

Overview

1. Audit Information

Audit report number:	JSASCN23143267
Audit company:	SGS
Lead Auditor:	Dan Dai
Co-Auditor:	

Audit Date: (yyyy-mm-dd)	2023-06-02
Audit type:	initial
Follow up report number: (if applicable)	Nil
Witnessed audit?	no

2. Supplier Information

Company name (legal entity):	Shandong Minji New Material Technology Co., Ltd
Company site name (if different):	
Supplier ID:	3784
Duns number:	000000000
Tax number:	91370300675515686B
Valid business license?	yes
Date of validity: (yyyy-mm-dd)	
Business license number:	91370300675515686B
Site date of foundation: (yyyy-mm-dd)	2008-05-19

Site contact name:	Ms. Li Ping
Function / Job title:	Technical Section Chief
Contact phone number:	18653383659
Contact email:	yfgcs6@minjichem.cn
Site state / province:	Shandong
Site country:	China

3. Audit Findings

Answered questions	145 (of 145)
Thereof questions answered with n/a	6 (4.1%)

Total Score	62%
Total Points / max. Points	123 / 200

Finding Category	Minor	Major	Critical	Total Points [max. Points]
Environment	3	0	0	34 [40]
Health & Safety	1	6	0	28 [60]
Labor & Human Rights	2	5	0	31 [60]
Management	5	0	0	10 [20]
Governance	0	0	0	20 [20]
Total	11	11	0	123 [200]

Please note: Not all questions have been answered!

Additional information:

Have there been investigations or legal proceedings regarding corruption / bribery / fraud in the last five years?	no
Are hazardous goods produced or worked with in production?	yes
Does the company operate containment facilities to temporarily contain fire water, including rain?	yes
Is the company considered energy intensive (high carbon footprint)?	no
Is electrical power purchased by the site generated by traditional fossil fuels (fuel oil, coal, diesel, LPG, natural gas)?	yes
Is the company fresh water intensive and poses a water scarcity risk to the environment in which it operates?	no
Where is the supplier site located?	in a planned industrial area/zone

Supplier Information

Legend:	please fill field
	field is filled

1. Supplier Details

Company name (legal entity):	Shandong Minji New Material Technology Co., Ltd	Site contact name:	Ms. Li Ping
Company site name (if different):		Function / Job title:	Technical Section Chief
Supplier ID	3784	Contact phone number:	18653383659
Duns number (9-digit code)	000000000	Contact email:	yfgcs6@minjichem.cn
Tax number:	91370300675515686B	Site address (street, number):	No.227 Changguo East Road, Chemical Industrial Park, Zhangdian District
Valid business license?	yes	Site address 2 (street, number):	
Date of validity: (yyyy-mm-dd)		Site zip code and city:	255000/Zibo
Business license number:	91370300675515686B	Site state / province:	Shandong
Date of site foundation: (yyyy-mm-dd)	2008-05-19	Site country:	China

2. Company Site Overview

Site size (in square meters):	200000	Number of permanent employees:	606
Number of buildings:	36	Number of temporary workers:	0
Main business activities:	Raw Materials - Chemicals	Number of seasonal workers:	0
Brief description of business activities:	Production and management activities of trimethylacetic acid, chloroacetic acid etc	Other workers (e.g. homeworkers): Please specify:	Service outsourcing workers
		Number of other workers:	16
		Total number of employees:	622
		... thereof <u>female</u> employees:	108
		... thereof <u>male</u> employees:	514
Audit Scope: Please specify if different from site	The area was under business license. The audit covered areas of all production buildings, warehouse buildings, office building, canteen building which was located at No.227 Changguo East Road, Chemical Industrial Park, Zhangdian District, Zibo City, Shandong Province, China, and the dormitory area rented by the factory in Dongyi Road, Zhangdian District, Zibo City, Shandong Province, China.		
Auditor site description: Please note down any observations contributing to the understanding of the audit documentation (e.g. complexity of site, state of maintenance of the site, special risk areas for environment or people)	The factory was mainly engaged in manufacturing trimethylacetic acid, chloroacetic acid etc production. The factory had good knowledge for quality, occupational health and safety, environmental protection, and the factory obtained ISO9001, ISO14001 and ISO45001 certificates. The factory agreed that SGS auditor conducted confidential interviews with workers who were chosen freely without any influence by the factory management. Total 622 workers in the factory, and 15 workers were randomly selected from different workshops for individual/ group interviews. The workers' interviews were conducted at an independent area that located at the office rooms. Workers showed a cooperative attitude during the interview process. The effective evidences were collected from workers interview. Based on the workers interview, workers expressed their positive attitude to management and workplace, they agreed with the rules and management of the factory. The management had positive risks awareness for EHS, but some major/ minor issued for but some major/ minor issued for Management, EHS and labor& human rights were still identified.		

3. Additional information on supplier / audited site:

3.1 Is the company member of any organization or initiative that promotes sustainability?

1. UN Global Compact	no	3. Other (please specify):	
2. Responsible Care Initiative	no	4. Other (please specify):	

3.2 Does the company have any valid certification on management systems?

(yyyy-mm-dd)

1. Quality Management e.g. ISO 9001	yes	Valid until:	2023-07-16
2. Good Manufacturing Practices, e.g. GMP ISO 22716	no	Valid until:	
3. Environmental Management, e.g. ISO 14001 or EMAS	yes	Valid until:	2023-07-16
4. Occupational Health and Safety, e.g. OHSAS 18001	yes	Valid until:	2023-07-16
5. Energy management, e.g. ISO 50001	no	Valid until:	
6. Responsible Care Assessment	no	Date of Assessment:	
7. Labor Standards, e.g. SA 8000	no	Valid until:	
8. Other (please specify):		Valid until:	

3.3 Have there been investigations or legal proceedings regarding corruption / bribery / fraud in the last five years?

no

3.4 Are hazardous goods produced or worked with in production?

yes

3.5 Does the company operate containment facilities to temporarily contain fire water, including rain?

yes

3.6 Is the company considered energy intensive (high carbon footprint)?

no

3.7 Is electrical power purchased by the site generated by traditional fossil fuels (fuel oil, coal, diesel, LPG, natural gas)?

yes

3.8 Is the company fresh water intensive and poses a water scarcity risk to the environment in which it operates?

no

3.9 Where is the supplier site located?

in a planned industrial area/zone

(if "Other" is selected, please describe)

Audit Information

Legend:	please fill field
	field is filled

1. Audit Report Details

Audit report number:	JSASCN23143267	Follow-up audit number: (please enter on follow-up sheet)	Nil
Audit type (initial, follow-up or re-audit):	initial		

2. Auditor Details

Audit Company:	SGS	Local coordinator for TfS audits:	
Lead Auditor Location:	Qingdao	Co-Auditor Location:	
Lead Auditor Name:	Dan Dai	Co-Auditor Name:	
Lead Auditor Review Subjects		Co-Auditor Review Subjects	
Environment	yes	Environment	no
Health & Safety	yes	Health & Safety	no
Labor & Human Rights	yes	Labor & Human Rights	no
Management	yes	Management	no
Governance	yes	Governance	no
Lead Auditor phone number:	0532-68999161	Co-Auditor phone number:	
Lead Auditor email:	Dan. Dai@sgs.com	Co-Auditor email:	

3. Audit Details

(yyyy-mm-dd)		(yyyy-mm-dd)	
Starting date:	2023-06-01	Ending date:	2023-06-02
Number of auditor days used (person days):	2.0	Was it allowed to take photos?	no
Individual Interviews conducted:	yes	Witness audit conducted?	no
Number of individual interviews:	5	EcoVadis assessments available for review?	no
... thereof Female	2	Group interviews conducted?	yes
... thereof Male	3	Total number of group interviews:	10
Departments included in interviews		Who attended the opening meeting? (Name, Function)	
Top Management	yes	Mr. Luo Hanjin/ General Manager Mr. Gao Shan/ Chief of Environmental Department Mr. Li Houxiang/ Minister of EHS Ms. Li Hongmei / Chief of HR Department Mr. Wang Jianqiang / Office director Ms. Li Ping/Technical Section Chief	
Production	yes		
Warehouse & Logistics	yes		
Security	yes		
Health, Safety & Environment	yes		
Quality	yes	Who attended the closing meeting? (Name, Function)	
Human Resources	yes	Mr. Luo Hanjin/ General Manager Mr. Gao Shan/ Chief of Environmental Department Mr. Li Houxiang/ Minister of EHS Ms. Li Hongmei / Chief of HR Department Mr. Wang Jianqiang / Office director Ms. Li Ping/Technical Section Chief	
Other (Please list)	Nil		
		Who attended the audit? (Name, Function)	
		Mr. Luo Hanjin/ General Manager Mr. Gao Shan/ Chief of Environmental Department Mr. Li Houxiang/ Minister of EHS Ms. Li Hongmei / Chief of HR Department Mr. Wang Jianqiang / Office director Ms. Li Ping/Technical Section Chief	

4. Local Laws & Regulations

Standard work week (provide total hours excluding overtime):	40.0	Emission trading scheme CO2:	no
Maximum allowed overtime hours per week (h):	20.0	Emission trading scheme NOx:	no
Minimum legal work age (provide age in years):	16.0	Emission trading scheme SOx:	no
Minimum legal wage for standard hours (in EUR):	1.8	Globally Harmonized System (GHS):	no
Minimum legal overtime wage (in EUR):	2.7	REACH or similar:	no
Social security system:	yes	Other (please specify):	
Other (please specify):	Nil	Other (please specify):	

Audit Corrective Action Plan (CAP)

Audit Report Number:
JSASCN23143267

Note: The purpose of this Audit Corrective Action Template is to document the mutual understanding of the audit findings and corrective actions.

On the audit day :

- Consensus is achieved on the findings between auditor and supplier management
- Criticality of findings (minor, major, critical) is assigned and documented by the auditor (ref. notes to the auditor)
- Findings and proposed corrective actions are clearly described by the auditor and understood by the site, confirmed with the signatures of both: the supplier representative and the lead auditor.

After the audit:

The supplier has the responsibility to complete the corrective actions where they are missing and has the opportunity to amend corrective actions proposed by the auditor directly in the below table. In case of amendments proposed, the supplier has to send the sheet to the audit company for validation no later than 10 working days after the audit date. If the supplier agrees with the corrective actions originally proposed no further action is needed. However, no fields must be left empty in all lines where findings are listed.

The completion dates shall be set in a reasonable timeframe appropriate to the respective finding. For critical findings, this shall be typically not more than 1 month, for major findings not more than 3 months. Longer deadlines shall be justified.

The audit company remains responsible to validate the adequacy of corrective actions and completion dates proposed by the supplier and documented in the CAP. Once the auditor accepts the CAP, the full audit report is to be shared with the supplier for comment before finalizing the report. The supplier should provide their comments within 10 days.

In case of amendments, the CAP needs to be signed again by both parties (lead auditor and supplier) for the document to be valid.

Confirmation

With my signature I confirm that the below mentioned findings and proposed corrective actions have been discussed and agreed upon. Furthermore I confirm to submit the final corrective action plan (CAP) including planned completion dates within 10 working days to the audit company using this "CAP" template.

Site Representative Signature	Company Name: Shandong Minji New Material Technology Co., Ltd
	Name: Li Ping
	Function/Title: Technical Section Chief
	Date: Jun.2, 2023
Auditor Signature	Audit Company: SGS
	Name: Dan Dai
	Function/Title: Lead Auditor
	Date: Jun.2, 2023

Comments from the supplier (if any)

基于工厂的保密和安全要求，审核期间工厂提供了必须的文件资料供查看，但是没有允许对部分记录如员工花名册，工资考勤记录和生产区域进行拍照。
Due to the audited factory's confidential and safety requirements, the factory provided the necessary documents for review during the audit, but the factory did not allow auditor to take photos of some documents such as employee roster, payroll & attendance records and production areas etc.

Summary of positive findings / good practices

Please specify strengths of the company with regard to management systems and performance in the 5 audit pillars (if any)

工厂提供免费的班车。
The free of shuttle buses were provided by the factory.
工厂有社会捐赠行为。
The factory had social donation behavior.

Corrective Action Plan

Tip: To get an overview of the open findings use the filter in column C

Reference number (filled automatically)	Finding type (filled automatically)	Details / Description of Finding (Discussed during the closing meeting)	Corrective Actions (Proposed Corrective actions and best practice sharing, discussed and agreed on during the closing meeting. Supplier to finalize corrective actions within 10 days from Audit)	Completion Date (Discussed and agreed on during the closing meeting) yyyy-mm-dd
Management / M2.3	minor	工厂没有为以下系统制定管理承诺政策方针： -劳工条件和员工关系 违反了TFS Checklist Management 2.3. The factory has no management commitment and /or policy regarding sustainability issues such as - Labor Conditions and Employee Relations. It violated TFS Management 2.3	建议工厂为以下系统制定管理承诺政策方针： -劳工条件和员工关系 It was suggested that the factory should make a management commitment and /or policy regarding sustainability issues. - Labor Conditions and Employee Relations.	2023-07-31
Management / M2.8	minor	工厂没有制定关于提高和监督劳工条件和劳工关系的具体目标。 违反了TFS管理2.8 No specific target was defined to improve and monitor the performance in labor conditions and the worker relations in the factory. It violated TFS Management 2.8	建议工厂制定关于提高和监督劳工条件和劳工关系的目标。 It was suggested that the factory should define a target to improve and monitor the performance in labor conditions and the factory relation.	2023-07-31

Management / M2.10	minor	<p>工厂没有建立有效的程序按照国际公认的标准来识别社会道德和人权的风险和影响。</p> <p>违反了TFS管理2.10</p> <p>The factory did not have a process for the ongoing identification of its social ethical and human rights risks and impacts according to international recognized standards.</p> <p>It violated TFS Management 2.10</p>	<p>建议工厂应建立有效的程序按照国际公认的标准来识别社会道德和人权的风险和影响。</p> <p>It was suggested that the factory should establish a process for the ongoing identification of its social ethical and human rights risks and impacts according to international recognized standards.</p>	2023-07-31
Management / M4.2	minor	<p>工厂供应商选择程序没有包含健康安全,环境, 劳动权益和劳动管理, 反腐败合规性等要求。</p> <p>违反了TFS管理4.2</p> <p>The factory's process about supplier selection did not evaluate suppliers' adherence to Health and Safety, Environment, labor conditions and employee relations, anti-corruption and compliance to law etc.</p> <p>It violated TFS Management 4.2</p>	<p>建议工厂建立关于供应商有关健康安全,环境, 劳动权益和劳动管理, 反腐败合规性评审的程序和体系。</p> <p>It was suggested that the factory should have a process or system in place in order to select and evaluate suppliers' adherence to Health and Safety, Environment, employee relations, anti-corruption and compliance to law, etc.</p>	2023-07-31
Management / M4.3	minor	<p>工厂没有提供证据证明对其供应商, 运输方、经销商、承包商和第三方针对以下的体系也进行了监控:</p> <ul style="list-style-type: none"> -环境管理 -安全、健康 -劳工条件和员工关系 -反贿赂、贪污、欺诈。 <p>违反了TFS Checklist Management 4.3.</p> <p>The factory did not provide the evidence to prove that performance for suppliers, carriers, distributors, contractors, and third party providers are monitored related to below:</p> <ul style="list-style-type: none"> - Environmental Management - Safety, Health, and Security Management - Labor Conditions and Employee Relations - Anti-Corruption and Compliance to law. <p>It violated TFS Checklist Management 4.3.</p>	<p>建议工厂应对其供应商, 运输方, 承包商, 经销商和第三方在所提到内容的表现进行监控。</p> <p>It was suggested the factory should monitor the performance for suppliers, carriers, distributors, contractors, and third party providers related to below system as finding mentioned.</p>	2023-07-31
Environment / E2.6	minor	<p>工厂没有对其外部废弃物处理公司定期进行评审。</p> <p>违反了TFS Environment 2.6.</p> <p>The factory did not audit external waste contractor regularly.</p> <p>It violated TFS Environment 2.6.</p>	<p>建议工厂定期对其外部废弃物处理公司进行评审。</p> <p>It was suggested that the factory should audit external waste contractors regularly.</p>	2023-07-31
Environment / E5.6	minor	<p>工厂未全面评估和监控温室气体的排放。</p> <p>违反了TFS环境5.6</p> <p>The factory did not comprehensive assess or monitor emissions of GHGs.</p> <p>It violated TFS Environment 5.6</p>	<p>建议工厂全面评估和监控温室气体的排放。</p> <p>It was suggested that the factory should comprehensive assess and monitor emissions of GHGs.</p>	2023-09-30
Environment / E5.7	minor	<p>工厂未全面评估和监控臭氧层破坏物质的使用。</p> <p>违反了TFS Environment 5.7.</p> <p>The factory did not assess and monitor using of ODSs.</p> <p>It violated TFS Environment 5.7</p>	<p>建议工厂评估和监控臭氧层破坏物质的使用。</p> <p>It was suggested that the factory should assess and monitor using of ODSs.</p>	2023-08-31
Health & Safety / H1.1	major	<p>审核期间工厂没有提供有关出口产品, 如氯乙酸的REACH 登记证书供查看, 也没有提供出口到美国市场的TSCA的相关资料供查看。工厂没有收集相关的法律法规和建立相关的书面控制程序, 工厂表示了解相关的法律法规, 并表示通过客户REACH登记证书进行出口, 出口的相关产品为监管范围的产品, 但没有提供相关证明。</p> <p>违反了TFS Health & Safety 1.1</p> <p>The factory did not provide the reach registration certificate of export products, such as chloroacetic acid for review during audit, and the factory did not provide the certificate of TSCA(export to USA) for review during audit. The factory did not collect relevant laws and regulations and establish relevant written control procedures. The factory said that they understands the relevant laws and regulations, and it exports through the customer's reach registration certificate, the relevant products exported were products within regulatory scope, but did not provide relevant certificates.</p> <p>It violated Health & Safety 1.1</p>	<p>建议工厂按照要求建立相关程序并收集提供相关信息。</p> <p>It was suggested that the factory should collect and provide relevant information as required.</p>	2023-09-30

Health & Safety / H3.5	major	<p>1.审核期间工厂没有提供工厂所使用一栋1层备件仓库，一栋一层机修车间和一栋4层宿舍楼的竣工验收报告或备案供查看。</p> <p>违反了中华人民共和国建筑法（2011修正）第61条</p> <p>1.The factory did not provide the Building Structure Safety report or Certificate of one-1 storey spare parts warehouse, one 1-storey machine repair workshop building and one 4-story dormitory building used in the factory for review during audit. It violated Construction Law of the People's Republic of China (2011 Amendment), Article 61.</p> <p>2.审核期间工厂没有提供工厂所使用一栋1层备件仓库，一栋一层机修车间的消防验收报告或备案供查看。</p> <p>违反了中华人民共和国消防法（2008）第十一条第十三条。</p> <p>2. The factory did not provide the fire Safety Records or certificate of one-1 storey spare parts warehouse and one 1-storey machine repair workshop building used in the factory for review during audit.</p> <p>It violated fire Prevention Law of the People's Republic of China (2008) Article 11&13.</p>	<p>1. 建议工厂应获得相关建筑的竣工验收报告。</p> <p>It was suggested that the factory should obtain the Building Structure Safety Record for relevant building.</p> <p>2.建议工厂应获得相关建筑的消防验收报告。</p> <p>It was suggested that the factory should obtain the Building fire Safety Record for relevant building.</p>	2023-09-30
Health & Safety / H3.10	major	<p>工厂部分化学品储存不当，如工厂没有为备件仓库中使用的部分机油和液压油设置二次容器。</p> <p>违反了建筑设计防火规范（GB50016-2014，2018修正）3.6.12</p> <p>Some chemicals were not stored improperly, such as the factory did not set secondary containers for some machine oil and hydraulic oil used in spare parts warehouse of the factory.</p> <p>It violated Code of Design on Building Fire Protection and Prevention (GB50016-2014, 2018 Amendment), Article 3.6.12</p>	<p>建议工厂应按照国家法规要求存储化学品。</p> <p>It was suggested that the factory should store chemicals in accordance with regulations.</p>	2023-07-31
Health & Safety / H5.1	major	<p>工厂没有张贴消防疏散图。如仓库，控制中心等生产生活区域。</p> <p>违反了TFS健康&安全方面H5.1</p> <p>No evacuation plans were available in some areas, e.g. warehouse, control center, production and living areas etc.</p> <p>It violated Health & Safety 5.1</p>	<p>建议工厂在相关区域张贴消防疏散图。</p> <p>It was suggested that the factory posted evacuation plans in relevant areas.</p>	2023-08-31
Health & Safety / H5.2	major	<p>工厂没有在餐厅和办公楼的安全出口安装安全出口标识。违反了建筑设计防火规范（GB50016-2014，2018修正）10.3.5</p> <p>The factory did not install exit signs for safety exits of canteen and office buildings.</p> <p>It violated Code of Design on Building Fire Protection and Prevention (GB50016-2014, 2018 Amendment), 10.3.5.</p>	<p>建议工厂按法规要求在所有上述的安全出口处安装出口标识。</p> <p>It was suggested that the factory should install the exit signs on all relevant areas as per law requirement.</p>	2023-08-31
Health & Safety / H5.5	minor	<p>工厂有组织消防疏散演习在过去一年中，但没有覆盖所有的三个生产班次和员工，没有进行夜间班次的消防演习。</p> <p>违反了机关、团体、企业、事业单位消防安全管理规定（2001）第四十条。</p> <p>The factory conducted the fire evacuate drill in past one years, but it did not cover all the three production shifts and did not conduct fire drills at night.</p> <p>It violated Regulation on Fire Prevention Safety Administration of State Organs, Associations, Enterprises and Institutions (2001), Article 40</p>	<p>建议工厂定期举行消防演习覆盖全员。</p> <p>It was suggested the factory should conduct fire drills, and covered all shifts and employees.</p>	2023-07-31
Health & Safety / H6.2	major	<p>工厂无培训合格的急救员。</p> <p>违反了工业企业设计卫生标准(GBZ 1-2010)及TFS Checklist Health & Safety 6.2</p> <p>It was found that no trained first aider was available at the factory.</p> <p>It violated Hygienic standards for the Design of Industrial Enterprises (GBZ 1-2010) and TFS Checklist Health & Safety 6.2.</p>	<p>建议工厂培训合格的急救员。</p> <p>It was suggested the factory should ensure first aider be available at the factory.</p>	2023-09-30

Labor & Human Rights / L2.3	minor	<p>工厂入职登记表显示一名抽样员工在2019年4月15日入厂，但是劳动合同的签署时间自2019年7月22日起。另一名抽样员工在2023年3月6日入厂，但是劳动合同的签署时间自2023年4月20日起。工厂未按要求和员工及时签署劳动合同。违反了中华人民共和国劳动合同法（2012修正）第十条</p> <p>The factory entry registration form shows that one sampled worker entered the factory on Apr 15, 2019, but the labor contract between the factory and the worker was signed since Jul 22, 2019, another sampled worker entered the factory on Mar 6, 2023, but the labor contract between the factory and the worker was signed since Apr 20, 2023. The factory did not sign labor contracts with employees in a timely manner according to legal requirements. It violated Labor Contract Law of the People's Republic of China (2012 Amendment), Article 10</p>	<p>建议工厂应按法规要求和员工签订劳动合同。It was suggested the factory should sign labor contracts with employees in accordance with legal requirements.</p>	2023-09-30
Labor & Human Rights / L3.3	major	<p>根据工厂提供的2022年5月1日至审核当日的考勤，约40%抽样员工的月加班时间在所有月份超过36小时，最大为96小时(2022年10月)最大日加班为4小时。工厂没有获得综合计时批文。违反了中华人民共和国劳动法（2018修正）第四十一条。</p> <p>The factory provided the attendance records from May.1, 2022 to audit day for review, about 40% sampled workers monthly overtime hours in all months exceed 36 hours and up to 96 hours and the maximum daily overtime was 4 hours in Oct, 2022. The factory did not obtain the Consolidated Working Hours System Approval. It violated Labor Law of the People's Republic of China (2018 Amendment), Article 41</p>	<p>建议工厂应该确保员工加班时间满足法定要求。It was suggested the factory should ensure workers' overtime working hours in line with local requirement.</p>	2023-09-30
Labor & Human Rights / L3.4	major	<p>根据工厂提供的2022年5月1日至审核当日的考勤，约40%抽样工人不能满足七休一，抽样员工的最大连续上班天数为22天，发生在2022年10月1日至2022年10月22日。违反了中华人民共和国劳动法（2018修正）第三十八条。</p> <p>Based on the factory provided the attendance records from May.1, 2022 to audit day for review, the continuously working days of about 40% sampled workers exceeded 6 days, and the maximum continuously working days of sampled workers were 22 days from Oct.1, 2022 to Oct.22, 2022. It violated Labor Law of the People's Republic of China (2018 Amendment), Article 38</p>	<p>建议工厂应该确保员工7休1。It was suggested the factory should ensure workers were provided at least one day off per 7 days.</p>	2023-09-30
Labor & Human Rights / L4.4	major	<p>工厂存在扣款制度并予以实施。安全奖惩制度显示员工违反规定会处以50-1000元不等的罚款，如工厂的安全处罚记录显示工人因在岗期间睡觉，违反工厂安全规定员工会被处以1000元的罚款。违反了TFS Checklist Labor& Human Right Checklist L4.4.</p> <p>The factory had improper deduction policy and implement it. Entrance Guard Punishment Measure and Safety Reward and Punishment Management Procedure showed that RMB50-1000 would be fined for any workers who violated any factory rules. Such as the safety punished records showed that worker would be deducted RMB1000 because violated factory rules(Sleep during work). It violated TFS Checklist Labor& Human Right Checklist L4.4.</p>	<p>建议工厂应按客户要求更正扣款制度和措施。It was suggested that the factory should stop this policy and measures to comply with the client's requirement.</p>	2023-09-30
Labor & Human Rights / L4.6	minor	<p>根据工厂提供的2022年5月至2023年4月的考勤和工资记录，工厂没有支付周末加班和部分正常工作日加班的加班费，工厂仅按出勤30天折算小时工资的3倍支付法定节假日的加班费。工厂未按照法定要求支付加班费，即正常工作日、休息日加班费分别为正常/正常出勤工资的150%、200%。违反了中华人民共和国劳动法（2018修正）第四十四条</p> <p>Based on the attendance records and payrolls from May. 2022 to Apr. 2023 for review, the factory did not pay overtime wages on weekends and some regular weekdays, the factory only paid 3 times the hourly wage converted from 30 days of attendance for overtime on statutory holidays. The factory did not pay OT compensation in line with legal requirements which are 150%, 200% of regular/normal pay for overtime work on regular weekdays, rest days respectively. It violated Labor Law of the People's Republic of China (2018 Amendment), Article 44</p>	<p>建议工厂应按法规要求支付加班费。It was suggested that factory should pay OT compensation for the overtime as per legal requirements.</p>	2023-09-30

Labor & Human Rights / L4.7	major	<p>工厂没有按法规的规定向进厂满一年的员工提供年假。</p> <p>违反职工带薪年休假条例（2007）第三条。</p> <p>No paid annual leave was provided to workers who had served over one year.</p> <p>It violated Regulations on Paid Annual Leave for Employees (2007), Article 3.</p>	<p>建议工厂按法规的要求为员工提供年假。</p> <p>It was suggested the factory should provide annual leave for workers according to law requirement.</p>	2023-09-30
Labor & Human Rights / L7.1	major	<p>工厂没有提供证据确保在厂内工作的16名外包工的劳工权益满足法律要求，如加班时间，加班费，社保等。</p> <p>违反了TFS劳工权益7.1</p> <p>The factory did not provide evidence to ensure that the labor rights of the 16 service outsourcing workers working in the factory met legal requirements, such as overtime hours, overtime pay, social insurances, etc.</p> <p>It violated TFS Labor & Human Rights 7.1</p>	<p>建议工厂应确保在公司内工作的外包工的劳工权益满足相关法律要求。</p> <p>It was suggested that the factory should ensure that the labor rights of the contractors working in the factory met the relevant legal requirements.</p>	2023-09-30

Results Follow-up Action

Audit Report Number: JSASCN23143267

The purpose of this template is for the auditor to verify and document closure of findings as the result of a follow-up (desktop review or on-site inspection) on an initial audit or re-audit. Please use this sheet only for documenting a follow-up.

After the follow up:

The audit company documents the status of findings as well as the new corrective action(s) with the new completion date(s) as agreed with the supplier.

Once open and/or new findings and proposed new corrective actions have been clearly described by the auditor and understood by the site, both the supplier representative and the auditor are expected to confirm these findings with their signatures. Therefore, please print this sheet, sign it and scan it.

The Follow-up report will be issued as an updated version of the initial audit report.

Confirmation	
With my signature I confirm that the below mentioned findings and proposed corrective actions have been discussed and agreed upon. Furthermore I confirm the implementation the below defined follow-ups within the specified time frames.	
Site Representative Signature	Company Name: Shandong Minji New Material Technology Co., Ltd
	Name: Li Ping
	Function/Title: Technical Section Chief
	Date: Jun.2, 2023
Auditor Signature	Audit Company: SGS
	Name: Dan Dai
	Function/Title: Lead Auditor
	Date: Jun.2, 2023

Type of follow up action	Nil
Please update the following information.	
Number of the initial report	JSASCN23143267
Number of the follow up report	Nil
Date of the follow up action:	
Audit Company:	SGS
Local coordinator for TIS audits:	
Lead Auditor Location:	Qingdao
Lead Auditor Name:	Dan Dai
Co-Auditor Location:	
Co-Auditor Name:	

Comments from the supplier (if any)
<p>基于工厂的保密和安全要求，审核期间工厂提供了必要的文件资料供查看，但是没有允许对部分记录如员工花名册、工资考勤记录和生产区域进行拍照。</p> <p>Due to the audited factory's confidential and safety requirements, the factory provided the necessary documents for review during the audit, but the factory did not allow auditor to take photos of some documents such as employee roster, payroll & attendance records and production areas etc.</p>

Please specify strengths of the company with regard to management systems and performance in the 5 audit pillars and additional critical finding (if any)
<p>工厂提供免费的班车。</p> <p>The free of shuttle buses were provided by the factory.</p> <p>工厂有社会捐赠行为。</p> <p>The factory had social donation behavior.</p>

Tip: To get an overview of the open findings use the filter in column G

Reference number (filled automatically)	Finding type (filled automatically)	Details / Description of Finding (filled automatically)	Corrective Actions (filled automatically)	Completion Date (filled automatically)	Status after follow up	Description of results of follow up	New Corrective Actions	New Completion Date (yyyy-mm-dd)
Management / M2.3	minor	工厂没有为以下系统制定管理承诺政策方针： - 劳工条件和劳工关系 违反了TFS Checklist Management 2.3. The factory has no management commitment and /or policy regarding sustainability issues such as - Labor Conditions and Employee Relations. It violated TFS Management 2.3	建议工厂为以下系统制定管理承诺政策方针： - 劳工条件和劳工关系 It was suggested that the factory should make a management commitment and /or policy regarding sustainability issues. - Labor Conditions and Employee Relations.	2023-07-31				
Management / M2.8	minor	工厂没有制定关于提高和监督劳工条件和劳工关系的具体目标。 违反了TFS管理2.8 No specific target was defined to improve and monitor the performance in labor conditions and the worker relations in the factory. It violated TFS Management 2.8	建议工厂制定关于提高和监督劳工条件和劳工关系的目标。 It was suggested that the factory should define a target to improve and monitor the performance in labor conditions and the factory relation.	2023-07-31				
Management / M2.10	minor	工厂没有建立有效的程序按照国际公认的标准来识别社会道德和人员的风险和影响。 违反了TFS管理2.10 The factory did not have a process for the ongoing identification of its social ethical and human rights risks and impacts according to international recognized standards. It violated TFS Management 2.10	建议工厂应建立有效的程序按照国际公认的标准来识别社会道德和人员的风险和影响。 It was suggested that the factory should establish a process for the ongoing identification of its social ethical and human rights risks and impacts according to international recognized standards.	2023-07-31				
Management / M4.2	minor	工厂供应商选择程序没有包含健康安全、环境、劳动权益和劳动管理、反腐败合规性等要求。 违反了TFS管理4.2 The factory's process about supplier selection did not evaluate suppliers' adherence to Health and Safety, Environment, labor conditions and employee relations, anti-corruption and compliance to law etc. It violated TFS Management 4.2	建议工厂建立关于供应商有关健康安全、环境、劳动权益和劳动管理、反腐败合规性要求的程序并体系。 It was suggested that the factory should have a process or system in place in order to select and evaluate suppliers' adherence to Health and Safety, Environment, employee relations, anti-corruption and compliance to law, etc.	2023-07-31				
Management / M4.3	minor	工厂没有提供证据证明对其供应商、运输方、经销商、承包商和第三方针对以下的体系也进行了监控： - 环境管理 - 安全、健康 - 劳工条件和劳工关系 - 反腐败、贪污、欺诈。 违反了TFS Checklist Management 4.3. The factory did not provide the evidence to prove that performance for suppliers, carriers, distributors, contractors, and third party providers are monitored related to below: - Environmental Management - Safety, Health, and Security Management - Labor Conditions and Employee Relations - Anti-Corruption and Compliance to law. It violated TFS Checklist Management 4.3.	建议工厂应对其供应商、运输方、承包商、经销商和第三方在所提到内容的表现进行监控。 It was suggested the factory should monitor the performance for suppliers, carriers, distributors, contractors, and third party providers related to below system as finding mentioned.	2023-07-31				
Environment / E2.6	minor	工厂没有对其外部废弃物处理公司定期进行评审。 违反了TIS Environment 2.6. The factory did not audit external waste contractor regularly. It violated TIS Environment 2.6.	建议工厂定期对其外部废弃物处理公司进行评审。 It was suggested that the factory should audit external waste contractors regularly.	2023-07-31				
Environment / E5.6	minor	工厂未全面评估和监控温室气体气体的排放。 违反了TFS环境5.6 The factory did not comprehensive assess or monitor emissions of GHGs. It violated TFS Environment 5.6	建议工厂全面评估和监控温室气体气体的排放。 It was suggested that the factory should comprehensive assess and monitor emissions of GHGs.	2023-09-30				
Environment / E5.7	minor	工厂未全面评估和监控臭氧层破坏物质的使用。 违反了TIS Environment 5.7. The factory did not assess and monitor using of ODSs. It violated TFS Environment 5.7	建议工厂评估和监控臭氧层破坏物质的使用。 It was suggested that the factory should assess and monitor using of ODSs.	2023-08-31				

		<p>审核期间工厂没有提供有关出口产品，如氯乙酸的REACH 登记证书供查看，也没有提供出口到美国市场的TSCA的相关资料供查看。工厂没有收集相关的法律法规和建立相关的书面控制程序。工厂表示了解相关的法律法规，并表示通过客户REACH登记证书进行出口。出口的相关产品为监管范围的产品，但没有提供相关证明。</p> <p>违反了TFS Health & Safety 1.1</p> <p>The factory did not provide the reach registration certificate of export products, such as chloroacetic acid for review during audit, and the factory did not provide the certificate of TSCA(export to USA) for review during audit. The factory did not collect relevant laws and regulations and establish relevant written control procedures. The factory said that they understands the relevant laws and regulations, and it exports through the customer's reach registration certificate, the relevant products exported were products within regulatory scope, but did not provide relevant certificates.</p> <p>It violated Health & Safety 1.1</p>		建议工厂按照要求建立相关程序并收集提供相关信息。	It was suggested that the factory should collect and provide relevant information as required.				
Health & Safety / H1.1	major		2023-09-30						
Health & Safety / H3.5	major	<p>1.审核期间工厂没有提供工厂所使用一栋1层备件仓库，一栋一层机修车间和一栋4层宿舍楼的施工验收报告或备案供查看。</p> <p>违反了《中华人民共和国建筑法》（2011修正）第61条</p> <p>1.The factory did not provide the Building Structure Safety report or Certificate of one-1 storey spare parts warehouse, one 1-storey machine repair workshop building and one 4-storey dormitory building used in the factory for review during audit.</p> <p>It violated Construction Law of the People's Republic of China (2011 Amendment), Article 61.</p> <p>2.审核期间工厂没有提供工厂所使用一栋1层备件仓库，一栋一层机修车间的消防验收报告或备案供查看。</p> <p>违反了《中华人民共和国消防法》（2008）第十一条第十三条。</p> <p>2. The factory did not provide the fire Safety Records or certificate of one-1 storey spare parts warehouse and one 1-storey machine repair workshop building used in the factory for review during audit.</p> <p>It violated Fire Prevention Law of the People's Republic of China (2008) Article 11&13.</p>	2023-09-30	<p>1. 建议工厂应获得相关建筑的建筑工程验收报告。</p> <p>It was suggested that the factory should obtain the Building Structure Safety Record for relevant building.</p> <p>2. 建议工厂应获得相关建筑的消防验收报告。</p> <p>It was suggested that the factory should obtain the Building fire Safety Record for relevant building.</p>					
Health & Safety / H3.10	major	<p>工厂部分化学品储存不当，如工厂没有为备件仓库中使用的部分机油和液压油设置二次容器。</p> <p>违反了《建筑设计防火规范》（GB50016-2014，2018修正）3.6.12</p> <p>Some chemicals were not stored improperly, such as the factory did not set secondary containers for some machine oil and hydraulic oil used in spare parts warehouse of the factory.</p> <p>It violated Code of Design on Building Fire Protection and Prevention (GB50016-2014, 2018 Amendment), Article 3.6.12</p>	2023-07-31	建议工厂应按照法规要求存储化学品。	It was suggested that the factory should store chemicals in accordance with regulations.				
Health & Safety / H5.1	major	<p>工厂没有张贴消防疏散图，如仓库，控制中心等生产生活区域。</p> <p>违反了TFS健康&安全方面H5.1</p> <p>No evacuation plans were available in some areas, e.g. warehouse, control center, production and living areas etc.</p> <p>It violated Health & Safety 5.1</p>	2023-08-31	建议工厂在相关区域张贴消防疏散图。	It was suggested that the factory posted evacuation plans in relevant areas.				
Health & Safety / H5.2	major	<p>工厂没有在餐厅和办公楼的安全出口安装安全出口标识，违反了《建筑设计防火规范》（GB50016-2014，2018修正）10.3.5</p> <p>The factory did not install exit signs for safety exits of canteen and office buildings.</p> <p>It violated Code of Design on Building Fire Protection and Prevention (GB50016-2014, 2018 Amendment), 10.3.5.</p>	2023-08-31	建议工厂按法规要求在所有上述的安全出口处安装出口标识。	It was suggested that the factory should install the exit signs on all relevant areas as per law requirement.				
Health & Safety / H5.5	minor	<p>工厂有组织消防疏散演习在过去一年中，但没有覆盖所有的三个生产班次和员工，没有进行夜间班次的消防演习。</p> <p>违反了《机关、团体、企业、事业单位消防安全管理规定》（2001）第四十条。</p> <p>The factory conducted the fire evacuate drill in past one years, but it did not cover all the three production shifts and did not conduct fire drills at night.</p> <p>It violated Regulation on Fire Prevention Safety Administration of State Organs, Associations, Enterprises and Institutions (2001), Article 40</p>	2023-07-31	建议工厂定期进行消防演习覆盖全员。	It was suggested the factory should conduct fire drills, and covered all shifts and employees.				
Health & Safety / H6.2	major	<p>工厂无培训合格的急救员。</p> <p>违反了《工业企业设计卫生标准》(GBZ 1-2010)及TFS Checklist Health & Safety 6.2</p> <p>It was found that no trained first aider was available at the factory.</p> <p>It violated Hygienic standards for the Design of Industrial Enterprises (GBZ 1-2010) and TFS Checklist Health & Safety 6.2.</p>	2023-09-30	建议工厂培训合格的急救员。	It was suggested the factory should ensure first aider be available at the factory.				
Labor & Human Rights / L2.3	minor	<p>工厂入职登记显示一名抽样员工在2019年4月15日入职，但是劳动合同的签署时间自2019年7月22日起，另一名抽样员工在2023年3月6日入职，但是劳动合同的签署时间自2023年4月20日起。工厂未按法规要求和员工及时签署劳动合同，违反了《中华人民共和国劳动合同法》（2012修正）第十条。</p> <p>The factory entry registration form shows that one sampled worker entered the factory on Apr 15, 2019, but the labor contract between the factory and the worker was signed since Jul 22, 2019, another sampled worker entered the factory on Mar 6, 2023, but the labor contract between the factory and the worker was signed since Apr 20, 2023.The factory did not sign labor contracts with employees in a timely manner according to legal requirements. It violated Labor Contract Law of the People's Republic of China (2012 Amendment), Article 10</p>	2023-09-30	建议工厂应依法规要求和员工签订劳动合同。	It was suggested the factory should sign labor contracts with employees in accordance with legal requirements.				
Labor & Human Rights / L3.3	major	<p>根据工厂提供的2022年5月1日至审核当日的考勤，约40%抽样员工的月加班时间在所有月份超过36小时，最大为96小时(2022年10月) 最大日加班为4小时。工厂没有获得综合工时批文。</p> <p>违反了《中华人民共和国劳动法》（2018修正）第四十一条。</p> <p>The factory provided the attendance records from May 1, 2022 to audit day for review, about 40% sampled workers monthly overtime hours in all months exceed 36 hours and up to 96 hours and the maximum daily overtime was 4 hours in Oct, 2022. The factory did not obtain the Consolidated Working Hours System Approval.</p> <p>It violated Labor Law of the People's Republic of China (2018 Amendment), Article 41</p>	2023-09-30	建议工厂应该确保员工加班时间满足法定要求。	It was suggested the factory should ensure workers' overtime working hours in line with local requirement.				
Labor & Human Rights / L3.4	major	<p>根据工厂提供的2022年5月1日至审核当日的考勤，约40%抽样工人不能满足七休一，抽样员工的最大连续上班天数为22天，发生在2022年10月1日至2022年10月22日。</p> <p>违反了《中华人民共和国劳动法》（2018修正）第三十八条。</p> <p>Based on the factory provided the attendance records from May 1, 2022 to audit day for review, the continuously working days of about 40% sampled workers exceeded 6 days, and the maximum continuously working days of sampled workers were 22 days from Oct.1, 2022 to Oct.22, 2022.</p> <p>It violated Labor Law of the People's Republic of China (2018 Amendment), Article 38</p>	2023-09-30	建议工厂应该确保员工7休1。	It was suggested the factory should ensure workers were provided at least one day off per 7 days.				

Labor & Human Rights / L4.4	major	<p>工厂存在扣款制度并予以实施。安全奖励制度显示员工违反规定处以50-1000元不等的罚款。如工厂的安全处罚记录显示工人因在罚期间睡觉，违反工厂安全规定员工会被处以1000元的罚款。</p> <p>违反了TFS Checklist Labor& Human Right Checklist L4.4.</p> <p>The factory had improper deduction policy and implement it.</p> <p>Entrance Guard Punishment Measure and Safety Reward and Punishment Management Procedure showed that RMB50-1000 would be fined for any workers who violated any factory rules. Such as the safety punished records showed that worker would be deducted RMB1000 because violated factory rules(Sleep during work).</p> <p>It violated TFS Checklist Labor& Human Right Checklist L4.4.</p>	<p>建议工厂应按客户要求更正扣款制度和措施。</p> <p>It was suggested that the factory should stop this policy and measures to comply with the client's requirement.</p>	2023-09-30				
Labor & Human Rights / L4.6	minor	<p>根据工厂提供的2022年5月至2023年4月的考勤和工资记录，工厂没有支付周末加班和部分正常工作日的加班费。工厂仅按1.5倍支付其小时工资的3倍支付法定节假日的加班费。工厂未按照法定要求支付加班费。前正常工作日的、休息日加班费分别为正常工资150%、200%。</p> <p>违反了中华人民共和国劳动法（2018修正）第四十四條</p> <p>Based on the attendance records and payrolls from May, 2022 to Apr. 2023 for review, the factory did not pay overtime wages on weekends and some regular weekdays, the factory only paid 3 times the hourly wage converted from 30 days of attendance for overtime on statutory holidays.</p> <p>The factory did not paid OT compensation in line with legal requirements which are 150%, 200% of regular/normal pay for overtime work on regular weekdays, rest days respectively.</p> <p>It violated Labor Law of the People's Republic of China (2018 Amendment), Article 44</p>	<p>建议工厂应按法规要求支付加班费。</p> <p>It was suggested that factory should pay OT compensation for the overtime as per legal requirements.</p>	2023-09-30				
Labor & Human Rights / L4.7	major	<p>工厂没有按法规的规定向工作满一年的员工提供年休假。</p> <p>违反职工带薪年休假条例（2007）第三条。</p> <p>No paid annual leave was provided to workers who had served over one year.</p> <p>It violated Regulations on Paid Annual Leave for Employees (2007), Article 3.</p>	<p>建议工厂按法规的要求为员工提供年休假。</p> <p>It was suggested the factory should provide annual leave for workers according to law requirement.</p>	2023-09-30				
Labor & Human Rights / L7.1	major	<p>工厂没有提供证据确保在厂内工作的16名外包工的劳工权益满足法律要求。如加班时间、加班费、社保等。</p> <p>违反了TFS劳工权益7.1</p> <p>The factory did not provide evidence to ensure that the labor rights of the 16 service outsourcing workers working in the factory met legal requirements, such as overtime hours, overtime pay, social insurances, etc.</p> <p>It violated TFS Labor & Human Rights 7.1</p>	<p>建议工厂应确保在公司内工作的外包工的劳工权益满足相关法律要求。</p> <p>It was suggested that the factory should ensure that the labor rights of the contractors working in the factory met the relevant legal requirements.</p>	2023-09-30				

Management Assessment

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M1. Management in Charge

A senior management representative has been appointed in the company, with active responsibility for ensuring that standards are met. This person makes appropriate inspections, draws up plans for corrective action, ensures implementation, and takes preventive measures.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M1.1	Is top management accountable for environmental management?	yes			Based on organization chart, Mr. Gao Shan/ Chief of Environmental Department was accountable for environmental management.	
M1.2	Is top management accountable for safety, health and security management?	yes			Based on organization chart, Mr. Li Houxiang/ Minister of EHS was accountable for safety, health and security management.	Methods to understand if management takes responsibility are not always straightforward. Examples of how this is displayed can include:
M1.3	Is top management accountable for labor conditions and employee relations?	yes			Based on organization chart, Ms. Li Hongmei / Chief of HR Department was accountable for labor conditions and employee relations.	- Does the Plant or Site Manager sign off/approve all important EHS procedures? - Is the Plant or Site Manager present during the audit and appears to understand basic EHS principles? (If the audit is conducted solely with the EHS person on-site, that can indicate the idea that EHS is only the job of safety professionals when it should be everyone's job.) - Is the Plant or Site Manager active in answering questions during the audit which displays management's understanding of the site programs and that they likely have active involvement in EHS issues?
M1.4	Is top management accountable for anti-corruption and legal compliance?	yes	minor		Based on organization chart, Mr. Wang Jianqiang / Office director was accountable for anti-corruption and legal compliance.	
M1.5	Is top management accountable for quality management?	yes			Based on organization chart, Ms. Li Ping/Technical Section Chief was accountable for the quality.	

M2. Policy & Continuous Improvement

The company should set out in writing the principles for how the company intends to manage individual sustainability parameters. Such documents are designed to influence major decisions and actions and ensure that they take place within the boundaries described. (Similar to a Code of Conduct).
The creation of such documents leads to greater awareness and clarity, particularly with company management, and facilitates communication of the issue of responsibility to employees and other stakeholders.
Company's principles set out in writing have to be expressly addressed to the employees and have to be posted in the location(s) together with the standard Code of Conduct visible to all employees in relevant languages. It's also possible to attach them to each employee's contract accordingly.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M2.1	Does the company have a management commitment, policy and process which is communicated to all employees, regarding environmental management?	yes			The factory had a management commitment and policy, which was communicated to all employees regarding environmental management.	
M2.2	Does the company have a management commitment, policy and process which is communicated to all employees, regarding safety, health and security management?	yes			The factory had a management commitment and policy, which was communicated to all employees regarding safety, health and security management.	
M2.3	Does the company have a management commitment, policy and process which is communicated to all employees, regarding labor conditions and employee relations?	no	minor	minor	The factory has no management commitment and/or policy regarding sustainability issues such as - Labor Conditions and Employee Relations.	Does the situation at the plant show that the management policy regarding EHS is a living document (practice what is written) or does it appear that the document was created just to satisfy audits and certification requirements? Findings in this area should be classified as minor findings. However, a finding may indicate a missing commitment and communication of its principles and lead to higher auditor scrutiny of the relevant subject during the audit.
M2.4	Does the company have a management commitment, policy and process which is communicated to all employees, regarding anti-corruption and compliance to law?	yes			Based on management policy and training records, the factory had set up the Anti-Corruption and Compliance to law management commitment and policy, they were trained to all employees for new employee training course.	
M2.5	Does the company have a management commitment, policy and process which is communicated to all employees, regarding quality management?	yes			Based on management policy and training records, the factory had set up the quality management commitment and policy, they were trained to all employees for new employee training course.	
M2.6	Has the company defined any targets to improve and monitor the performance in environmental management?	yes			Based on documents review, the factory had defined each year's targets to improve and monitored the performance each month in Environmental Management.	Are the established targets suitable to help improve EHS on the site? The auditor should explain what type of targets are in place. For Example: Simply stating the target is 'no lost time injuries' is not sufficient alone. There should also be controllable and meaningful targets that each employee can meet to help achieve the overall target.
M2.7	Has the company defined any targets to improve and monitor the performance in safety, health, and security management?	yes			Based on documents review, the factory had defined each year's targets to improve and monitored the performance each month in safety, health and security management.	
M2.8	Has the company defined any targets to improve and monitor the performance in labor conditions and employee relations?	no	minor	minor-major	No specific target was defined to improve and monitor the performance in labor conditions and the worker relations in the factory.	The company is expected to define targets to evaluate and to improve their performance in labor conditions and employee relations, otherwise this will lead to a minor finding.
M2.9	Has the company defined any targets to improve and monitor the performance in quality management?	yes			Based on documents review, the factory had defined each year's targets to improve and monitored the performance each month in quality management.	If there is no grievance mechanism at all this will lead to a major finding.
M2.10	Does the company have a process for the ongoing identification of its environmental, social, ethical and human rights risks and impacts according to international recognized standards?	no	minor	minor	The factory did not have a process for the ongoing identification of its social ethical and human rights risks and impacts according to international recognized standards.	The company should identify and assess any actual or potential adverse impacts with which they may be involved either through their own activities or as a result of their business relationships. The assessment should be undertaken on the basis of recognized international standards and at regular intervals: prior to a new activity or relationship; prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating environment; and periodically throughout the life of an activity or relationship. To identify and mitigate risks related to business activities, the company should consult with affected communities and relevant national and local administration and civil society organizations. Recognized standards are e.g. UN Guiding Principles, UK Modern Slavery Act, Voluntary Principles on Security and Human Rights.

M3. Training

Establishment of appropriate training measures allows managers and employees to gain an appropriate level of knowledge and understanding of code of conduct, internal policies, the applicable laws and regulations and generally recognized standards. Especially for new employees working with chemicals or complex machineries it is important to receive a job-specific workplace training to get familiar with the processes and the risk.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M3.1	Does the company provide training to employees regarding environmental management requirements for their job assignment?	yes			Based on documents review, the factory provided training on environmental management to related workers during the induction training and annual refresher training, the related training records with training materials were provided for review.	
M3.2	Does the company provide training to all employees regarding safety, health, and security management?	yes			Based on documents review and workers interview, the factory provided training regarding safety, health, and security management such as chemicals handling, PPE usage, equipment operation and fire safety etc. to all workers during the induction training and annual refresher training, and the related training records with training materials were provided for review.	The auditor must check if training documentation exists for all relevant topics. If the employee engages in a task that carries any hazard then there should be training detailed enough to ensure safe work occurs. In addition there should be some form of initial training before starting a task, hands on mentorship training for more difficult tasks, and ongoing refresher training at some frequency established by the site for critical tasks. Need for and adequacy of training depends on the risk the employee is involved in. For example, if the contractor was asked to conduct a task with high risk area (e.g. line opening) without training, it should be at least major.
M3.3	Does the company provide training to all employees regarding labor conditions and employee relations?	yes			Based on documents review, the factory provided training regarding labor conditions and employee relations to all workers during the induction training and annual refresher training, and the related training records with training materials were provided for review.	Also training on Health & Safety could be considered a major issue as opposed to a minor issue depending on what training is available. This has to be determined by the auditor and there needs to be good documentation by the auditor on what is in place to make this decision e.g. all training in place except for proper handling of ethylene oxide is a major problem. On the contrary, the site could be missing 10 training topics but if they are less hazardous issues then it is not major (thus the auditor must describe generally what is in place and specifically what is missing).
M3.4	Does the company provide training to all employees regarding quality management?	yes			Based on documents review, the factory provided training regarding quality management to all workers during the induction training and annual refresher training, the related quality training records were provided for review.	
M3.5	Does the company provide training to all employees regarding anti-corruption and compliance to law?	yes	minor		The factory had provided training to all workers regarding anti-corruption and compliance to law during the induction training and annual refresher training, the related training records were provided for review.	The provision of training to all employees regarding anti-corruption and compliance to law is expected from the company, otherwise this will lead to a minor finding.
M3.6	Is there a systematic, job-specific onboarding training for new employees in place?	yes			There was a systematic, job-specific onboarding training for new workers in place based on training plan and training records review.	A missing job-specific workplace training should lead to a minor finding or in case this puts/ can put the employee in a dangerous situation to a major finding. Especially for new employees working with chemicals or complex machineries, it is important to receive a job-specific workplace training to get familiar with the processes and the risk.
M3.7	Does the site ensure that the content of the training is understood by the employee?	yes			It was noted that the factory would verify the training effectiveness to ensure that the content of the trainings were understood by the workers.	The auditor must check of any means to ensure a proper understanding of the trainings (short quiz, internal certification, feedback from the employee, etc.) have been implemented. If not, the auditor should check the existence of keeping alive activities and reminders if breaches have been noted.

M4. Business Partners

Contractors / third party workers need to be aware of the company's requirements with regard to sustainability. Therefore, the company should inform the management of the contractors / third party workers about these requirements and clearly state that management need to ensure contractors / third parties understand and comply with these requirements.

As a best practice, the company should offer training to contractors / third party workers with regard to relevant environmental, social, and governance requirements. Contractors should be obliged to take part of such training and record their participation in a training attendance documentation.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M4.1	Are contractors/third party workers trained on the company's requirements in relation to environmental management, safety, health, and security management, quality management, labor conditions and employee relations and anti-corruption and compliance to law?	yes			The factory provided training for contractors/third party workers on the factory's requirements.	Depending on the type of work being done, contractors may need training as detailed as the site personnel. It depends on the risk the contractors involved in. For example, if the contractor was asked to conduct a task with high risk area like (e.g. line opening) without training, it should be at least major. Auditor must take a look at the type of work to see, what training is relevant and describe it accordingly. Depending on the type of work this could be minor or major.
M4.2	Does the company have a process or system in place in order to assess suppliers' adherence to business ethics, human rights, labor, health, safety and environmental standards?	no	minor	minor	The factory's process about supplier selection did not evaluate suppliers' adherence to Health and Safety, Environment, labor conditions and employee relations, anti-corruption and compliance to law etc.	The company is expected to have a system in place to evaluate the suppliers' and contractors' adherence to business ethics, human rights, labor health, safety and environmental standards otherwise this leads to a minor finding. A process should be in place at least to prevent misuse of people and cause reputation damage for a TIS member. A not existing process / system must lead to deeper investigations
M4.3	Are performance monitored for carriers, supplier, distributors, contractors and third party providers related to environmental management, safety, health, and security management, labor conditions and employee relations, anti-corruption and compliance to law and quality management?	no	minor	minor	The factory did not provide the evidence to prove that performance for suppliers, carriers, distributors, contractors, and third party providers are monitored related to below: - Environmental Management - Safety, Health, and Security Management - Labor Conditions and Employee Relations - Anti-Corruption and Compliance to law.	A company should monitor the sustainability performance of their relevant business partners such as carriers, suppliers, distributors, contractors and third party providers. The monitoring should be risk-based including business partners with higher risk to meet requirements with regard to social, environmental, or anti-corruption standards. The Company can meet these requirements by various measures, e.g. by regular inspections by competent employees of its own, implementation of an internal monitoring system with training and checks, inspection of subcontractors by external experts.
M4.4	Does the company communicate the company policy on corruption / bribery / fraud externally to business partners?	yes			The factory had communicated the factory policy on corruption / bribery / fraud internally, to business partner -suppliers and customers based on document review such as business agreements.	The company should communicate the policy as part of its contractual relationship with business partners. Communication may take different ways. At a minimum purchasers should communicate the policy and hand-over a copy of the policy document to the supplier representative as part of contractual discussions. As a best practice, documentation of this communication should be available to third party auditors, e.g. via reference on purchase order, via a reference in supplier contract, via supplier code of conduct communicated to suppliers, or via a signed copy of the policy by suppliers. Not having communicated a policy to business partners should be classified as minor finding unless the auditor identifies corrupt or fraudulent behavior or activities in the company's business partner relationships during the audit. If so, please explain and report as major finding.
M4.5	Is there a process in place to identify and inform the customer about any non-conformances in relation to shipments/products?	yes			The customer would be informed promptly of all non-conformances in relation to his shipments/products based on the process of "non compliance products management"	Non-conformance procedure: Describes the methods of identification, recording and addressing any non-conformance.

Environment Assessment

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E1. Environmental Compliance

Compliance with environmental legislation is a key requirement.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E1.1	If the site has received environmental fines and sanctions in the last 4 years (incl. fines amounts): Has the site taken actions to correct identified deficiencies and how can they be prevented for the future?	yes			The factory had 2 records of environmental violations in 2019 and had 7 records of environmental violations in 2021. The factory provided punishment records, rectification plan and rectification records, rectification work evaluation opinions, and the local environmental protection bureau's opinions on the factory's deregistration supervision and approval of the factory to resume production.	In general compliance issues with environmental regulation could lead to a rating from minor to critical, depending on the violations and the corrective / preventive actions found. E1.1 If the answer is "no", check if issues in the track record are recurring or single findings. Single findings with lacking corrective / preventive actions = minor finding. Recurring environmental issues, either at one plant/site or with similar or related findings across different plants/sites without the defined corrective and preventive actions = major finding. If answered "yes", the auditor shall still check the corresponding corrective/preventive measures taken. Critical findings = uncorrected issues of immediate concern, like immediate danger for the audit team, employees, contractors, environment or neighborhood.
E1.2	Does the site have processes in place to ensure compliance with environmental regulation in the areas of waste, emissions, water and waste water, energy, land use and biodiversity, soil and groundwater?	yes			The factory conducted the EIA and obtained approval. The environmental acceptance report, and pollutant discharging license was provided for review.	The auditor shall describe the situation. Describe the type of violations and corrective actions with a statement indicating they believe the corrections are sustainable to prevent future problems or that they are not sustainable solutions. E1.2 Check for the presence of a systematic approach with defined processes for environmental evaluation of compliance level, including:
E1.3	Does the site use a HSE regulatory monitoring system (e.g. legal & regulatory register)?	yes			The factory had identified, monitored and updated the environmental laws and regulations and its changes on a regular basis by EHS Department. The updated formal law and regulation list was provided for review during this audit.	E1.3 HSE reg. monitoring system: detection and communication of legal & regulatory changes / impacts, accessible register for all relevant staff. Check definition. This could also be an outsourced detection process, e.g. ext. legal office.

E2. Waste

Waste and emission systems ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emission and wastewater discharges. Any of these activities which have the potential to adversely impact human or environmental health are managed, measured, controlled and treated prior to release of any substance into the environment. The company is expected to have systems in place to prevent or mitigate accidental spills and releases into the environment.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E2.1	Does the site have a process in place to ensure waste resulting from its activities is disposed according to applicable regulations?	yes			Waste disposal procedure has been established in the factory, the hazardous waste were collected properly. The management collected the environment law, and they understood environment law.	Refer to local legislation and required documentation, communication and records. If no procedure or process description is available it becomes a major finding.
E2.2	Are legally required waste documents prepared and submitted to the waste disposal facility with each shipment? For example, is generated hazardous waste appropriately labelled according to the Globally Harmonized System (GHS), respectively according to local regulation?	yes			Based on site observation, it was found that the hazardous wastes such as waste chemical stored in the hazardous waste warehouse and labeled properly. The hazardous waste transfer manifests were provided to show that the hazardous wastes had been transferred to licensed vendor for disposal.	<p>This question addresses the documentation and labelling of waste shipments. A lack of documentation may lead to dumping of waste material in the environment (see question 2.1 above).</p> <p>If it is not required by law then the site does not have to have the GHS system in place. However the auditor should make sure some form of labeling and documentation system is in place which properly identifies and classifies materials (especially for hazardous materials). An explanation is warranted by the auditor in notes if the system does not follow some regulatory system.</p> <p>Depending on the type of missing waste labelling and documentation, it leads to a minor finding (waste) or major finding (hazardous waste).</p> <p>Please note: This question relates to environmental concerns from wrong or missing labels of (hazardous) waste. For the Health and Safety risk, please refer to question H&S 1.4.</p>
E2.3	Are containers stored in adequate condition (not rusted or damaged) to ensure leaks do not occur?	yes			Through site tour, it was noted that all hazardous wastes were stored in an enclosed warehouse, the waste chemical was stored in the containers. All hazardous wastes were stored in adequate condition to ensure no leakage.	Chemicals which seep into the soil may pollute the ground water. Waste collection containers must therefore be stored in specifically sealed and secured areas, regardless of the national legal regulations and the state disposal facilities available otherwise this leads to a major finding.
E2.4	Is (hazardous) waste stored in areas with secondary containment to prevent contamination of the environment if a leak occurs?	yes			Based on site observation, it was noted that the secondary containment was available for all hazardous wastes storage to prevent contamination of the environment.	
E2.5	Is the final destination of the waste a legally approved waste disposal facility?	yes			The hazardous waste handle contract, hazardous waste transfer manifest etc was provided to show that hazardous wastes, such as waste chemical etc had been transferred to licensed vendor for disposal.	It is expected to make sure the waste disposal facility used by the company is legally approved. It is expected that the company does not dispose its waste illegally otherwise this leads to a critical finding and has to be reported to TIS immediately. Depending on the type of waste it leads to a major finding for non hazardous waste and to a critical finding for hazardous waste.
E2.6	Does the site use external waste contractors? If yes, are these contractors regularly audited/ assessed?	no	minor	minor-major	The factory did not audit external waste contractor regularly.	<p>Not applicable if the site has its own trained staff with legal approvals to manage and treat their own waste. Otherwise it is expected that the plant / site only collaborates with regularly audited/assessed external waste contractors. It is important that the site has the waste handlers trained, qualified and audited regardless of being internal or external.</p> <p>Depending on the type of chemical this could be minor or major. E.g. toxic material not labeled appropriately should be major. If the external contractors are qualified by the government or some other third party and in consequence do not have to be audited/assessed by the supplier this leads to a minor finding.</p>

E3. Water and Wastewater

The company is expected to establish and follow procedures for water and wastewater management (especially water consumption and wastewater management and treatment).

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E3.1	Does the company have any procedures established and followed for sustainable water management?	yes			The factory had established the water management procedure to manage water consumption based on document review.	The company is expected to have an implemented procedure for a continuously improving water management otherwise this leads to a minor or major finding.
E3.2	Are there any protection concepts for wastewater effluents in places?	yes			The factory established the waste water treatment facilities to treat waste water, the wastewater streams were protected properly.	Based on the environmental aspects and impacts, it shall be defined how to deal with the specific wastewater contents.
E3.3	Does the site ensure that released water (process water, storm water, cooling water, sewer water, secondary containment rain water, steam condensate, etc.) does not contaminate the environment?	yes			The environmental facilities inspection and acceptance approvals were obtained from local government. The waste water was treated before discharging, and the waste water monitor report was provided for review and it was acceptable.	In general, the auditor should describe the situation as best as possible in a summary so it is easy to interpret the situation and what may be missing. Prevention methods should also be documented once risks are identified. As long as the auditor review does not find gaps in protective measures for released water, documentation in a formalized document is not required. If gaps are found, then a documented assessment is required but if no gaps are found then this would be a nice to have.
E3.4	Is the secondary containment adequate to protect the environment from contaminated water?	yes			The environmental facilities inspection and acceptance approvals were obtained from local government. And based on onsite observation, it was acceptable.	In the event of chemical leakage or fire fighting, the contaminated effluent must be collected for treatment. Any discharge into surface or ground water must be avoided. If the company cannot ensure prevention of any contamination this leads to a major finding.
E3.5	Does the company have any targets in place and monitored to reduce water consumption?	yes			It was noted that the factory had established the targets in place to monitor its reduction of water consumption, the related monitoring records were available for review.	The company shall have targets in place to monitor its reduction of water consumption otherwise this leads to a minor finding.

E4. Soil and Groundwater

It is expected that runoff of chemicals or any other hazardous substances into streams, groundwater or soil does not occur. If there is present contamination it is not an immediate issue as long as the site has management plans in place to mitigate or reduce impact. A full explanation is needed from the auditor if there is a contamination issue on a site.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E4.1	Does the company have a process to identify potential impact on soil and groundwater from current activities/operations (e.g. groundwater contamination) or is the company involved in any active remediation activities?	yes			The factory had identified the potential impact on soil and groundwater from current activities/operations. The factory established the waste water treatment facilities to treat waste water, and the waste water test reports were provided for review.	It is expected that runoff of chemicals or any other hazardous substances into streams, groundwater or soil does not occur. If runoff occurs, the site's management needs to have plans to mitigate or to reduce impact. Any major hazardous impact on soil and groundwater from current activities / operations will lead to a major finding. This could also lead to a critical finding when for example toxic substances contaminate groundwater in areas where it is used as drinking water.
E4.2	Does the company have installations and procedures in place to reduce impacts?	yes			The factory had identified the potential impact on soil and groundwater from current activities/operations. The factory established the waste water treatment facilities to treat waste water, and the waste water test report were provided for review.	

E5. Emissions to Air and Climate Change

The company is expected to establish and follow procedures for emission prevention, measurement, and control. The company is expected to use natural resources in an economical way. Negative impacts on the environment and climate shall be minimized or eliminated at their source or by practices such as the modification of production, maintenance and facility process, material substitution, conservation, recycling and material reutilization.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E5.1	Does the company have any procedures established and followed for emission measurement?	yes			According to the EIA report, the factory respect the report strictly.	Common error with emissions testing found during supplier audits was that the emission testing conducted yearly was not always from the stack. Sometimes the site made area samples from a spot in the plant. This is okay for occupational safety issues but not environmental emissions estimates. The company has to establish and follow procedures for emission measurement otherwise this leads to a major finding.
E5.2	Are data, records or reports on the emissions emitted available?	yes			The monitoring of emission was regularly conducted based on the review of the report.	Normally a site will take air measurements only on an annual basis to determine estimated annual emissions. In this case it is very important to have efficiency checks on control equipment on a regular basis (sometimes daily or even per shift if critical materials). Typical inclusion in this program are visual emissions checks, pH of scrubber water, pressure drop of filters and scrubbers, temperature for incinerators, etc. Auditor discretion needs to be used to determine if it is adequate and notes should be written on what is in place and if sufficient. If there are no data, records or reports on emissions available at all this leads to a major finding.
E5.3	Have the company emission sources and types of emissions to air and fugitive emissions been identified?	yes			Some nitride, sulfide and fume etc was contained in the waste air.	Emission control devices should ensure emissions are prevented and/or controlled in type and amounts to protect the environment and neighborhoods. The efficiency of these control devices must be checked routinely to ensure they are always working properly e.g. daily checks of pressure drop on scrubbers and dust collectors, pH test on scrubbers where applicable, daily visible emissions checks. If missing or inadequate devices lead to a major finding. However, if no or inadequate pollution prevention devices exist and lead to e.g. emissions of toxic or large quantities of hazardous substances, this may cause a critical or dangerous situation for employees, neighborhoods, or the environment. In such circumstances this leads to a critical finding.
E5.4	Are there adequate pollution prevention devices (e.g. filters, scrubbers) in place? If yes, are these pollution prevention devices maintained in proper condition?	yes			The treatment facility was regularly inspected and maintained based on the review of the records.	The company shall have an emission testing in place to monitor compliance with the legal limit values. If emissions testing reveals the site is not in compliance with the legal limit values established, please review your judgment of environmental compliance in question Environment 1.2. The company is expected to define targets to monitor and where possible reduce emissions. If this is not the case this leads to a minor finding.
E5.5	Does the company have emissions testing in place to monitor targets and is the site in compliance with the legal limit values established?	yes			The target was established and regularly monitored.	
E5.6	Does the site monitor/routinely assess emissions of GHGs associated with site processes/activities, fuel use for on-site or off-site transportation, agricultural activities etc.?	no	minor	minor	The factory did not comprehensive assess or monitor emissions of GHGs.	It is expected that GHGs associated with site processes/activities, fuel use for on-site or off-site transportations, agricultural activities etc. are monitored/routinely assessed. It is also expected that on-site equipment containing ODS is assessed regularly and included in an inventory.
E5.7	Does the site have an inventory of equipment on-site that contains ozone depleting substances (ODSs) (e.g. air-conditioning equipment that contains refrigerants)? If so, is a phase out plan in place?	no	minor	minor	The factory did not assess and monitor using of ODSs.	It is suggested to rate this criterion as minor if the site does not measure or does not take action on GHG or ODS, since there are some topics more critical than this one for most of the suppliers.

E6. Energy

The company is expected to establish and follow procedures for energy consumption measurement and improvement.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E6.1	Does the site have a program in place to measure and to improve its energy consumption?	yes			Based on document review and management interview, it was noted that the factory had a program in place to measure and to improve its energy consumption. The related energy consumption improvement records were provided for review.	<p>For example by</p> <ul style="list-style-type: none"> - measuring and monitoring energy consumption - energy savings or recovery - purchase of energy from renewable sources - regular site energy audits <p>Not having a program in place to measure and to improve the use of energy consumption does not automatically mean a breach with rules and legislations and therefore should lead to a minor finding. However, in some rare case, if the auditor discovers that the site has significant impact with the energy consumption, it could be a major finding.</p>

E7. Land Use and Biodiversity

The company is expected to assess the potential impacts of the site operations on designated protected areas or the ecosystem.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E7.1	Has the company assessed the potential impacts of the site operations on designated protected areas or the ecosystem (plants, animals and microorganisms)?	yes			The potential impacts to the ecosystem were assessed during the environmental impact assessment. And from observation in the factory, no obvious impact to the ecosystem was identified.	<p>To evaluate the impact of company's production on the immediate environment, companies can either run their own measurement, or rely on external data collections.</p> <p>Not having assessed impacts on designated protected areas or ecosystem should lead to a minor finding. If the auditor obtains knowledge about protected areas impacted by site operations or if the supplier has a significant impact on biodiversity, this should be reported as major finding.</p>

Health & Safety Assessment

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H1. Product Safety

"Product Safety" refers to the physical health and safety of workers, employees and users with regard to final or intermediate products. Material Safety Data Sheets containing all necessary safety-relevant information should be made available and provided for all hazardous substances to customers and other parties in case of a legitimate need.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H1.1	Are the components of all products registered according to the destination country's legal requirements?	no	major	major-critical	The factory did not provide the reach registration certificate of export products, such as chloroacetic acid for review during audit, and the factory did not provide the certificate of TSCA (export to USA) for review during audit. The factory did not collect relevant laws and regulations and establish relevant written control procedures. The factory said that they understands the relevant laws and regulations, and it exports through the customer's reach registration certificate, the relevant products exported were products within regulatory scope, but did not provide relevant certificates.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Legal frameworks are in particular REACH (Registration, Evaluation, Authorization and Restriction of Chemicals; Europe) and TSCA (Toxic Substances Control Act) for the US. According to REACH, companies that produce and import chemicals will have to assess the risks arising from their use and take any necessary risk management measures. Materials have to be pre-registered when exceeding 1 ton/legal entity.</p> <p>If the auditor discovers that a supplier handles relevant products but is not aware of according requirements, has no systematic approach taken and a process established to comply with or it turns out that several products are not registered this leads to a critical finding. In case of there is an isolated example with full evidence missing it could be a major finding.</p>
H1.2	Does the company have an up-to-date and complete set of Material Safety Data Sheets (MSDS) available for all hazardous materials used or stored on-site (raw materials, intermediates, products)?	yes			The MSDS were available in the workshop and the warehouse where the chemicals were used and stored.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Up-to-date MSDS's have to be provided in local language and made accessible to employees as well as emergency responders. If there are single cases with no MSDS's in place, but a good labelling and trained employees, then this will lead to a minor finding. If there are no MSDS's available and/or employees have no idea about hazardous chemicals at all, then this should lead to a major finding.</p>
H1.3	Is there a process in place to ensure proper MSDS's are obtained or created for new raw materials, intermediates and products?	yes			Based on management interview, they obtained MSDS from chemical suppliers when they bought those chemicals.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Discovering some hazardous material without any MSDS or without any system to ensure proper MSDS is in place will lead to a major finding.</p>
H1.4	Does the company ensure proper labelling (Globally Harmonized System (GHS) label or Dangerous Goods (DG) labels as legally required) of all hazardous materials/dangerous goods, substances, raw materials, and final products handled?	yes			Based on site observation in the chemical storage area in the warehouse and workshop, all stored chemicals were indicated with chemical labels which were in compliance with GHS label or DG label requirements.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>If there is no proper labelling in place this shall lead to a minor finding.</p>

H2. Transportation Safety

The company is expected to comply with applicable in particular dangerous goods related regulations and to establish procedures or checklists accordingly for example for loading / unloading resp. filling and discharging operations.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	
		Answer	Type			
H2.1	Are the following items part of the procedure or checklists for loading and unloading operations (packaged goods): - obvious technical deficiencies of the vehicle - vehicles secured against moving - segregation rules - contamination of packaging or transport units - proper loading and load securing - maximum gross vehicle weight	yes			It was noted that the procedure for loading and unloading operations was established, and the inspection for loading and unloading operations was conducted by assigned workers, the related inspection records were available for review.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>As a minimum requirement the company should have a procedure in place to ensure transportation safety. According checklists are a good additional proof of evidence.</p>
H2.2	Are the following items part of the procedure or checklists for filling and discharging operations (bulk): - obvious technical deficiencies of the vehicle - vehicles secured against moving - cleaning status of the tank - filling or discharging of the correct tank - filling and discharge valves tight - filling levels of road tankers and rail tank cars - maximum gross vehicle weight - safe working at height - filling and discharge hoses inspection and maintenance	yes			<p>The factory signed the transportation contracts with the qualified unit.</p> <p>The following items part of the checklists for filling and discharging operations:</p> <ul style="list-style-type: none"> - obvious technical deficiencies of the vehicle - vehicles secured against moving - tank cleaned - filling or discharging of the correct tank - confusion of substances excluded - discharge and bottom valves tight - fill levels of road tankers and rail tank cars - maximum gross vehicle weight 	<p>In addition to a procedure, training for those involved in shipping and goods receipt is also important and legally required, in particular for overseas and air shipments of dangerous goods. (e.g. IATA-DGR; IMDG Code)</p> <p>If it is not done this leads to a major finding.-A missing checklist (only) leads to a minor finding.</p>
H2.3	Is there a system in place to ensure that the shipping documents are provided completely and correctly containing in particular all necessary dangerous goods information?	yes			The shipping documents were distributed correctly and contained all necessary informations.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>A procedure must be established to ensure that proper shipping documents in particular in compliance with dangerous goods transport regulations are provided. This is achieved by according training of personnel as well as a database system which produces consistent and correct information.</p> <p>In case of dangerous goods shipments arranged: If there is no systematic approach to gather information and generate legal compliant shipping documents and/or personnel is not trained in accordance with applicable regulations this leads to a major finding. Minor deficiencies (e.g. faulty documents, single elements missing) could be a minor finding.</p>

H3. Process Safety and Storage

The company is expected to have procedures and processes for managing and maintaining all production processes in accordance with the applicable safety standards. The company should address product-related issues and their potential impact during all stages of the production process. Key elements are appropriate standard operation procedures / safety instructions and (preventive) maintenance programs.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H3.1	Does the company have up-to-date Pipe and Instrumentation Diagrams/Documentation (P&IDs) available for each facility or process and does a spot check in the field show equipment is properly included?	yes			The factory had kept the P&IDs for each facility or process, based on the sample checking, no inconsistency was found. Each facility was regularly inspected by the qualified operators every day.	The auditor should outline and explain to what extent this section applies to the supplier. If the company is engaged in process industry and has no Pipe and Instrumentation Diagrams for each facility and processes in place this leads to a major finding. For very simple processes at least Process Flow Diagrams (PFD) but also instrument and electrical loop diagrams are required. Availability and completeness of the according documentation should be checked for at least one example in the field.
H3.2	Are processes established to ensure material compatibility (materials processed vs. construction materials and equipment such as pipes, gaskets, valves, pumps, tanks)?	yes			The factory provided the design drawing of the pipe system, and the installing reports were provided for review. And the EHS department checked the pipes regularly, an emergency reporting procedure was established in the factory.	The auditor should outline and explain to what extent this section applies to the supplier. If there is no system in place to assess the specification of the equipment vs. critical chemical and physical properties of materials processed and this bears a risk for people or the environment, this leads to a major finding. If there is a situation of immediate danger to employees or the neighborhood, then it should be classified as a critical finding.
H3.3	Have systematic safety reviews been performed by qualified resources and are those regularly reviewed on all processes?	yes			The factory had conducted the safety risk assessment on the production process regularly. The potential risks were identified and evaluated, the corrective actions were established.	The auditor should outline and explain to what extent this section applies to the supplier. Aspect to consider: - Do safety reviews appropriately evaluate ALL potential risks for different failures e.g. technical issues, human error, utility outages, etc. - Are worst case scenarios considered? - Have corrective actions been identified to reduce risks and have they been implemented? Critical processes with very significant risks and major aspects of process safety not considered as well as safety reviews with corrective actions identified but found not implemented lead to a major finding for example. A minor finding could refer to deficiencies with regard to completeness and up-to-datedness of according reviews.
H3.4	Is all important equipment included in the maintenance plan e.g. tanks, pressure relief devices, pipes, hoses, forklifts, interlocks, level indicators, safety critical weigh scales? In case of equipment, legally requiring a valid inspection permit or operator certificate: Are they obtained?	yes	minor		The factory provided all special equipments' certificates for review.	The auditor should outline and explain to what extent this section applies to the supplier. Preventive maintenance is considered as key aspect of risk mitigation, for example to prevent breakdowns and failures. This includes equipment checks, partial or complete overhauls at specified periods, oil changes, lubrication and so on. No systematic preventive maintenance approach and program leads to a major finding if significant risks (hazardous materials, critical physical processes) are concerned. Isolated issues of maintenance gaps (e.g. certain types of equipment not included, documentation deficiencies) could be a minor finding.
H3.5	Have worst case scenarios that could lead to a loss of primary containment (e.g. overfeeding reactant, filling too fast, overheating vessel, fire in the plant, etc.) been assessed for their consequences and are safety measures established accordingly ?	no	major	major	1.The factory did not provide the Building Structure Safety report or Certificate of one-1 storey spare parts warehouse, one 1-storey machine repair workshop building and one 4-story dormitory building used in the factory for review during audit. 2. The factory did not provide the fire Safety Records or certificate of one-1 storey spare parts warehouse and one 1-storey machine repair workshop building used in the factory for review during audit.	The auditor should outline and explain to what extent this section applies to the supplier. Worst case scenarios for buildings including calculations for over-pressure stability have to be identified and managed to minimize the risks. If these are not defined, this leads to a major finding.
H3.6	Are critical safety devices (in particular relief valves) identified, properly designed, sized and verified in the field to meet design criteria and periodically inspected?	yes			It was noted that the critical safety devices were identified, properly designed, sized and verified in the factory to meet design criteria and inspected on a regular basis.	The auditor should outline and explain to what extent this section applies to the supplier. Missing calculations could lead a critical finding. If it appears that calculations could be incorrect for a strong exothermic process then it is also critical. In case of a certain element not (fully) considered, deficiencies in the quality of calculations or concerns with regard to qualification and training of personnel involved, this would give a major finding.
H3.7	Do the relief vents relieve to a safe location e.g. do not rain down on employees or neighbors and hazardous gas clouds could not spread to neighbors e.g. routed to scrubbers, incinerators, catch tanks, unpopulated areas, etc.?	yes			Linkage facilities were installed in the facility and the relief vents worked if the pressure or temperature exceeded the set value. The relief vents led to the safety place.	The auditor should outline and explain to what extent this section applies to the supplier. Relief vents and hazardous gas clouds are a high risk for the employees. Therefore if the company does not ensure the relieve to a safe location this leads to a major finding.
H3.8	In review of question 3.1 to 3.7, is the overall management system of process safety adequate to prevent catastrophic events?	yes			The factory conducted management review every year, the records were provided for review.	This question is to evaluate the overall process safety approach of the company. Any major / systematic deficiency regarding the subjects above could lead to a critical finding if processes and/or equipment by failing could cause a catastrophic event, which cannot be prevented through other processes or systems.

H3.9 Is a hazardous area classification (Ex classification) performed for storage and handling of flammables with hardware and management systems adequate for zoned areas?	yes		Based on onsite observation and document review, it was noted that flammables substances were classified and stored properly. The chemicals were properly stored in the designated chemicals areas.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>The classification of areas where flammables are stored or used is important to minimize the risk of fire or explosion; aspects to consider:</p> <ul style="list-style-type: none"> - Is it ensured that no spark producing equipment is used without a proper hot work permit and atmospheric testing e.g. drills, grinders, welders, non Ex forklifts, lamps, hammers, wrenches, etc.? - Are all permanent electric fixtures e.g. lights, electrical outlets, etc. installed in these Ex areas properly rated for explosion protection and in good condition? - Is proper grounding / earthing of fixed and temporary equipment ensured and in good condition? - Are all containers, tanks, and equipment used to store or transfer flammable materials properly grounded to safely release static? For hazardous installations the company should conduct specific risk analysis and implement measures that prevent the occurrence of incidents such as chemical releases and /or explosions. <p>A missing systematic approach /evaluation and according measures established while storing and/or handling flammables leads to a critical finding. Considerable deficiencies (grounding / earthing not done, equipment not appropriate for ex zone assigned etc.) leads to a major one.</p>
H3.10 Does the company have processes established to identify hazardous substances and according applicable requirements for storage, use and handling to ensure compliance?	no	major	Some chemicals were not stored improperly, such as the factory did not set secondary containers for some machine oil and hydraulic oil used in spare parts warehouse of the factory.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Examples include</p> <ul style="list-style-type: none"> - required licenses or permits obtained to store or use hazardous chemicals - systems or procedures in place to manage hazardous substances - containers for hazardous materials or waste are adequately labeled and separated <p>This section has 3 focus areas which include:</p> <ol style="list-style-type: none"> 1. preventing leaks to begin with 2. if leaks occur, ensuring that incompatible materials do not mix and create an unstable situation 3. ensuring leaks do not cause catastrophic issues from toxic materials or explosive atmospheres e.g. flammable material leaking into a sewer line or even retention area that is not electrically classified and causing explosions. <p>Hazardous substances need a special treatment and therefore any negligence leads to a major finding.</p>
H3.11 Do bulk storage tanks have level indicators, independent overflow devices or other methods to prevent overflow?	yes		The level indicators were used in the factory, and workers were required to check per day, the records were provided for review.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>If bulk storage tanks have no level indicators, independent overflow devices or other methods to prevent overflow and provide adequate protection, this leads to a major finding.</p>
H3.12 Is there a system or procedure in place to ensure incompatible materials are segregated during storage (container storage)? Does it also include a method to prevent leakages of 2 incompatible materials from coming in contact?	yes		The incompatible chemicals were stored separate in the warehouse and the workshop.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Chemicals must be stored in such a way that they do not leak into the ground, and cannot pollute the groundwater. The safest form of protection is collecting basins. Segregation rules must be followed to avoid chemical reactions of incompatible materials. If this is not the case this leads to a major finding.</p>

H4. Occupational Health and Safety

The company is expected to protect its employees appropriately from any chemical, biological and physical hazards and risks. The company provides necessary technical and organizational protective measures to mitigate health and safety risks in the workplace as well as appropriate personal protective equipment. Seriousness, potential effects and substantial danger for employees should be validated.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H4.1	Have formal risk assessments been performed on task group or job function level to identify occupational health risks e.g. chemical exposure potential, falls, heat stress, cuts, ergonomics etc.? Are risk mitigation measures defined and implemented giving risk elimination and technical measures first priority?	yes	minor		The risk assessments had been performed on other tasks to identify all the occupational health hazards, such as chemical exposure potential, noise hazard.	Auditor should check in the field if technical measures are used such as ventilation, enclosures, closed systems. There must be some form of risk assessment on all tasks performed to review all health and safety hazards e.g. chemical exposure, falling from high, ergonomics, electricity, etc. If no risk assessment is implemented in a plant with risk profile, this should be classified as major finding. Also if major risks are not identified this may be a major finding. Otherwise this is a minor finding.
H4.2	Is proper Personal Protective Equipment (PPE) made available to employees according to the risks concerned and is it consequently worn in the field?	yes	minor		All proper PPEs were available to employees according to the risks concerned and it was consequently worn in the field.	If major risks remain either because no or inappropriate PPE was made available or because employees do not wear proper PPE, this should be classified as a major finding. If personal protective equipment (PPE) is made available but not all risks are covered appropriately, this may lead to a major finding. If there is an isolated case of a worker not wearing PPE although it has been provided then this may lead to a minor finding.
H4.3	Are exposure assessments conducted for hazardous chemicals and are technical measures in place to mitigate exposure?	yes			It was noted that the factory had conducted tests and evaluations of occupational disease hazard factors, and the result was acceptable.	Does the facility look at exposure limits according to good international practices or just refer to local legislation? (In some countries chemicals that are not considered hazardous locally are highly hazardous by according to GHS standards.
H4.4	Are noise exposure assessments conducted to verify safe levels (<85dBa)? Where noise levels are found above 85 dB is hearing protection worn?	yes			The noise level was tested in the workshop and the result was acceptable(<85dBa).	Depending on e.g. time of exposure and number of employees working in this area that could be classified as minor or major. It depends on the severity of the noise and the protections in place. If the noise level is a significant risk factor for the site, but a systematic evaluation has not been performed and appropriate prevention measures implemented it should be major. If ear protection is not consequently worn this could be a minor.
H4.5	Are there valid procedures for operations, tasks or use of equipment on-site detailing the safety precautions required?	yes	minor		Based on document review, the factory established the procedure for all operations, tasks or use of equipment on-site detailing the safety precautions, e.g. the factory posted the warning sign at the related area.	Auditor shall do a spot check of procedures based on the work and activity done. This criterion can be classified as minor as far as warning signs within the facility are installed.
H4.6	Are occupational health check ups performed on employees by a physician? Do they include specific testing for the specific jobs conducted or chemicals handled, e.g. pulmonary function and spirometer test for respirator users?	yes			Factory had provided the occupational health check for workers according to the legal requirements.	The auditor should validate to what health risks and deficiencies in health protection could result in substantial danger for employees. Seriousness and potential effects should be estimated. Depending on working environment, it can be either minor or major if the hazard from chemicals shows significant impact and the health check ups have not been done. It is a minor finding if check ups are missing in general at plants with non-major health risks.

H4.7	Are safety showers and eye wash equipment installed, easy accessible from work stations involving hazardous chemicals handling (especially corrosives and skin toxins)?	yes	minor	The water pressure of all eye washing machines in the factory's production area was sufficient and could be used normally.	Depending on working environment it can be either minor or major. No appropriate measures taken (no safety showers/no eye wash equipment at all or out of order,) gives a major; isolated issues could be a minor finding.
H4.8	Are proper hygiene practices observed (i.e. no eating, drinking, smoking in areas where chemicals may be present, storage of clean personal clothes and work clothes is separated, proper cleaning of work clothes to prevent taking contamination home)?	yes		Based on site observation, it's acceptable. No worker was observed to eat or smoke inside the warehouse or operating areas. The designated safe smoking area was provided for workers.	Depending on working environment it can be either minor or major. If according restrictions (e.g. no eating, drinking in the workshop) have never been considered or are not followed in principle, this is a major finding. Isolated indications that according rules are not followed could be a minor.
H4.9	Are containers labeled with chemical name and hazard to warn employees of the hazardous contents?	yes		The factory post the chemical sign on chemical containers in all stored area.	Depending on working environment, it can be either minor or major. Missing labelling although legally required or for example, if the employees are not aware of the hazard(s) of a substance they are using this should be a major. Single placards / labels missing leads to a minor.
H4.10	Is there a work permit system established covering at least: - Lockout Tag out Tryout - confined space entry - hot work - elevated work / working at heights - groundbreaking excavation - high voltage	yes		Based on document review and management interview, the related work permit system was defined and followed. The work permit should be approved and issued by designated personnel.	Some of the most critical items to look for on a permit: 1. Description of the work, approvers and worker reviews. 2. Risk assessment identifying hazards and assigning protective measures used to mitigate the hazards. 3. 4 eyes principle used 4. Is all work completed by trained and qualified people? 5. Are electrical devices locked out so they cannot be activated? 6. Are all lines disconnected to prevent contamination during an entry? 7. Is there a test for oxygen and other contaminants prior to and during an entry? 8. Is an observer present during the whole confined space entry? 9. Is there a test for flammable atmosphere when hot work occurs in Ex zones (even for small spark producing tools and not just open flames)? 10. Is combustible material moved or shielded during hot work? If there is no permit system defined and according followed, this leads to a major finding. If single elements are missing or found to be improved, this could lead to a minor.
H4.11	Does the company have an incident management and reporting system established covering for example certain types of incidents, reporting lines, consequences and corrective actions required?	yes		The work-related injury control procedure was established, and the work-related injury log was available for review, it was noted that there were no very serious injuries occurred in the factory.	At a minimum, issues with severe consequences, e.g. fires, explosions, releases, etc. should be addressed and corrected. However, injuries (even small first aids), emissions to the environment, leakages (even small), property damage, near misses should also be covered. No incidents (at all) reported / investigated indicate deficiencies in reporting culture rather than nothing occurred and leads to a major finding. In case of certain elements not fully covered this could be a minor.
H4.12	Does the site apply a systematic root cause investigation system in place to ensure the true causes are identified?	yes		The factory found the root cause to prevent the similar injury to happen again.	
H4.13	Are corrective actions identified for the incidents and are they implemented?	yes		The corrective actions had been taken such as the training for the related workers etc.	The auditor should check the corresponding corrective/preventive measures taken by the company. If there is no systematic approach in principle, this leads to a major finding. If for example near misses are not consequently reported and formally investigated this could be a minor.

H5. Emergency Preparedness

Emergency preparedness and response scenarios and procedures are expected for mitigation, responding to and recovering from an emergency. It includes planning, training, conducting drills, testing equipment and coordinating activities.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H5.1	Has the company established a written procedure for emergencies and evacuations and communicated this to all workers? Does the site emergency response plan cover all realistic scenarios (e.g. tornados, floods, spills, releases of hazardous materials)?	no	major	major	No evacuation plans were available in some areas, e.g. warehouse, control center, production and living areas etc.	<p>A written procedure for emergencies should contain information about individual responsibilities, arrangements for 24/7 coverage by trained responders, a list of the different parties to be informed with their contact details, a procedure for handling the information towards the neighborhood, the press and other interested parties of serious accidents / incidents that happened on-site. If this is not the case, this leads to major finding.</p> <p>The emergency response plan minimizes the risk and ensures the safety of the employees. If there is no emergency response plan in place, this leads to a major finding.</p> <p>Evacuation plans are plans of the building, showing as a minimum the current standpoint, and the position of escape routes including emergency exits and fire extinguishers. In many production rooms, the doors can only be opened inwards. This may make it difficult or impossible to achieve rapid evacuation in an emergency. Under the requirements of the standard, the doors in rooms with more than 10 employees must be capable of opening outwards. If national legal regulations use the basis of a different number of persons or room size, these are naturally to be given preference.</p>
H5.2	Does the company ensure a proper handling of emergencies, e.g. - availability of a trained emergency response team (on/off-site), - well indicated and properly signposted escape routes, emergency exits (unlocked) and assembly points, - enough fire exits for all workers to leave buildings safely, - checking of all fire fighting equipment regularly (e.g. alarms)?	no	major	major-critical	The factory did not install exit signs for safety exits of canteen and office buildings.	<p>Fire early warning systems are for example smoke sensors, fire alarm systems, alarm devices. They are an important safety requirement even in countries where this is not a legal requirement. If no alarm devices are found then this leads to a major finding.</p> <p>The functioning condition of fire extinguishers must be checked at specified intervals. As a rule, fire extinguishers are marked by a tag when they are inspected, and this shows the duration of validity.</p> <p>In case there are no written procedures, the auditor should describe on-site fire detection, notification, suppression and response systems (e.g. sprinkler systems, alarms, training and drills) in the following questions of the audit report. Provide information on inspection and maintenance of these systems according to the following questions.</p>
H5.3	Does the company coordinate emergency response programs with external experts, e.g. local fire brigade, authorities?	yes			The factory coordinated the fire protection program with the local fire brigade.	If significant risks are concerned (e.g. handling of considerable volumes of hazardous materials) deficiencies should lead to a major finding. For low risk activities or administrative work (only) this could be a minor.
H5.4	Is fire fighting capacity available (e.g. water volume, emergency power supply, redundant pump system, fire fighting equipment, retention basin for fire fighting water)?	yes			Based on onsite observation, the fire fighting capacity was enough, the fire extinguishers, fire hydrants, fire alarms, fire-water pond, fire control room were available in the factory.	<p>Normally the national legal regulations specify the standard requirements for fire extinguishers and other fire fighting equipment. There must in all cases be functioning fire extinguishers in sufficient quantity (see recommendation of manufacturer). The fire extinguishers must be distributed in a meaningful manner, so that they can be reached by employees easily and within a short time. They must be placed at a height such that they can easily be reached by employees. It is easier for employees to find the fire extinguishers in an emergency if the place where they are kept is appropriately marked. All fire fighting equipment must be kept in proper condition.</p> <p>The fire fighting capacity has to be adequate to ensure no complication in an emergency situation. If this is not ensured, this leads to a major finding.</p>
H5.5	Are emergency drills performed at least yearly (per shift) and do they consider all different emergency scenarios identified (e.g. chemical spill, fire, etc.) ?	no	minor	minor-major	The factory conducted the fire evacuate drill in past one years, but it did not cover all the three production shifts and did not conduct fire drills at night.	If the site does not conduct any drill, it should be a major finding. If drills are carried out but they do not cover everyone or are not conducted regularly, the finding could be a minor one.

H6. Medical Care

The company is expected to have a medical care program in place, which includes a prevention program, medical care in case of emergency (like first aid boxes or a medical treatment on-site) and information about asbestos containing materials used on-site.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	
		Answer	Type			
H6.1	Does the company provide prevention programs (e.g. back therapy training, healthy eating, anti-smoking programs, company sport activities)?	yes			The factory provided some prevention programs to workers like anti-smoking programs.	Prevention programs are for example back training sessions, sport programs etc. If the company does not provide any of those, this leads to a minor finding.
H6.2	Does the company ensure that medical care for the employees is provided in case of emergency?	no	major	major	It was found that no trained first aider was available at the factory.	If this has never been considered or nothing is offered, this leads to a major finding.
H6.3	Does the company provide well-stocked and maintained first aid boxes in relevant areas (e.g. production site, offices, warehouses)?	yes	minor		The adequate first aid kits with sufficient supplies were equipped in the workshops and they were easily accessible to all workers.	The requirements for first-aid material are normally defined in the national regulations and needs to be complied with. Fundamental deviations lead to a major finding. Unless stated in legislations or not, a first aid kit appropriate to the site and occupational accident possibility must be provided (appropriate for the size and layout of the building and rooms, the hazard potential of the workplaces, and the number of employees). As a minimum, they should contain bandaging material, means for treatment of open wounds, eye injuries and burns, and first-aid blankets, painkillers and instructions for giving first aid. One central location may be acceptable for a small plant. The auditor has to use judgment on ease of access. If no first aid kit is provided, this leads to a major finding. Isolated deficiencies (single item(s) missing, expired etc.) give a minor.
H6.4	Does the company have any further medical facilities/doctor's room on-site?	yes			The doctor's room was not required by legal requirements, but the doctor's room was available in the factory.	Compliance with according national legal requirements should be checked; in case of deviations or if the nearest hospital is very far away this would lead to a major finding. Otherwise it is a minor one.
H6.5	If asbestos containing materials or other restricted substances (e.g. PCB) are present, has the site compiled a register of these substances and trained employees on the hazards?	yes			The factory management confirmed that no asbestos-containing materials or other restricted substances (e.g. PCB) were present on-site.	It depends on how prevalent the material is within the plant. If exposure can occur in many areas, then it is a major finding. Isolated issues could lead to a minor one.

H7. Security

Established safety systems (like access controls or camera surveillance in entrance or secluded areas) or safety precautions prevent physical intrusion of unauthorized persons or intrusion via internet.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H7.1	Is the site secured through e.g. staff or fence/wall, areas intrusion prevention system?	yes			Based on site observation, the perimeter fencing with adequate height was available around the factory, access to the factory was controlled by security guards, the factory structure was maintained in good conditions to prevent illegal intrusion.	If there are gaps in the intrusion prevention systems, this can lead to a minor finding.
H7.2	Are entrances and windows along the periphery secured?	yes			Access to the factory was controlled, any unidentified and unauthorized individuals were not allowed to enter the factory. The entrance doors and windows of the factory buildings were maintained in good conditions and would be locked after working hours.	If there are gaps in the intrusion prevention systems, this can lead to a minor finding.

Labor & Human Rights

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L1. Child Labor

ILO Convention No. 138 of 1973 stipulates that the permissible age of entry into employment "shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years, for lightweight tasks not below 13 years (exceptions: at the age of 14 years in developing countries, for lightweight tasks 12 years). It is expected that no children or young people carry out work harmful to health and hence abide the UN Convention on the Rights of the Child. Even if there is only one case of non-permissible child labor in the company, the company's score is to be marked down.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L1.1	Does the company have an age verification system in place?	yes	minor		Based on management interview and workers interview, all workers needed to provide their ID cards for checking and juveniles under the age of 16 should not be recruited.	When hiring, the company shall require formal identification and age documentation for all workers. The company shall keep a copy of age documentation for all employees (but not the original!). Nevertheless, the auditor has to check how age of employees is verified. A missing verification system always leads to a minor finding.
L1.2	Does the company ensure that there are no children below the age of 14 or 15 years (depending on local legislation), except for apprentices, summer jobs, school or education related internships employed? Please state the age of the youngest employee at the sites and offices in scope.	yes			Based on employee roster, site tour and workers interview, no child labor was identified during this audit. All workers in the factory was more than 18 years old.	The employment of any children below 14 or 15 years (depending on local legislation) is a violation of local law and ILO convention, therefore it bears a high risk and always leads to a critical finding which has to be reported immediately to TTS.
L1.3	Does the company make sure that young workers below 18 years of age are exempt from overtime, night work and hazardous work?	yes			Based on employee roster, site tour and workers interview, neither child labor nor young worker was identified during this audit. The factory established young workers management procedure, and it showed that young worker could not have overtime, night work and hazardous work. The factory conducted regular training on requirements for personnel responsible for recruitment and management, and these personnel are aware of these requirements.	It must be checked that their protection rights (e.g. with respect to working times, health and safety, hazardous workplaces, etc.) are complied within the company and there is a policy that ensures these rights. Young employees (between 14 or 15 and 18 years) are normally under the special protection of the law.
L1.4	Is it ensured that young workers below 18 are not harmed with regard to health, safety, security or physical / psychological integrity?	n/a			Based on employee roster, site tour and workers interview, neither child labor nor young worker was identified during this audit. The factory established young workers management procedure, and it showed that young worker could not have overtime, night work and hazardous work. The factory conducted regular training on requirements for personnel responsible for recruitment and management, and these personnel are aware of these requirements.	If there is clear indication of serious harm to young employees, this should be considered as a critical finding. Otherwise, it would lead to a major finding.
L1.5	Does the company ensure that employees below 18 years have no conflict with compulsory education or vocational training? Do the combined hours of transportation (to and from work and school), school attendance and work amount to less than 10 hours a day?	n/a			Based on employee roster, site tour and workers interview, neither child labor nor young worker was identified during this audit. The factory established young workers management procedure, and it showed that young worker's working hours in line with law and client's requirement.	If the combination of hours of transportation, school and work exceeds 10 hours a day, this leads to a major finding. If hours worked by young employees systematically exceed 10 hours (e.g. high number of workers affected or combined hours far above 10 hours), this should lead to a critical finding.
L1.6	Does the company develop or adhere to policies and take part in programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child?	n/a	minor		It was noted that the factory had established a remediation program for child labor as per legal requirements including all needed terms: - Stop the child labor's work immediately. - If the child labor is sick or injured, company is responsible to send the child to the latral organization and cure the child till recovered. Factory should bear all the medical and living expenses incurred during the treatment period and keep the relevant records. And then factory should terminate the employment with the child. If the child labor is healthy, factory should terminate the employment with the child. - Factory should settle the salary and compensation to the child and keep the records. - Factory should send the child back to his/her parent or guardian at the original residence place and keep the signed records. - Factory should bear all the relevant transportation and living expense and keep the relevant records.	Some examples of initiatives the companies might adhere to are the UN Global Compact and the OECD Guidelines.

L2. Forced and Compulsory labor

It is expected that collaboration of the employees is freely chosen. Forced and bonded labor (including bondage or involuntary prison labor) according to the definition of the ILO Convention 29 are declined. Original documents of the employees must not be in the possession of the company for a medium-term or long-term period, but only for as long as the company needs them for administrative purposes. For this purpose, employees shall receive a receipt when they hand over such documents to the company, with a description of the document, indication of the purpose, and time of return. If by way of exception it is in the interest of the employee for the employer to administer the original documents (e.g. due to lack of security at accommodation), a written agreement shall be made on custody of the documents, if possible with involvement of employees' representatives. In order to avoid any misunderstandings, the employer should transfer the task of administration as a trustee for such documents to an independent third party or institution, to which the employee can have recourse directly.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L2.1	Does the company ensure that no forced, bonded or involuntary prison labor is employed?	yes			Based on management interview, workers interview and checking personal files, the factory did not employ any forced, bonded or involuntary prison labour.	
L2.2	Does the company ensure that there is no money (deposit, credits) of its employees kept as a condition of employment in the company or does the company ensure that credits do not create dependencies for the workers?	yes			Based on checking worker manual, the factory established the policy that they prohibited to keep the original ID cards, original passports / documents or money of its workers as a condition of employment in the factory, and no such negative evidence was identified during this audit.	
L2.3	Does the company have a written contract of employment for every directly employed worker and provide a copy of the contract in a language that they can understand?	no	minor	minor-major	The factory entry registration form shows that one sampled worker entered the factory on Apr 15, 2019, but the labor contract between the factory and the worker was signed since Jul 22, 2019, another sampled worker entered the factory on Mar 6, 2023, but the labor contract between the factory and the worker was signed since Apr 20, 2023. The factory did not sign labor contracts with employees in a timely manner according to legal requirements.	Missing contracts for employee increase the risk for illegal employment and for forced labor, therefore this leads to a major finding. If this is not systematic, this leads to a minor finding. The auditor should verify if there is a contract in the language that the employee can understand and if a copy of the contract is provided. In some countries this might be replaced by a collective bargaining agreement with the conditions of employment to which the employee has access to.
L2.4	Are all employees in the company free within the legal framework and upon the discussion with their employer to terminate their employment on their own decision? Are employees informed about conditions of contract termination?	yes			Based on document review and workers interview, all workers in the factory were free within the legal framework and upon the discussion with their employer to terminate their employment on their own decision.	If the employees are not informed about the conditions of contract termination, this leads to a minor finding. If the employees in the company are not free within the legal framework and upon discussion with their employer to terminate their employment on their own decision, this leads to a major finding.
L2.5	Are all employees allowed to leave the company property after contracted hours/regular working time?	yes			Based on workers interview, they were allowed to leave the factory after contracted hours/regular working time.	If employees are not allowed to leave the company (including factory and housing facilities, if provided) after contracted hours this leads to a major finding.
L2.6	Are all workers provided with written and understandable information about their employment conditions with respect to wages (e.g. weekly or monthly payment periods) before they enter employment? Are workers informed about the particulars of their wages for the pay period?	yes			Based on workers interview, all of them knew employment condition with respect to wages including payment period, wage calculating method, etc.	Information received before entering the employment helps workers to evaluate the job offer. If this information is not provided, this leads to a minor finding.

L3. Working Hours

The company has to have processes and procedures in place to ensure compliance with national law or international standards (ILO) regarding legal hours of work (e.g. time recording, responsibility of supervisors/management to observe standards, etc.). Standard working time should not exceed 48 hours per week or when considering voluntary overtime 60 hours per week. Additionally, 1 day (24 consecutive hours) off per week. Only extraordinary business circumstances allow for mandatory overtime (which can then even exceed 60 hours per week); those do include machinery breakdown, mechanical failures and others, but not ordinary production deadlines.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L3.1	Are the working hours recorded? If yes, please explain how.	yes	major		The factory used manual attendance records and electronic attendance records to record workers' attendance information, the factory provided all sampled workers' the attendance records from May.1, 2022 to the audit day for review.	<p>The company may decide for itself what arrangements it makes for time recording systems (attendance lists, punch/time cards, electronic data processing). But the system must be logical and comprehensive and must record the following:</p> <ul style="list-style-type: none"> - Actual start of work and actual end of work - Number of hours of overtime worked - Days free from work - Days of absence <p>The correctness of handwritten entries by third parties should be confirmed in writing by the employee (e.g. at the end of the month). If no recording of working hours is in place at all, this leads to a major finding.</p>
L3.2	Does the average number of weekly hours per person (including overtime) not exceed 60 hours (ILO standard of maximum weekly working time)?	yes	major		Through reviewing the attendance records provided by the factory and interview with sampled workers and management, it was noted that the maximum weekly working hours of all workers were 60 hours.	<p>This question is based on the ILO Convention 1 that determines that the weekly working time of on average 48 hours in normal cases may not be exceeded.</p> <p>The total hours worked in any 7 day period shall not exceed 60 hours (including overtime), except where <u>all</u> of the following are met:</p> <ul style="list-style-type: none"> • This is allowed by national law; • This is allowed by a collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce; • Appropriate safeguards are taken to protect the workers' health and safety; and • The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
L3.3	Do working hours comply with national laws?	no	major	major	The factory provided the attendance records from May.1, 2022 to audit day for review, about 40% sampled workers monthly overtime hours in all months exceed 36 hours and up to 96 hours and the maximum daily overtime was 4 hours in Oct, 2022. The factory did not obtain the Consolidated Working Hours System Approval.	The compliance with national rules and agreements regarding working hours (for daily and weekly limits) is preconditioned and therefore a non-compliance would lead to a major finding.
L3.4	Do employees have one day off (24 consecutive hours) per week on a regular basis?	no	major	major	Based on the factory provided the attendance records from May.1, 2022 to audit day for review, the continuously working days of about 40% sampled workers exceeded 6 days, and the maximum continuously working days of sampled workers were 22 days from Oct.1, 2022 to Oct.22, 2022.	Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period. If this is not the case it leads to major finding.
L3.5	Does the company demand overtime only exceptionally and on a voluntary basis (except for legally defined situations of urgency or emergency that require full employment of the workforce)?	yes			Based on management interview and workers interview, the factory arranged OT to workers on a voluntary basis, workers could refuse to overtime work if they did not want.	This is to find out whether there are only individual employees or groups of employees that do excessive overtime, or whether the overtime in the company is at too high a level in general. The average number of overtime hours worked by all employees in the previous week is to be determined from the time record documents provided, and to be compared with the relevant legal regulations. If the stipulated maximum working times are exceeded, this will lead to a major finding.

L4. Minimum Wages

The lowest basic wage paid in the company for the regular monthly working time of a regular full-time employee is to be entered here. The information basis for this are the wage lists of the last 6 months. Regular full-time employees receive the nationally or regionally stipulated minimum wage for the regular working time and/or if the company's guaranteed regular working wage is below the applicable minimum wage. Calculation of gross wages - before deductions - and net wages - after deductions - should be included.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L4.1	Is the minimum salary paid by the company in compliance with legal minimum wage?	yes	major		The minimum wage in the factory was RMB 2400/month in the past one year, it was in line with local law requirement. Local mini wage: RMB2100/month since Oct.1, 2021	The minimum salary paid by the company shall be in line with national law. Violations should lead to a minor if there are not systematic. In cases of systematic breaches this leads to a major finding.
L4.2	Does the minimum salary paid by the company provide the employee with a basic salary that allows for making a living according to local standards?	yes	minor		Based on workers interview and payrolls review, it was confirmed that the minimum wages and bonus paid to workers were allowed for making a living according to local standards.	ILO Convention 131 stipulates that for the establishment of minimum wages, besides economic conditions, economic development requirements and productivity also the needs of the employees and their families, the cost of living and the social security benefits have to be taken into account. It is anticipated that the company observes the in each case legally guaranteed minimum rates, the minimum standards of the in each case national economic sectors and that the company acts upon the local job market. If this is not the case, this leads to a minor finding.
L4.3	Are wages paid either with money directly to the employees in cash, check payment or by bank transfer as well as at regular intervals at least once per month? Are pay slips provided to the employees?	yes	major		Based on workers interview, the factory paid the wage to workers before the 21th of next month by bank transfer. The detailed pay slips and records were provided to workers.	Wages must be understood by the employees, paid in a timely and regular fashion, accurately calculated and paid in accordance with contract. If one of these aspects is systematically not followed, it is major. If not this leads to a minor finding. Some wages are mandatory according to local laws, if they are not paid, it should be a major.
L4.4	Is it ensured that there are no unjustified deductions made from wages, e.g. for required safety protection equipment, medical expenses, transport, accommodation, meals, training and disciplinary measures?	no	major	major	The factory had improper deduction policy and implement it. Entrance Guard Punishment Measure and Safety Reward and Punishment Management Procedure showed that RMB50-1000 would be fined for any workers who violated any factory rules. Such as the safety punished records showed that worker would be deducted RMB1000 because violated factory rules(Sleep during work).	If services are offered by the company for which the employees have to pay or for the use of which deductions are made from their wages, it must be examined whether deductions and the amount of deductions are legal. It is not permissible to make automatic deduction without the services being used. It is not permissible to make deductions from wages for the use of objects, buildings or services which are directly necessary for execution of the work (e.g. entry fees, charges for the use of tools and machines, for the use of sanitary facilities or for the provision of protective clothing for work, for drinking water or for washing facilities). Deductions for disciplinary measures are only accepted if they are allowed by law and if a freely negotiated collective bargaining agreement is in place.

L4.5	After deductions are made, is it ensured that no workers receive less than the legally applicable minimum wages?	yes	major	The wages policy showed that the workers were ensured that the relevant deduction is in the bonus and workers were ensured that the wages after the deductions were more than the legal limit.	<p>Deductions are made should be limited to a certain percentage of the workers' earnings, to safeguard the maintenance of the workers and his/her family.</p> <p>It must be examined with particular care if the employees are dependent on these services due to lack of any alternative (e.g. accommodation, food, etc.). Use of these services by employees must always be voluntary.</p> <p>If any deductions are made for e.g. medical expenses, transport, accommodation, meals, training and disciplinary measures from wages this leads to a major finding.</p>
L4.6	Is overtime compensated (money, time) according to national law and benchmark industrial standards, whatever is higher?	no	minor	minor	<p>Based on the attendance records and payrolls from May. 2022 to Apr. 2023 for review, the factory did not pay overtime wages on weekends and some regular weekdays, the factory only paid 3 times the hourly wage converted from 30 days of attendance for overtime on statutory holidays. The factory did not paid OT compensation in line with legal requirements which are 150%, 200% of regular/normal pay for overtime work on regular weekdays, rest days respectively.</p> <p>It must be ensured that the compensation of overtime hours is paid. This has to be calculated on the regular hourly wages that the single employee has earned and should be checked with the relevant counting methods and if necessary with samples.</p> <p>According to ILO Conventions No. 1 and No. 30, the rate of pay for overtime shall be not less than one-and-one-quarter times the regular rate. Overtime premium of 50 per cent above the regular wage are standard in many countries. If this is not the case this leads to a minor finding.</p>
L4.7	Are all workers provided with paid annual leave, statutory holiday, maternity leave as per local legal requirements?	no	major	major	<p>No paid annual leave was provided to workers who had served over one year.</p> <p>If payment of annual leave, statutory holiday or maternity leave as per local legal requirements are not offered this leads to a major finding.</p>
L4.8	Are all workers provided with other benefits, such as medical insurance, pensions, social insurance as per local legal requirements?	yes			<p>Based on the document review and management interview, the factory provided the five kinds of social insurances to all employees as per law requirement.</p> <p>The word benefits refers to additional compensation, for example bonuses, transport, food, clothing, etc., to which employees have a legal entitlement. If such a compensation is not offered this leads to a minor finding.</p> <p>If benefits are a legal requirement and not provided this should lead to a major finding.</p>

L5. Freedom of Association

The ILO Conventions 87 and 98 ensure the right to freedom of association as well as the right to conclusion of collective-bargaining agreements (e.g. the right to found independent trade unions or other organizations representing their own group, protection from discrimination because of the membership in a workers representation / trade union etc.) The employees are entitled to choose the organization and the form of organization. The employer is not expected to promote trade union structures. On the other hand, the employer must not prevent the organization/membership of free and independent trade unions neither directly nor indirectly in so far as this is done within the statutory regulations of the respective country. Please check carefully.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L5.1	Do workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively?	yes			<p>According to workers interview, they have the right to join labour unions or other collective bargaining organizations.</p> <p>According to management interview, employees have the right to join labour unions or other collective bargaining organizations.</p>	
L5.2	Does the employer have a constructive attitude towards the activities of trade unions and their organizational activities?	yes			<p>Based on management interview, they had a constructive attitude towards the activities of trade unions and their organisational activities.</p>	<p>In line with the ILO Conventions 87 and 98 workers shall have the right to freedom of association as well as the right to conclusion of collective bargaining. If this is not the case this leads to a major finding. Exception in countries where it is legally not allowed.</p>
L5.3	Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace?	yes			<p>Based on interview with union representative, he was not discriminated against and have access to carry out their representative functions in the workplace.</p>	
L5.4	Where the right to freedom of association and collective bargaining is restricted under law, does the employer facilitate, and not hinder, the development of parallel means for independent and free association and bargaining?	yes			<p>A trade union was established in the company, 8 union representatives were elected by workers, and Regular meeting was held.</p>	<p>It is a standard of good practice and therefore leads to a minor finding.</p>
L5.5	Are employees engaged on Safety and Health issues through Unions, Worker Committees or any other worker voice mechanism?	yes			<p>All employees could engage on safety and health issues through the union representatives committee.</p>	<p>The auditor should review how worker organisations are involved in supporting workers to protect their own health and safety. If employees are not engaged on health and safety issues through Unions, Worker Committees or any other worker voice mechanisms, this should lead to a minor finding in case is an isolated case or to a major finding if a significant number of employees is affected.</p>

L6. Discrimination and Harassment

According to ILO Core Convention 111 equal treatment of all employees is expected to be a fundamental principle of the company's corporate policy. No employee should be unfairly disadvantaged, favored or ostracized because of ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental status.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L6.1	Does the company assure compliance with policies on harassment and discrimination in hiring, promotion, equal pay, benefits, and training based on ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental or marital status?	yes			According to management interview, the factory assured the prevention of harassment and discrimination in hiring, promotion, equal pay, benefits, and training based on ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental status.	For example, the company hires workers based on individual skills and qualifications and does not ask applicants questions that are discriminatory in nature or irrelevant for carrying out job tasks and does not ask job applicants about pregnancy status or requests pregnancy testing. If the company does not ensure that its employees are not harassed in any way this leads to a major finding.
L6.2	Does the company clearly and strictly forbid any form of verbal, physical or psychological threats, abuse or harassment in your company?	yes			According to management interview and employees interview, the factory clearly and strictly forbade any form of verbal, physical or psychological threats, abuse or harassment.	This could be for example included in an internal policy that should be communicated to the employees.
L6.3	Does the company ensure no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers?	yes			According to management interview and employees interview, the factory ensured no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees.	If more than an occasional occurrence is recognized by the auditor than this leads to a critical finding.

L7. Special Work Contracts

The company is expected to have work contracts for every kind of employer-employee relationship. Special work contracts may be of concern if labor standards fall below those workers and employees employed through standard work contracts. It is expected that workers and employees in special work contracts working for the organization do not fall below minimum labor standards as defined by law or industry norms. Contractors in the widest sense include: individual workers contracted from staff agencies, sub-contractors (on-site / off-site) for core production processes, on-site service providers (building, engineering, cleaning, canteen, maintenance, etc.)

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L7.1	Do above defined labor requirements also apply to contract workers?	no	major	minor-major	The factory did not provide evidence to ensure that the labor rights of the 16 service outsourcing workers working in the factory met legal requirements, such as overtime hours, overtime pay, social insurances, etc.	The auditor is expected to review a limited size of samples to ensure that the above requirements also apply to contract workers. The company is expected to apply all above defined labor requirements to their contract workers as well. The classification of this question is based on the most critical evaluation of the above criteria applied for contract workers.
L7.2	Are systems and processes in place to manage sub-contracting, homeworking and external processing?	n/a			No sub-contracting, no homeworking, no external processing in the factory.	

L8. Facilities & Dormitories

The company is expected to provide unlimited access to clean drinking water during working hours and also adequate sanitary facilities.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L8.1	Does the company provide unlimited access to free clean drinking water during working hours?	yes			The water was provided for the workers in the workshop and all the workers could access that at any time.	National statutory regulations often give a definition of the characteristics and inspection required for potable water. Clean drinking water includes bottled water and clean tap water. Clean potable water must be available to all employees during working times otherwise this leads to a major finding.
L8.2	Does the company provide adequate sanitary facilities e.g. low risk of infection, fixed equipment to wash hands?	yes	minor		Based on site observation, adequate clean toilets and washing facilities were provided to workers.	The number of toilets required by national regulations is to be entered and compared with the actual conditions. If there are less than the required number, this will lead to a minor finding.
L8.3	If living accommodation / dormitories are provided for employees or contractors, are they safe and clean, and do they meet relevant basic requirements?	yes			The dormitory provided to workers was safe and clean, it meet relevant basic requirements.	Accommodation / dormitories should meet basic requirements. The auditor may classify as minor if standards are in line with country level standards but lack some basic requirements. The finding should be classified as major if basic needs are not met or the standards fall below country level standards or laws.

Governance Assessment

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G1. Business Integrity

The company is expected not to practice or tolerate any form of corruption, extortion or embezzlement. The company does not offer or accept bribes or other unlawful incentives to/from its business partners. It is expected that the company ensures that adequate procedures are in place in order to prevent corruption.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G1.1	Has the company established internal controls to prevent and identify corruption (e.g. four-eye principle, separation of functions, job rotation)?	yes			The factory had established the policy and adequate procedure to prevent and to identify corruption and bribery (e.g. separation of functions and job rotation).	A missing policy or missing procedures to prevent and to identify corruption and bribery always lead to a minor finding.
G1.2	Can the auditor confirm that no indication for fraudulent or corrupt behavior has been observed in the entire audit process?	yes			No such negative case was found during this audit.	Corrupt or fraudulent behavior leads to a critical finding.

G2. Special Risk Area: Sourcing from Civil War Zones & Conflict Minerals

In this section questions to special risk areas are addressed. These questions may not be applicable to all suppliers, but if suppliers are affected by these topics, the questions have to be addressed.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G2.1	Does the company have a policy/internal instruction to prevent sourcing from civil war zones or other areas with severe human rights infringements (e.g. Democratic Republic of Congo and their neighboring countries)?	yes			The factory had a policy to prevent sourcing from civil war zones or other areas with severe human rights infringements. And all goods were purchased out of the mentioned areas.	<p>This question is applicable to any company potentially sourcing minerals or metals from conflict-affected and high-risk areas (Particularly referencing to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, EU Conflict Minerals Regulation and the US Dodd Frank Act).</p> <p>Suppliers in scope shall demonstrate that they have implemented responsible mineral sourcing and due diligence in conformity with the OECD guidance and mechanisms to identify, determine and manage risks in all areas addressed by Dodd Frank Act Section 1502 (Conflict Minerals) and the EU Conflict Minerals regulation (once implemented).</p> <p>If suppliers do not adhere to the OECD guidance this leads to a minor finding, if they do not adhere to legislation that leads to major.</p>
G2.2	Does the company have a process in place to check business partners against any international/regional/national sanction party lists (e.g. lists related to product risks (e.g. arms and weapons) or country risks (e.g. terrorism))?	yes			business partners against any international/regional/national sanction party lists. And all goods were purchased out of the mentioned areas.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>A policy / internal instructions to prevent sourcing from civil war zones or other areas with severe human rights infringements, are expected from the company. A missing of such a policy should lead to a minor finding.</p>

G3. Special Risk Area: Animal Testing

In this section questions with regard to special risk areas are addressed. These questions may not be applicable to all suppliers, but if suppliers are affected by these topics, the questions have to be addressed.

Animals shall be treated humanely with pain and stress minimized. Animal testing should be performed after consideration to replace animals, to reduce the numbers of animals used, or to refine procedures to minimize distress. Alternatives should be used wherever these are scientifically valid and acceptable to regulators.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G3.1	Is animal testing relevant for the company's business? If so, does the company have policies in place with regard to protecting animal health?	n/a	minor		Animal testing is not relevant for the factory's business by management interview.	A missing policy to protect animal health during animal testing should lead to a minor finding.
G3.2	If the company works with animals as a part of its business, does the company follow industry standards to assure animals are treated respectfully / humanely and that the number of animal tests is reduced?	n/a			Refer to 3.1	The auditor shall specify in the auditor notes the magnitude of use of animals as part of the company's business activities (which type or species of animals / number of animals). It is expected that the company follows legal legislation, any major deviation should be rated as a major finding.

G4. Privacy and Intellectual Property

The company is expected to safeguard the rights of its customer. These include the tangible and intangible things owned by the company over which the customer has exclusive and absolute legal rights, such as special product information, copyrights, patents etc. Private Property can be transferred only with its owners' consent.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G4.1	Does the company have a process to ensure confidentiality with customers in relation to contracted products, projects under development, and related product information?	yes			Based on document review, the factory had set up the procedure to ensure confidentiality with customers in relation to contracted products, projects under development, and related product information.	The company is required to ensure confidentiality otherwise a minor finding has to be indicated. Systematic violations could lead to a major finding according to the definition in the TIS Audit Program.

G5. Fair Competition

The company should not enter into any agreements with competitors with regard to prices, price components and terms and conditions that are used with customers or suppliers. The company should not agree on any joint price policy, not even for individual price components, calculation positions or cost positions. This applies equally to verbal and/or informal agreements as well as concerted practices. This guideline must also be observed in confidential private meetings and discussions.

The company should not share the market with competitors according to regions or products, customers or suppliers.

The company should not share any confidential information relevant to the market with competitors. Terms of conditions, costs, sales/transport volumes, names of customers, capacities, prices, margins and discounts should not be shared with competitors. Also, changes of the company strategy or price policy must not be shared with competitors.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G5.1	Does the company have a process to ensure that applicable laws and regulations of fair business, including advertising and competitive marketing, are upheld (e.g. antitrust)?	yes			The factory had established the standards of fair business, including advertising and competitive marketing.	Missing standards to conduct business in line with fair competition and in accordance with all applicable anti-trust laws lead to a minor finding. Systematic violations could lead to a major finding according to the definition in the TIS Audit Program.

G6. Disciplinary and Complaint Procedures

The company should provide means for their employees to report concerns or potentially unlawful activities in the workplace. Any report should be treated in a confidential manner. The company should investigate such reports and take corrective action if needed. As a best practice, the company has engaged an independent body (e.g. lawyer) that collects reports of concern and ensures confidentiality to whistle blowers. The mechanism ensures that reporting issues of concern will not be disadvantageous for whistle blowers.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G6.1	Does the company have any disciplinary policies in place in order to respond to cases of misconduct of employees (including management)? Have they been clearly communicated to all employees?	yes	minor		Based on worker manual review, the factory had established the formal disciplinary procedures in place in order to respond to cases of misconduct of workers and they were communicated to all workers and management.	To ensure the compliance with national law and ILO standards, the company shall have a policy on disciplinary practices in place.
G6.2	Has the company implemented disciplinary and complaint procedures in earlier cases of identified misconduct (if any)?	yes			Based on management interview and workers interview, the factory implemented disciplinary procedure in earlier cases of identified misconduct, they were properly handled in accordance with legal requirements.	<p>It is expected that the company provides means for their employees to report concerns or potentially unlawful activities in the workplace and to treat them in a confidential manner.</p> <p>Once cases of misconduct and unlawful activities are identified, these shall be followed up with due care and adequate sanctions shall be put in place in response.</p> <p>Examples include:</p> <ul style="list-style-type: none"> - formal disciplinary procedures established and communicated to all employees and management - keeping records of actions taken and grievance procedures
G6.3	Does the company have a grievance mechanism for workers to report any complaints or cases of concern? If yes, is the reporting system designed to help identifying cases of misconduct and to promote reporting of misbehavior for prosecution (e.g. anonymous reporting / external point of contact that protects the whistle blower)?	yes			The factory established the grievance procedure in place, the reporting system designed to help identifying cases of misconduct and to promote reporting of misbehavior for prosecution.	<p>For workers, business partners and affected communities the company needs to have a policy and process in place to effectively communicate the possibility to raise a complaint and address grievances.</p> <p>If no grievance mechanism for employees is in place, this leads to a major finding. If no grievance mechanism for business partners or other interested parties is in place, this leads to a minor finding.</p> <p>Examples:</p> <ul style="list-style-type: none"> - reporting channels established for anonymous reporting of misconduct and violations or issues of concern (e.g. whistleblower hotline)

Photo Report

Note: The purpose of this photo report is to visually document important audit findings. Each photo should be briefly described indicating to which criterion it relates and how it supports overall findings and conclusions.

The number of photos is not limited. Please add additional rows, if necessary.

Remark : Due to the audited factory's confidential and safety requirements, the factory did not allow auditor to take photos of production areas etc.

Picture	Description (short description of the photo ,indication to which criterion it relates and how it supports findings and conclusions made)
	Factory gate
	Factory name
	Office building
	Canteen building
	Dormitory building
	Canteen and kitchen

	Suggestion box
	Fire facilities in dormitory
	Fire facilities in dormitory
	Dormitory inside
	NC: The factory did not install exit signs for safety exits of canteen.