



Measured Results - Improved Performance

Workplace Conditions Assessment Report

Ningbo Jiaming Printing Co., Ltd

Report No	F_IAR_5566
Audit Date	Oct 23, 2012
Assessment Stage	Follow up
Audit Location	Hedong Industrial Area, Xiaying Street, Yinzhou District, Ningbo City, Zhejiang Province, China
City	Ningbo
Country	China
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Auditor Name	Primary: Arthur Zhou Secondary: None

Workplace Performance Index

Participating Facilities : 7178

High Performance (85 – 100)

Meet Expectations.

Medium Performance(71 – 84)

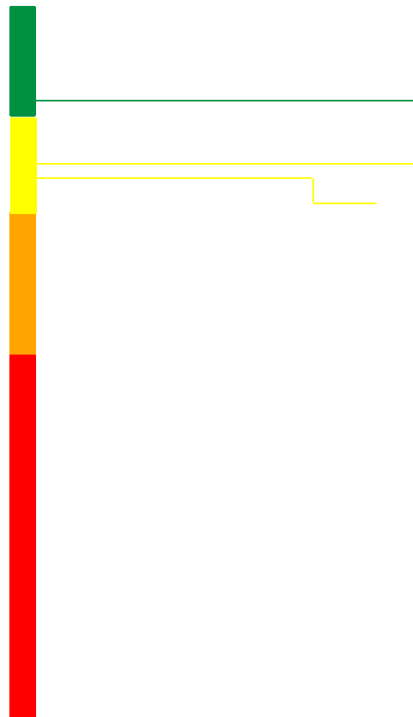
Further Improvement Needed.

Low Performance(51 – 70)

Significant Action Required.

Very Low Performance(0 – 50)

Urgent Action Required.



Facility Score **87**

Global Score **78**

Country Score **76**

Facility Profile

Facility Name	Ningbo Jiaming Printing Co., Ltd		
Facility Legal Name	Ningbo Jiaming Printing Co., Ltd		
Contact Name, Title	Mr. Zhang Xufeng, General Manager Assistant		
Vendor Name	LOVETT HONG KONG LIMITED		
Industry	Paper products		
Products Manufactured / Services Provided	Paper Product		
Production Processes / Service Elements	Cutting, Printing, Coating, Die cutting, Injection, Packing		
Production capacity a week	10 Tons		
Total number of machines	14		
Main machine types	Cutting machines 3 sets, Printing machines 4 sets, Die cutting machines 5 sets, Injection machine 1 set, other 1 set		
Current production / Services for client	-		
Facility's legal status	Privately owned		
Year facility began operations	2006		
Number of buildings the facility operates in	One 3-storey U style building used as warehouse, production area and office		
Languages spoken at the facility	Mandarin		
Facility management speaks same language as the employees	Yes		
Range of total number of employees at the facility	0-100 employees		
Female Employees	21	Male Employees	14
Mgmt Employees	6	Production (Non-Mgmt) Employees	29
Local Employees	35	Foreign/Migrant Employees	0
Union Name	None		
Number of shifts and operating hours	1 shift, From 7:50 to 16:30 (from 11:00-12:00 for lunch break)		
Subcontractor name, location	NA		
Subcontracted processes	NA		
Facility is located in a special economic zone or other type of commercial zone that exempts it from compliance with any local/national laws	No		
Person responsible for overall social compliance issues	Mr. Zhang Xufeng		
Valid certificate for social compliance certification program	None		

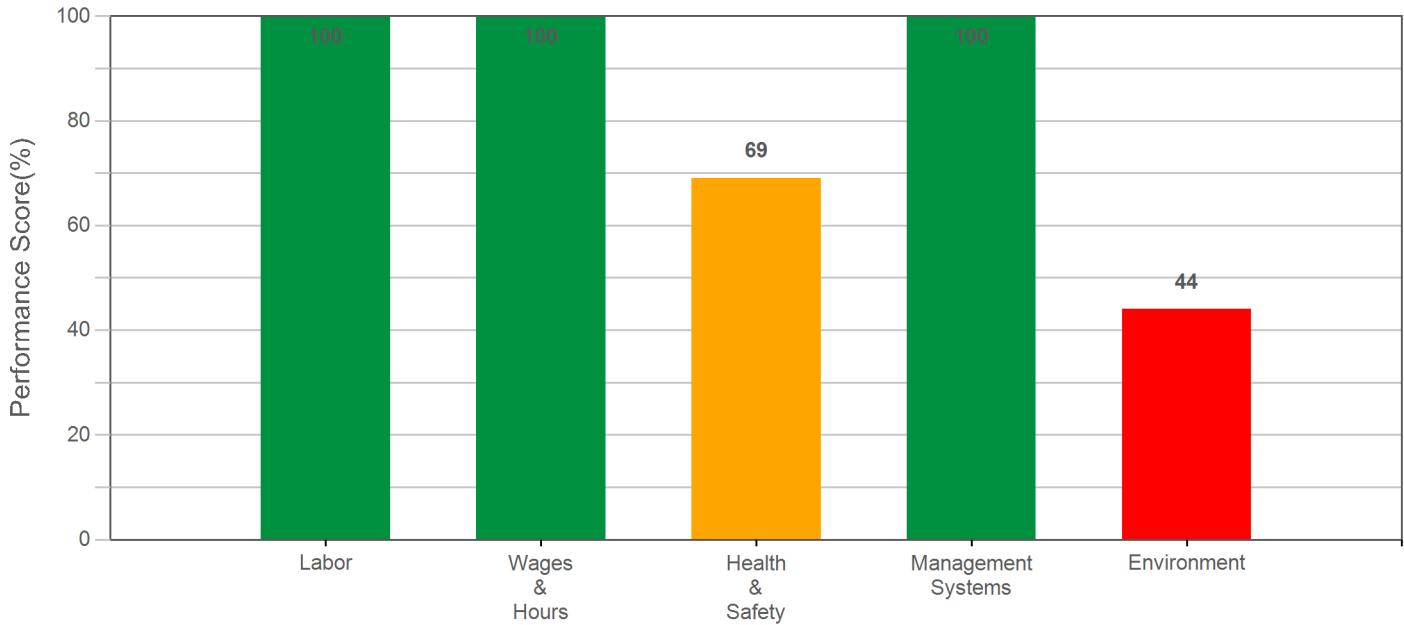
General Overview

1) The facility management showed a positive attitude to this audit during the whole process. The documentation requested for the review was provided timely. At the end of the audit, all the findings were accepted by the facility management. 2) Through facility tour and document review, there were other 3 facilities in one 2-storey building located in the same yard. Those facilities was manufacturing for other products. Those facilities had own independent business license, staff, finance and Attendance & Wages System. The management of ""Ningbo Jiaming Printing Co., Ltd"" provided the relevant documents for review. The facility management claimed that only ""Ningbo Jiaming Printing Co., Ltd"" had business with the client, thus the scope of the audit only involved in ""Ningbo Jiaming Printing Co., Ltd"". The lease contracts were also provided by the facility. 3) Through facility tour, the second floor of the 2-storey building used as dormitory, the first floor used as workshop, through facility management interview and employees"" interview, this dormitory only for other 3 facilities, no their employees live in the dormitory; through employees"" interview, all random selected employees stated that the facility did not provide the dormitory.

Audit Process

Audit Sample Size: Payroll & Attendance records	Audit sample size: employee interview	Audit Sample Size: Other records reviewed, please specify	Audit Pay Period Provided for Review, please specify
Payroll records from May 2012 to August 2012 and attendance records from May 1, 2012 to October 22, 2012 were provided for review. 9 randomly selected samples from August 2012 (current month), 3 from July 2012 (random month), 3 from June 2012(random month).	Total 12 employees were interviewed, which included 7 individuals and one group of 5.	15 personnel records, labor contract were provided for review,production recordssuch as daily output recordswere provided for review.	From May 2012 to August 2012

I. Facility Performance Summary



Performance Summary	Overall Compliance(%)	Non Compliance (%)							
		Major		Moderate		Minor		Zero Tolerance	
		# of Questions	%	# of Questions	%	# of Questions	%	# of Questions	%
Facility Summary	87%	0	0.00%	9	12.94%	1	0.37%	0	0.00%

Performance Summary	Section Compliance		Non Compliance (%)								# of Total Applicable Questions
			Major		Moderate		Minor		Zero Tolerance		
	# of Questions	%	# of Questions	%	# of Questions	%	# of Questions	%	# of Questions	%	
Labor	44	100%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	44
Wages & Hours	29	100%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	29
Health & Safety	72	69%	0	0.00%	6	29.56%	1	1.48%	0	0.00%	79
Management Systems	34	100%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	34
Environment	12	44%	0	0.00%	3	55.56%	0	0.00%	0	0.00%	15



II. Performance Trend Analysis

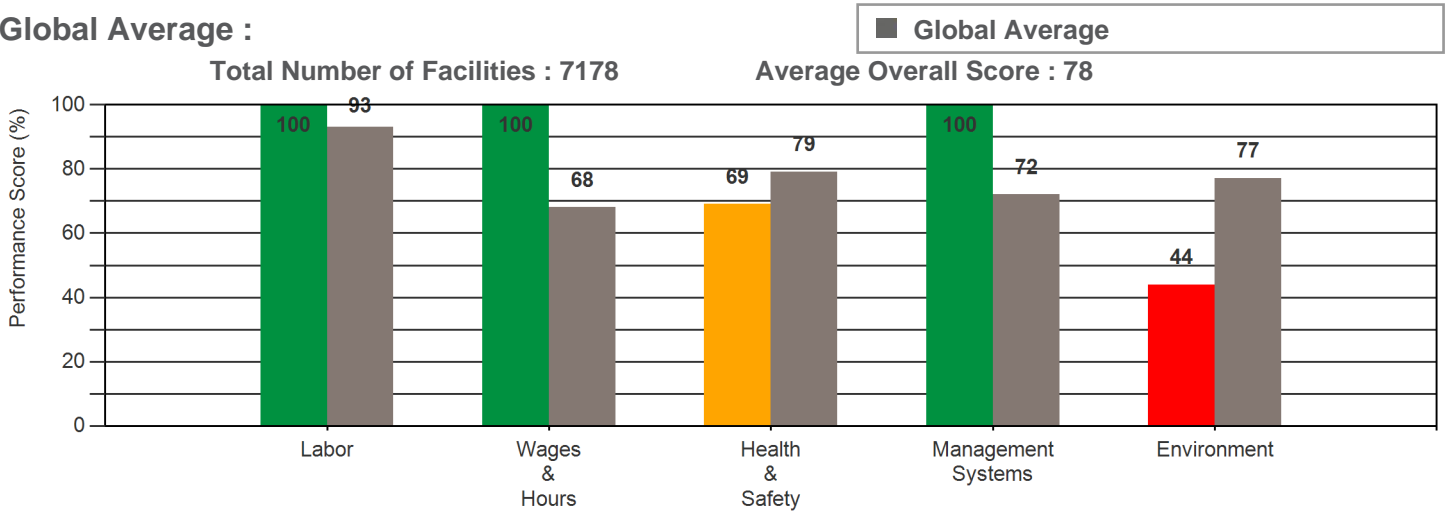


Section Name	Current	Last	First	Change (Current-Last)	Change (Current-First)
Labor	100	100	77	0 % ■	29 % ▲
Wages & Hours	100	100	69	0 % ■	44 % ▲
Health & Safety	69	56	42	23 % ▲	64 % ▲
Management Systems	100	100	89	0 % ■	12 % ▲
Environment	44	44	32	0 % ■	37 % ▲
Overall Score	87	83	64	4 % ▲	35 % ▲

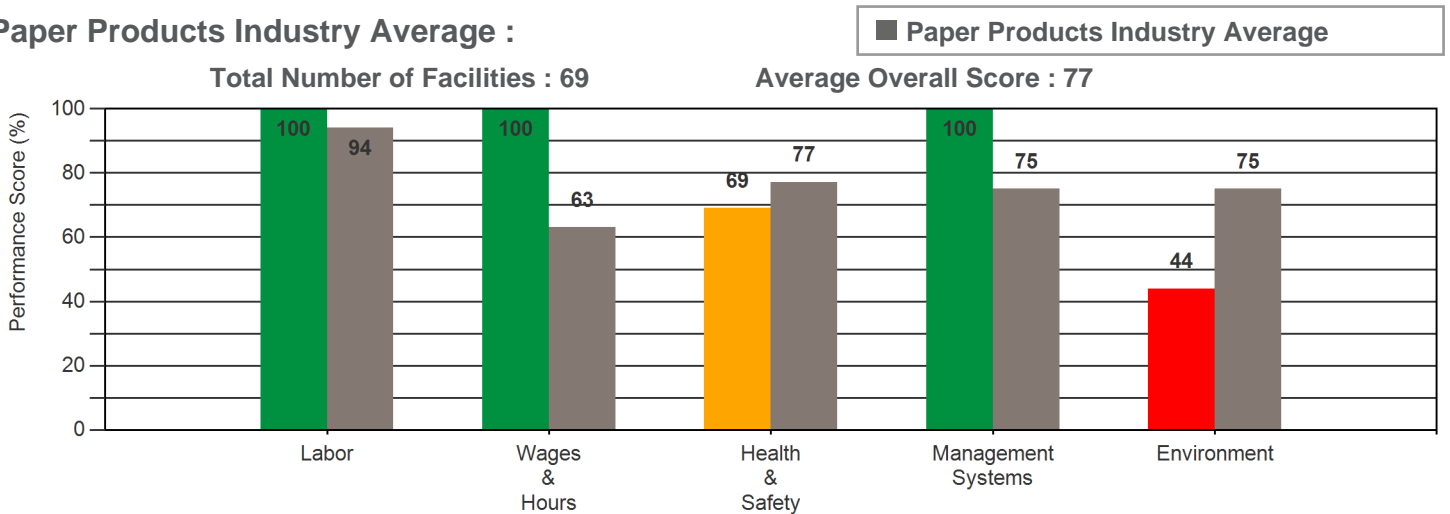
▲ Advancers ■ Constant ▼ Decliner

III. Comparison Benchmark

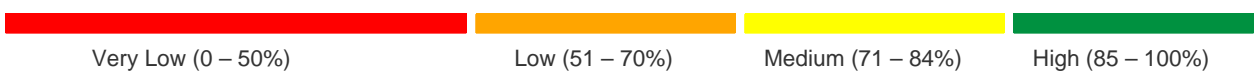
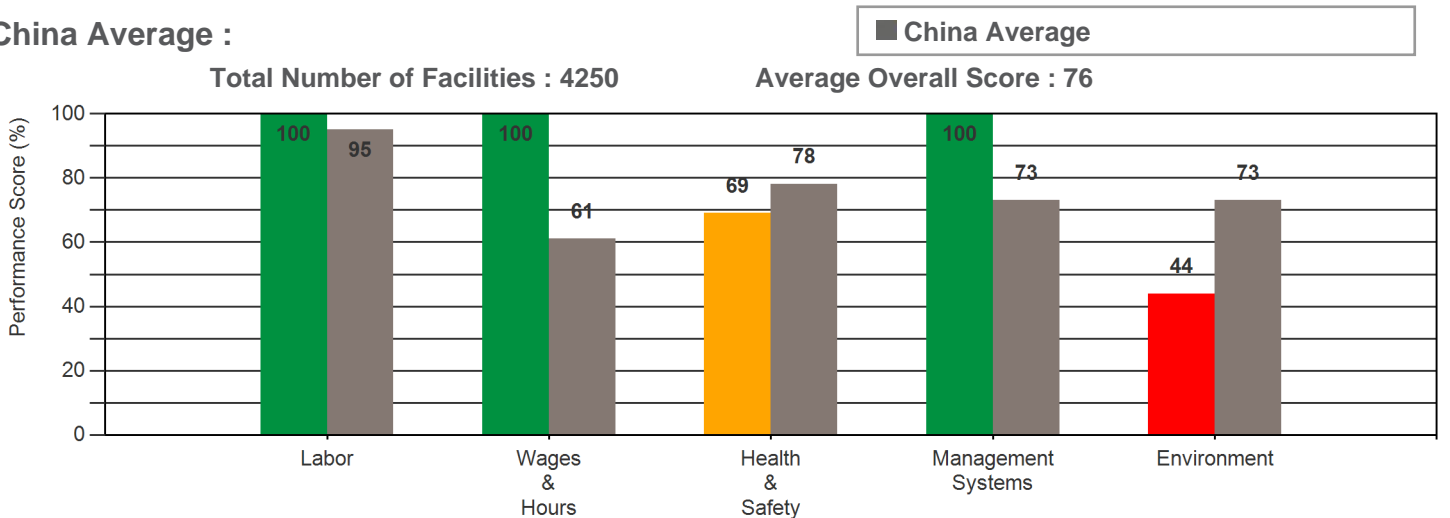
Global Average :



Paper Products Industry Average :

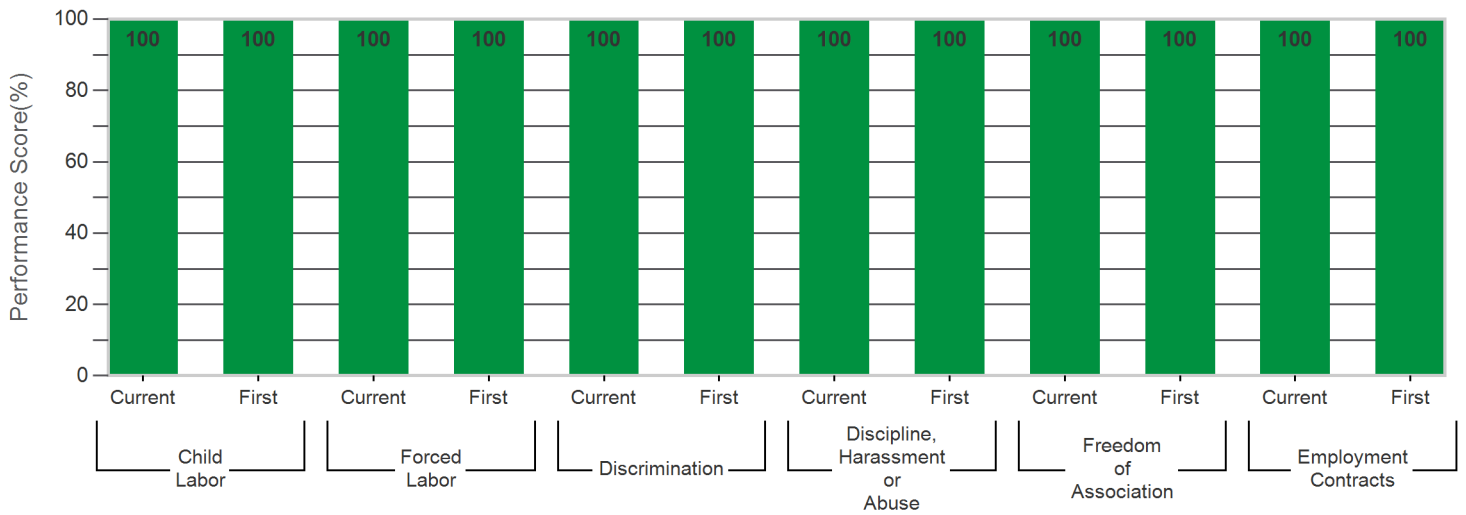


China Average :

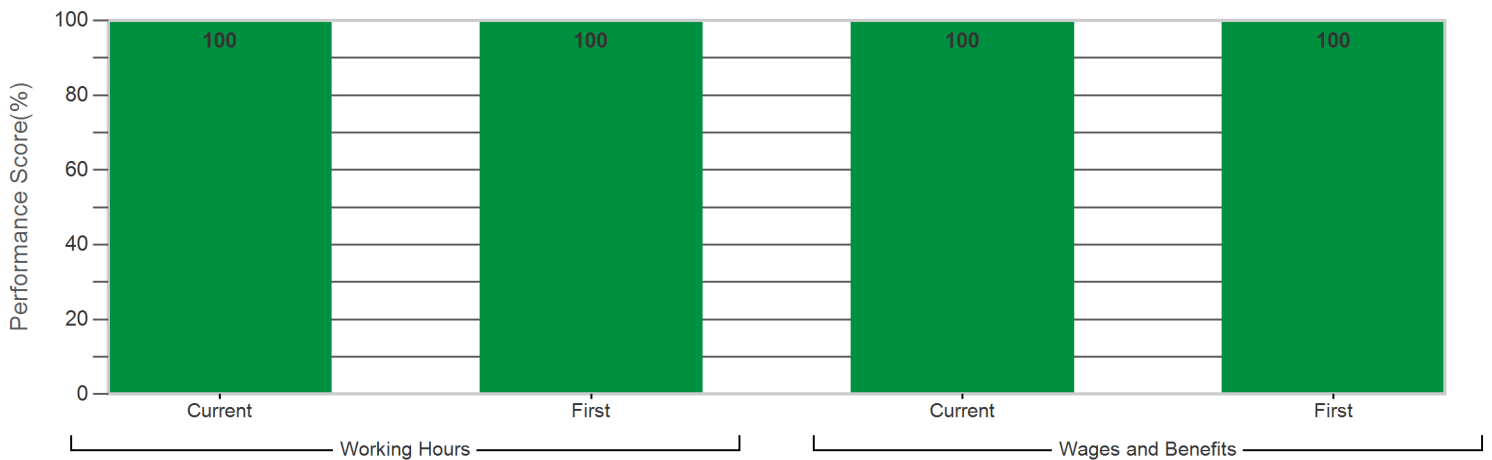


IV. Sub Section Comparison Benchmark

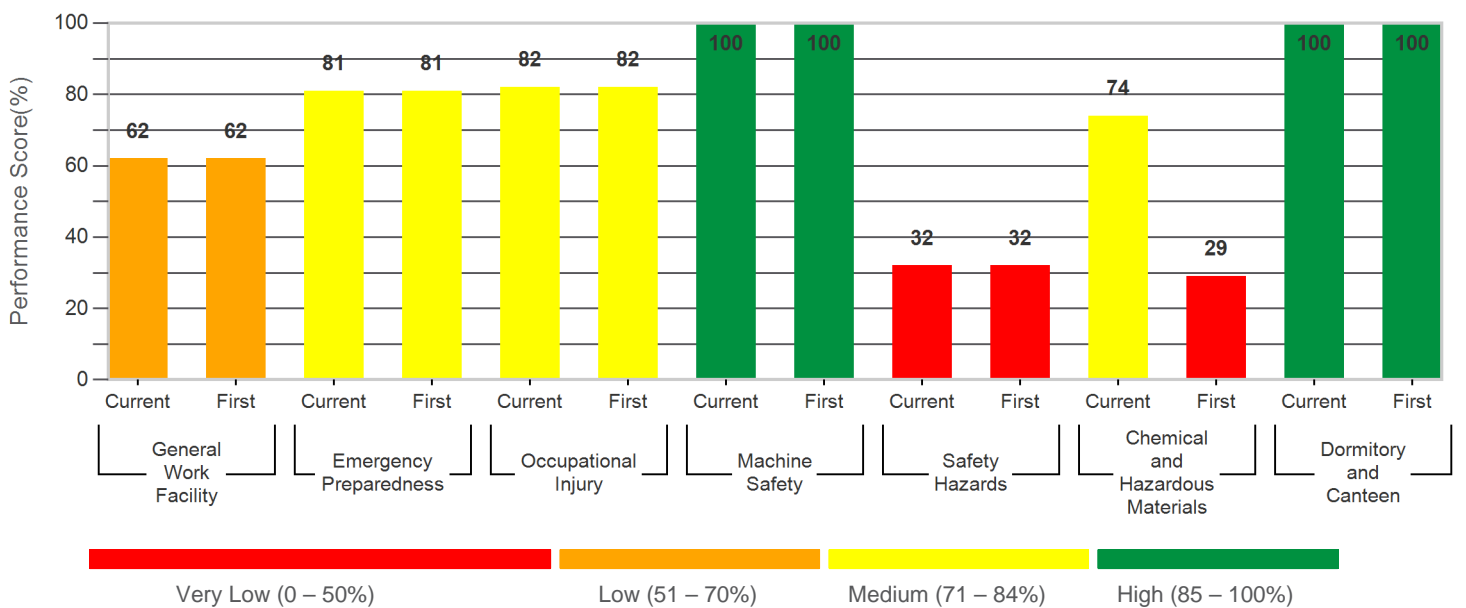
Labor



Wages & Hours

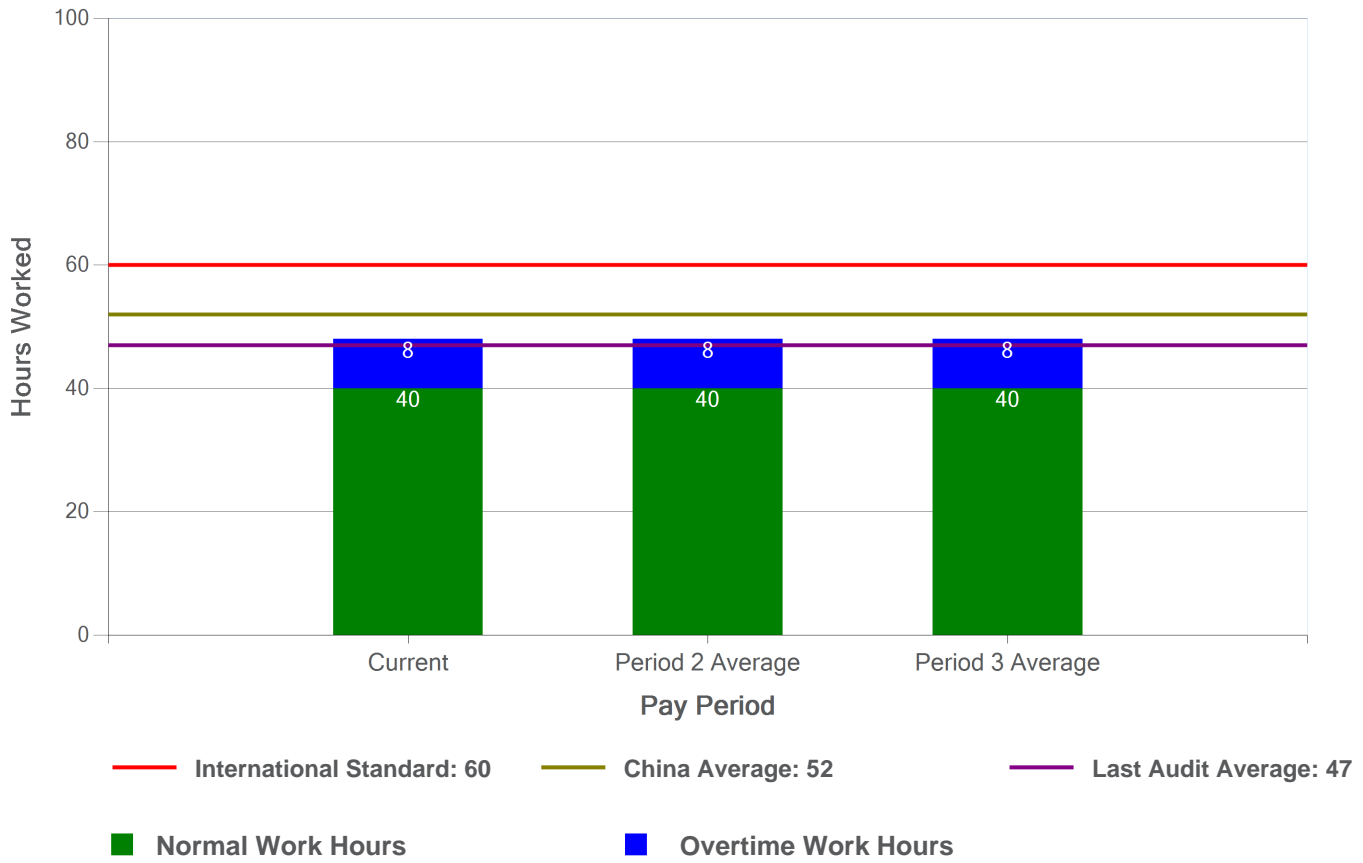


Health & Safety



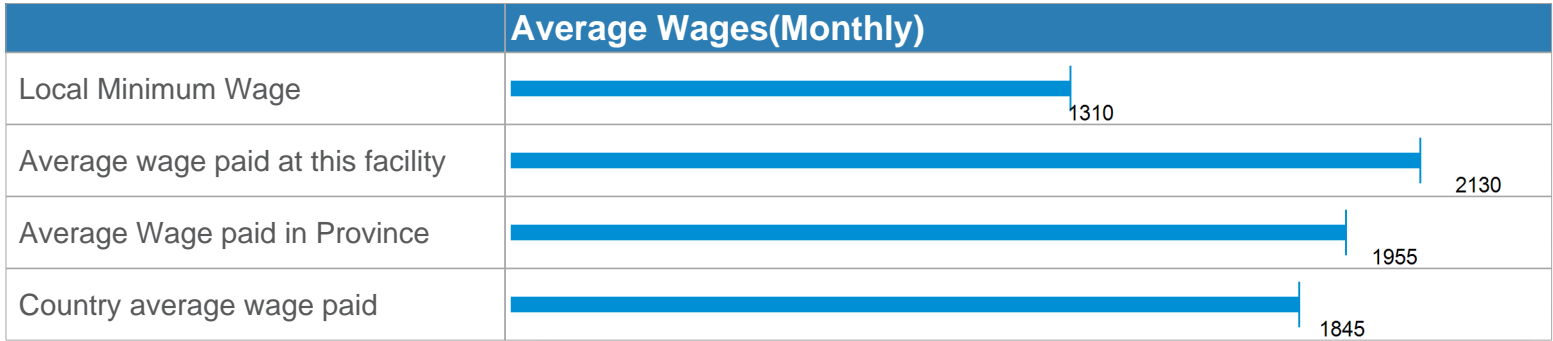
V. Working Hours and Wages

Average Total Hours Worked - Weekly



	From (Day-Month-Year)	To (Day-Month-Year)	Peak Season
Current Period Dates	1-8-2012	31-8-2012	NA
Period 2 Dates	1-7-2012	31-7-2012	NA
Period 3 Dates	1-6-2012	30-6-2012	NA

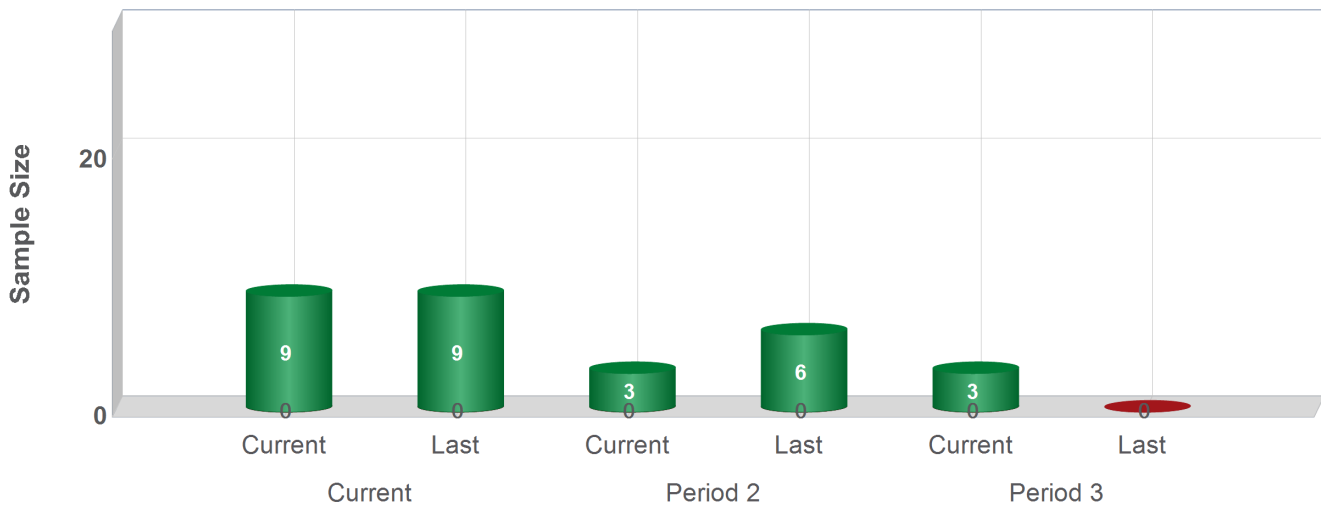
Average Wages Paid in Local Currency (RMB)



Note:

The local minimum wage standard was set RMB 1100 per month equivalent to RMB 6.32 (1100/21.75/8) before 1st April, 2011, RMB 1310 per month equivalent to RMB 7.53 (1310/21.75/8) per hour since 1st April, 2011.

Wage Analysis- Sampled Records



- Pay Period**
- Number of sampled employees below minimum wage requirement
 - Number of sampled employees at or above minimum wage requirement

	From (Day-Month-Year)	To (Day-Month-Year)	Peak Season
Current Period Dates	1-8-2012	31-8-2012	NA
Period 2 Dates	1-7-2012	31-7-2012	NA
Period 3 Dates	1-6-2012	30-6-2012	NA

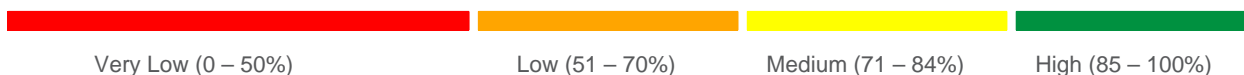
VI Key Strengths and Challenges

Facility Strengths	Rating	Global Freq. of Compliance%
Total overtime hours are within allowable limits under applicable law or agreement.	Moderate	55%
There are written records (correspondence, report, meeting minutes, etc) of a regular management review of the social compliance system	Minor	57%
The facility establishes, maintains, and documents appropriate procedures to evaluate and select suppliers and/or subcontractors based on their performance and commitment towards social compliance	Minor	60%

Facility Challenges	Rating	Global Freq. of Compliance%
Workplace ventilation is not adequate	Moderate	98%
The discharged wastewater / storm water does not meet the discharge limits for regulated constituents	Moderate	93%
Solid waste are not disposed using licensed vendor per local legislation	Moderate	83%
Special appliances such as boilers, unfired pressure vessels, and furnaces have not been properly registered and affixed with a registration certificate	Moderate	82%
Special appliances such as boilers, unfired pressure vessels, and furnaces have not been regularly inspected and maintained to industry standards	Moderate	75%
Construction projects do not have the proper fire service inspection certificate	Moderate	73%
Special equipment operators are not properly trained in safe operating procedures or not licensed, where applicable	Moderate	72%
Containers are not stored properly to avoid leakages	Moderate	71%
The facility does not conduct and/ or pay for regular occupational health examinations for employees when applicable	Minor	70%
The facility does not have some required permits, licensees and / or registrations for discharge/disposal or they are not current	Moderate	69%

VII. Opportunities for Improvement

Performance Rating



69%

Section: Health & Safety

SubSection: General Work Facility

Current (23-Oct-2012)	Last (26-Jun-2012)	ID	Findings	Global Freq. of Compliance %
Moderate	Moderate	163.00	Workplace ventilation is not adequate	98%
			<i>Second Follow-up audit (October 23, 2012):The finding had not been corrected. The ventilation in printing workshop was not adequate</i>	

SubSection: Emergency Preparedness

Current (23-Oct-2012)	Last (26-Jun-2012)	ID	Findings	Global Freq. of Compliance %
Moderate	Moderate	190.00	Construction projects do not have the proper fire service inspection certificate	73%
			People's Republic of China Fire Control Law Article 11 and 13	
			<i>Second Follow-up audit (October 23, 2012):The finding had not been corrected. It was noted that no fire service inspection certificate or record for one flat building, which used as coating workshop was provided by the facility.</i>	

SubSection: Occupational Injury

Current (23-Oct-2012)	Last (26-Jun-2012)	ID	Findings	Global Freq. of Compliance %
Minor	Minor	206.00	The facility does not conduct and/ or pay for regular occupational health examinations for employees when applicable	70%
			People's Republic of China Law of Prevention and Control of Occupational Diseases Article 32	
			<i>Second Follow-up audit (October 23, 2012):The finding had not been corrected. It was noted that all employees contacted with chemicals or noise have not ever conducted occupational health examination since they have joined the facility.</i>	

SubSection: Safety Hazards

Current (23-Oct-2012)	Last (26-Jun-2012)	ID	Findings	Global Freq. of Compliance %
Moderate	Moderate	227.00	Special appliances such as boilers, unfired pressure vessels, and furnaces have not been properly registered and affixed with a registration certificate	82%
			Special Appliance Quality Safety Monitoring Regulation Article 25	
			<i>Second Follow-up audit (October 23, 2012):The finding had not been corrected. It was noted that the one forklift was not registered at local Special Appliance Quality Safety Monitoring Department.</i>	

Moderate	Moderate	228.00	Special appliances such as boilers, unfired pressure vessels, and furnaces have not been regularly inspected and maintained to industry standards	75%
			Appliance Quality Safety Monitoring Regulation Article 28 <i>Second Follow-up audit (October 23, 2012): The finding had not been corrected. It was noted that the facility did not provide the inspection certificate of competency for its one forklift.</i>	
Moderate	Moderate	230.00	Special equipment operators are not properly trained in safe operating procedures or not licensed, where applicable	72%
			Special Appliance Quality Safety Monitoring Regulation Article 38 <i>Second Follow-up audit (October 23, 2012): The findings had not been corrected. 1) It was noted that one employee operating the forklift did not have relevant operators' certificates. 2) It was noted that one employee operating the cargo lift did not have relevant operators' certificates. 3) It was noted that the welder had not obtained the license.</i>	

SubSection: Chemical and Hazardous Materials

Current (23-Oct-2012)	Last (26-Jun-2012)	ID	Findings	Global Freq. of Compliance %
Corrected	Moderate	243.00	Previous Non-Compliance : Chemicals are not properly stored as per instructions	94%
			<i>Second Follow up audit (October 23, 2012), the previous finding was corrected. Through facility tour, the chemicals were stored in the chemicals warehouse.</i>	
Corrected	Moderate	246.00	Previous Non-Compliance : Hazardous wastes are not properly stored	93%
			<i>Second Follow up audit (October 23, 2012), the previous finding was corrected. Through facility tour, the facility had stored hazardous wastes such empty glue container under the rainshed.</i>	
Moderate	Moderate	247.00	Containers are not stored properly to avoid leakages	71%
			Regulation for Safety of Dangerous Chemical Article 16 <i>Second Follow-up audit (October 23, 2012): The finding had not been corrected. It was noted that facility did not have safety devices such as explosive prevention and anti-leakage for its dangerous chemical material stored in workshop and warehouse</i>	
Corrected	Moderate	248.00	Previous Non-Compliance : Hazardous chemicals or substances are not labeled properly	88%
			<i>Second Follow up audit (October 23, 2012), the previous finding was corrected. Through facility tour, the label attached on the chemicals for identification such as gasoline and cleanser.</i>	
Corrected	Moderate	250.00	Previous Non-Compliance : The facility does not monitor the employees to ensure the personal protective equipment (PPE) for control of exposure to chemical and hazardous materials is used correctly	92%
			<i>Second Follow up audit (October 23, 2012), the previous finding was corrected. Through facility tour and employees interview, employees had wear the PPE when they operated the machines.</i>	

Additional Findings

Second Follow-up audit (October 23, 2012):The finding had not been corrected. In accordance with Interim Provisions on the Supervision and Administration of Workplace Occupational Health Article 22, Operation entities with occupational hazards should entrust technical service agency with corresponding qualification to conduct testing of factors of occupational hazards at least once a year and assessment of situation of occupational hazards at least once three years. Regular testing and assessment results should be kept in files on prevention of occupational hazards, announced to the employees and reported to the local administrative departments of work safety. It was noted that the facility did not conduct the occupational hazards factors testing. It is recommended that the facility should apply foresting of factors of occupational hazards at least once a year, and keep the reports for review.

44% Section: Environment

SubSection: Environment

Current (23-Oct-2012)	Last (26-Jun-2012)	ID	Findings	Global Freq. of Compliance %
Moderate	Moderate	317.00	<p>The facility does not have some required permits, licensees and / or registrations for discharge/disposal or they are not current</p> <p>People's Republic of China Law on Environmental Protection Article 27</p> <p><i>Second Follow-up audit (October 23, 2012):The finding had not been corrected. It was noted that the facility has not obtained the environmental protection Acceptance check report for their completed construction project.</i></p>	69%
Moderate	Moderate	324.00	<p>Solid waste are not disposed using licensed vendor per local legislation</p> <p>People's Republic of China Law on the Prevention and Control of Environmental Pollution by Solid Waste Article 57</p> <p><i>Second Follow-up audit (October 23, 2012):The finding had not been corrected. It was noted that facility didnot have the duplicate formsfor transferring hazardouswastes.</i></p>	83%
Moderate	Moderate	325.00	<p>The discharged wastewater / storm water does not meet the discharge limits for regulated constituents</p> <p>Law of the People's Republic of China on the Prevention and Control of Water Pollution Article 9</p> <p><i>Second Follow-up audit (October 23, 2012):The finding had not been corrected. It was noted that oil leaked from coating machine was discharged into the domestic drainage system.</i></p>	93%

Recommendation for Improvement Plan Timeline

Finding Rating	Improvement Timeline
Zero Tolerance	Take immediate action to make necessary improvements
Major	Take action within one month to make necessary improvements
Moderate	Take action within three months to make necessary improvements
Minor	Take action within six-nine months to make necessary improvements



VIII. Good Practices

Section	Sub-Section	ID	Good Practice Description
Labor	Discrimination	57.00	The facility has written policies that prohibit discrimination
Wages & Hours	Working Hours	123.00	The facility has written procedures in place to determine, manage and control overtime
Health & Safety	Occupational Injury	203.00	For any work-related injuries in the past three years, the facility has performed investigations to determine root cause(s) and implement corrective actions
Management Systems	Management Systems	300.02	The facility communicates with employees using an employee committee
		300.03	The facility communicates with employees using a suggestion box
		306.00	The facility maintains metrics or key performance indicators for any labor or health & safety issues
Environment	Environment	320.00	The facility has made progress in reducing or eliminating pollution, waste and conserving resources

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