

Monitored Party Zhongzhi Health Industry(Shandong) Co., LTD	amfori ID 156-057271-000	Address 50 meters south and West,Chongwen Street and ZhengtaiRoad, Fenghuang Street, FangziDistrict, 262600 Weifang,Shandong Sheng, China, Weifang, Shandong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner SGS
Monitoring Start Date 15/08/2024	Closing Meeting Finished Date 16/08/2024	Submission Date 22/08/2024
Expiration Date 22/08/2025	Announcement Type Fully Announced	
Site Zhongzhi Health Industry(Shandong) Co., LTD	Site amfori ID 156-057271-001	

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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	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

[Audit Information]

Name of lead auditor: Hale Wang; APSCA membership number (CSCA 21703583)

Name of team auditor (if applicable): Nil.

Name of witness auditor: Lorna Xu; APSCA membership number (CSCA 21703594)

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

Audit schedule details: The audit was planned for 1 auditor x 1.5 days. The initial audit (Full-announced) was conducted on Aug.15-16, 2024.

[Business partner information] Zhongzhi Health Industry(Shandong) Co., LTD (中织健康产业(山东)有限公司) was located at 50 Meters South and West, Chongwen Street and Zhengtai Road, Fenghuang Street, Fangzi District, Weifang, Shandong, China. (中国山东省潍坊市坊子区凤凰街道崇文街与正泰路路口南50米路西) The Unified Social Credit Code No. of the business license was 91370704MA3TDC5M45, the valid date of business license was from Jul,01, 2020 to long-term. Main products in the factory were Knee sleeve, Ankle sleeve, Elbow sleeve, Wrist sleeve, Back brace, Sport compression Product, Medical compression Product, the main process was listed as below: Raw materials-Weaving-Cutting-Embroidery(if need)-Sewing-Ironing-Inspection-Packaging-Finished goods.

[Audited location information] The factory used the 1st and 2nd floors with about 1200 S.Q meters of one 4-storey building(1# building) as office and exhibition hall, used the 1st, 2nd, 3rd and 4th floors with about 4192 S.Q meters of one 4-storey building(8# building) as workshop and warehouse, used the 3rd floors with about 1096 S.Q meters of one 4-storey building(7# building) as workshop and warehouse. The other building used by other companies as workshop, warehouse, dormitory or canteen. No canteen, kitchen or dormitory building was provided by the factory. The details as below:

Building No. 1(1# building): 1F used as exhibition hall, 2F used as office room, 3F-4F used by Weifang Shenghui Commercial Operation Co., Ltd as office room.

Building No. 2(8# building): 1F used as raw material warehouse and cutting workshop, 2F as weaving workshop, 3F as sewing workshop, 4F as finished goods warehouse.

Building No. 3(7# building): 1F-2F and 4F used by Shandong Ruiwang Industrial Technology Co., Ltd as workshop and warehouse. 3F as packaging workshop and finished goods warehouse.

Building No. 4(3A# building): 1F used as canteen and kitchen by Weifang Fangzi Sijixiangyue Gourmet Palace, 2F-4F used as dormitory rooms by Shandong Jingbei Financial Technology Co., Ltd.

Building No. 5(3B# building): 1F-4F used as dormitory rooms by Shandong Jingbei Financial Technology Co., Ltd.

Building No. 6(5# building): 1F used as workshop by Shandong Ruiwang Industrial Technology Co., Ltd.

Building No. 7(6# building): 1F-3F used as workshop by Shandong Bowei Precision Machinery Co., Ltd, 4F used as warehouse by Weifang Zhongzhiyigou Digital Technology Co., Ltd.

[Operating shifts and hours] The factory established policy of working hour based on related regulations. The factory used facial recognition attendance system to record time in and out for all workers. Attendance records from Jul.01, 2023 to the audited day indicated the regular working hours were 8 hours per day (8:30-12:00, 13:00-17:30) and 5 days per week, all employees were engaged in only one shift. The factory arranged 0-1 hour overtime on weekdays and 0-8 hours overtime on Saturdays sometimes, and all workers had right to choose overtime or not. The working hours detailed information in three sampled months were listed as below:

The 1st sampled month (Dec. 2023) – standard hours (i.e. 40) + maximum weekly OT hours (i.e. 13).

The 2nd sampled month (Mar. 2024) – standard hours (i.e. 40) + maximum weekly OT hours (i.e. 13).

The 3rd sampled month (Jul. 2024) – standard hours (i.e. 40) + maximum weekly OT hours (i.e. 13).

The factory ensured all workers had every Sunday off per week.

[Salary payment details] The factory provided payrolls from Jul. 2023 to Jun. 2024 for review during the audit. The wages were paid by cash before the 20th of each following month. All workers were paid by hourly rate. At least RMB 3400 per month were paid by the factory to workers, and this was above the legal minimum wages RMB 2200 per month. Factory paid workers according to their skill and post which met legal requirement. The factory established policy about wage and compensation. Social compensation such as annual leave, statutory holiday, etc. was provided to all workers.

[Worker number information] There were total 88 employees (included 10 non-production and 78 production workers) in

the factory. Total 15 male and 63 female production workers were in the factory. No other vulnerable worker (young, child, disability, pregnant workers etc.) and other special group workers (interns, apprentices, contractor workers etc.) were in the factory. 82 out of 88 employees were local and the remaining 6 employees were come from other provinces of China.
[Good practices] Nil

[Worker organization details] There was no trade union at the site, but the factory did not prevent workers from forming the union. Two worker representatives were selected freely on May.08, 2024. The workers could rise up their opinions through worker representatives, suggestion box or communicate with their supervisor directly.

[Circumstances] Nil

[The special circumstances can be classified as followed] No negative evidence was identified during the past year based on search WWW.CREDITCHINA.GOV.CN and QCC.COM.

[Summary of findings]

This follow up audit covered all PAs and the findings were found in the following PA:

PA1: 1.1 The management procedures were not implemented effectively. 1.4 The monthly overtime hours exceed local law's requirements.

PA2: 2.2 Long-term goal was not enough. 2.5 The factory did not conduct regular surveys on satisfaction with the grievance procedure.

PA5: 5.5 The social insurance was not enough.

PA6: 6.2 Employees' monthly OT hours exceeded legal requirements.

PA7: 7.1 Some products were placed against the wall. 7.3 No occupational health examination. 7.8 The factory did not post various emergency procedures.

PA9: 9.1 The risk assessment was incomplete.

PA12: 12.5 No actual active plans and measures focus on saving water were done.

PA3/PA4/PA8/PA10/PA11/PA13: Nil.

[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.

[Personal Information protection law] 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] Based on document review, it was evident that some of required documents were not applicable in organization like Agency Labour Contract, Government Waiver on working hours and Collective Bargaining Agreement. All of above documents were not involved in document report.

SITE DETAILS

Site

Zhongzhi Health Industry(Shandong) Co., LTD

Site amfori ID

156-057271-001

GICS Classification

Sector

Consumer Discretionary

Industry Group

Consumer Durables & Apparel

Industry

Leisure Products

Sub Industry

Leisure Products

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	88	Workers
Legal minimum wage in local currency	2,200	Monthly
Lowest wage paid for regular work at the site	3,400	Monthly
Calculated living wage in local currency	3,092	Monthly
Total sample	10	Workers

Other Metrics

Male workers	19	Workers
Female workers	69	Workers
Non-binary workers	0	Workers
Permanent workers - Male	19	Workers
Permanent workers - Female	69	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	4	Workers
Management - Female	6	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	6	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	19	Workers
Workers hired directly - Female	69	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	4	Workers
Sample - Female	6	Workers
Sample - Non-binary	0	Workers

FINDINGS

PA1: Social Management System

Site: Zhongzhi Health Industry(Shandong) Co., LTD | Site amfori ID: 156-057271-001

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

1.1 The main auditee partially respects this principle. Based on management and workers interview, documents review and onsite observation, though the auditee set up the management system to implement the amfori BSCI Code of Conduct, but due to insufficient understanding of regulations and amfori BSCI requirements, the management procedures of the auditee were not effectively implemented, for example, it was found that gap existed between implementation and policy on Decent Working Hours, Occupational Health and Safety, etc. It violated the requirement of question 1.1 in amfori BSCI system manual.

被审核方（生产商）部分遵循该准则。根据管理层、员工访谈、文件评审及现场观察，虽然工厂建立了管理体系来执行amfori BSCI守则，但是由于未充分理解法规和amfori BSCI的要求，被审核方的管理程序没有有效执行，例如审核中发现在体面工作时间、职业健康安全等方面的实施与政策存在差距。
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

1.4 The main auditee partially respects this principle. Based on management and workers interview and documents review, the auditee understands how to calculate production capacity and delivery times. But based on attendance records from Jul.01, 2023 to the audit day, the monthly overtime hours exceed local law's requirements. It violated the requirement of question 1.4 in amfori BSCI system manual.

被审核方（生产商）部分遵循该准则。根据管理层、员工访谈和文件评审，被审核方了解如何计算生产产能和订单周期，但是根据被审核方提供的2023年7月1日至审核当天的考勤，工人的月加班时间超出了法规要求。
违反了amfori BSCI管理手册中问题1.4的要求。

PA 2: Workers Involvement and Protection

Site: Zhongzhi Health Industry(Shandong) Co., LTD | Site amfori ID: 156-057271-001

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	
<p>2.2 The main auditee partially respects this principle. Based on management interview and documents review, the main auditee understood social responsibility performance, and established a written long-term goal to protect workers, but the long-term goal did not include step-by-step improvement measures.</p> <p>It violated the requirement of question 2.2 in amfori BSCI system manual.</p>	<p>被审核方（生产商）部分遵循该准则。根据管理层访谈和文件评审，被审核方了解社会责任方面的绩效，并且建立了书面的长期目标保护员工，但长期目标未包含按部就班的改善措施。</p> <p>违反了amfori BSCI管理手册中问题2.2的要求。</p>

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>2.5 The main auditee partially respects this principle. Based on management and workers interview and documents review, the factory has established grievance complain mechanism process, including the grievance mechanism for communities, such as workers could submit their suggestion or complaint to worker representative, supervisor directly or through suggestion box. But the main auditee did not conduct regular surveys on satisfaction with the grievance procedure.</p> <p>It violated the requirement of question 2.5 in amfori BSCI system manual.</p>	<p>被审核方（生产商）部分遵循该准则。根据管理层、员工访谈和文件评审，工厂已建立了申诉流程，包含社区申诉，例如员工可以向员工代表、管理层反映建议和抱怨，也可通过意见箱反映问题。</p> <p>但没有针对申诉机制进行满意度调查。</p> <p>违反了amfori BSCI管理手册中问题2.5的要求</p>

PA 5: Fair Remuneration

Site: Zhongzhi Health Industry(Shandong) Co., LTD | Site amfori ID: 156-057271-001

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>5.5 The main auditee does not respect this principle. Based on management and workers interview and documents review, there were 88 workers (including 2 retired workers and 1 worker who had been employed for less than a month) in the factory during the audit period, but the factory only provided the five social insurances to 62</p>	<p>被审核方（生产商）未遵循该准则。根据管理层、员工访谈和文件评审，审核期间工厂有88名员工（其中有2名退休员工，1名入职未满一个月的员工），但工厂只向62名员工（占72.94%）提供了五项社会保险。然而工厂向其余员工提供了商业意外险，保险期限为2024年6月1日至2025年6月1日。根据员工访谈，未参加社保的员工均为自愿。</p>

Finding

(about 72.94%) out of them. However, the factory provided commercial accident insurance to remaining workers, with a coverage period from Jun.01, 2024 to Jun.01, 2025. Based on workers interview, workers voluntarily did not participate in social insurance.
It violated Labor Law of the People's Republic of China (2018 Amendment) Article 72, 73

违反了中华人民共和国劳动法（2018修正）第七十二、七十三条

PA 6: Decent Working Hours

Site: Zhongzhi Health Industry(Shandong) Co., LTD | Site amfori ID: 156-057271-001

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

Finding

6.2 The main auditee does not respect this principle because based on document review, workers interview and attendance records provided by the factory from Jul.01, 2023 to Aug.16, 2024, factory used facial recognition attendance systems. Factory did not plan the production properly, 10 sampled workers' monthly overtime working hours exceeded the legal requirement of 36 hours in the sample month:
1st sampled month (Dec. 2023) – standard hours (i.e. 168) + maximum monthly OT hours (i.e. 61)
2nd sampled month (Mar. 2024) – standard hours (i.e. 168) + maximum monthly OT hours (i.e. 61)
3rd sampled month (Jul. 2024) – standard hours (i.e. 184) + maximum monthly OT hours (i.e. 55)
It violated Labor Law of the People's Republic of China (2018 Amendment), Article 41.

被审核方（生产商）未遵循该准则，原因是根据文件审核，员工访谈及被审核方提供的从2023年7月1日至2024年8月16日的考勤记录，工厂使用面部识别的考勤系统。工厂未合理规划产能，10名抽样员工在抽样月份加班时间超过法规要求的36小时：
第一个抽样月份（2023年12月）- 标准工时（168小时）+最大月加班时间（61小时）；
第二个抽样月份（2024年3月）- 标准工时（168小时）+最大月加班时间（61小时）；
第三个抽样月份（2024年7月）- 标准工时（184小时）+最大月加班时间（55小时）；
违反了中华人民共和国劳动法（2018修正）第四十一条。

PA 7: Occupational Health and Safety

Site: Zhongzhi Health Industry(Shandong) Co., LTD | Site amfori ID: 156-057271-001

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

ENGLISH

LOCAL LANGUAGE

Finding	
7.1 The main auditee partially respects this principle. Based on management and workers interview, documents review and onsite observation, the factory had established the management procedure on health safety. However, due to the lack of understanding of some laws and regulations or some procedures were not executed properly, there were issues in health and safety. Such as about 50% products in the warehouse area of the factory were placed against the wall. It violated the requirement of question 7.1 in amfori BSCI system manual and General Rules for Fire Safety Management of Storage Occupancies XF1131-2014 article 6.8	被审核方（生产商）部分遵守该原则，根据管理层、员工访谈、文件评审及现场观察，工厂建立了健康安全管理程序，但是因对部分法律法规不了解或部分程序执行不到位，导致健康安全方面出现问题。如工厂仓库区域的约50%的产品靠墙放置。违反了amfori BSCI管理手册中问题7.1的要求 以及《仓储场所消防安全管理通则》XF1131-2014 6.8

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	
7.3 The main auditee does not respect this principle. Based on management and workers interview and documents review, the auditee did not provide pre-job, in-job and off-job occupational health examination for workers who contacted occupational disease hazard factors (noise). The management stated that the issue arose due to a lack of understanding of relevant legal regulations. It violated Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35	被审核方（生产商）未遵循该准则。根据管理层、员工访谈及文件评审，被审核方未向接触职业危害因素（噪音）的员工提供上岗，在岗和高岗职业健康体检。管理层表示是因对相关法律法规不了解，才导致出现该问题。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: 7.8 Is there satisfactory evidence that the auditee has developed and implemented accident and emergency procedures?

ENGLISH	LOCAL LANGUAGE
Finding	
7.8 The main auditee does not respect this principle. Based on document review, management interview and onsite observation, the factory did not post various emergency procedures (such as first aid and emergency evacuation, etc.) in prominent places in the workshop for workers to use in emergency situations. It violated the requirement of question 7.8 in amfori	被审核方（生产商）未遵循该准则。根据文件审核，管理访谈及现场查看发现，工厂未在车间醒目的地方张贴各种应急程序（如急救和紧急疏散等）以供员工紧急情况下使用。违反了amfori BSCI管理手册中问题7.8的要求。

Finding

BSCI system manual.

PA 9: Special Protection for Young Workers

Site: Zhongzhi Health Industry(Shandong) Co., LTD | Site amfori ID: 156-057271-001

Question: 9.1 Is there satisfactory evidence that the auditee ensures that young persons do not work at night and are protected against conditions of work which are prejudicial to their health, safety, morals and development?

ENGLISH

LOCAL LANGUAGE

Finding

9.1 The main auditee partially respects this principle. Because based on onsite observation, document review and management interview, the factory conducted risk assessment for young workers, but due to a lack of understanding for the risks to young workers, the risk in different operating post was not included in the assessment. There was no young worker in the factory. It violated the requirement of question 9.1 in amfori BSCI system manual.

被审核方（生产商）部分遵循该准则。原因是现场审核，文件审核和管理层访谈，工厂进行了未成年人风险评估，但由于缺乏对未成年人面临的风险的了解，风险评估中未包含不同岗位的风险。工厂没有未成年工。
违反了amfori BSCI管理手册中问题9.1的要求。

PA 12: Protection of the Environment

Site: Zhongzhi Health Industry(Shandong) Co., LTD | Site amfori ID: 156-057271-001

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

12.5 The main auditee partially respects this principle. Based on management interview and documents review, the policy on saving water was established, but no actual active plans and measures focus on saving water were done. And no effect evaluation for saving water. It violated the requirement of question 12.5 in amfori BSCI system manual.

被审核方（生产商）部分遵循该准则。根据管理层访谈和文件评审，工厂建立了节约用水政策，但未针对节约用水建立实际的行动计划和措施，也没有效果评价。
违反了amfori BSCI管理手册中问题12.5的要求。