
Factory Audit form for:CHINA**Audit Area:ETHICAL STANDARDS**

Form ID	35	Form Version	62	Form Name	ETHICAL STANDARDS AUDIT FORM FOR CHINA	
Request ID	2174062	Section Count	30	Question Count	216	Country : CHINA
Factory ID	36127727	Factory Name	Fenghe Plastic and Silk Flower Products Factory			
Factory Type	Primary					

Contact Information

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COMPLIANCE OF WAGE

UNCLEAR WAGE SYSTEMS

Answers YES**Pre Defined Comments** Source: Payroll record

Source:Others (please specify the source)

Comments

Non compliance with Wal-Mart Standards For Suppliers Section 5

In accordance with the PRC Labor Law article 48 and Opinion of the Ministry of Labor on Several Questions concerning the Implementation of the Labor Law (1995) article 57, employees, including those who are in probationary, training or internship period, shall not be paid lower than the local minimum standard.

In accordance with the PRC Labor Law article 44, the employing unit shall, according to the following standards, pay labourers remuneration higher than those for normal working hours under any of the following circumstances:

1)to pay no less than 150% of the normal wages if the extension of working hours is arranged;

2)to pay no less than 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; and

3)to pay no less than 300% of the normal wages if the extended hours are arranged on statutory holidays.

Minimum wages and overtime wages could not be verified due to the following discrepancies:

1.The Daily IPQC Inspection Records and the First Product Inspection Records from Injection Molding Department which was recorded daily status of product s quality inspection in the Injection Molding Department showed that employee A from the Injection Molding Department worked from 19:30 on May 25, 2012 to 07:30 on May 26, 2012; however, the Attendance Records indicated that the employee rested during that time on these dates;

2.The Daily IPQC Inspection Records from Injection Molding Department which was recorded daily status of product s quality inspection in the Injection Molding Department showed that employee A and B from the Injection Molding Department worked on May 27, 2012; however, the Attendance Records indicated that the employees rested on that date.

To conform to the PRC Labor Law article 48 and Opinion of the Ministry of Labor on Several Questions concerning the Implementation of the Labor Law (1995) article 57, the PRC Labor Law article 44 and Wal-Mart Standards for Suppliers, the facility should maintain and provide accurate and complete timecard and payroll records to ensure that overtime wages and minimum wages can be verified.

source: Attendance records, employee interview, Daily IPQC Inspection Records from Injection Molding Department, First Product Inspection Records from Injection Molding Department, and management interview

Facility comments:

1.Whether there is the same issue for other areas: No.

2.What is the cause of the issue: The mentioned Records were informal working records for employee, only drafts to record inspection status of production by employee themselves, and were written in random time after production. Working time and dates should be confirmed on formal daily production records and QC inspection records, so the mentioned Records could not be considered as the records of working.

3.What is the corrective action: The facility would instruct the Production and the Quality Departments to standardize format of record, to record during working hours, and to use formal production forms and QC inspection forms.

4.When the issue will be solved: The facility would correct it within 1 month.

Auditor comments: Since only 2 employees were found with this issue in the initial samples, the auditor had extended the sample size from 2 to 3 but did not find similar issue. The formats the above-mentioned Records for inconsistencies were the same as the formal Records commented by the facility.

OTHER

Answers

Pre Defined Comments

Comments

NO

Remark:

1.The attendance records from April 1, 2012 to August 17, 2012 (this audit day) and payroll records from April 2012 to June 2012 were reviewed.

2.2 initial employees and 1 extended employee s records from June 2012 (current month), 2 employees records from May 2012 (the latest second month), and 1 employee s record from April 2012 (the latest third month) were reviewed.

3.The local minimum wage standard was RMB1, 100 per month equivalent to RMB6.32 (1100/21.75/8) per hour since March 1, 2011.

BENEFITS

MEDICAL CHECK UP / INSUFFICIENT INSURANCE COVERAGE

Answers YES

Pre Defined Comments Source:Others (please specify the source)

Comments Non compliance with Wal-Mart Standards For Suppliers Section 1
1.In accordance with the PRC Labor Law article 72, employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People s Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

It was noted that only 26 out of 52 employees had participated in work-related injury insurance, illness insurance (including child-bearing insurance), 13 employees had participated in unemployment insurance and retirement insurance.

To conform to the PRC Labor Law article 72, the Social Insurance Law of the People s Republic of China Articles 10, 23, 33, 44 and 53, and Wal-Mart Standards for Suppliers, the facility should ensure all employees participate in the all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.

source: Documentation review, employee interview and management interview

Facility comments: The facility would yearly add employee number to participate in social insurance.

2. In accordance with the PRC Law of Prevention and Control of Occupational Diseases article 36, the employer shall conduct regular occupational health examination for those laborers who are engaged in using or contacting noxious articles in their working process as required by medical administrative department under the State Council. The occupational health examination should be conducted before laborers start to take work post, in the course of the work post and after leave the work post and employer should inform the laborers of the result of the occupational health examinations. The expense of the occupational health examination should be borne by employers.

Employer should not arrange laborers without the occupational health examination to be engaged in the work with using or contacting noxious articles, or laborers with any occupational prohibitions to be engaged in the prohibited work from them.

Once the occupational health examination indicates that employee is suffering from the occupational disease in relation to his or her occupation, the employer shall transfer such a laborer out of his or her original work post, and allocate him or her in a proper way. Employer should not rescind or terminate the contracts signed with those employees without the occupational health examination at time of leaving the work post.

The occupational health examination should be conducted by the medical organizations authorized by the medical administrative department above province-level.

It was noted that all 11 Occupational Health Examination had been conducted by local Qiaotou Hospital, which did not had qualification to do it.

To conform to the PRC Law of Prevention and Control of Occupational Diseases article 36 and Wal-Mart Standards for Suppliers, the occupational health examination should be conducted by qualified medical department.

source: On site observation, documentation review and management interview

Facility comments: The facility would correct it within 6 months.

LABOR HOURS

INCOMPLETE AND INCONSISTENT TIME SYSTEM

Answers YES

Pre Defined Comments Source: Payroll record

Source: Others (please specify the source)

Comments

Non compliance with Wal-Mart Standards For Suppliers Section 3
In accordance with the PRC Labor Law article 36 (further to State Council Directive No 174 – effective from 1 May 1995), the normal working hour of employees shall be 8 hours a day and 40 hours per week.

In accordance with the PRC Labor Law article 41, the employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

In accordance with the PRC Labor Law article 38, the employing unit shall guarantee that its staff and employees have at least one day off in a week.

Working hours could not be verified due to the following inconsistencies:

1.The Daily IPQC Inspection Records and the First Product Inspection Records from Injection Molding Department which was recorded daily status of product s quality inspection in the Injection Molding Department showed that employee A from the Injection Molding Department worked from 19:30 on May 25, 2012 to 07:30 on May 26, 2012; however, the Attendance Records indicated that the employee rested during that time on these dates;

2.The Daily IPQC Inspection Records from Injection Molding Department which was recorded daily status of product s quality inspection in the Injection Molding Department showed that employee A and B from the Injection Molding Department worked on May 27, 2012; however, the Attendance Records indicated that the employees rested on that date.

To conform to the PRC Labor Law article 36 (further to State Council Directive No 174 - effective from 1 May 1995), PRC Labor Law article 41, PRC Labor Law article 38 and Wal-Mart Standards for Suppliers, the facility should maintain and provide accurate and complete attendance and payroll records to ensure working hours can be verified.

source: Attendance records, employee interview, Daily IPQC Inspection Records from Injection Molding Department, First Product Inspection Records from Injection Molding Department, and management interview

Facility comments:

1.Whether there is the same issue for other areas: No.

2.What is the cause of the issue: The mentioned Records were informal working records for employee, only drafts to record inspection status of production by employee themselves, and were written in random time after production. Working time and dates should be confirmed on formal daily production records and QC inspection records, so the mentioned Records could not be considered as the records of working.

3.What is the corrective action: The facility would instruct the Production and the Quality Departments to standardize format of record, to record during working hours, and to use formal production forms and QC inspection forms.

4. When the issue will be solved: The facility would correct it within 1 month.

Auditor comments: Since only 2 employees were found with this issue in the initial samples, the auditor extended the sample size from 2 to 3 but did not find similar issue. The formats the above-mentioned Records for inconsistencies were the same as the formal Records commented by the facility.

OTHER

Answers

NO

Pre Defined Comments

Comments

Remark:

1. The attendance records from April 1, 2012 to August 17, 2012 (this audit day) and payroll records from April 2012 to June 2012 were reviewed.

2.2 initial employees and 1 extended employee s records from June 2012 (current month), 2 employees records from May 2012 (the latest second month), and 1 employee s record from April 2012 (the latest third month) were reviewed.

FIRE SAFETY MANAGEMENT

FIRE FIGHTING EQUIPMENT / FACILITY POORLY MAINTAINED

Answers

YES

Pre Defined Comments

Source: On site observation

Comments

Non compliance with Wal-Mart Standards for Suppliers Section 7

In accordance with Fire Safety of Building Design Regulation (GB50016-2006) article 11.3.1, There shall be fire emergency lighting at the following places of civil buildings, factory buildings and class C warehouses, other than residential buildings:

A. Enclosed staircases, smoke-proof staircases and their anterooms, and anterooms or shared anterooms of fire elevators;

B. Fire control rooms, fire pump rooms and automatic power generator rooms, switchboard rooms, smoke-prevention rooms and smoke exhaust fan rooms, and other rooms that are still in normal work when a fire happens;

C. Auditorium, exhibition or business hall, multi-functional hall and dining hall with a floor area over 400m² and teletorium with a floor area over 200 m².

D. Public areas in underground and semi-underground buildings or basement and semi-basements with a floor area of more than 300 m².

E. Evacuation passages in public buildings.

It was noted that no emergency lighting was installed at the 1 out of 2 emergency exits at the Assembly and Packing Area in one 3-story Production Building.

To conform to Fire Safety of Building Design Regulation (GB50016-2006) article 11.3.1 and Wal-Mart Standards for Suppliers, emergency lighting should be installed at the 1 out of 2 emergency exits at the Assembly and Packing Area in the one 3-story Production Building.

Facility comments: The facility would correct it within 1 month.

INADEQUATE EVACUATION PLAN / EXIT SIGN (LANGUAGE, POSTED, LIT, ETC)

Answers YES

Pre Defined Comments Source:On site observation

Comments

Non compliance with Wal-Mart Standards for Suppliers Section 7
In accordance with the Fire Safety of Building Design Regulation GB50016-2006 article 11.3.4.1, Evacuation lighting signs should be set along the evacuation passages and above the safety exits of public buildings, high-rise plants (warehouses) and A, B, C-type plants, and above the evacuation doors in sites of dense population; and the following provisions should be followed: Safety Exits should be used as the sign above safety exists and evacuation doors.

It was noted that no emergency exit sign was installed at the 1 out of 2 emergency exits at the Assembly and Packing Area in one 3-story Production Building.

To conform to Fire Safety of Building Design Regulation GB50016-2006 article 11.3.4.1and Wal-Mart Standards for Suppliers, emergency exit sign should be installed at the 1 out of 2 emergency exits at the Assembly and Packing Area in the one 3-story Production Building.

Facility comments: The facility would correct it within 1 month.

PPE / CHEMICAL SAFETY

NO TRAINING FOR PPE / INAPPROPRIATE TYPE OF PPE / WORKERS NOT WEARING PPE APPROPRIATELY / NO PPE PROVIDED TO SOME WORKERS OR SOME DEPARTMENTS IN THE FACTORY

Answers YES

Pre Defined Comments Source:On site observation

Comments

Non compliance with Wal-Mart Standards for Suppliers Section 7
In accordance with Law of the PRC on Work Safety article 37, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.

It was noted that 1 out of 1 employee did not wear the provided safety shoes at the Mould Repair Area on the 1/F of one 3-story Production Building.

To conform to Law of the PRC on Work Safety article 37 and Wal-Mart Standards for Suppliers, 1 out of 1 employee should wear the provided safety shoes at the Mould Repair Area on the 1/F in the one 3-story Production Building.

Facility comments: The facility would correct it within 1 week.

ACCIDENT / FIRST AID PROGRAM

NO FIRST AID PROGRAM AND/OR AIDS PROGRAM

Answers YES

Pre Defined Comments Source:Documentation review

Source:Please explain in detail

Comments Non compliance with Wal-Mart Standards for Suppliers Section 7
No local law applies.

In accordance with Wal-Mart Standards for Suppliers, Health and Safety:
Suppliers must provide workers with a safe and healthy work environment.
Suppliers must take proactive measures to prevent workplace hazards.

It was noted that the facility did not prepare a policy of how to determine if employees are fit for work when they happen with work-related injury.

To conform to Wal-Mart Standards for Suppliers, the facility should prepare a policy of how to determine if employees are fit for work when they happen with work-related injury.

source: management interview

Facility comments: The facility would correct it within 1 month.

RIGHT OF INSPECTION

PART OF RELEVANT INFORMATION NOT AVAILABLE / MISSING

Answers YES

Pre Defined Comments Source:Documentation review

Source:On site observation

Source:Please explain in detail

Comments Non compliance with Wal-Mart Standards for Suppliers Section 1
In accordance with PRC Fire Prevention Law article 11 The Ministry of Public Security of the State Council prescribes, for those densely populated places and special construction works, design documents shall be submitted to public security organs for safety review. Public security fire control institutions shall be responsible for the result.

Article 13 the project completed with fire control design in accordance with the requirements of the State Technical Standards on Fire Control for Engineering

Construction shall go through acceptance check and filing as stated below:

1.As is stated in Article 11, construction units shall apply to the public security fire control institutions for fire control acceptance check.

2.Other construction works and construction units shall file with public security fire control institutions and public fire control institutions shall conduct random inspection.

Construction projects which are supposed to go through fire control acceptance check but do not or considered unqualified shall not be put into use. Other projects considered unqualified after acceptance check in accordance with law shall not be put into use.

It was noted that the Fire Service Inspection Certificate did not cover the added 3/F in one 3-story Production Building, one 3-story building as Office, one 1-story building as Finished-goods Warehouse, one 1-story building as raw Material Warehouse, and did not show the floor number of the Dormitory Building.

To conform to PRC Fire Prevention Law article 11 and 13, and Wal-Mart Standards for Suppliers, the Fire Service Inspection Certificate should cover all buildings and show specific number of floors.

source: management interview

Facility comments: The facility would correct it within 12 months.

WAL-MART PRODUCTION IN FACTORIES WITH NO VALID ES AUDIT

Answers NO

Pre Defined Comments

Comments Remark:

According to the facility representatives confirmation, the facility did not manufacture product of Wal-Mart for about 1 year, had no purchase order, did not make new product sample, and confirmed there was no Wal-Mart log on packaging for previous product and the facility did not provide verifiable physical sample or documentation of packing.

ENVIRONMENT - WASTEWATER & EFFLUENTS MANAGEMENT

DRAINAGE SYSTEM: (E.G. NO CLEAR LAYOUT, NO SEPARATION AMONG RAINWATER AND WASTEWATER, ETC...)

Answers YES

Pre Defined Comments Source:Documentation review

Source:Please explain in detail

Comments Non compliance with Wal-Mart Standards for Suppliers Section 9
No local law applies.

In addition, in accordance with Wal-Mart Standards for Suppliers, Environment: Suppliers should ensure that every manufacturing facility complies with environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substances hazardous waste disposal. Suppliers must validate that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations.

It was noted that no drainage chart was provided for indicating the drainage system of the facility.

To conform to Wal-Mart s Standards for Suppliers, the facility should maintain the drainage chart to indicating the drainage system of the facility.

source: management interview

Facility comments: The facility would correct it within 3 months.

ENVIRONMENT - AIR EMISSIONS MANAGEMENT

AIR EMISSIONS SOURCE INVENTORY: (E.G. INVENTORY NOT IN PLACE OR NOT COMPLETED TO COVER ALL THE EMISSIONS POINTS, ETC...)

Answers YES

Pre Defined Comments Source:Documentation review

Source:Please explain in detail

Comments Non compliance with Wal-Mart Standards for Suppliers Section 9
No local law applies.

In addition, in accordance with Wal-Mart Standards for Suppliers, Environment: Suppliers should ensure that every manufacturing facility complies with environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substances hazardous waste disposal. Suppliers must validate that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations.

It was noted that the facility did not provide air emissions source inventory for review.

To conform to Wal-Mart Standards for Suppliers, the facility should provide air emissions source inventory for review.

source: management interview

Facility comments: The facility would correct it within 3 months.

ODS (OZONE DEPLETING SUBSTANCES) INVENTORY (E.G. INVENTORY NOT IN PLACE OR NOT COMPLETED TO COVER ALL THE SUBSTANCES/EQUIPMENTS, ETC...)

Answers YES

Pre Defined Comments Source:Documentation review

Source:Please explain in detail

Comments

Non compliance with Wal-Mart Standards for Suppliers Section 9

In accordance with Regulations on Administration of Ozone Depleting Substances article 10 Manufacturers and users of ozone depleting substances should apply for a production or use quota license in accordance with the provisions of the Regulations. In case that a user meets one of the following conditions, it s unnecessary to apply for the use quota license:

(1)A maintenance entity needs to use ozone depleting substance for repairing refrigeration equipment or system or fire extinguishing system;

(2)A laboratory needs to use a small amount of ozone depleting substance for analysis;

(3)An entry-exit inspection and quarantine needs to use ozone depleting substance for testing and inspection, in order to prevent spread of pests;

(4)Other conditions where application of the use quota license is not needed as stipulated by the environmental protection administration under the State Council.

In accordance with the Regulations on Administration of Ozone Depleting Substances Article 20 Manufacturers and users of ozone depleting substances should take necessary measures to prevent or reduce the leakage and emission of ozone depleting substances, in accordance with the provisions of the environmental protection administration under the State Council.

Entities engaging in the maintenance, scrap processing or other operation of refrigeration equipment or system or fire extinguishing system containing ozone depleting substances should reclaim and recycle the ozone depleting substances or entrust a unit engaging in recovery, recycling and destruction of ozone depleting substances to conduct harmless disposal, in accordance with the provisions of the environmental protection administration under the State Council.

Units engaging in the reclaiming, recycling and destruction of ozone depleting substances should conduct harmless disposal of the ozone depleting substances in accordance with the provisions of the environmental protection administration under the State Council. Direct emission is prohibited.

In accordance with Regulations on Administration of Ozone Depleting Substances Article 21 Entities engaging in the production, distribution, use, reclaiming, recycling, destruction or other operation of ozone depleting substances, and units engaging in the maintenance, scrap processing or other operation of refrigeration equipment or system or fire extinguishing system containing ozone depleting substances should keep the complete original production and operation data for at least three years and submit the related data in accordance with the provisions of the environmental protection administration under the State Council.

It was noted that the facility did not provide ODS inventory and substances distributing map for review and did not establish the procedure for controlling ODS.

To conform to Regulations on Administration of Ozone Depleting Substances article 10, 20 and 21 and Wal-Mart Standards for Suppliers, the facility should provide ODS inventory and substances distributing map for review and establish the procedure for controlling ODS.

source: management interview

Facility comments: The facility would correct it within 3 months.

ENVIRONMENT - ENERGY USE AND GHG (GREENHOUSE GAS) MANAGEMENT

GHG EMISSIONS INVENTORY (DIRECT AND INDIRECT/RELATED TO ENERGY CONSUMPTION) NOT MONITORED AND DOCUMENTED

Answers YES

Pre Defined Comments Source:Documentation review

Source:Please explain in detail

Non compliance with Wal-Mart Standards for Suppliers Section 9

Comments 1.No local law applies.

In addition, in accordance with Wal-Mart Standards for Suppliers, Environment: Suppliers should ensure that every manufacturing facility complies with environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substd hazardous waste disposal. Suppliers must validate that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations.

It was noted that the facility did not set up the GHG emission inventory.

To conform to Wal-Mart Standards for Suppliers, the facility should set up the GHG emission inventory.

source: management interview

Facility comments: The facility would correct it within 3 months.

2.No local law applies.

In addition, in accordance with Wal-Mart Standards for Suppliers, Environment: Suppliers should ensure that every manufacturing facility complies with environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substances hazardous waste disposal. Suppliers must validate that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations.

It was noted that the facility did not develop a carbon reduction plan.

To conform to Wal-Mart Standard for Suppliers, the facility should develop a carbon reduction plan.

source: management interview

Facility comments: The facility would correct it within 3 months.

ENVIRONMENT - LAND USE & BIODIVERSITY

NO APPROPRIATE LAND USE/CONSTRUCTION PERMIT AS PER APPLICABLE LEGAL REQUIREMENTS WITH NO APPLICATION IN PROCESS

Answers YES

Pre Defined Comments Source:Documentation review

Source:Please explain in detail

Comments

Non compliance with Wal-Mart Standards for Suppliers Section 9

In accordance with People s Republic of China Law on Land Administration (revised on 1998) – Effective from 1 Jan 1999, Article 43, Any unit or individual that need land for construction purposes should apply for the use of land owned by the State according to law, except land owned by peasant collectives used by collective economic organizations for building township enterprises or building houses for villagers or land owned by peasant collectives approved according to law for use in building public facilities or public welfare facilities of

townships (towns)..

It was noted that the facility did not provide the land use/construction permit for review.

To conform to People s Republic of China Law on Land Administration (revised on 1998) – Effective from 1 Jan 1999, Article 43 and Wal-Mart Standards for Suppliers, the facility should provide the land use/construction permit for review.

source: management interview

Facility comments: The facility would correct it within 3 months.

ENVIRONMENT - MANAGEMENT SYSTEM

NO ENVIRONMENTAL LEGAL REGISTER IN PLACE AND REGULARLY UPDATED

Answers YES

Pre Defined Comments Source:Documentation review

Source:Please explain in detail

Comments Non compliance with Wal-Mart Standards for Suppliers Section 9
No local law applies.

In addition, in accordance with Wal-Mart Standards for Suppliers, Environment: Suppliers should ensure that every manufacturing facility complies with environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substances hazardous waste disposal. Suppliers must validate that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations.

It was noted that the facility did not establish the procedure for collecting and updating local environmental law and regulations timely and did not provide the local environmental law and regulations inventory for review.

To conform to Wal-Mart Standards for Suppliers, the facility should set up the mechanism for collecting and updating the environmental law and regulations timely and provide the local environmental law and regulations inventory for review.

source: management interview

Facility comments: The facility would correct it within 3 months.
NO TRAINED MEMBER OF MANAGEMENT RESPONSIBLE FOR COORDINATION OF ENVIRONMENTAL
MANAGEMENT ACTIVITIES

Answers YES

Pre Defined Comments Source:Documentation review

Source:Please explain in detail

Comments Non compliance with Wal-Mart Standards for Suppliers Section 9
No local law applies.

In addition, in accordance with Wal-Mart Standards for Suppliers, Environment:
Suppliers should ensure that every manufacturing facility complies with
environmental laws, including all laws related to waste disposal, air emissions,
discharges, toxic substances hazardous waste disposal. Suppliers must validate
that all input materials and components were obtained from permissible
harvests consistent with international treaties and protocols in addition to local
laws and regulations.

It was noted that there was no trained member of management responsible for
coordination of environmental management activities in the facility.

To conform to the Wal-Mart Standards for Suppliers, the facility should have
one trained member of management responsible for coordination of
environmental management activities.

source: management interview

Facility comments: The facility would correct it within 3 months.
INADEQUATE ENVIRONMENTAL EMERGENCY PROTOCOL: (E.G. NO EMERGENCY PLAN, EMERGENCY TEAM
NOT TRAINED IN ENVIRONMENTAL EMERGENCIES, REGULAR DRILLS NOT CONDUCTED, ETC.)

Answers YES

Pre Defined Comments Source:Documentation review

Source:Please explain in detail

Comments Non compliance with Wal-Mart Standards for Suppliers Section 9
No local law applies.

In addition, in accordance with Wal-Mart Standards for Suppliers, Environment:
Suppliers should ensure that every manufacturing facility complies with
environmental laws, including all laws related to waste disposal, air emissions,
discharges, toxic substances hazardous waste disposal. Suppliers must validate

that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations.

It was noted that the facility did not have an environmental emergency plan and did not hold environmental emergency drill.

To conform to Wal-Mart Standards for Suppliers, the facility should set up environmental emergency plan and hold environmental emergency drill.

source: employee interview and management interview

Facility comments: The facility would correct it within 3 months.

INADEQUATE ENVIRONMENTAL TRAINING PROGRAMS: (E.G. NO OR IMPROPER TRAINING FOR WORKERS DEDICATED TO: HANDLING OR TRANSPORTING WASTE, MAINTAINING WASTEWATER TREATMENT SYSTEM, ETC...)

Answers YES

Pre Defined Comments Source:Documentation review

Source:Please explain in detail

Comments Non compliance with Wal-Mart Standards for Suppliers Section 9
No local law applies.

In addition, in accordance with Wal-Mart Standards for Suppliers, Environment: Suppliers should ensure that every manufacturing facility complies with environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substances hazardous waste disposal. Suppliers must validate that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations.

It was noted that the facility did not arrange environment training for employees.

To conform to Wal-Mart Standards for Suppliers, the facility should arrange environment training for employees.

source: employee interview and management interview

Facility comments: The facility would correct it within 3 months.

DORMITORIES AND CANTEEN

APPROPRIATE NUMBER OF FUNCTIONING TOILETS NOT PROVIDED ACCORDING TO LEGAL REGULATIONS (WHERE NO LEGAL REGULATIONS, AT LEAST 1 FOR EVERY 14 MUST BE PROVIDED)/ TOILETS ARE NOT SEPARATED BY GENDER, NOT CLEAN/WELL-LIT/WELL-VENTILATED/ NO TOILET PAPER/SOAP

Answers YES

Pre Defined Comments Source: On site observation

Comments Non compliance with Wal-Mart Standards for Suppliers Section 8
No local law applies.

It was noted that there was no toilet paper or soap in all toilets in the dormitory building.

To conform to Wal-Mart Standards for Suppliers, there should be toilet paper or soap in all toilets in the dormitory building.

Facility comments: The facility would correct it within 3 months.

Date of Audit

08/17/2012