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Performance Overview	
Audit Details	
BV Ref:	101 [REDACTED]
Auditor:	[REDACTED]
Audit Date:	Aug.12, 2013
Date of Previous Audit:	NIL
Previous Audit #:	NIL
Vendor Name:	[REDACTED]
Factory Name:	[REDACTED]
Address:	[REDACTED], China
E-Mail Address:	[REDACTED]
Tel:	[REDACTED] Fax: [REDACTED]
Country:	China
Audit Type:	INITIAL SOCIAL AUDIT
Audit Standard:	SA PAS SCORECARD VERSION 3.0 (DATED 01AUG13)
Product Category:	Accessories

Key Personnel					
Name	Job Title	Present at Audit (please tick 'X' below)			
		Opening Meeting	On-site Audit	Documentation Review	Closing Meeting
[REDACTED]	Factory Manager	X	X		X
[REDACTED]	HR Manager	X		X	X
[REDACTED]	Admin. Manager	X	X	X	X

Audit Results					
Total Compliance Level to Standard	Non Conformance(s)			Risk Level for Supply	Recommended Follow-up Frequency
	Critical(s)	Major(s)	Minor(s)		
97.6 %	0	3	5	ORANGE	90-DAY FOLLOW UP

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Company Profile

██████████ was established on June 29th, 2011. The factory consisted of one 3-storey (partial 5-storey) office, production and warehouse combined building (Building 1), one 1-storey (partial 3-storey) production, warehouse combined building (Building 2), two 1-storey production buildings (Building 3 and 4) and one 1-storey chemical warehouse building (Building 5). The total size of factory was 28,000 square meters.

Currently, no dormitory and canteen facilities were provided to employees by the factory. The factory specialized in the manufacture of mop. The main production activities included injection molding, metal processing, cutting, gluing, powder spraying, acid washing, assembling, inspection and packing.

Per factory tour and management interview, no manufacture process was subcontracted to other factories.

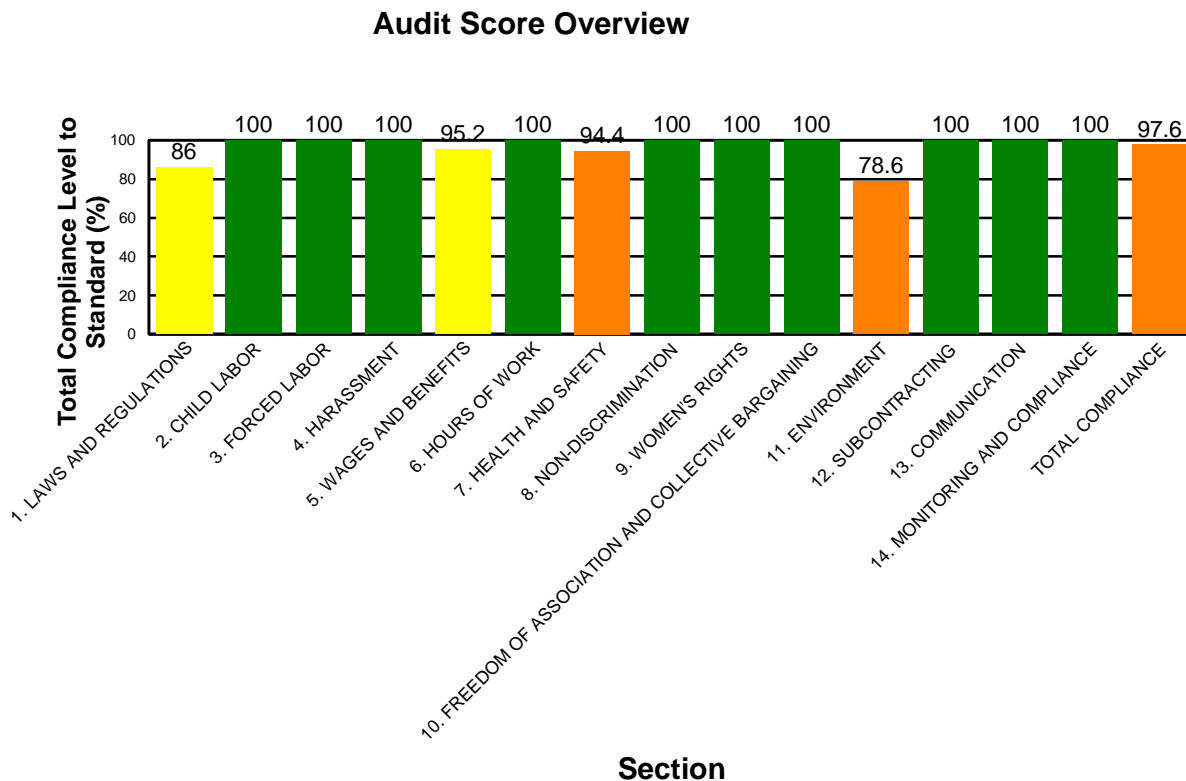
On the date of the audit, the factory had a total of 218 employees (7 office workers and 211 production workers) with 121 males and 97 females. The youngest employee in the factory was 19 years old.

Per time records review and factory management, peak season was not distinct. The factory used IC card system to record working hours. The regular working days were from Monday to Friday. There was 1 shift existing in the factory, from 07:30 to 17:30 with 2 hours lunch break from 11:30 to 13:30.

Auditor reviewed the samples of: 10 employees' attendance and payroll records from June 2013, 5 employees' attendance and payroll records from December 2012, 5 employees' attendance and payroll records from September 2012. Per payroll records review and factory management interview, the employees were paid on basis of monthly, and all employees were paid at least RMB 1100 per month, which met the local minimum wage standard of RMB1100 per month or RMB6.32 per hour since March 1, 2012. All employees' wage was paid by cash on the 25th of each month with payment stub to employees and the employees' signatures were on the payrolls.

Confidential interviews were conducted with 20 employees, including 7 male and 13 female employees (11 individual interviews and three group interviews separated by workshops with 4 male and 5 female employees) and no complaint to the factory was raised during the interview.

At the end of the audit, a closing meeting was held with factory representatives and Mr. ██████████/ Administration Manager accepted all the findings and signed on the corrective action report.



Section

NB: Total Compliance Color reflects "Risk level for supply"

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Degree of compliance Overview (per section)

Section	Green	Yellow	Orange	Red	N/A	Total Questions
1. LAWS AND REGULATIONS	4 (66.67%)	1 (16.67%)	0 (0.00%)	0 (0.00%)	1 (16.67%)	6
2. CHILD LABOR	8 (88.89%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (11.11%)	9
3. FORCED LABOR	8 (88.89%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (11.11%)	9
4. HARASSMENT	6 (85.71%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (14.29%)	7
5. WAGES AND BENEFITS	12 (85.71%)	1 (7.14%)	0 (0.00%)	0 (0.00%)	1 (7.14%)	14
6. HOURS OF WORK	16 (94.12%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (5.88%)	17
7. HEALTH AND SAFETY	60 (63.83%)	2 (2.13%)	2 (2.13%)	0 (0.00%)	30 (31.91%)	94
8. NON-DISCRIMINATION	7 (87.50%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (12.50%)	8
9. WOMEN'S RIGHTS	7 (87.50%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (12.50%)	8
10. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	10 (90.91%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (9.09%)	11
11. ENVIRONMENT	6 (66.67%)	1 (11.11%)	1 (11.11%)	0 (0.00%)	1 (11.11%)	9
12. SUBCONTRACTING	4 (80.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (20.00%)	5
13. COMMUNICATION	1 (50.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (50.00%)	2
14. MONITORING AND COMPLIANCE	10 (90.91%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (9.09%)	11
OVERALL	159 (75.71%)	5 (2.38%)	3 (1.43%)	0 (0.00%)	43	210 (100%)

Audit Findings Summary

Critical Non-conformance Section

Clause No.	Clause Requirement	Levels of Non-Conformance	Audit Findings
NIL			

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Audit Findings Summary			
Clause No.	Clause Requirement	Levels of Non-Conformance	Audit Findings
1	LAWS AND REGULATIONS		
1.5	All required government licenses and certificates related to all areas of operation are not maintained on site (D)	Minor (YELLOW)	<p>Description of Non-Conformance: It was noted that the factory failed to provide the special equipment operator certificate for 2 out of 3 pressure vessel operators in the factory for review.</p> <p>Legal Requirement: In accordance with Article 2 of Measures for Supervision and Management of the Operating Personnel of Special Equipment, the operators and related management personnel of special equipment regarding boilers, pressure vessels (including gas cylinders), pressure pipes, elevators, lifting appliances, passenger ropeway, large scale recreational facilities, motor vehicles in the plant and so on are referred to as special equipment operator. The list of operation species and types for operating personnel of special equipment is issued by National Administration of Quality Supervision, Inspection and Quarantine. The operator of special equipment shall pass the testing and obtain the special equipment operator certificate in accordance with this Regulation before starting to the relevant work or management.</p> <p>Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that special equipment operator certificates are obtained for all pressure vessel operators in the factory.</p> <p>Supporting Information: Per document review and management interview. During the audit, the factory was able to provide the special equipment operator certificates for all the boiler operators, all the forklift drivers and 1 out of 3 pressure vessel operators for review. The factory management explained that they know about the requirement, but the special equipment operator certificate for 2 out of 3 pressure vessel operators were in the process of application. The factory provided the receipt of the application and the certificates to auditors for review.</p>
5	WAGES AND BENEFITS		
5.4	Overtime wage violations (I, D)	Minor (YELLOW)	<p>Description of Non-Conformance: It was noted that per attendance records review, employees worked on June 25, 2012. However, the employees were paid with the normal wage but not overtime wage for rest day for the date of June 25, 2012. June 25, 2012 (Monday) should be considered as rest day because June 23, 2012 (Saturday) is statutory holiday (Dragon Boat Festival) and the rest day should be extended accordingly.</p>

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			<p>Legal Requirement: In accordance with Article 44 of the Labor Law of the PRC the employer shall, according to the following standards, pay employees remuneration higher than those for statutory working hours under any of the following circumstances.</p> <p>(1) To pay no less than 150% of the wages when extended working hours are assigned to employees;</p> <p>(2) To pay no less than 200% of the wages when employees are assigned to work on rest days and no deferred rest can be taken; and</p> <p>(3) To pay no less than 300% of the wages when employees are assigned to work on statutory holidays.</p> <p>Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that employees are properly compensated for all overtime hours.</p> <p>Supporting Information: Per management interview and document review.</p> <p>Per factory policy and management interview, they knew about the legal requirement for the overtime wage. But the factory management claimed that they did not know it was considered as overtime hours when employees worked on June 25, 2012, which resulted that the workers who worked on that day were not paid with overtime compensation.</p>
7	HEALTH AND SAFETY		
7.1.6	Fire-fighting equipment is not accessible (O)	Major (ORANGE)	Description of Non-Conformance: It was noted that 2 fire extinguishers in the molding warehouse of Building 1 were fully blocked by production materials.

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			<p>Legal Requirement: In accordance with Article 5.1.1 of the Code for Design of Extinguisher Distribution in Buildings, the fire extinguishers should be placed in a visible, easily accessible location and should not obstruct the safety evacuation.</p> <p>Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that all the fire-fighting equipment should be accessible all the time.</p> <p>Supporting Information: Per management interview and factory tour. Factory management knew the legal requirement that all firefighting equipment should be kept out of obstruction. All other fighting equipment was kept out of obstruction except for these two isolated case due to the carelessness.</p>
7.1.30	Missing emergency lighting and signs (O)	<p>Major (ORANGE)</p>	<p>Description of Non-Conformance: It was noted that the safety exit signs installed on the top of 1 out of 3 safety exits in the injection molding workshop of Building 1, and on the top of all safety exits of Building 2 and 3, were fluorescent but not illuminated.</p> <p>Legal Requirement: In accordance with Article 11.3.4 of the Code for design of building fire protection and prevention(GB50016 2006): Lighting Evacuation Exit Signs should be placed right on the top of the doors, safety exits and along the evacuation passages of public building, high rise industrial building (warehouse), Type A, B and C industrial building. And the setting should be compliant with the following specifications:</p> <ol style="list-style-type: none"> 1. Right on the top of the safety exit and evacuation door should use SAFETY EXIT as indicator; 2. The Lighting Evacuation Exit Signs along the evacuation passage should be placed along the evacuation passage and its corner. And they should be placed with less than 1.0 meter in height on the wall. And the distance between exit signs should not be larger than 20.0 meters. For dead end passages, the distance should not be larger than 10.0 meters. For passages in curve, the distance should not be larger than 1.0 meter. The signs should be compliant with the requirement of current national standard of Fire Safety Sign (GB13495).

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			<p>Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that all exit signs installed on the top of all exits are illuminated to clearly indicate the location of exits and emergency outlets.</p> <p>Supporting Information: Per factory tour and management interview. The factory management explained that they did not know the exit signs should be illuminated and they would install the illuminated signs as soon as possible.</p>
7.1.12	Electrical panels are not properly marked or properly maintained (O)	Minor (YELLOW)	<p>Description of Non-Conformance: It was noted that 1 out of 1 switch box in the stripping workshop on the second floor of Building 2 was exposed without insulation protective device.</p> <p>Legal Requirement: In accordance with Article 6.7 of the General Guide for Safety of Electric User, electric circuit in use must have sufficient insulation strength, mechanical strength and conductive capability and shall be checked regularly.</p> <p>Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that all electrical equipment are properly insulated to avoid hazard of electrical shock.</p> <p>Supporting Information: Per factory tour and management interview. Most of the switch boxes in all buildings in the factory were installed with insulation protective devices. The factory management explained that they knew about the legal requirement and installed the insulation protective devices to all switch boxes in the factory. But the insulation protective device for this switch box in the stripping workshop was missing by mistake. They would install insulation protective devices to this switch box as soon as possible.</p>

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7.1.64	Other (I O D)	Minor (YELLOW)	<p>Description of Non-Conformance: It was noted that the light and switch in the hazardous chemical warehouse were not explosive-proofed.</p> <p>Legal Requirement: In accordance with Article 20 of Regulation for Safety of Hazardous Chemical, an entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling ventilation, sun proof, temperature controlled, fireproof, fire fighting, blast proof, pressure discharging, poison proof, neutralizing, moisture proof, lightening proof, static proof, antiseptis, and anti leakage safety facilities or equipment, such as protection dams and segregated operations, etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof.</p> <p>Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that all electrical devices in the hazardous chemical warehouse are explosive-proofed.</p> <p>Supporting Information: Per management interview, factory tour and document review, there was no relative procedure to control the electrical safety for hazardous chemical warehouse. And factory management claimed that they were not clear about the legal requirement for the explosive proofed electrical devices in hazardous chemical warehouse.</p>
11	ENVIRONMENT		
11.6	Employer does not use an authorized waste contractor to remove waste from the facility (D)	Major (ORANGE)	<p>Description of Non-Conformance: It was noted that the waste mineral oils (HW08) (waste engine oil, waste hydraulic oil, rags with oil) were generated in the factory. However, the factory management was unable to provide the hazardous waste entrust disposal contract and relevant transfer manifest of these hazardous wastes for review.</p> <p>Legal Requirement: In accordance with Article 57 of Law of PRC on Prevention and Control of Solid Waste Pollution, operation permits for collecting, storing and disposing hazardous</p>

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			<p>waste must be obtained by the operation units from the local environmental bureau above the county level. Engaging in collection, storage, utilization and treatment of hazardous waste without a business license or at variance with the provisions of a business license is prohibited. Supplying or entrusting hazardous waste to a unit that does not have a business license for collection, storage, utilization and treatment of hazardous waste is prohibited.</p> <p>Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that the hazardous waste is disposed by qualified contractors.</p> <p>Supporting Information: Per documents review and management interview. Per document review there was no management process of hazardous waste in the factory, and factory management claimed that they didn't know that the waste oils should be disposed by a qualified supplier. Management stated that waste mineral oil were recycled by the sellers who provided those chemicals to them, but there was no document to show the sellers were qualified to dispose waste mineral oils.</p>
<p>11.7</p>	<p>No/inadequate environmental permits (O D)</p>	<p>Minor (YELLOW)</p>	<p>Description of Non-Conformance: It was noted that factory management was unable to provide the approval document for on-site inspection and acceptance of completed environmental protection facilities for review.</p> <p>Legal Requirement: In accordance with Article 9 of the Regulations on Environmental Protection Check and Acceptance for Completed Construction Project, after the completion of a construction project, the construction unit shall apply for environmental protection check and acceptance for the project from the competent administrative department of environmental protection.</p> <p>Recommended Corrective Action: It is recommended that factory management adopt practices and controls to ensure that the approval document for on-site inspection and acceptance of completed environmental protection facilities is obtained from the competent administrative department of environmental protection.</p>

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			Supporting Information: Per documents review and management interview. Factory management stated that they didn't know this legal requirement before auditors raising it. They would apply to obtain the approval document as soon as possible.

Is there Worker Statement Report associated with this report? (YES/NO) No.