

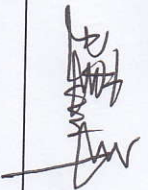
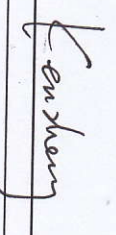
# ON-SITE AUDIT REPORT

Request Number: 3342079		Audit Firm: Intertek Testing Service		Fty. Business License#: 331082000017059	
Supplier ID.:	28086900	Fty. ID.	28088106		
Supplier Name in English:	RODEO IMPORT. S. A		Fty. Name in English:	Linhai Jimnuo Craftwork Co., Ltd.	
		Fty. Local Language Name:	临海市金诺工艺品有限公司		
Supplier Name in Local Language:	NA	Fty. Local Language Address:	浙江临海市临海江南开发区汇丰北路 128 号		
Supplier Email:	NA		Fty. Email:	2575791671@qq.com	
Supplier Tel:	NA		Fty. Tel:	86-576-85179288	
Supplier Fax:	NA		Fty. Fax:	86-576-85178266	
Audit Type	Requ est#	Audit Date (m/d/y)	Time-in	Time-out	Auditors
Initial-Reactivation	3342079	November 21, 2013	9:30	16:30	Ken Zheng
					Mr. Wang Chaohui
					General Manager
Signature of Factory. Rep.					

Verified, signed & chopped by supplier /factory representative:

Auditor's Name(Print): Ken Zheng

Auditor's Signature:



## ON-SITE AUDIT REPORT

### Notes:

ES team will notify supplier / the factory audit result. Factory management should check the audit result with its WM supplier.

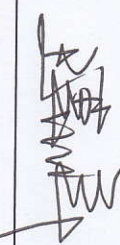
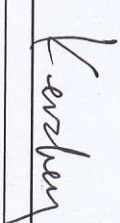
1. When a factory receives a total of 3 Orange assessments within 2 years from the last audit date, the factory is placed into Disapproved Status. These assessments could be consecutive and/or combination of 3 Orange assessments. The following condition(s) will put a factory at **Disapproved status** with
  - NO shipment allowed
  - All orders cancelled
  - The factory is not allowed to receive new orders for at least one year from last audit date
2. Access Denied to full or part of factory and/or dormitory and/or interviews and/or document will result in "Access Denied". Please note the areas for audit is based on the factory business license. The following condition(s) will put a factory at "Access Denied" status with:
  - NO shipment allowed
  - All orders cancelled
3. A Red Failed assessment will result in the factory being banned and will never be used by any supplier for Wal-Mart Stores, Inc. (Walmart) production. A Red Failed assessment will result in **supplier getting a strike**.

This report is used to summarize the audit findings and recommendations that both the auditor and the supplier/factory representative(s) agreed upon to ensure conformity with the respective country laws & Walmart requirements. During the closing meeting, Walmart auditor will explain the findings and it is supplier/factory representatives' responsibility to provide evidence or comments on the report if there is any discrepancies arise. Both parties must sign the report after the closing meeting. The supplier / factory will be given a copy of this report after the audit.

Supplier / Factory' Management Representative Commitment

I, \_\_\_\_\_ FACTORY MANAGER thereby agree to the above audit findings and is committed to take the necessary action(s) to improve on the violations. Failing which will result in repeated violations noted in the next On-Site Report thus aggravates the next assessment result.

Verified, signed & chopped by supplier /factory representative:

	<p>Auditor's Name(Print): Ken Zheng</p> <p>Auditor's Signature: </p>
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## ON-SITE AUDIT REPORT

## BENEFITS

## 3) MEDICAL CHECK UP / INSUFFICIENT INSURANCE COVERAGE

ANSWER: 是/ YES

## COMMENTS:

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

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

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

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

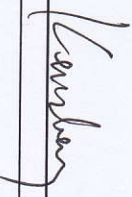
In addition, in accordance with the Wal-Mart Standards for Suppliers: Compensation Suppliers must compensate all workers with wages, overtime premiums, and benefits that meet or exceed legal standards or collective agreements, whichever are higher. Suppliers are encouraged to provide wages that meet local industry standards. Suppliers are encouraged to provide wages and benefits that are sufficient to meet workers' basic needs and provide some discretionary income for workers

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## ON-SITE AUDIT REPORT



and their families.

It was noted that all 6 employees in dyeing department had not ever conducted occupational health examination since they have joined the facility.

To conform to the PRC Law of Prevention and Control of Occupational Diseases article 36 and Wal-Mart Standards for Suppliers, the facility shall conduct regular occupational health examination for those laborers who are engaged in using or contacting noxious articles in their working process.

Violation source: Document review

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: January 21, 2014

而现在被审核方的所有染色员工（共6名）自从入厂后就没有做过职业健康体检。

为了符合《中华人民共和国职业病防治法》第三十六条和 Wal-Mart 供应商标准，建议被审核方应提供年度职业健康体检给使用接触职业病危害因素的员工。

3.2 In accordance with the PRC Labor Law article 72, employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. 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. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

In addition, in accordance with the Wal-Mart Standards for Suppliers: **Compensation** Suppliers must compensate all workers with wages, overtime premiums, and Verified, signed & chopped by supplier /factory representative:

Auditor's Name(Print): Ken Zheng

Auditor's Signature:

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## ON-SITE AUDIT REPORT



benefits that meet or exceed legal standards or collective agreements, whichever are higher. Suppliers are encouraged to provide wages that meet local industry standards. Suppliers are encouraged to provide wages and benefits that are sufficient to meet workers' basic needs and provide some discretionary income for workers and their families.

**It was noted that only 112 out of 187 employees had participated in retirement insurance, injury insurance, unemployment insurance and child-bearing insurance and all 187 employees had participated in disability caused by work-related injury or occupational disease insurance.**

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

Violation source: Document review

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: November 21, 2014

而发现被审核方总共 187 名员工中, 有 112 名参加了养老保险, 医疗保险, 生育保险以及失业保险。全部 187 名员工参加了工伤保险。

为了符合《中华人民共和国劳动法》第 72 条,《中华人民共和国社会保险法》第十条,第二十三条,第三十三条,第四十四条,第五十三条和 Wal-Mart 供应商标准, 建议被审核方应保证所有员工均参加全部五种社会保险。

## LABOR HOURS

4) NON COMPLIANCE WITH LABOR HOURS (REGULAR WORKING HOURS: DAILY, WEEKLY, MONTHLY / OVERTIME WORKING HOURS: DAILY, WEEKLY, MONTHLY)

Verified, signed & chopped by supplier /factory representative:

A handwritten signature in black ink, appearing to be "Zhang M".

Auditor's Name(Print): Ken Zheng

Auditor's Signature:

A handwritten signature in black ink, appearing to be "Ken Zheng".



## ON-SITE AUDIT REPORT

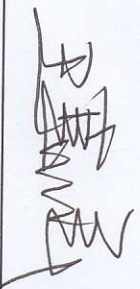
4.1 In accordance with the PRC Labor Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is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

In addition, in accordance with the Wal-Mart Standards for Suppliers: **Labor Hours** Suppliers must provide workers with rest days and must ensure that working hours are consistent with the law and not excessive.

It was noted that:

- 1) In September 2013 (peak month), the monthly overtime of all 3 randomly selected employees (2 from dyeing workshop and 1 from packing workshop) were 68 hours;
  - 2) In August 2013 (peak month), the monthly overtime of all 3 randomly selected employees (1 from dyeing workshop and 2 from packing workshop) were 66 hours;
  - 3) In May 2013 (peak month), the monthly overtime of all 3 randomly selected employees (2 from dyeing workshop and 1 from packing workshop) were 72 hours;
- a) A from Packing workshop, (September 2013) the maximum numbers of working hours (Regular Working Hours + Overtime Hours) in a week = 40 + 18 (Regular + OT) = 58 hrs/week (maximum); the maximum working hours (Regular Working Hours + Overtime Hours) per day = 8 + 2 (Regular + OT) = 10 hrs/day (maximum); the maximum overtime hours in a month = 68 hrs/ month (maximum)
  - b) B from Dyeing workshop, (August 2013) the maximum numbers of working hours (Regular Working Hours + Overtime Hours) in a week = 40 + 18 (Regular + OT) = 58 hrs/week (maximum); the maximum working hours (Regular Working Hours + Overtime Hours) per day = 8 + 2 (Regular + OT) = 10 hrs/day (maximum); the maximum overtime hours in a month = 66 hrs/ month (maximum)

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## ON-SITE AUDIT REPORT



- c) C from Dyeing workshop, (May 2013) the maximum numbers of working hours (Regular Working Hours + Overtime Hours) in a week = 40 + 18 (Regular + OT) = 58 hrs/week (maximum); the maximum working hours (Regular Working Hours + Overtime Hours) per day = 8 + 2 (Regular + OT) = 10 hrs/day (maximum); the maximum overtime hours in a month = 72 hrs/ month (maximum)

To conform to the PRC Labor Law article 41 and Wal-Mart Standards for Suppliers, the facility should reduce the overtime hours to ensure it is within 36 hours per month.

Violation Source: Document review

Remark:

Management comment

- 1) What is the reason of this finding? Peak months so the facility busy to work for orders
  - 2) How many employs were affected by this issue? 100%
  - 3) How to correct this problem? Extending the production capable
  - 4) When this problem can be corrected? November 21, 2013
- Employees have no comment for the above questions.

审核发现

- 1) 在 2013 年 9 月 (旺季月), 随机抽取的所有 3 名员工 (2 名来自染色车间和 1 名来自包装车间) 月加班均为 68 小时。
- 2) 在 2013 年 8 月 (旺季月), 随机抽取的所有 3 名员工 (1 名来自染色车间和 2 名来自包装车间) 月加班均为 66 小时。
- 3) 在 2013 年 5 月 (旺季月), 随机抽取的所有 3 名员工 (2 名来自染色车间和 1 名来自包装车间) 月加班均为 72 小时。

为了符合《中华人民共和国劳动法》第 41 条和 Wal-Mart 供应商标准, 建议被审核方应减少员工的加班时间确保每月的加班时间不超过 36 小时。

Verified, signed & chopped by supplier /factory representative:

Auditor's Name(Print): Ken Zheng

Auditor's Signature:



## ON-SITE AUDIT REPORT

### EMPLOYMENT PRACTICES

#### 1) INCOMPLETE DOCUMENTATION TO REFLECT HIRING PROCESS

ANSWER: 是/ YES

#### COMMENTS:

1. In accordance with the Regulations on Implementation of the PRC Employment Contract Law article 8, the staff roster as mentioned in Article 7 of the PRC Employment Contract Law should contain such employee information including name, sex, identity card number, registered permanent residence and current residence, contact information, form of employment, starting time of employment and length of labor contract.

In addition, in accordance with the Wal-Mart Standards for Suppliers: **Hiring and Employment Practices** Suppliers must implement hiring practices that accurately verify workers' age and legal right to work in the country prior to employment. All terms and conditions of employment including, but not limited to, hiring, pay, training, promotion, termination, and retirement must be based on an individual's ability and willingness to do the job.

**It was noted that the employee roster provided by facility did not include the information of current residence, form of employment and length of labor contract.**

To conform to the Regulations on Implementation of the PRC Employment Contract Law article 8 and Wal-Mart Standards for Suppliers, facility should prepare a complete employee roster according to the regulation for reference.

Violation Source: Document review

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: December 21, 2013

而发现被审核方建立的职工名册没有包含用现住址,用工形式和劳动合同期限的内容。

Verified, signed & chopped by supplier /factory representative:

Auditor's Name(Print): Ken Zheng

Auditor's Signature:



## ON-SITE AUDIT REPORT

为了符合《中华人民共和国劳动合同法实施条例》第8条之规定和 Wal-Mart 供应商标准,建议被审核方应按规定建立完整的职工名册以备查验。

### ACCIDENT /FIRST AID PROGRAM

1) NO FIRST AID PROGRAM AND/OR AIDS PROGRAM

ANSWER: 是/ YES

COMMENTS:

1.1 No local law applies.

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

It was noted that

- 1) There were no AIDS programs provided to the employees and did not post it on site in the facility.
- 2) It was noted that there was no procedure for determining whether employees are fit return to work after injury provided to the employees in the facility.

To conform to Wal-Mart Standards for Supplier, the facility should 1) provide first aid program to the employees and post it on site in the facility. 2) set up AIDS programs and post it on site in the facility 3) set up procedure for determining if employees are fit to return to work.

Violation source: Document review and facility tour

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.


Agreed deadline for correction: December 21, 2013

- 1) 被审核方没有制定 AIDS 相关程序,也未在现场进行张贴。
- 2) 被审核方没有制定相关的程序来确定员工工伤或者离岗一段时间后是否适合返回原工作岗位。

Verified, signed & chopped by supplier /factory representative:

Auditor's Name(Print): Ken Zheng

Auditor's Signature:





## ON-SITE AUDIT REPORT

为了符合 Wal-Mart 供应商标准，建议被审核方 1) 建议被审核方制定 AIDS 程序，并张贴在现场 2) 制定相关员工工伤或者离岗一段时间后是否适合返回原工作岗位的相关制度。

### ENVIRONMENT – WASTE MANAGEMENT

#### 6) NO WASTE INVENTORY AND TRACKING SYSTEM

ANSWER: 是/ YES

COMMENTS:

6.1 No local law applies

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

**It was noted that the facility did not have dangerous waste management procedures or documents and no any waste tracking record.**

To conform to Wal-Mart Standards for Suppliers, the facility should establish dangerous waste management procedures and tracking system and provide reference document for review.

Violation source: Document review and management review

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: December 21, 2013

Verified, signed & chopped by supplier /factory representative:

Auditor's Name(Print): Ken Zheng

Auditor's Signature:



## ON-SITE AUDIT REPORT

审核中发现被审核方没能提供内部废弃物管理程序或者文件，也没有废弃物的相关记录。

为了符合 Wal-Mart 供应商标准，被审核方应建立内部废弃物管理程序或者文件并提供相关记录。

### ENVIRONMENT – WASTEWATER & EFFLUENTS MANAGEMENT

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

ANSWER: 是/ YES

COMMENTS:

4.1 No local law applies.

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

**It was noted that the facility could not provide drain pipe network plan for review.**

To conform to the Wal-Mart Standards for Suppliers, the facility should provide drain pipe network plan for review and collect the rainwater.

Violation source: Document review and facility tour

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: December 21, 2013

审核中发现被审核方无法提供管网图供审核。

为了符合 Wal-Mart 供应商标准，被审核方应提供管网图供审核。

Verified, signed & chopped by supplier /factory representative:

Auditor's Name(Print): Ken Zheng

Auditor's Signature:



## ON-SITE AUDIT REPORT

### ENVIRONMENT – AIR EMISSIONS MANAGEMENT

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

ANSWER: 是/ YES

COMMENTS:

8.1 No local law applies.

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

It was noted that the facility did not provide its ODS (Ozone Depleting Substances) inventory for review.

To conform to the Wal-Mart standards for suppliers, the facility should provide its ODS (Ozone Depleting Substances) inventory for review.

Violation Source: Document review and facility tour

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: December 21, 2013

而发现被审核方没有提供其所有破坏臭氧物质排放源清单。

为了符合 Wal-Mart 供应商标准, 建议被审核方建立完整的 ODS 物质目录以备审核。

Verified, signed & chopped by supplier /factory representative:

Auditor's Name(Print): Ken Zheng

Auditor's Signature:



## ON-SITE AUDIT REPORT

### ENVIRONMENT – WATER MANAGEMENT

2) INVENTORY OF WATER USE AND CONSUMPTION NOT MONITORED AND DOCUMENTED (E.G. WATER METERS NOT INSTALLED OR OUT OF ORDER, WATER DATA NOT COLLECTED, ETC.)

ANSWER: 是/ YES

COMMENTS:

2.1 In accordance with the People's Republic of China Circular Economy Promotion Law Article 20, Industrial enterprises shall adopt advanced or proper water-saving technologies, processes and equipment, set forth and implement water-saving plan, enhance water-saving management and make complete control of water consumption in production. Industrial enterprises shall enhance their quantitative management of water consumption, equip with and use acceptable water volume measuring devices and establish a water consumption statistics system and a water use analysis system. A new, reconstruction or expansion project shall have water-saving facilities. Such water-saving facilities shall be designed, built and used at the same time with the principal part of the project. The state encourages and supports coastal areas to conduct seawater desalination and direct use of seawater to save fresh water.

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

**It was noted that the facility did not provide its inventory of water use and monitoring records of consumption.**

To conform to the People's Republic of China Circular Economy Promotion Law Article 20 and Wal-Mart standards for suppliers, the facility should provide its inventory of water use and monitoring records of consumption for review.

Violation Source: Document review

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.  
Agreed deadline for correction: December 21, 2013

Verified, signed & chopped by supplier /factory representative:



Auditor's Name(Print): Ken Zheng

Auditor's Signature:





## ON-SITE AUDIT REPORT

审核中发现被审核方没有建立用水制度，没有用水统计表。

为了符合《中华人民共和国循环经济促进法》第二十条和 Wal-Mart 供应商标准，建议被审核方准备相关的用水清单和耗水统计记录以备审核。

### ENVIRONMENT – ENERGY USE AND GHG (GREENHOUSE GAS) MANAGEMENT

1) MONITORING OF ENERGY CONSUMPTION, INCLUDING FUEL USE FOR TRANSPORTATION INSIDE FACTORY: (E.G. ENERGY METERS NOT INSTALLED OR OUT OF ORDER, ENERGY DATA NOT COLLECTED, NO INVENTORY OF ENERGY USE, ETC...)

ANSWER: 是/ YES

COMMENTS:

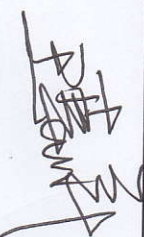
1.1 In accordance with Energy Conservation Law of the People's Republic of China Article 27 Energy-consuming entities should strengthen management of energy use measurement, purchasing and using measurement instruments that have passed the statutory review according to law. Energy-consuming entities should establish systems of analysis system on energy consumption statistics and energy utilization, measure and collect statistics on the consumption of different kinds of energy resources according to classification and ensure the truthfulness and integrity of the statistical data.

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

**It was noted that the facility did not establish the power use statistical system and not provide its monitoring records of energy consumption.**

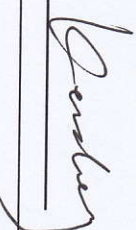
To conform to Energy Conservation Law of the People's Republic of China Article 27 and the Wal-Mart Standards for Suppliers, the facility should establish the power use statistical system and provide its monitoring records of energy consumption.

Verified, signed & chopped by supplier /factory representative:



Auditor's Name(Print): Ken Zheng

Auditor's Signature:





## ON-SITE AUDIT REPORT



Violation Source: Document review

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: December 21, 2013

审核中发现被审核方没有建立能源统计制度，没有能源统计表。

为了符合《中华人民共和国节约能源法》第二十七条和 Wal-Mart 供应商标准，被审核方应提供建立能源统计制度，以及能源统计表。

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

**ANSWER: 是/ YES**

**COMMENTS:**

2.1 No local law applies.

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

**It was noted that the facility did not provide its GHG emissions inventory (direct and indirect/related to energy consumption) for review and did not calculate the emission quantity of GHG.**

To conform to the Wal-Mart standards for suppliers, the facility should provide its GHG emissions inventory for review.


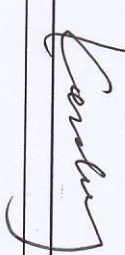
Violation Source: Document review

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Verified, signed & chopped by supplier /factory representative:

Auditor's Name(Print): Ken Zheng

Auditor's Signature:



## ON-SITE AUDIT REPORT

Agreed deadline for correction: December 21, 2013

审核中发现被审核方没有建立 GHG 排放源盘查清册，也没有计算其排放量。

为了符合 Wal-Mart 供应商标准，建议被审核方建立 GHG 排放源盘查清册，并计算其排放量。

### ENVIRONMENT - MANAGEMENT SYSTEM

3) NO TRAINED MEMBER OF MANAGEMENT RESPONSIBLE FOR COORDINATION OF ENVIRONMENTAL MANAGEMENT ACTIVITIES  
ANSWER: 是 / YES

COMMENTS:

3.1 No local law applies

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

**It was noted that the environment specialist in the facility had not been trained or qualified.**

To conform to Wal-Mart Standards for Suppliers, the facility should arrange qualified or trained environment specialist.

Violation Source: Document review and Management interview

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: February 21, 2014

Verified, signed & chopped by supplier /factory representative:



Auditor's Name(Print): Ken Zheng

Auditor's Signature:





## ON-SITE AUDIT REPORT

审核中发现被审核方的环境专员未接受合格培训。

为了符合 Wal-Mart 供应商标准，被审核方应安排经过合格培训的环境专员负责相关事宜。

4) INADEQUATE ENVIRONMENTAL EMERGENCY PROTOCOL: (E.G. NO EMERGENCY PLAN, EMERGENCY TEAM NOT TRAINED IN ENVIRONMENTAL EMERGENCIES, REGULAR DRILLS NOT CONDUCTED, ETC.)

ANSWER: 是/ YES

COMMENTS:

4.1 No local law applies

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

**It was noted that the facility did not have environmental emergency response procedure and not conduct environmental emergency response drill.**

To conform to Wal-Mart Standards for Suppliers, the facility should establish environmental emergency response procedure and arrange environmental emergency response drill in the facility.

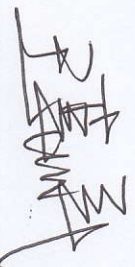
Violation Source: Document review and management interview

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: December 21, 2013

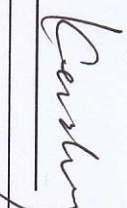
审核中发现被审核方无环境应急响应程序，也没有演习记录。

Verified, signed & chopped by supplier /factory representative:



Auditor's Name(Print): Ken Zheng

Auditor's Signature:





## ON-SITE AUDIT REPORT

为了符合 Wal-Mart 供应商标准，被审核方应提供建立环境应急响应程序，并进行相关演习。

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

ANSWER: 是/ YES

COMMENTS:

5.1 No local law applies

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

It was noted that the facility did not provide the environmental training records and training documents for review and no environmental training procedures was established.

To conform to the Wal-Mart Standards for Suppliers, the facility should establish the environmental training procedures and maintain the reference training documents and record for review.

Violation Source: Document review and Management interview

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: December 21, 2013

审核中发现被审核方没有提供环境相关培训程序，培训教材和培训记录。

为了符合 Wal-Mart 供应商标准，被审核方应建立相关培训程序，并保存培训教材和培训记录

Verified, signed & chopped by supplier /factory representative:

Auditor's Name(Print): Ken Zheng

Auditor's Signature:



## ON-SITE AUDIT REPORT



### EQUIPMENT SAFETY E/ MACHINE SAFETY

8) NO MACHINE SAFETY COMMITTEE.

ANSWER: 是/ YES

COMMENTS:

8.1 No local law applies

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

**It was noted that the facility did not establish machine safety committee.**

To conform to Wal-Mart Standards for Suppliers, the facility should establish machine safety committee.

Violation source: Document review

Management comments: The facility management agreed with the finding and would take corrective actions without any comments.

Agreed deadline for correction: December 21, 2013

审核发现被审核方没有成立机器安全委员会，且没有相关的组织结构图记录证明。

为了符合 Wal-Mart 供应商标准，建议被审核方应组织建立机器安全委员会。

Verified, signed & chopped by supplier /factory representative:

A handwritten signature in black ink, appearing to be "王强" (Wang Qiang), written over a horizontal line.

Auditor's Name(Print): Ken Zheng

Auditor's Signature:

A handwritten signature in black ink, appearing to be "Ken Zheng", written over a horizontal line.