in place to address the problem. It violated PRC Labor Act (1995), Article 72.</p> | <p>根据文件审阅，管理层访谈，员工访谈及员工代表访谈，工厂共有47名员工，工厂没有临时工、派遣工和新员工，有20名退休工人，根据工厂提供的2024年6月，7月及8月的社保收据，工厂为81.5%的员工缴纳了五项社会保险，为42.6%的员工购买了团体商业意外险，有效期从2024年8月23日至2025年8月22日。根据访谈得知，员工没有参加社保的原因是工人不愿意支付个人部分。这个问题没有被遵守，原因是工厂没有适当的管理系统来解决该问题。违反了中华人民共和国劳动法（1995）第七十二条。</p> |

PA 6: Decent Working Hours

Site: QINGDAO HEALTHY CARE FOODSTUFFS CO., LTD. | Site amfori ID: 156-022771-001

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 |
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|---------|----------------|

Finding

The factory provided attendance records from Aug. 1 2023 to the audit day (Sep. 18 2024), according to the sampled attendance record of May, Jun. and Jul. 2024, the overtime working was repeatedly added outside regular working hours, 0-2 hours overtime on weekdays and 8 hours overtime on Saturday. Based on document review, management interview, worker interview, worker representative interview and onsite review, all the overtime work is arranged on voluntary basis. However, auditor selected 6 workers from mixing, forming, drying, metal detecting, weighing and packing process, it was noted that 6 sampled workers' monthly OT hours exceeded 36 hours, the maximum number was up to 60 hours in Jun. 2024. This question was rated as no because the overtime working hours of all sampled workers did not meet legal requirement in all sampled months, it was systematic deficiency. It violated PRC Labor Act (1995), Article 41.

工厂提供了从2023年8月1日至审核当日（2024年9月18日）的考勤记录，根据抽样的2024年5月份、6月份和7月份的考勤记录，工厂在正班时间之外有经常性的加班情况，工作日加班0-2小时，周六加班8小时。根据文件审阅，管理层访谈，员工访谈，员工代表访谈及现场审查，所有加班都是自愿的，但是，审核员从滚揉，成型，烘干，金探，称重和包装工序抽取了6名员工，发现抽样的6名员工的月加班时间超过36小时，最大达到60小时在2024年6月份。这个问题没有被遵守，原因是工厂所有抽样员工在所有抽样月份的加班都不符合法规要求，是系统性缺失。违反了中华人民共和国劳动法（1995）第四十一条。

PA 7: Occupational Health and Safety

Site: QINGDAO HEALTHY CARE FOODSTUFFS CO., LTD. | Site amfori ID: 156-022771-001

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?

ENGLISH

LOCAL LANGUAGE

Finding

This question was rated as partially because the factory generally followed occupational health and safety regulations, but some areas still need to be improved, such as PA7.2; PA7.3; PA7.11; PA7.17.

这个问题部分遵守，原因是工厂总体遵守职业健康安全法规，但一些地方仍需要进行改善，如PA7.2; PA7.3; PA7.11; PA7.17。

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

Finding

This question was rated as partially because based on document review, management interview, worker interview and worker representative interview, and social insurance receipt of Jun., Jul. and Aug. 2024 provided by factory, the factory only

这个问题部分遵守，原因是根据文件审阅，管理层访谈，员工访谈及员工代表访谈，以及工厂提供的2024年6月，7月及8月的社保收据，工厂仅为部分员工缴纳了工伤保险，详情参考PA5.5。工厂为42.6%的员工购买了团体商业意外险，有效期从

| Finding | |
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| provided injury insurance to some workers, please refer to PA5.5 for details. And the factory provided group commercial injury insurance to 42.6% workers, the valid period was from Aug. 23 2024 to Aug. 22 2025. It violated PRC Labor Act (1995), Article 72. | 2024年8月23日至2025年8月22日。违反了中华人民共和国劳动法（1995）第七十二条。 |

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 | |
| This question was rated as partially because based on document review, management interview, worker interview, worker representative interview and onsite review, the factory conducted risk assessments about health and safety and the factory conducted occupational disease hazardous element inspection by the related qualified occupational health technology services organization, such as: noise, dust and air quality at production workshop. But the factory did not provide occupational health examination to workers who engaged in positions with occupational hazardous factors such as noise, dust and chemical. It violated PRC Law on Prevention and Control of Occupational Diseases (2002) Amendment (2018), Article 35. The factory said they would arrange for workers to conduct occupational health examination. | 这个问题部分遵守，原因是根据文件审阅，管理层访谈，员工访谈，员工代表访谈及现场审查，工厂进行了健康安全方面的风险评估，并且工厂安排有资质的机构对存在职业危害因素的车间进行了监测，例如：噪声、粉尘和空气质量，但是工厂没有为接触噪声、粉尘和化学品职业病危害因素岗位工作的工人提供职业健康体检。违反了中华人民共和国职业病防治法（2002）2018年修正 第三十五条。工厂表示后续会安排员工进行职业健康体检。 |

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 | |
| Based on document review, management interview, worker interview, worker representative interview and onsite review, the factory did not provide any Building Structure Safety Certificate or Record and Fire Safety Certificate or Record for the factory buildings (The building areas were over 500 square meters; they were completed in 2010-2023). And the factory did not provide building inspection report issued by qualified third party and inspection | 根据文件审阅，管理层访谈，员工访谈，员工代表访谈及现场审查，工厂没有提供使用的建筑物（建筑面积超过500平米；建成于2010年-2023）的建筑工程竣工验收合格证或备案以及消防验收合格证或备案。并且工厂没有提供有资质的第三方出具的建筑检验报告和有资质的第三方出具的消防设施检验报告。建筑物看起来安全稳定。这个问题没有被遵守，原因是工厂没有取得多个文件，是系统性缺失。违反了建设工程质量管理条例 第四十九条和中 |

| Finding | |
|---|------------------------------|
| report on fire facilities issued by qualified third party. The buildings looked safe and stable. This question was rated as no because the factory did not obtain multiple files, it was systematic deficiency. It violated The Regulation on the Quality Management of Construction Projects, Article 49; PRC Fire Protection Law (1998) Amendment (2009), Article 13. | 华人民共和国消防法（1998）2009年修正 第十三条。 |

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 | |
| Based on document review, management interview, worker interview, worker representative interview and onsite review, forklift used by the factory was missing the registration certificate and any test or check report by professionally qualified authorities, operator of forklift had no licenses in the factory. It violated Safety Monitoring Regulation of Special Equipment (2003) Amendment (2009), Article 38, Article 25, Article 28. This question was rated as no because there were multiple unsatisfaction evidences at this question, it was systematic deficiency. | 根据文件审阅，管理层访谈，员工访谈，员工代表访谈及现场审查，工厂使用的叉车缺少使用登记证及由有资质的机构出具的检测报告，叉车的操作人员没有取得资格证书。违反了违反了特种设备安全监察条例（2003）2009年修正 第三十八条，第二十五条，第二十八条。这个问题没有被遵守，原因是该问题点工厂有多个不符合证据，是系统性缺失。 |