

Workplace Conditions Assessment Report

Measured Results — Improved Performance



NAPOP WIN HOUSEWARES CO., LTD.

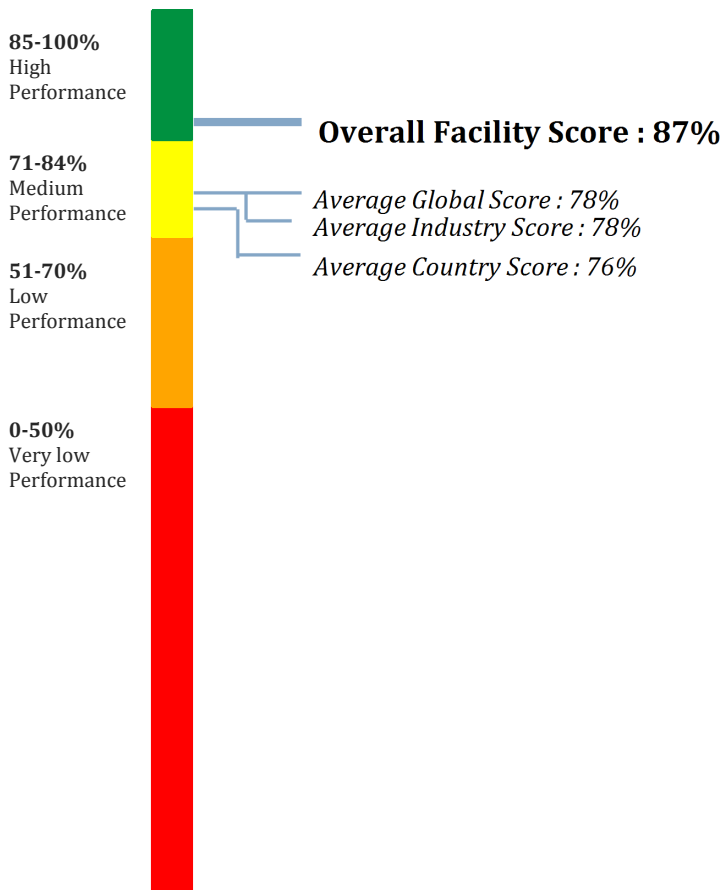
GENERAL INFORMATION

Overall Facility Score : **87%**

Report No :	F_IAR_81334	City :	Zhongshan
Audit Date :	Nov 13, 2019	Country :	China
Last Audit :	Aug 27, 2018 (90%)	Auditors :	Primary: Josephine Li
Assessment Stage :	Annual		Secondary: None
Schedule Type :	Announced	Service Provider:	Intertek

WORKPLACE PERFORMANCE INDEX AND SUMMARY

Participating facilities: 32193



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	Notscored
Overall	87%	-	-	4	6	-
Labor	100%	-	-	-	-	-
Wages & Hours	72%	-	-	2	-	-
Health & Safety	91%	-	-	1	2	-
Management Systems	85%	-	-	-	4	-
Environment	74%	-	-	1	-	-

A. FACILITY PROFILE

A1. FACILITY INFORMATION

Facility Name:	Napop Win Housewares Co., Ltd.	Facility Legal Status:	Privately owned
Facility Legal Name:	Napop Win Housewares Co., Ltd.	Year facility began operations:	March 2017
Audit Location:	A-3, Flat 4, No. 76 Shunxing North Road	Located in special economic zone:	No
	Henglan Town, Zhongshan City, Guangdong Province, China	Person responsible for overall social compliance issues:	Mr. David Tsui
City:	Zhongshan	Valid certificate for social compliance certification program:	No such certificate was obtained by the facility.
Country:	China	Vendor Name:	NAPOP WIN HOUSEWARES CO LTD
Contact Name:	Mr. David Tsui	Security systems in place:	No <i>The facility has no security guard force. The facility had installed CCTVs system.</i>
Contact Title:	Manager		
Industry:	Housewares		
Building Description:	The facility rented partial 3F of one 3-storey building used as production floor, warehouse and office. No dormitory, canteen or kitchen is available for employees. The building was constructed by steel and concrete. The total floor area used by the facility was about 1200 square meters.		
Special building type:	Multi-story building shared with other facilities/enterprises under separate ownership <i>Total land area of the 3-storey building was 2300 square meters, and all factories in the building rented the production floor from one local property development company. The 1/F was used by the Zhongshan Heng Da Glass Factory, and the business was lighting cover manufacturing; 2/F was used by the Zhongshan Baiben Wood Crafts Co., Ltd, and the business was pepper shaker manufacturing; the other side of 3/F was used by Zhongshan Biqi Crafts Co., Ltd, and the business was pepper shaker manufacturing. During document review and management interview, the factories were belonged to different owners and under separated management. During facility tour and employees interview, there were different entrances of above factories, no co-mingle case was noted.</i>		

A2. PRODUCTION INFORMATION

Products manufactured/ Services provided:	Wooden cutting board	Time record system(s) used:	Fingerprint system
Production process/ Service elements:	Cutting, Forming, Polishing, Inspection and Packing	Chemicals or hazardous materials on-site:	Yes <i>Cleanser and lubricating oil were used in the facility.</i>
Production capacity a week:	30000 pieces	Current production/ Services for client:	Yes
Main machine types:	Cutting machines, forming machines, polishing machines and etc.		
Total number of machines:	20 sets		
Shifts and Operating hours:	The employees work for 5 days in a week in one shift, which is from 8:00 to 18:00 with 2 hours' lunch break.		

A3. EMPLOYEE INFORMATION

Range of total number of employees at the facility:	0-100 employees	Female Employees:	11
Union name:	None	Male Employees:	21
Employs juvenile workers:	Yes	Mgmt Employees:	5
Hires through employment agent:	No <i>The facility hired employees directly and no employees was hired through an employment agent.</i>	Production (Non- Management) Employees:	27
Employee nationalities/ provinces:	Most of migrant employees were from other provinces such as Sichuan, Guangxi, Hunan, etc.	Local Employees:	2
		Foreign/Migrant Employees:	30
		Languages spoken in the facility:	All the employees in the facility speak Chinese.
		Management and employees speak same language :	Yes

A4. SUBCONTRACTOR INFORMATION

No subcontractor information given

A5. GENERAL INFORMATION

One auditor assessed / verified the facility's operations against the WCA requirement and local legislations on a sampling basis in one day. At 9:30am, auditor entered the facility then held an opening meeting according to WCA program. The facility management Mr. David Tsui/ Manager were present in the meeting. They stated that the facility would be cooperative with this audit. During facility tour, H&S non-compliance was noted during audit. During document review, documentation requested for the review was provided timely; Most of interviewees were comfortable during interview. All employees were satisfied with the facility and no negative information was raised. The employees do enjoy working in the facility. They were satisfied with the working condition. The facility gave everybody equal opportunity. The facility management showed a positive attitude to this audit during the whole process. At the end of the audit, all the findings were accepted by the facility management.

ZT and Major Non Compliance: None

Current status:

1. Labour: Original ID cards were verified at the time of recruitment, and photocopies of employees' ID cards were kept in the personnel files as per facility policy, and no child labour was observed during this audit.
2. Management system: One written social compliance policy was established in the facility, and one manager is responsible for compliance with the social compliance.
3. Environment: The facility had written environmental policy, all environmental government documents were provided for review.

Best practices:

None

Emergency Preparedness Summary

The facility provides sufficient fire safety equipment throughout the facility, such as fire extinguishers, fire hydrants, sprinkler, fire alarms. Evacuation plans were posted in the workshop with position of firefighting equipment. Emergency routes were clearly marked on the wall and floor which lead employees to the emergency exit. Exit signs and emergency lights were affixed on the exits. The latest fire evacuation drills were conducted for all employees on September 25, 2019. Fire safety training was provided to all employees during orientation and annual training. Through employees' interview, they knew well on how to handle the emergency situation.

A6. AUDIT PROCESS

Audit pay period provided for review

Records	From	To
12 Months Payroll	October 1, 2018	September 30, 2019
12 Months Attendance	October 1, 2018	November 12, 2019
Special Comments	N/A	

Employee interview sampling

Individual	4 individuals
Group	No employee was interviewed in group.
Total interviewed	4 samples (2 female and 2 males)

Payroll and attendance records sampling

Period	From	To	Peak Season	Records Reviewed
Current Period	September 1, 2019	September 30, 2019	No	4
Period 1	May 1, 2019	May 31, 2019	No	3
Period 2	December 1, 2018	December 31, 2018	No	3
Total				10

Other records reviewed

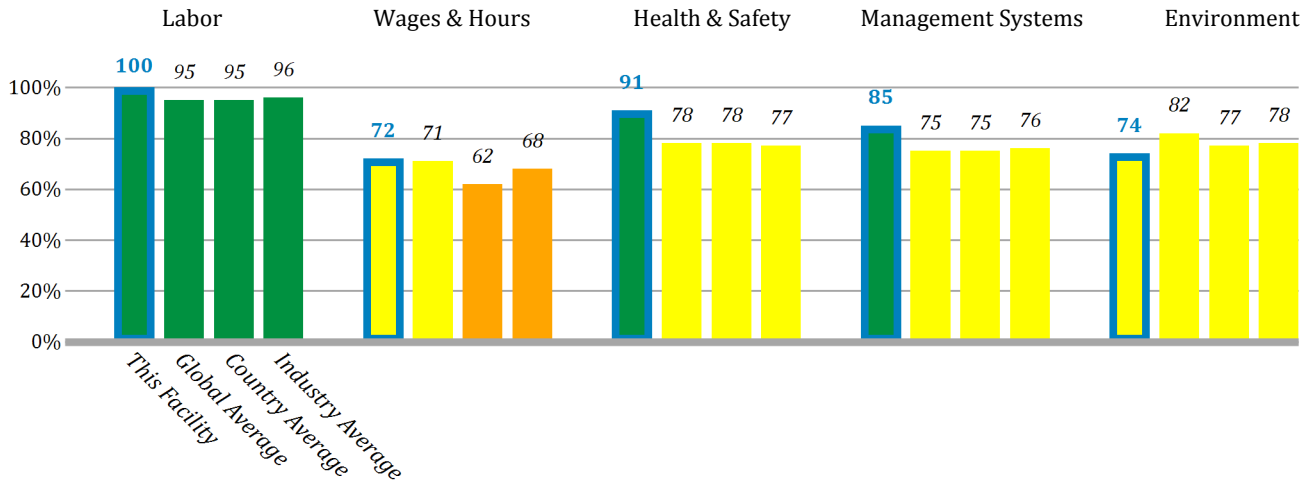
Personnel records
Machine maintenance records
Production records
Employment contracts
Social insurance documentation
Infirmary logs

Health examination records
Security log book
Non-Production records
Legal Permits
Employee leave register
Young worker registration

B. KEY PERFORMANCE METRICS

B1. COMPARISON BENCHMARK

Current performance — Global average, China average, Housewares average

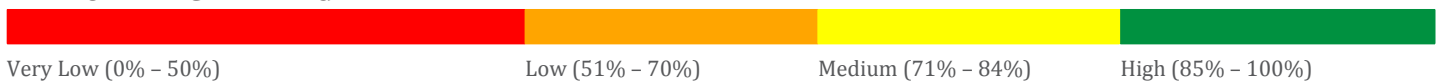


B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (13-Nov-2019)	Last (27-Aug-2018)	First (14-Jul-2016)	Change (Current-Last)	Change (Current-First)
Labor	100	100	100	0 % ■	0 % ■
Wages & Hours	72	72	74	0 % ■	-2 % ▼
Health & Safety	91	92	77	-1 % ▼	18 % ▲
Management Systems	85	85	77	0 % ■	10 % ▲
Environment	74	100	100	-26 % ▼	-26 % ▼
Overall Score	87	90	82	-3 % ▼	6 % ▲

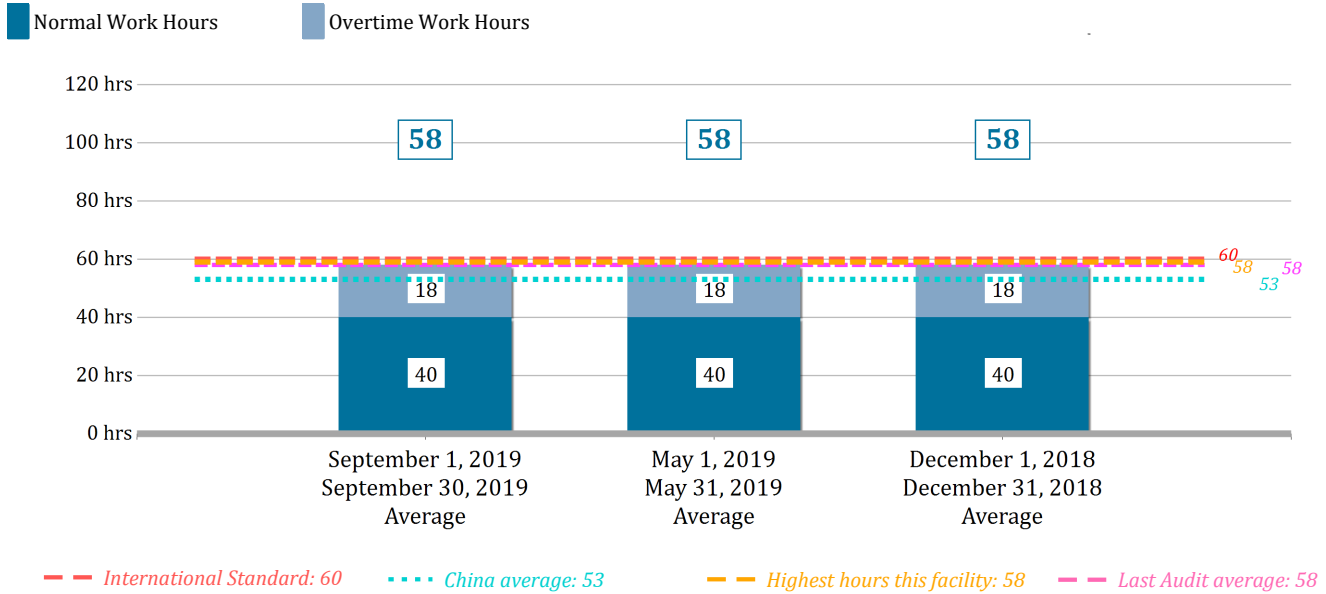
▲ Advancers ■ Constant ▼ Decliner

PERFORMANCE RATING

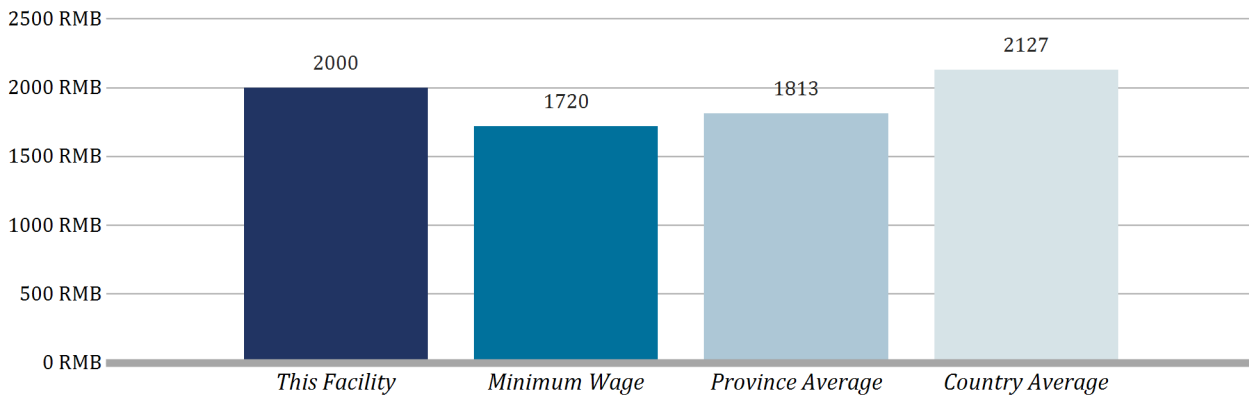


B3. WORKING HOURS AND WAGES

Average total hours worked weekly



Average wages paid in local currency (RMB)

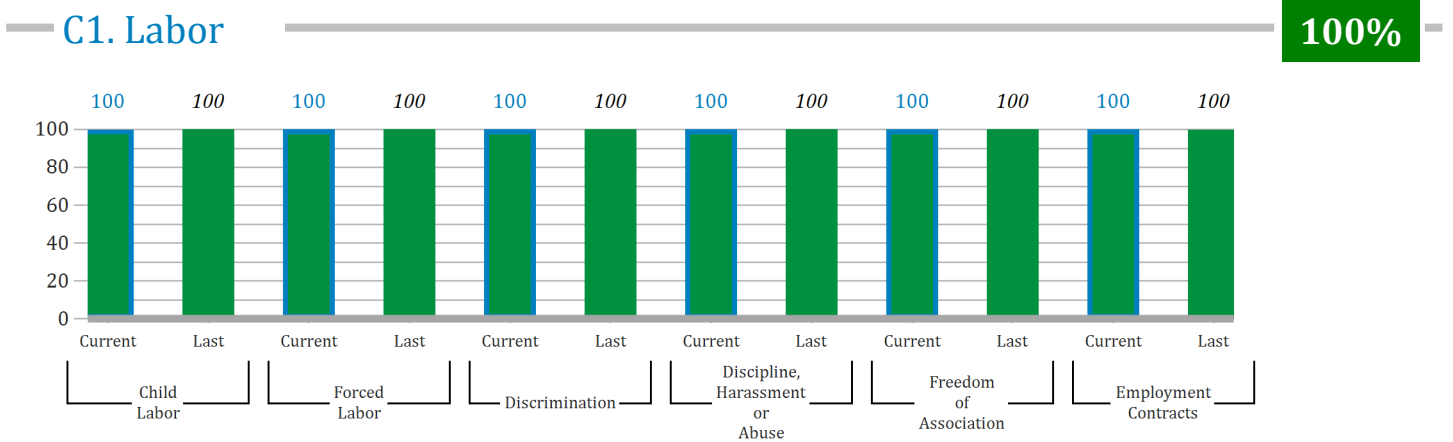


Special wage circumstances: The local minimum wage standard is RMB 1510 per month equivalent to RMB 8.68 (1510/21.75/8) per hour from May 1, 2015 to June 30, 2018, and RMB 1720 per month equivalent to RMB 9.89 (1720/21.75/8) per hour since July 1, 2018.

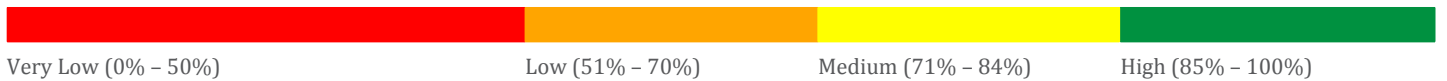
Wages and hours summary: Employees in this facility were paid on hourly rate basis and wages were paid by cash on 30th of each month, Facility implemented fingerprint attendance system for the time keeping. The local minimum wage standard was set at RMB 1720 per month equivalent to RMB 9.89 (1720/21.75/8) per hour since July 1, 2018. Based on the samples, all employees were paid above local minimum wage standard, and overtime wages to employees were sufficient. The normal working hours in this facility were 8 hours a day and 40 hours a week; from the samples the monthly overtime hours of 4 out of 4 randomly selected employees were 72 hours in September 2019 (current month), the monthly overtime hours of 3 out of 3 randomly selected employees were 76 hours in May 2019 (random month), the monthly overtime hours of 3 out of 3 randomly selected employees were 82 hours in December 2018 (random month). Employees were provided one day off every 7 days. Employees in this facility could enjoy annual leave, maternity leave, and statutory holiday as per the law, but only 6 out of 32 employees participated in social insurance. Production records, such as Daily Production Records, QC Records, and Material Delivery Records from October 2018 to October 2019 were provided for reviewed, no inconsistency was found.

C. PERFORMANCE DETAILS

Current (13-Nov-2019) Last (27-Aug-2018)

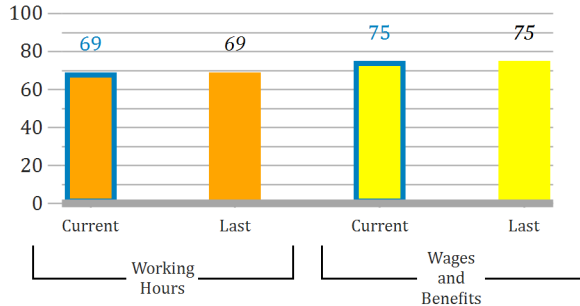


PERFORMANCE RATING



C2. Wages & Hours

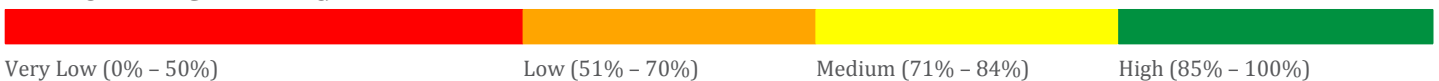
72%



Sub Section: Working Hours

Status	Findings	% Global freq of compliance
● Moderate	<p>122.00 : Total overtime hours exceeds allowable limits under applicable law or agreement.</p> <p>Auditor's comment Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 4 out of 4 randomly selected employees were 72 hours in September 2019 (current month), the monthly overtime hours of 3 out of 3 randomly selected employees were 76 hours in May 2019 (random month), the monthly overtime hours of 3 out of 3 randomly selected employees were 82 hours in December 2018 (random month).</p> <p>People's Republic of China Labor Law Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in month shall not exceed 36 hours.</p>	47%

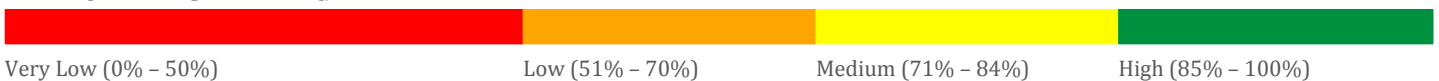
PERFORMANCE RATING



Sub Section: Wages and Benefits

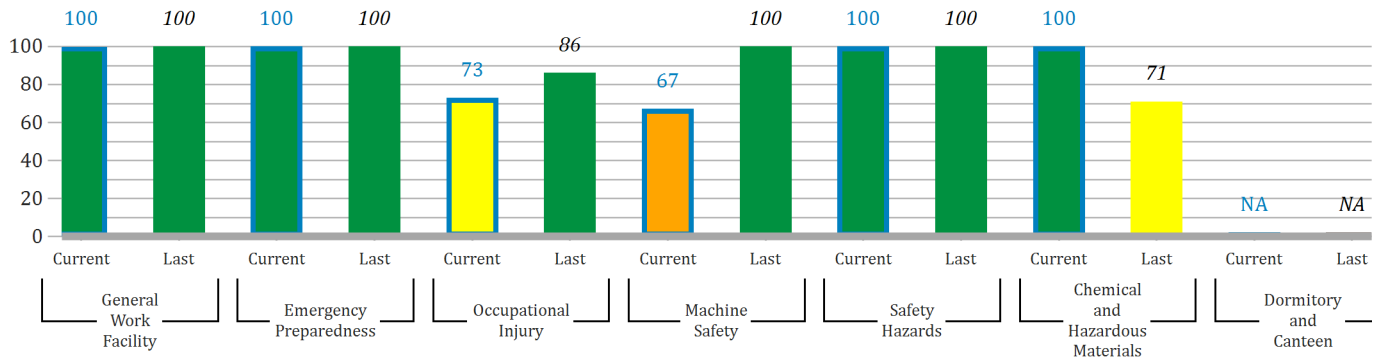
Status	Findings	% Global freq of compliance
● Moderate	<p>150.00 : The facility does not provide social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.</p> <p>Auditor's comment Insufficient social insurance participated. Through document review, auditor found that only 6 out of 32 employees had participated in basic endowment insurance, employment injury insurance, basic medical insurance, unemployment insurance and maternity insurance.</p> <p>Social Insurance Law of the People's Republic of China Article 33 Employees shall participate in employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees.</p> <p>Social Insurance Law of the People's Republic of China Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.</p> <p>Social Insurance Law of the People's Republic of China Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees.</p> <p>Social Insurance Law of the People's Republic of China Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state.</p> <p>Social Insurance Law of the People's Republic of China Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state.</p>	58%

PERFORMANCE RATING



C3. Health & Safety

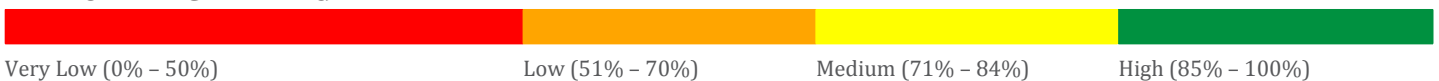
91%



Sub Section: Occupational Injury

Status	Findings	% Global freq of compliance
● Minor	<p>211.00 : The facility does not conduct and/ or pay for regular occupational health examinations for employees when applicable</p> <p>Auditor's comment No occupational health examination was provided to employees engaged in post with occupational disease hazards. During facility tour, auditor found that there were 10 employees were working in moulding and polishing workshop contact with noise and dust. However, no periodic occupational health examination reports which required by law for those 10 employees for review.</p> <p>PRC Law of Prevention and Control of Occupational Diseases Article 35 The employer shall conduct regular occupational health examination for those labourers who are engaged in works with occupational hazard(s) as required by the public health administrative department under the State Council. The occupational health examination shall be conducted before labourers start to take the post, in the course of the work and after leave the post and the employer shall provide the results of the occupational health examinations to labourers in written. The expenses of the occupational health examination shall be borne by employers. The employer shall not arrange labourers to engage in the work with occupational hazard(s) prior to the pre-post occupational health examination, or labourers with any occupational prohibition to engage in the prohibited work from them. Once the occupational health examination indicates that employee is suffering from the occupational damage in relation to his or her occupation, the employer shall transfer such a labourer out of his or her original post, and allocate him or her in a proper way. The employer shall not rescind or terminate the labour contracts signed with those employees without the occupational health examination at time of leaving the post. The occupational health examination shall be undertaken by the Medical and Health Institutions with Practicing Licence of Medical Institution. The Health Administrative Department shall strengthen the standardization management of occupational health examination. The specific administrative measures shall be formulated by the Health Administrative Department of State Council.</p>	73%

PERFORMANCE RATING



Sub Section: Occupational Injury

Status	Findings	% Global freq of compliance
● Minor	<p>213.00 : The facility does not apply for testing of factors of occupational hazards at least once a year and the report kept for review</p> <p>Auditor's comment The facility did not conduct evaluation on occupational hazard factors. During facility tour, auditor found that hazardous factors such as dust and noise existed in wood cutting and polishing workshops. However, the facility could not provide evaluation report of occupational hazardous factors for review.</p> <p>Provisions on the Supervision and Administration of Workplace Occupational Health Article 20</p> <p>An employing entity with occupational hazards shall entrust an occupational health technical service agency with corresponding qualification to conduct evaluation on occupational hazard factors at least once every year. An employing entity with severe occupational hazards shall, in addition to the above requirement, entrusts an occupational health technical service agency with corresponding qualification to conduct assessment on occupational hazard status at least once every three years. The results of the evaluation and assessment shall be kept in archive, reported to local administration department of work safety, and announced to the workers.</p>	77%

Sub Section: Machine Safety

Status	Findings	% Global freq of compliance
● Moderate	<p>223.00 : Points of operation and other potentially dangerous parts are not operated with proper machine safeguards</p> <p>Auditor's comment Machines without protective devices. During facility tour, auditor found that no belt guard was installed for rolling part of the gear grinder machine located at polishing workshop.</p> <p>National safety technical code for electric equipments-GB19517-2009 2.3 Protection from dangerous machinery</p> <p>2.3.3 Adequate measures shall be implemented to prevent anyone from touching or getting close to dangerous moving parts while the electric equipment is in normal operation, to prevent metal craps and dust from flying off, to prevent liquid and gas from overflowing, and to avoid extremely high or low temperature of the equipment's outside.</p>	84%

Sub Section: Chemical and Hazardous Materials

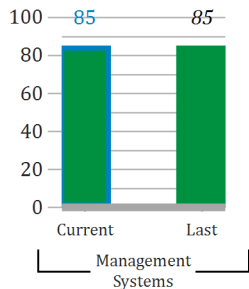
Status	Findings	% Global freq of compliance
● Corrected	<p>249.00 : <i>Previous Non-Compliance</i> : Chemicals or materials are not labeled as per label instructions/ MSDS</p>	89%

PERFORMANCE RATING



C4. Management Systems

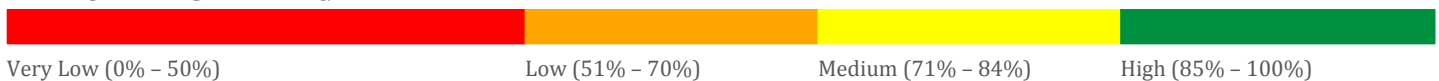
85%



Sub Section: Management Systems

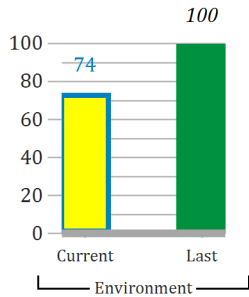
Status	Findings	% Global freq of compliance
● Corrected	293.05 : Previous Non-Compliance : The facility's written social compliance policy is not made publicly available Auditor's comment The facility had posted on the bulletin board at the gate of the factory that the commitment, target and the determination of the continuous improvement on social responsibilities, and equipped with a suggestion box to welcome mutual supervision and give improvement Suggestions.	90%
● Minor	296.04 : The facility has comprehensive working hour and wages management processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented Auditor's comment Findings about working hours and wages were found during this audit, please refer to related section for details.	48%
● Minor	296.07 : The facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented Auditor's comment Findings about health and safety were found during this audit, please refer to related section for details.	51%
● Minor	296.08 : The facility's written manual for processes and procedures includes a machine safety procedure but they are not all being properly implemented Auditor's comment Findings about health and safety were found during this audit, please refer to related section for details.	79%
● Corrected	296.09 : Previous Non-Compliance : The facility has comprehensive chemicals management processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented	73%
● Minor	305.00 : The facility does not provide appropriate training for managers on how to implement its social compliance policies and procedures. Auditor's comment No qualification certificate for the principal in charge and persons for the management of work safety in the facility. During document review, auditor found that the facility could not provide the qualification certificate of the principal in charge and persons for the management of work safety for review.	70%

PERFORMANCE RATING



C5. Environment

74%



Sub Section: Environment

Status	Findings	% Global freq of compliance
● Moderate	<p>332.00 : The air emissions do not meet the discharge limits for regulated constituents</p> <p>Auditor's comment The facility did not perform monitoring tests for pollutants. During facility tour, auditor found that the waste gas was generated from polishing. However, the facility could not provide monitoring report of waste gas for review.</p> <p>Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution Article 18</p> <p>When a construction project that is going to be built will have an impact on atmospheric environment, enterprises, public institutions, and other production and business entities shall conduct environmental impact assessments and publicize the documents on environmental impact assessment according to the law; when discharging pollutants to the atmosphere, they shall conform to the atmospheric pollutant discharge standards and comply with the requirements of total emission volume control for the discharge of key atmospheric pollutants.</p>	87%

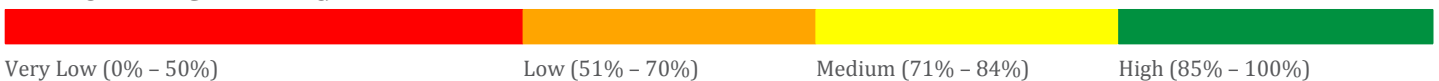
% Global Frequency of Compliance: Represents the implementation percentage performance of all suppliers participating in the WCA Community globally for each issue

Identification numbers: Represents the finding ID associated with each checklist question

RECOMMENDATION FOR IMPROVEMENT PLAN TIMELINE

- Minor Take action within 0 ~ 6 months to make necessary improvements.
- Moderate: Take action within 0 ~ 3 months to make necessary improvements.
- Major : Take action within 0 ~ 1 month to make necessary improvements.
- Zero Tolerance: Take immediate action to make necessary improvements.

PERFORMANCE RATING



D. STRENGTHS AND CHALLENGES

Facility Strengths: Facility performance ranks in the top percentile of the population and/or has implemented a best practice process	Rating	Global Freq. of Compliance%
Challenges: Facility performance ranks in the bottom percentile of the population		
The air emissions do not meet the discharge limits for regulated constituents	Moderate	87%
Points of operation and other potentially dangerous parts are not operated with proper machine safeguards	Moderate	84%
The facility's written manual for processes and procedures includes a machine safety procedure but they are not all being properly implemented	Minor	79%
The facility does not apply for testing of factors of occupational hazards at least once a year and the report kept for review	Minor	77%
The facility does not conduct and/ or pay for regular occupational health examinations for employees when applicable	Minor	73%
The facility does not provide appropriate training for managers on how to implement its social compliance policies and procedures.	Minor	70%

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