

Workplace Conditions Assessment Report

Measured Results —Improved Performance



NINGHAI TONY STATIONERY CO., LTD.

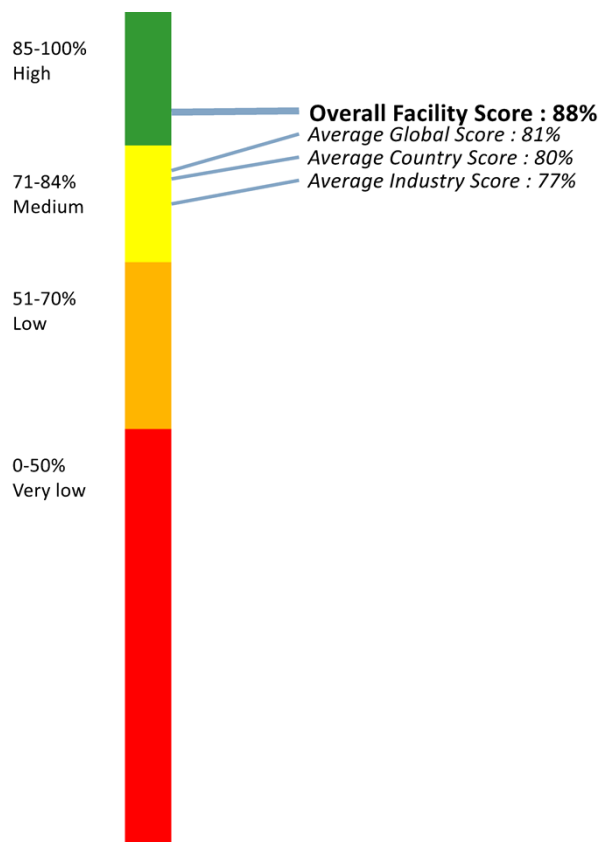
GENERAL INFORMATION

Overall Facility Score: 88%

Reg No:	F_IAR_181438	Country:	China
Audit Date:	16-Mar-2023	Assessment Stage:	Initial
Last Audit:	NA	Schedule Type:	Announced
Mandays:	1	Audit Firm:	Intertek

WORKPLACE PERFORMANCE INDEX AND SUMMARY

Participating facilities: 17285



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	No Score
Overall	88%	-	-	5	3	-
Labor	100%	-	-	-	-	-
Wages & Hours	74%	-	-	2	-	-
Health & Safety	89%	-	-	2	-	-
Management Systems	89%	-	-	-	3	-
Environment	81%	-	-	1	-	-

The Performance Index Bar is used to measure and benchmark the facility's score against the other population of audit results in the database using a common scoring algorithm

A. FACILITY PROFILE

A1. FACILITY INFORMATION

Facility Name:	Ninghai Tony Stationery Co., Ltd.	Facility Legal Status:	Private
Facility Legal Name:	Ninghai Dongni Stationery Co., Ltd.	Year facility began operations:	2018
Audit Location:	60# Development Zone, Changjie Town, Ninghai County, Ningbo City, Zhejiang Province, China.	Located in special economic zone:	No
City:	Ningbo	Person responsible for overall social compliance issues:	Ms. Li Mengni
Country:	China	Valid certificate for social compliance certification program:	Not Applicable
Contact Name:	Ms. Li Mengni	Vendor Name:	N/A
Contact Title:	Admin Manager		
Industry:	Other		
Service Providers:	Not Applicable		
Security systems in place:	CCTV carmeras were installed around the facility.		
Building Description:	The total floor area occupied by the facility was 11,800 square meters. In view of the facility, the facility consist of one 4-storey production and warehouse building and one 4-storey office and canteen building. The buildings was constructed by steel and reinforced concrete. No dormitory was available for employees.		
Special building type:	No special building type		

A2. PRODUCTION INFORMATION

Products manufactured / Services provided:	Plastic product	Time record system(s) used:	Others: Fingerprint systems
Production process/ Service elements:	Injection, printing. assembling and packing	Chemicals or hazardous materials on-site:	Yes The chemical used in the facility such as printing ink, etc
Production capacity a week:	500,000 sets	Current production/Services for client:	N/A
Total number of machines:	127 sets		
Main machine types:	Injection machine, printing machine and etc.		
Shifts and Operating hours:	Complex shift system All employees in injection workshop ran two shifts from 8:00 to 20:00 and from 20:00 to 8:00 (including two hours break and two hours overtime hour), all other employees ran one shift from 08:00 to 11:00 and from 12:00 to 17:00.		

A3. EMPLOYEE INFORMATION

Languages spoken in the facility : **Chinese**

NINGHAI TONY STATIONERY CO., LTD.

Employee nationalities/provinces :	There were 57 employees working in the audited facility at present. 39 employees were local employees from Zhejiang Province, 18 employees were domestic migrant employees from Anhui, Hubei, Shandong, Guizhou and Jiangxi provinces of China. No foreign migrant employee in the facility.	Management and employees speak same language :	Yes
<hr/>			
Union/Worker committee :	Not Applicable		
Hires through employment agent :	NA		
<hr/>			
Recruitment and hiring process :	All employees were hired by the facility directly, and no recruiting cost was required for the employees.		

Range	Female	Male	Homeworkers	Juveniles
51-100	41	16	0	0

	Permanent	Temporary	Agency	Total
Local	39	0	0	39
Migrant	18	0	0	18
Foreign	0	0	0	0
Total	57	0	0	57

A4. SUBCONTRACTOR INFORMATION

No subcontractor information given

A5. GENERAL INFORMATION

One auditor conducted this announced audit on a sampling basis in one day. Auditor arrived at the facility at about 09:10 on March 16, 2023. The purpose and procedure of the visit were explained to Ms. Li Mengni / Admin Manager and the audit was permitted immediately. An opening meeting was held with Ms. Li Mengni / Admin Manager and her management team. Auditors provided a brief description of the assessment process, scope and required documentation. Auditors had a factory tour in all areas in the facility with facility management accompany. Locked areas encountered during the audit were unlocked timely. Documentation requested for the review was provided. In general, facility representatives were receptive and cooperative during the whole audit. Though employee interview, all the interviewees were favorable with the management & facility environment and no negative information was raised. A closing meeting was held with the facility management, all findings were addressed. The facility management would have an internal meeting to follow up and necessary changes would be made in accordance. A CIR report was left to the facility management. No ZT finding or major finding was noted during this audit. Current status: 1. Labour: The facility had established a system to ensure no recruitment of child labour. All employees were hired by the Human Recourse Department of the facility. Employees' ID and photo would be checked. The employees without valid ID certificates should not be hired. Minimum working age of the facility was above 18 years old. 2. Management system: Though the facility had established all procedures about EHS, However, some findings were noted. 3. Environment: The facility had established an environmental management system. One senior manager was responsible for continuous improvements in their environmental performance. 4. Facility abides by all current State and Local Government regulations with respect to COVID-19. Social Distancing is Enforced, masks are required, employee/visitor temperature is taken upon entrance to the facility. Best practice: None.

A6. AUDIT PROCESS

Auditor Information

Auditors APSCA ID : **Primary: Daryl Chen**
ID#: 21700142

Auditors APSCA ID : **Secondary: NA**
ID#: NA

Audit pay period provided for review

Records	From	To
12	01-Feb-2022	31-Jan-2023
13	01-Feb-2022	15-Mar-2023

Employee interview sampling

Individual	6
Group	0
Total interviewed	6

Special Comments: **N/A**

Payroll and attendance records sampling

Period	From	To	Peak Season	Records Reviewed
Current Period	01-Jan-2023	31-Jan-2023	No	6
Period 2	01-Sep-2022	30-Sep-2022	No	3
Period 3	01-Jul-2022	31-Jul-2022	No	3
Total				12

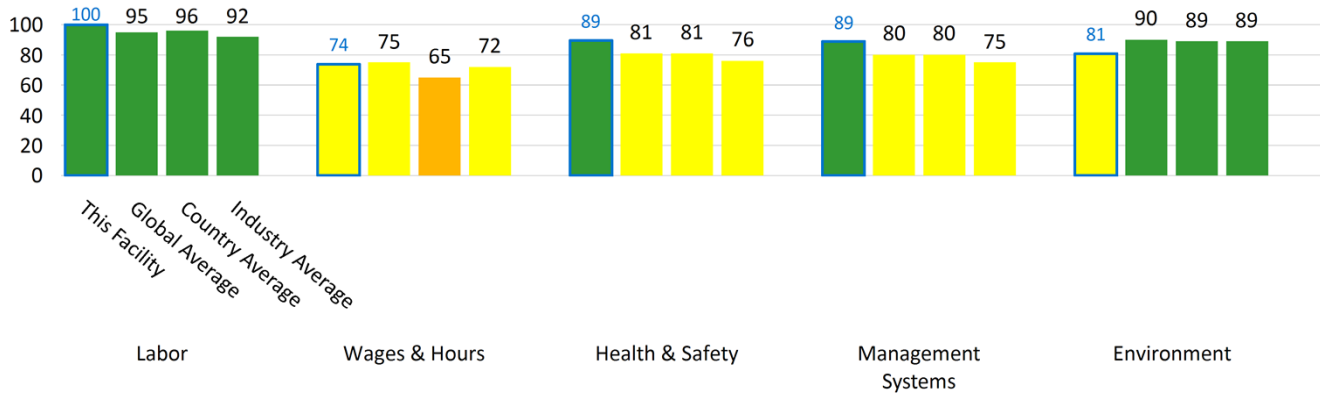
Other records reviewed

Personnel records	Production records
Non-Production records	Employment contracts
Legal Permits	Social insurance documentation
Employee leave register	Health examination records

B. KEY PERFORMANCE METRICS

B1. COMPARISON BENCHMARK

Current performance — Global average, China average, Other average



The Comparison Benchmark shows at a glance how this facility is performing in each category in comparison to all other facilities in the database globally, by country and/or industry using the same scoring algorithm.

B2. PERFORMANCE TREND ANALYSIS

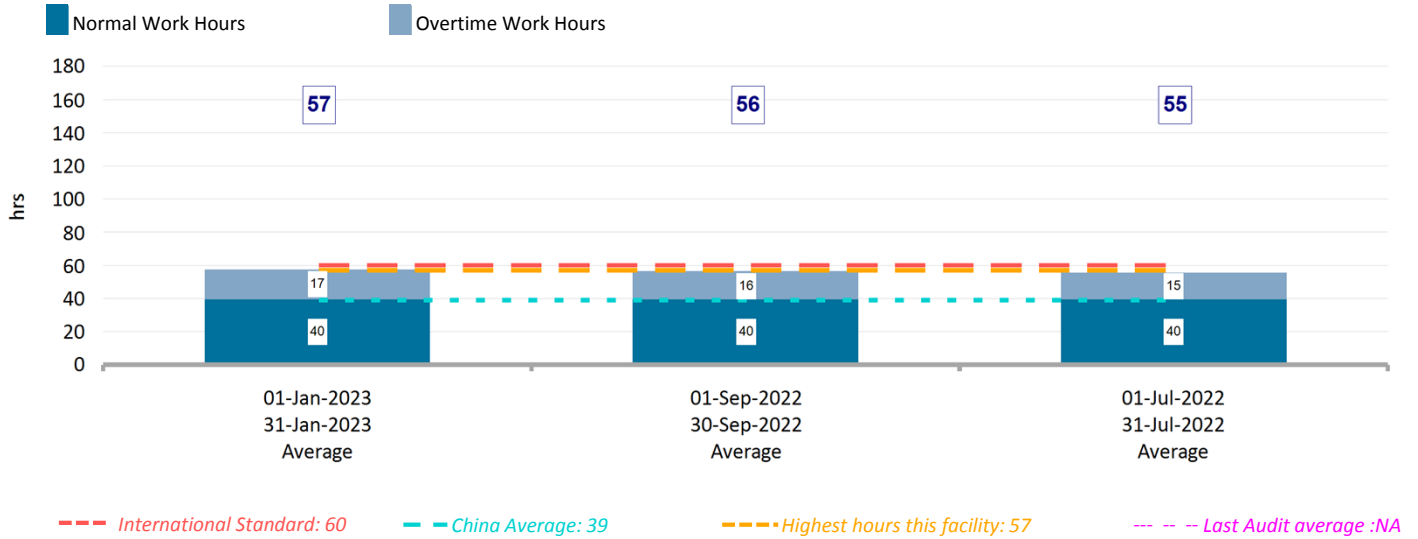
Section Name	Current (16-Mar-2023)	Last (NA)	First (NA)	Change (Current-Last)	Change (Current-First)
Labor	100	NA	NA	NA	NA
Wages & Hours	74	NA	NA	NA	NA
Health & Safety	89	NA	NA	NA	NA
Management Systems	89	NA	NA	NA	NA
Environment	81	NA	NA	NA	NA
Overall Score	88	NA	NA	NA	NA

▲ Advancers ■ Constant ▼ Decliner

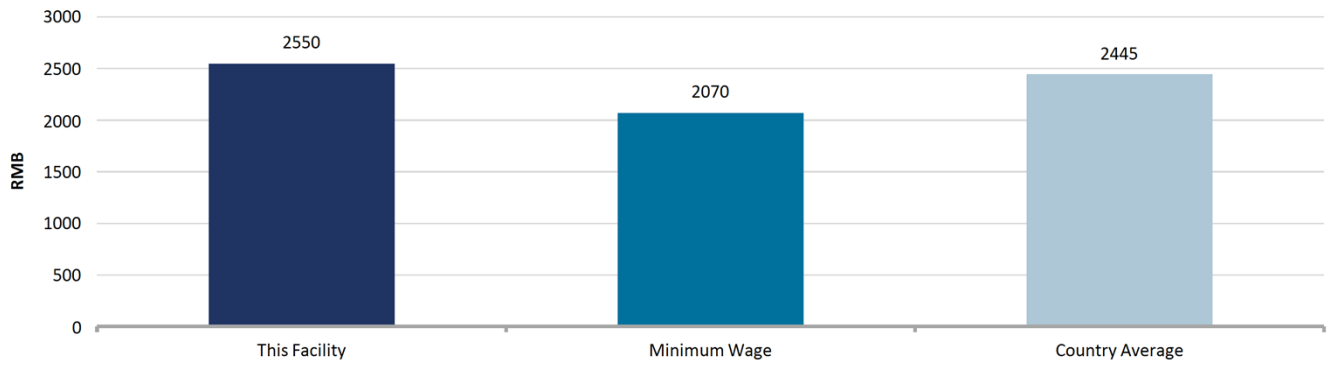
Showcase of the percentage of improvement (or decline) in performance over time for this facility. The current audit result is compared against the last audit completed at this same facility which is subsequently compared to the very first audit done at the facility.

B3. WORKING HOURS AND WAGES

Average total hours worked Weekly



Average wages paid in local currency (RMB)



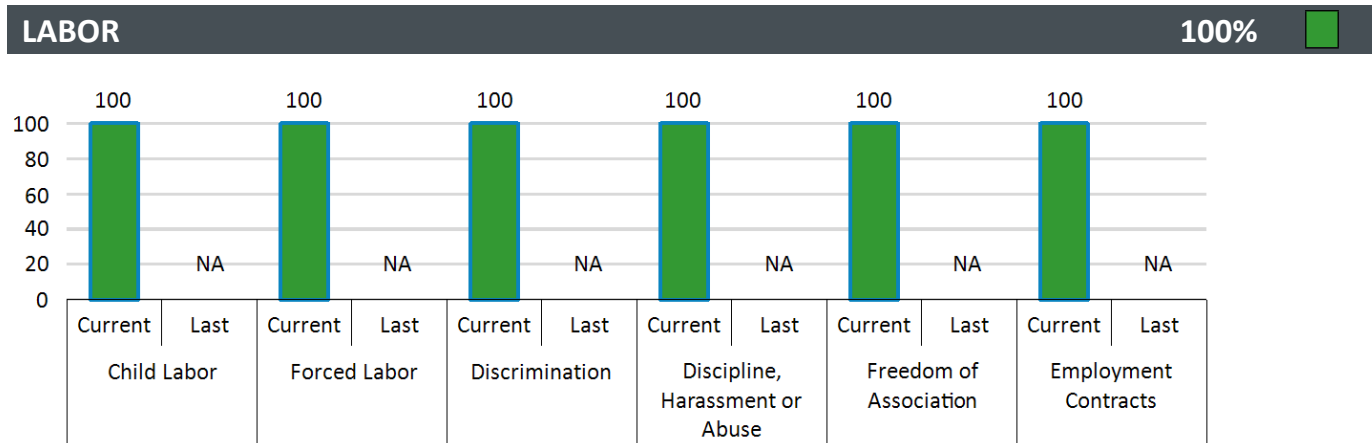
Provincial and country averages are based on average wages paid since past two years.

Special wage circumstances: NA

C. PERFORMANCE DETAILS

Current (16-Mar-2023) Last (NA)

C1. LABOR

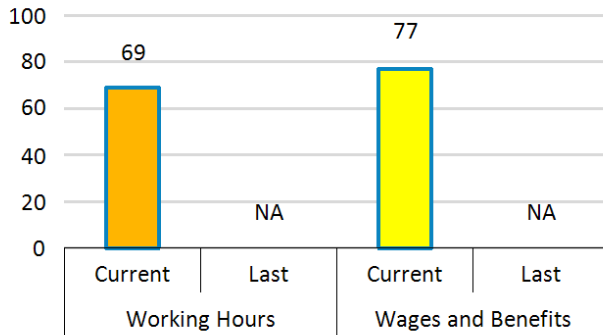


Labor Summary: 1. Relevant policy on child labor, force labor, discrimination, discipline, harassment, freedom of association etc. were established, no child labor/force labor/harassment/discrimination was noted. No juvenile employee was employed by facility, no foreign employee was hired in the facility and all the employees were hired by the facility directly. 2. The employees could express grievance freely. The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the workers were free to form or join trade union or workers' organization and enjoyed the right to collective bargaining, and nobody would be treated differently if they were members of the trade union or workers' organization, etc. 3. No zero-tolerance and major non-compliance finding was found during labor section.

C2. WAGES & HOURS

WAGES & HOURS

74%



Wages and Hours Summary: 1. During this audit, auditor interviewed employees and crosschecked the attendance records, payroll records and other production-related records, such as Daily production records, Goods In-warehouse Records, Inspection Records, leave records, resignation records and personnel records etc. from February 2022 to March 2023 were provided and reviewed and no inconsistency was found. 2. The local minimum wage standard was set at RMB 2070 per month equivalent to RMB 11.9 (2070/21.75/8) per hour since August 1, 2021. Basic on the payroll records and attendance records provided by the facility, all employees are paid above the local legal minimum wage requirement. 3. All employees were paid for overtime hour in compliance with local law, i.e. 150% of normal rate for overtime worked on weekday, 200% of normal rate for overtime worked on rest day, 300% of normal rate for overtime in statutory holiday. 4. All employees in Injection workshop ran two shifts from 8:00 to 20:00 and from 20:00 to 8:00 (including two hours break and two hours overtime hour), all other employees ran one shift from 08:00 to 11:00 and from 12:00 to 17:00., and the overtime working was arranged when necessary. 5. Employees used fingerprint attendance system to record their working hours. All employees would scan their finger by themselves when they go in or out the facility. Employees' wage was paid by hourly rate and paid on or before 30th of the next month after the working period. The peak season is not obvious. 6. Through document review, auditor found that the monthly overtime hours of 3 out of 6 random employees' monthly overtime hours ranged from 46 hours in January 2023 (current month), 3 out of 3 random employees' monthly overtime hours were 56 hours in September 2022 (random month) and 3 out of 3 random employees' monthly overtime hours were 68 hours in July 2022 (random month). Total weekly hours did not exceed 60 hours and at least one day off following six consecutive days was provided for employees. 7. The social insurance, paid annual leave and statutory holiday were provided to employees. Not all employees had participated in the 5 five types of social benefit. 8. The facility did not obtain any comprehensive working hours system.

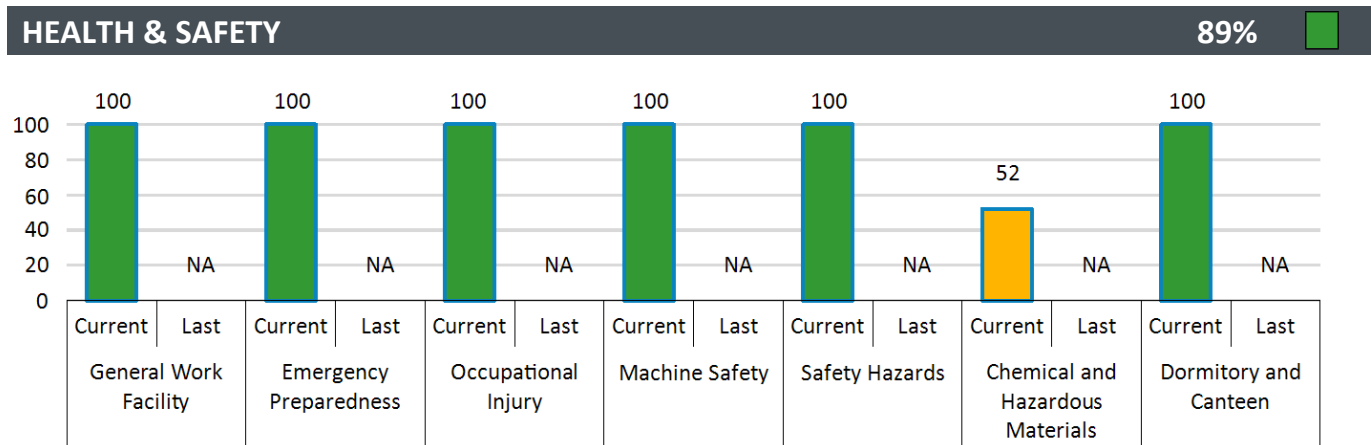
Sub Section: Working Hours

Status	Findings	% Global freq of compliance
● Moderate	<p>O0626: Total overtime hours exceeds allowable limits under applicable law or agreement.</p> <p>Past occurrences at this facility: NA</p> <p>Auditor's comment Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 3 out of 6 randomly selected employees were 46 hours in January 2023 (Most current month); 3 out of 3 were 56 hours in September 2022 (random month); 3 out of 3 were 68 hours in July 2022 (random month).</p> <p>Legal Regulation 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>	43%

Sub Section: Wages and Benefits

Status	Findings	% Global freq of compliance
● Moderate	<p>O0717: The facility does not provide social security, pensions, healthcare and/or other insurance to employees as per legal requirement.</p> <p>Past occurrences at this facility: NA</p> <p>Auditor's comment Insufficient social insurance participated. Through reviewing the social insurance receipt, auditor found that 21 out of 57 employees had participated in basic endowment insurance, employment injury insurance, maternity insurance, basic medical insurance and unemployment insurance. Remark: The facility had provided group commercial accident insurance to 22 employees. The valid date was from October 21, 2022 to October 20, 2023.</p> <p>Legal Regulation 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 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.</p>	59%

C3. HEALTH & SAFETY



Health & Safety Summary: 1. Written Health and Safety Policy and Health and Safety Manual were established and implemented. Potable water was freely available on each facility floor. Sufficient clean toilets segregated by gender were available at all times to employees. Ventilation, temperature and lighting were adequate for each area. 2. Fire Safety: The facility provided sufficient fire safety equipment throughout the facility: such as extinguishers, fire hydrants, fire alarms, all were well equipped and checked monthly. Evacuation maps were also posted in each floor with emergency plan, position of firefighting equipment and "you are here" information. Emergency routes were clearly marked on the floors which could lead employees to emergency exit. All exit doors were installed with safety exit signs and emergency lights. The certificate for fire protection acceptance was provided in this audit. The facility conducted fire drills and fire fighting training twice every year. Through employee interview, 6 out of 6 selected workers said that they were trained on fire drill by the local fire department. The know how to use the fire extinguishers and the facility also posts manual instruction on how to use the fire extinguishers in case of emergency. 3. Electrical safety: All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards. Valid electrician license was provided. The warning signs were posted on the electrical panels. 4. Chemical Safety: chemical such as printing ink, etc used at the facility. MSDS was provided on-site for chemicals. 5. Medical services: There were adequate first aid kits with sufficient supplies in the facility. There were total 4 first aiders in the facility. Through review injury records, no injury occurred in past 12 months. 6. Machine Safety: Production machines were maintained and inspected regularly. 7. Facility had a program to provide EHS training to all employees including fire safety. The assigned person was responsible for the facility health and safety regular checking, regular meeting minutes of proceedings were provided for review.

Sub Section: Chemical and Hazardous Materials

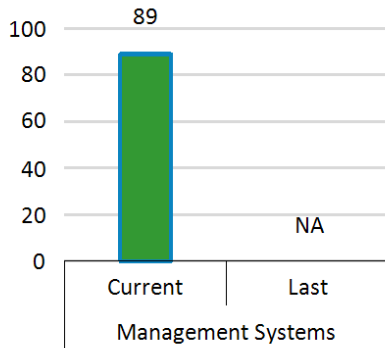
Status	Findings	% Global freq of compliance
● Moderate	<p>O0458: Chemicals or materials are not labeled as per label instructions/ MSDS.</p> <p>Past occurrences at this facility: NA</p> <p>Auditor's comment No safety label for chemical. During facility tour, auditor found that there was no safety label for about 50% of the chemicals (such as printing ink, etc) used in the facility.</p>	89%

Status	Findings	% Global freq of compliance
	<p>Legal Regulation Regulation of Chemical Safety Usage in Workplace Article 12, The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.</p>	
<p>● Moderate</p>	<p>O0473: Preventative measures are not in place to prevent chemical leakage. Past occurrences at this facility: NA</p> <p>Auditor's comment Safety facilities for hazardous chemicals were not compliant with legal requirement. During facility tour, auditor found that no secondary container was provided for 50% chemicals(such as printing ink and etc.) used in the facility.</p> <p>Legal Regulation Regulations on the Safety Management of Dangerous Chemicals Article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.</p>	<p>79%</p>

C4. MANAGEMENT SYSTEMS

MANAGEMENT SYSTEMS

89%



Management System Summary: The facility had established social compliance policy and communicated the policy to employees and management through training. The training records were provided for review. Moreover, the facility had conducted internal assessment for its social compliance program and written management review also had been conducted, and the records had been provided for review. However, the procedure or policy was not implemented available.

Sub Section: Management Systems

Status	Findings	% Global freq of compliance
● Minor	<p>O0797: The facility's written social compliance policy is not made publicly available.</p> <p>Past occurrences at this facility: NA</p> <p><i>Auditor's comment</i> Based on facility tour and management interview, auditor found that the comprehensive written social compliance policy was not publicly available in the audit.</p>	89%
● Minor	<p>O0817: 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.</p> <p>Past occurrences at this facility: NA</p> <p><i>Auditor's comment</i> Findings about working hour and benefits were found during this audit, please refer to related section for details.</p>	36%

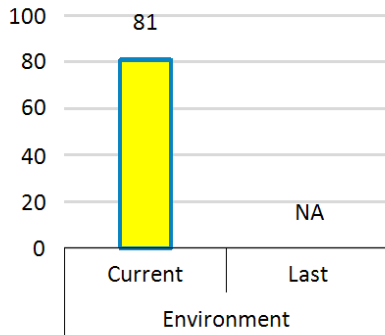


Status	Findings	% Global freq of compliance
● Minor	<p>O0837: The facility has comprehensive chemicals management processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented.</p> <p>Past occurrences at this facility: NA</p> <p>Auditor's comment Findings about chemicals management were found during this audit, please refer to related section for details.</p>	70%

C5. ENVIRONMENT

ENVIRONMENT

81%



Environment Summary: 1. The facility established the environmental protection policy and conducted environmental risk assessment regularly. 2. The facility had nominated individual responsible for coordinating the site's efforts to improve environmental performance. 3. The facility provided the environment Impact registration form for review. 4. No environmental protection acceptance checks report for completed construction project.

Sub Section: Environment

Status	Findings	% Global freq of compliance
● Moderate	<p>O1320: Facility does not have legal required Construction Project Final Acceptable Approval as required by law.</p> <p>Past occurrences at this facility: NA</p> <p>Auditor's comment No environmental protection acceptance checks report for completed construction project. During facility tour, auditor found that products in the facility are plastic products, and the main processes are injection molding, printing, assembling, inspection and packaging, the waste gas, wastewater and hazardous waste which generated during manufacturing would cause influence on the environment. However, during document review, the facility could not provide the environmental protection acceptance check approval for their construction project for review.</p> <p>Legal Regulation Administrative Regulation on Environmental Protection of Construction Projects Article 17, After the completion of the construction project which requires compiling Environmental Impact Report or Environmental Impact Report Form, the construction entity shall carry out inspection and acceptance for the ancillary environmental protection facilities and compile the acceptance report in according with the standards and procedures provided by the administrative department of environmental protection of the State Council. During the process of inspection and acceptance of the environmental protection facilities, the construction entity shall, strictly according to facts, inspect, monitor and record the status of the construction and adjustment of</p>	95%

Status	Findings	% Global freq of compliance
	environmental protection facilities. Falsification is prohibited. The construction entity shall make the acceptance check report available to the public according to law, except it is required to keep confidential according to the provisions of the State.	

% 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.

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%
The facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements and are being properly implemented.	Compliant	41%
The facility has comprehensive emergency preparedness processes and procedures in a written manual that support adherence to social compliance requirements and are being properly implemented.	Compliant	56%
The facility (including construction projects) have the building permits and/or fire safety permits as per the legal requirements.	Compliant	75%
The facility conducts and/or pays for regular occupational health examinations for employees when applicable.	Compliant	76%
The facility provides appropriate training for managers on how to implement its social compliance policies and procedures.	Compliant	76%
The facility has implemented an mechanism/program to identify, evaluate and control employee exposure to physically demanding work, such as manual handling, heavy lifting, highly repetitive tasks, and other physically demanding jobs to prevent work-related injuries.	Compliant	77%
The total weekly working hours (normal & overtime) are 60 or less than 60 hours.	Compliant	77%
Employment practice procedures (forced labor, freedom of association, employment contracts, discipline, harassment & abuse) are in place.	Compliant	78%
The facility has comprehensive processes and procedures in the area of general facility, dormitory (if any) and/ or canteen (if any) management (e.g. cleanliness, ventilation, noise, lighting, toilets) in written manual that support adherence to social compliance requirement.	Compliant	79%
The facility conducts periodic assessments (including internal audit) of its management system in order to identify improvement opportunities.	Compliant	80%

Challenges: Facility performance ranks in the bottom percentile of the population	Rating	Global Freq. of Compliance%
Facility does not have legal required Construction Project Final Acceptable Approval as required by law.	Moderate	95%
Chemicals or materials are not labeled as per label instructions/ MSDS.	Moderate	89%
The facility's written social compliance policy is not made publicly available.	Minor	89%
Preventative measures are not in place to prevent chemical leakage.	Moderate	79%
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.	Minor	70%
The facility does not provide social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.	Moderate	59%
Total overtime hours exceeds allowable limits under applicable law or agreement.	Moderate	43%
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	Minor	36%



implemented.		
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Best Practices:

The facility has written procedures in place to determine, manage and control overtime.	The facility has made progress in reducing or eliminating pollution, waste and conserving resources.
The facility implements an auditing program and audits all suppliers, subcontractors and labor providers.	

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