

Overview

1. Audit Information

Audit report number:	50051499
Audit company:	DQS-UL Group
Lead Auditor:	Xuebing Zhang
Co-Auditor:	Xufang Hu

Audit Date: (yyyy-mm-dd)	2018-12-19
Audit type:	initial
Follow up report number: (if applicable)	
Witnessed audit?	no

2. Supplier Information

Company name (legal entity):	Teck Guan (China) Ltd. 德源 (中国) 高科有限公司
Company site name (if different):	None.
Ultimate parent company name:	Teck Guan Regency
Duns number:	000000000
Tax number:	913206827768741863
Valid business license?	yes
Date of validity: (yyyy-mm-dd)	2055-07-28
Business license number:	913206827768741863
Site date of foundation: (yyyy-mm-dd)	2005-07-29

Site contact name:	Yang Liening
Function / Job title:	System Management
Contact phone number:	0513-87589955
Contact email:	yangln@teckno.com.cn
Site state / province:	Jiangsu
Site country:	China

3. Audit Findings

Answered questions	145 (of 145)
Thereof questions answered with n/a	10 (6.9%)

Total Score	61%
Total Points / max. Points	121 / 200

Finding Category	Minor	Major	Critical	Total Points [max. Points]
Environment	0	6	0	10 [40]
Health & Safety	4	2	0	42 [60]
Labor & Human Rights	5	3	0	35 [60]
Management	3	0	0	14 [20]
Governance	0	0	0	20 [20]
Total	12	11	0	121 [200]

Please note: Not all questions have been answered!

Additional information:

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

Supplier Information

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1. Supplier Details

Company name (legal entity):	Teck Guan (China) Ltd. 德源（中国）高科有限公司	Site contact name:	Yang Liening
Company site name (if different):	None.	Function / Job title:	System Management
Ultimate parent company name:	Teck Guan Regency	Contact phone number:	0513-87589955
Duns number (9-digit code)	000000000	Contact email:	yangln@teckno.com.cn
Tax number:	913206827768741863	Site address (street, number):	Rugao Port Economic Development Zone, Rugao City
Valid business license?	yes	Site address 2 (street, number):	/
Date of validity: (yyyy-mm-dd)	2055-07-28	Site zip code and city:	226532, Nantong
Business license number:	913206827768741863	Site state / province:	Jiangsu
Date of site foundation: (yyyy-mm-dd)	2005-07-29	Site country:	China

2. Company Site Overview

Site size (in square meters):	266000	Number of permanent employees:	225
Number of buildings:	30	Number of temporary workers:	0
Main business activities:	Raw Materials - Chemicals	Number of seasonal workers:	0
Brief description of business activities:	Production of fatty acid, fatty alcohol, glycerine & by-pass fat..	Other workers (e.g. homeworkers): Please specify:	0
		Number of other workers:	0
		Total number of employees:	225
		... thereof <u>female</u> employees:	66
		... thereof <u>male</u> employees:	159
Audit Scope: Please specify if different from site	None.		
Auditor site description: Please note down any observations contributing to the understanding of the audit documentation (e.g. complexity of site, state of maintenance of the site, special risk areas for environment or people)	None.		

3. Additional information on supplier / audited site:

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

1. UN Global Compact	no	3. Other (please specify):	None.
2. Responsible Care Initiative	no	4. Other (please specify):	None.

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

(yyyy-mm-dd)

1. Quality Management e.g. ISO 9001	yes	Valid until:	2020-08-28
2. Good Manufacturing Practices, e.g. GMP ISO 22716	no	Valid until:	
3. Environmental Management, e.g. ISO 14001 or EMAS	yes	Valid until:	2021-10-29
4. Occupational Health and Safety, e.g. OHSAS 18001	no	Valid until:	
5. Energy management, e.g. ISO 50001	no	Valid until:	
6. Responsible Care Assessment	no	Date of Assessment:	
7. Labor Standards, e.g. SA 8000	no	Valid until:	
8. Other (please specify):	ISO22000	Valid until:	2020-08-31

3.3 Have there been investigations or legal proceedings regarding corruption / bribery / fraud in the last five years?	no
3.4 Are hazardous goods produced or worked with in production?	yes
3.5 Does the company operate containment facilities to temporarily contain fire water, including rain?	yes
3.6 Is the company considered energy intensive (high carbon footprint)?	no
3.7 Is electrical power purchased by the site generated by traditional fossil fuels (fuel oil, coal, diesel, LPG, natural gas)?	yes
3.8 Is the company fresh water intensive and poses a water scarcity risk to the environment in which it operates?	yes
3.9 Where is the supplier site located?	in a planned industrial area/zone
(if "Other" is selected, please describe)	None.

Audit Information

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1. Audit Report Details

Audit report number:	50051499	Follow-up audit number: (please enter on follow-up sheet)
Audit type (initial, follow-up or re-audit):	initial	

2. Auditor Details

Audit Company:	DQS-UL Group	Local coordinator for TfS audits:	Brenda Wang
Lead Auditor Location:	Shanghai, China	Co-Auditor Location:	Shanghai, China
Lead Auditor Name:	Xuebing Zhang	Co-Auditor Name:	Xufang Hu
Lead Auditor Review Subjects		Co-Auditor Review Subjects	
Environment	no	Environment	yes
Health & Safety	no	Health & Safety	yes
Labor & Human Rights	yes	Labor & Human Rights	no
Management	yes	Management	no
Governance	yes	Governance	no
Lead Auditor phone number:	86-21-62895083	Co-Auditor phone number:	86-21-62895083
Lead Auditor email:	xuebing.zhang@dqs-cn.com	Co-Auditor email:	xufang.hu@dqs-cn.com

3. Audit Details

Starting date:	2018-12-19	(yyyy-mm-dd)	Ending date:	2018-12-19	(yyyy-mm-dd)
Number of auditor days used (person days):	2.0		Was it allowed to take photos?	no	
Individual Interviews conducted:	yes		Witness audit conducted?	no	
Number of individual interviews:	5		EcoVadis assessments available for review?	no	
... thereof Female	1		Group interviews conducted?	yes	
... thereof Male	4		Total number of group interviews:	10	
Departments included in interviews			Who attended the opening meeting? (Name, Function)	Liu Meijuan - System Management; Chen Jiaxiang - Sale Manager; Yang Liening - System Management; Wang Hongjuan - Factory Director; Mary Siau - GM; Qian Yong - Production Vice GM; Feng Linlin - HR Manager; Liu Yongfeng - H2 Workshop leader; Ge Zhiyong - Safety Manager; Mao Genhua - Fatty alcohol Workshop leader; Yuan Haiyan - Equipment Manager etc.	
Top Management	yes		Who attended the closing meeting? (Name, Function)	Liu Meijuan - System Management; Chen Jiaxiang - Sale Manager; Yang Liening - System Management; Wang Hongjuan - Factory Director; Mary Siau - GM; Qian Yong - Production Vice GM; Feng Linlin - HR Manager; Liu Yongfeng - H2 Workshop leader; Ge Zhiyong - Safety Manager; Mao Genhua - Fatty alcohol Workshop leader; Yuan Haiyan - Equipment Manager etc.	
Production	yes		Who attended the audit? (Name, Function)	Liu Meijuan - System Management; Chen Jiaxiang - Sale Manager; Yang Liening - System Management; Wang Hongjuan - Factory Director; Mary Siau - GM; Qian Yong - Production Vice GM; Feng Linlin - HR Manager; Liu Yongfeng - H2 Workshop leader; Ge Zhiyong - Safety Manager; Mao Genhua - Fatty alcohol Workshop leader; Yuan Haiyan - Equipment Manager etc.	
Warehouse & Logistics	yes				
Security	yes				
Health, Safety & Environment	yes				
Quality	yes				
Human Resources	yes				
Other (Please list)	None.				

4. Local Laws & Regulations

Standard work week (provide total hours excluding overtime):	40.0	Emission trading scheme CO2:	no
Maximum allowed overtime hours per week (h):	20.0	Emission trading scheme NOx:	no
Minimum legal work age (provide age in years):	16.0	Emission trading scheme SOx:	no
Minimum legal wage for standard hours (in EUR):	1.3	Globally Harmonized System (GHS):	yes
Minimum legal overtime wage (in EUR):	2.0	REACH or similar:	no
Social security system:	yes	Other (please specify):	None.
Other (please specify):	None.	Other (please specify):	None.

Audit Corrective Action Plan (CAP)

Audit Report Number: 50051499

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

On the audit day :

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

After the audit:

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

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

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

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

Confirmation

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

Site Representative Signature	Company Name: Teck Guan (China) Ltd 德源 (中国) 高科有限公司
	Yang Liening
	System Management
	2018/12/19
Auditor Signature	Audit Company: DQS-UL Group
	Xuebing Zhang
	Auditor
	2018/12/19

Comments from the supplier (if any)

None.

Summary of positive findings / good practices

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

None.

Corrective Action Plan

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

Reference number (filled automatically)	Finding type (filled automatically)	Details / Description of Finding (Discussed during the closing meeting)	Corrective Actions (Proposed Corrective actions and best practice sharing, discussed and agreed on during the closing meeting. Supplier to finalize corrective actions within 10 days from Audit)	Completion Date (Discussed and agreed on during the closing meeting) yyyy-mm-dd
Management / M2.7	minor	No evidence could prove the company had defined target to improve and monitor the performance in security management. 未发现公司定义目标用于监控安保方面的业绩。	We will define target to improve and monitor the performance in security management. 公司制定目标用于监控安保方面的业绩。	2019-02-18
Management / M2.10	minor	The company did not assess its actual or potential adverse impacts with which may be involved either through own activities or as a result of its business relationships to identify and mitigate risks related to business activities regarding social, ethical and human rights according to international recognized standard. 发现未根据认可的国际标准, 包含在自己活动和业务关系的二个方面, 评估社会责任、道德和人权的当前和潜在的反面影响以识别和规避风险。	We will assess its actual or potential adverse impacts with which may be involved either through own activities or as a result of its business relationships to identify and mitigate risks related to business activities regarding, social, ethical and human rights according to international recognized standard. 公司将会在包含自己活动和业务关系的二个方面, 评估环社会责任、道德和人权的当前和潜在的反面影响以识别和规避风险。	2019-01-18

Management / M4.1	minor	No evidence could show service provider workers (e.g. construction service etc.) were trained on the company's requirements in relation to environment, labor conditions and employee relation and anti-corruption. 未提供合同方(施工服务等)的工人关于环境、社会责任和反腐败培训证据。	We will provide training to service provider workers (e.g. construction service etc.) on the company's requirements in relation to environment, labor conditions and employee relation and anti-corruption and retain the evidence. 提供合同方(施工服务等)的工人关于环境、社会责任和反腐败培训证据。	2019-04-19
Environment / E2.3	major	It was found that 6 iron drums storing glycerin residue in hazardous waste storage area were open. 危险废物存储区域有6个装废甘油渣的铁桶敞口放置。	We will check the barrelhead of all the dangerous waste on site, make sure the drums are complete and all dangerous waste is in close condition. 检查现场所有危废桶盖, 确保桶盖齐全, 所有危废封闭暂存。	2019-01-31
Environment / E2.4	major	The barrels filled with waste oil and lubricating oil were stored in non-hazardous waste storage area without leakage prevention facilities. 将装满废机油、废润滑油的桶存在非危险废物存放处, 无防泄漏的设施。	We will move waste oil and lubricating oil into dangerous waste warehouse. 废机油、废润滑油搬至危废仓库。	2019-12-01
Environment / E2.5	major	The disposal records of waster nickel catalyst, waste glycerin residue, waste engine oil and other hazardous wastes within recent 4 years were not provided. (currently, the hazardous wastes were collected and stored, internal records were retained.) 没有提供4年内对镍催化剂、废甘油渣、废机油等危险废弃物的处置记录, 目前暂存, 有危险废物收集台账。	Environmental impact assessment of oleic acid was in process, and we will handle with it after obtaining the EIA report. All the dangerous waster would be stored in close condition and we will set up the improved list of dangerous waster. 油酸项目环评正在推进, 待环评批复后方可处置, 现所有危废暂存, 并按规范建立了完善的危废台账。	2019-12-01
Environment / E3.3	major	Waste water containing pulverized coal and cinder flowed into the soil nearby in the new boiler construction area. Besides, there was no cofferdam around the medicament box of sewage treatment facility. 在新锅炉施工区域, 有大量含煤粉、煤渣的废水流到附近土壤里, 污水处理设施药剂箱周围无围堰。	Coal-fired boilers had been out of service. All pulverized coal and cinder at the site will be cleaned up and disposed of centrally to prevent pulverized coal and cinder from flowing into the nearby soil. 燃煤锅炉已停用, 清理现场所有煤粉煤渣, 并集中处置, 防止煤粉、煤渣流入附近土壤中。	2019-01-31
Environment / E3.4	major	It was note the storage tank cofferdam and grooves of caustic soda, hydrochloric acid were damaged. 烧碱、盐酸储罐围堰及导流槽有破损。	We will repair the storage tank cofferdam and grooves of caustic soda, hydrochloric acid and do anti-corrosion repair. 修复现场烧碱、盐酸储罐围堰及导流槽破损处, 并进行防腐修复。	2019-02-28
Environment / E4.2	major	No cofferdam was around the sodium hydroxide medicament box of sewage treatment facilities, and no remedial measure was established. 污水处理设施氢氧化钠药剂箱周围无围堰, 没有制定补救措施。	We will add cofferdam around the sodium hydroxide medicament box of sewage treatment facilities. 污水站氢氧化钠药剂箱周围增加围堰。	2019-02-28
Health & Safety / H2.1	minor	The company failed to provide checklists for loading and unloading operations of sodium hydroxide packaged by barrels. 没有提供运输氢氧化钠溶液吨桶的检查表。	We will establish the checklist, and check according to it. 制定检查表, 按照检查表进行检查。	2019-01-08
Health & Safety / H2.2	minor	The company failed to provide checklists for filling and discharging operation for tank trucks transporting of hydrochloric acid. 没有提供运输盐酸溶液槽罐车的检查表。	We will establish the checklist, and check according to it. 制定检查表, 按照检查表进行检查。	2019-01-08
Health & Safety / H3.7	major	One discharge orifice of the drain pipe of hydrochloric acid and sodium hydroxide storage tank was facing the direction of the operator, this might result in a risk of spilling on people. 去离子水装置东面的盐酸、氢氧化钠储罐放液管的管口正对着操作者的方向, 有溅到人身上的风险。	We will modify the discharge orifice of the drain pipe of hydrochloric acid and sodium hydroxide storage tank, to make sure it faces away from the operator. 去离子水装置氢氧化钠储罐放液管的管口改造, 管口朝向背人向。	2019-02-28
Health & Safety / H4.6	minor	It was found that 2 employees in laboratory resigned in Sept., and Oct., 2018 respectively were not provided with occupational health check report after dismission. 有2名化验室员工于2018年9月、10月分别离职, 没有做离岗后的职业病体检。	We will provide employees in laboratory with occupational health check report after their dismission. 对化验室员工进行离岗后职业病体检。	2019-01-01
Health & Safety / H5.2	major	The nearest escape route to the south of the hydrogen compressor room was closed by barbed wires, and the evacuation door was closed permanently. Besides, it was noted no emergency escape route diagram was in place. 氢气压缩机房南面最近的逃生通道被铁丝网封闭, 疏散门关闭。也无紧急逃生路线图。	The barbed wire has been cleared to ensure the smooth evacuation passage. We will post emergency escape route map on site. 已将铁丝网清理完, 确保疏散通道畅通; 现场张贴紧急逃生路线图。	2019-03-29
Health & Safety / H6.5	minor	The asbestos containing materials was suspected to be used as oil furnace thermal insulation materials. The company did not compile a register of these substances and train employees on the hazards. 油炉保温材料疑似有石棉, 无登记簿, 未对员工进行关于其危害的培训。	Insulation materials for oil furnace was rock wool. The new boiler is in renovation now, and we have removed all insulation materials and proper dispose them. 油炉保温材料为岩棉, 现新锅炉改造, 已全部拆除保温材料并妥善处置。	2019-01-31
Labor & Human Rights / L3.2	major	It was noted that 3 out of 15 sample population employees worked in excess of 60 total hours per week (i.e. 60 to 72 hours) for 2-3 weeks in Oct. 2018. Besides, no Trade Union or worker representative was in the company, and the company was unable to provide the collective agreement about the issues. 抽样的3/15名员工在2018年10月有2-3周的周工作时间为60到72小时, 超过每周工作60小时。该公司没有工会或工人代表。也未能提供集体协议。	We will control the overtime working hours strictly to ensure the overtime hours would be under 36 hours per month. We will elect worker representatives. 严格控制员工加班, 每月加班时间逐步控制到36小时以内; 选举工人代表。	2019-12-25

<p>Labor & Human Rights / L3.3</p>	<p>major</p>	<p>It was noted 3 out of 15 sample population employees worked in excess of 3 overtime hours per day (i.e. 4 to 5 hours) for 3 to 4 days per month in Oct. 2018, which was not in compliance with the legal requirement. 抽样的15名员工中有3名员工在2018年10月有3到4天每天的加班时间为4到5小时，超过每天加班时间不能超过3小时的法律规定。</p> <p>5 out of 15 sample population employees worked in excess of 36 overtime hours per month (i.e. (36~58) hours in Sept. 2018), which was not in compliance with the legal requirement of 36 hours per month. 抽样的5/15名员工在2018年9月的加班时间为36小时到58小时，超过每月加班时间不能超过36小时的法律规定。</p>	<p>We will control the overtime working hours strictly to ensure the overtime hours would be under 36 hours per month. 严格控制员工加班，每月加班时间逐步控制到36小时以内。</p>	<p>2019-12-25</p>
<p>Labor & Human Rights / L3.4</p>	<p>major</p>	<p>It was noted 3 out of 15 sample population employees did not have 1 day rest for 2 weeks in 5th ~20th, Oct. 2018, which was not in compliance with the legal requirement. 3/15名员工在2018年10月有2个星期没有每周休息1天(10月5日到20日)，不符合法律规定。</p>	<p>We will control the continuous working days strictly to ensure employees have enough rest. 严格控制员工连续上班天数，保证员工得到足够的休息。</p>	<p>2019-04-08</p>
<p>Labor & Human Rights / L4.3</p>	<p>minor</p>	<p>In accordance with Article 19 of Regulations of Zhejiang Province on Wage Payment, where the employing unit and a laborer dissolve or terminate their employing relationship according to law, the employing unit shall pay up wages in one time within five working days after dissolution or termination of such employing relationship, unless otherwise agreed by the two parties. It was noted 5 employees who terminated their employing relationship before 1st ~ 20th day of every month were paid concentrally at the 26st~30th day in the current. (No otherwise agreed by the two parties). 根据《江苏省工资支付条例》第19条：用人单位与劳动者依法解除或者终止劳动关系的，应当在劳动关系解除或者终止之日起二个工作日内一次性付清劳动者工资，双方约定除外。当前上月和中旬终止劳动关系的五名员工的工资集中在下旬发放。</p>	<p>We will implement it in accordance with Article 19 of Regulations of Zhejiang Province on Wage Payment. 按照《江苏省工资支付条例》第19条要求实施。</p>	<p>2019-01-01</p>
<p>Labor & Human Rights / L4.6</p>	<p>minor</p>	<p>The calculation base of overtime wage (basic wage/22) was less than the base of one's own monthly wage (basic wage/21.75). 加班工资的计算基数（基本工资/22）略少于其本人当月工资的基数（基本工资/21.75）。</p>	<p>We will calculate overtime wages on the basis of one's own monthly wage (basic wage/21.75). 加班工资的计算基数按照（基本工资/21.75）计算。</p>	<p>2019-02-01</p>
<p>Labor & Human Rights / L4.8</p>	<p>minor</p>	<p>The social insurance premium basis of the company was insufficient. Some employees with different salary level had the same social insurance payment basis. 企业的社会保险缴费基数不足。一些不同工资级别的员工有相同的缴费基数。</p>	<p>We will improve the social insurance premium basis. 逐步完善员工的社会保险缴费基数。</p>	<p>2019-12-01</p>
<p>Labor & Human Rights / L7.1</p>	<p>minor</p>	<p>The agreement signed between the company and the construction service providers did not involve the requirements regarding to age requirement, working hours and minimum wages for their employees. E.g. repairing workers are working. 公司的施工服务协议中没有包含对其员工年龄要求，也没有包括对其员工的劳动合同中的工作时间和最低工资的要求。（大修正在进行中）</p>	<p>We will make sure the requirements regarding to age requirement, working hours and minimum wages for repairing workers in the agreement meet the laws and regulations. 施工服务协议中对施工人员年龄，工作时间和最低工资的要求必须符合法律规定。</p>	<p>2019-04-19</p>
<p>Labor & Human Rights / L8.2</p>	<p>minor</p>	<p>It was noted that management was unable to provide the food catering license for the employee canteen. 未能他提供员工食堂的餐饮服务许可证。</p>	<p>We will apply for the food catering license for the employee canteen. 申请办理员工食堂的餐饮服务许可证。</p>	<p>2020-06-01</p>

Results Follow-up Action

Audit Report Number: 50051499

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

After the follow up:

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

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

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

Confirmation	
With my signature I confirm that the below mentioned findings and proposed corrective actions have been discussed and agreed upon. Furthermore I confirm the implementation the below defined follow-ups within the specified time frames.	
Site Representative Signature	Company Name: Teck Guan (China) Ltd 德源 (中国) 高科有限公司
	Name:
	Function/Title:
	Date:
Auditor Signature	Audit Company: DQS-UL Group
	Name:
	Function/Title:
	Date:

Type of follow up action	
Please update the following information.	
Number of the initial report	50051499
Number of the follow up report	
Date of the follow up action:	
Audit Company:	DQS-UL Group
Local coordinator for TTS audits:	Brenda Wang
Lead Auditor Location:	Shanghai, China
Lead Auditor Name:	Xuebing Zhang
Co-Auditor Location:	Shanghai, China
Co-Auditor Name:	Xufang Hu

Comments from the supplier (if any)

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

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

Reference number (filled automatically)	Finding type (filled automatically)	Details / Description of Finding (filled automatically)	Corrective Actions (filled automatically)	Completion Date (filled automatically)	Status after follow up	Description of results of follow up	New Corrective Actions	New Completion Date (yyyy-mm-dd)
Management / M1.1								
Management / M1.2								
Management / M1.3								
Management / M1.4								
Management / M1.5								
Management / M2.1								
Management / M2.2								
Management / M2.3								
Management / M2.4								
Management / M2.5								
Management / M2.6								
Management / M2.7	minor	No evidence could prove the company had defined target to improve and monitor the performance in security management. 未发现公司定义目标用于监控安保方面的业绩。	We will define target to improve and monitor the performance in security management. 公司制定目标用于监控安保方面的业绩。	2019-02-18				
Management / M2.8								
Management / M2.9								
Management / M2.10	minor	The company did not assess its actual or potential adverse impacts with which may be involved either through own activities or as a result of its business relationships to identify and mitigate risks related to business activities regarding social, ethical and human rights according to international recognized standard. 发现未根据认可的国际标准，包含在自己活动和业务关系的二个方面，评估社会责任、道德和人文的当前和潜在的反面影响以识别和规避风险。	We will assess its actual or potential adverse impacts with which may be involved either through own activities or as a result of its business relationships to identify and mitigate risks related to business activities regarding social, ethical and human rights according to international recognized standard. 公司将会在自己活动和业务关系的二个方面，评估社会责任、道德和人文的当前和潜在的反面影响以识别和规避风险。	2019-01-18				
Management / M3.1								
Management / M3.2								
Management / M3.3								
Management / M3.4								
Management / M3.5								
Management / M3.6								
Management / M3.7								
Management / M4.1	minor	No evidence could show service provider workers (e.g. construction service etc.) were trained on the company's requirements in relation to environment, labor conditions and employee relation and anti-corruption. 未提供合同方（施工服务等）的工人关于环境、社会责任和反腐败培训证据。	We will provide training to service provider workers (e.g. construction service etc.) on the company's requirements in relation to environment, labor conditions and employee relation and anti-corruption and retain the evidence. 提供合同方（施工服务等）的工人关于环境、社会责任和反腐败培训证据。	2019-04-19				
Management / M4.2								
Management / M4.3								
Management / M4.4								
Management / M4.5								
Environment / E1.1								
Environment / E1.2								
Environment / E1.3								
Environment / E2.1								
Environment / E2.2								
Environment / E2.3	major	It was found that 6 iron drums storing glycerin residue in hazardous waste storage area were open. 危险废物存储区域有6个装废甘油渣的铁桶敞口放置。	We will check the barrelhead of all the dangerous waste on site, make sure the drums are complete and all dangerous waste is in close condition. 检查现场所有危险废桶盖，确保桶盖齐全，所有危险废物封存。	2019-01-31				
Environment / E2.4	major	The barrels filled with waste oil and lubricating oil were stored in non-hazardous waste storage area without leakage prevention facilities. 将装废机油、废润滑油的桶存在非危险废物存放处，无防泄漏设施。	We will move waste oil and lubricating oil into dangerous waste warehouse. 废机油、废润滑油搬至危废仓库。	2019-12-01				
Environment / E2.5	major	The disposal records of waste nickel catalyst, waste glycerin residue, waste engine oil and other hazardous wastes within recent 4 years were not provided, (currently, the hazardous wastes were collected and stored, internal records were retained.) 没有提供4年内对镍催化剂、废甘油渣、废机油等危险废物的处置记录，目前暂存，有危险废弃物收集台账。	Environmental impact assessment of oleic acid was in process, and we will handle with it after obtaining the EIA report. All the dangerous waste would be stored in close condition and we will set up the improved list of dangerous waste. 镍项目环评报告正在编制，待环评报告发布后予处置，现所有危废暂存，并按规范建立了完善的危废台账。	2019-12-01				
Environment / E2.6								
Environment / E3.1								
Environment / E3.2								
Environment / E3.3	major	Waste water containing pulverized coal and cinder flowed into the soil nearby in the new boiler construction area. Besides, there was no cofferdam around the medication box of sewage treatment facility. 在新锅炉施工区域，有大量含煤粉、煤渣的废水流到附近土壤里，污水处理设施药剂箱周围无围堰。	Coal-fired boilers had been out of service. All pulverized coal and cinder at the site will be cleaned up and disposed of centrally to prevent pulverized coal and cinder from flowing into the nearby soil. 煤粉药剂已停用，清理现场所有煤粉煤渣，并集中处置，防止煤粉、煤渣流入附近土壤中。	2019-01-31				
Environment / E3.4	major	It was note the storage tank cofferdam and grooves of caustic soda, hydrochloric acid were damaged. 烧碱、盐酸储罐围堰及导流槽有破损。	We will repair the storage tank cofferdam and grooves of caustic soda, hydrochloric acid and do anti-corrosion repair. 将取现烧碱、盐酸储罐围堰及导流槽破损处，并进行防腐修复。	2019-02-28				
Environment / E3.5								
Environment / E4.1								
Environment / E4.2	major	No cofferdam was around the sodium hydroxide medication box of sewage treatment facilities, and no remedial measure was established. 污水站氢氧化钠药剂箱周围无围堰，没有制定补救措施。	We will add cofferdam around the sodium hydroxide medication box of sewage treatment facilities. 污水站氢氧化钠药剂箱周围增加围堰。	2019-02-28				

Labor & Human Rights / L4.8	minor	The social insurance premium basis of the company was insufficient. Some employees with different salary levels had the same social insurance payment basis. 企业的社会保险缴费基数不足，一些不同工资级别的员工有相同的缴费基数。	We will improve the social insurance premium basis. 逐步完善员工的社会保险缴费基数。	2019-12-01			
Labor & Human Rights / L5.1							
Labor & Human Rights / L5.2							
Labor & Human Rights / L5.3							
Labor & Human Rights / L5.4							
Labor & Human Rights / L5.5							
Labor & Human Rights / L6.1							
Labor & Human Rights / L6.2							
Labor & Human Rights / L7.1	minor	The agreement signed between the company and the construction service providers did not involve the requirements regarding to age requirement, working hours and minimum wages for their employees. E.g. repairing workers are working. 公司的施工服务协议中没有包含对其员工年龄要求，也没有包括对其员工的劳动合同中工作时间和最低工资的要求。(大修正在进行中)	We will make sure the requirements regarding to age requirement, working hours and minimum wages for repairing workers in the agreement meet the laws and regulations. 施工服务协议中对施工人员年龄，工作时间和最低工资的要求必须符合法律规定。	2019-04-19			
Labor & Human Rights / L7.2							
Labor & Human Rights / L8.1							
Labor & Human Rights / L8.2	minor	It was noted that management was unable to provide the food catering license for the employee canteen. 未能提供员工食堂的餐饮服务许可证。	We will apply for the food catering license for the employee canteen. 申请办理员工食堂的餐饮服务许可证。	2020-06-01			
Labor & Human Rights / L8.3							
Governance / G1.1							
Governance / G1.2							
Governance / G2.1							
Governance / G2.2							
Governance / G3.1							
Governance / G3.2							
Governance / G4.1							
Governance / G5.1							
Governance / G6.1							
Governance / G6.2							
Governance / G6.3							

Management Assessment

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M1. Management in Charge

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M1.1	Is top management accountable for environmental management?	yes			General Manager approved Environment Management Manual (TG-EM-2018, B/0).	
M1.2	Is top management accountable for safety, health and security management?	yes			General Manager approved Safety Production Responsibility System (DY-AQ-2.2).	Methods to understand if management takes responsibility are not always straightforward. Examples of how this is displayed can include:
M1.3	Is top management accountable for labor conditions and employee relations?	yes			General Manager approved Employee Management Rules and Regulations.	- Does the Plant or Site Manager sign off/approve all important EHS procedures? - Is the Plant or Site Manager present during the audit and appears to understand basic EHS principles? (If the audit is conducted solely with the EHS person on-site, that can indicate the idea that EHS is only the job of safety professionals when it should be everyone's job.)
M1.4	Is top management accountable for anti-corruption and legal compliance?	yes			General Manager approved Anti-Corruption Control Procedure (TG-TFSP-401-2018).	- Is the Plant or Site Manager active in answering questions during the audit which displays management's understanding of the site programs and that they likely have active involvement in EHS issues?
M1.5	Is top management accountable for quality management?	yes			General Manager approved Quality Management Manual.	

M2. Policy & Continuous Improvement

The company should set out in writing the principles for how the company intends to manage individual sustainability parameters. Such documents are designed to influence major decisions and actions and ensure that they take place within the boundaries described. (Similar to a Code of Conduct).

The creation of such documents leads to greater awareness and clarity, particularly with company management, and facilitates communication of the issue of responsibility to employees and other stakeholders.

Company's principles set out in writing have to be expressly addressed to the employees and have to be posted in the location(s) together with the standard Code of Conduct visible to all employees in relevant languages. It's also possible to attach them to each employee's contract accordingly.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M2.1	Does the company have a management commitment, policy and process which is communicated to all employees, regarding environmental management?	yes			Environmental management commitment and policy was described in the Environment Management Manual (TG-EM-2018, B/0).	
M2.2	Does the company have a management commitment, policy and process which is communicated to all employees, regarding safety, health and security management?	yes			1. OHS management commitment and policy were described in the Safety Production Responsibility System (DY-AQ-2.2) and communicated by team safety production training. 2. Security Personnel management rule (TG-XZ-08) was established and followed.	Does the situation at the plant show that the management policy regarding EHS is a living document (practice what is written) or does it appear that the document was created just to satisfy audits and certification requirements?
M2.3	Does the company have a management commitment, policy and process which is communicated to all employees, regarding labor conditions and employee relations?	yes			All employees were trained on Employee Management Rules and Regulations.	Findings in this area should be classified as minor findings. However, a finding may indicate a missing commitment and communication of its principles and lead to higher auditor scrutiny of the relevant subject during the audit.
M2.4	Does the company have a management commitment, policy and process which is communicated to all employees, regarding anti-corruption and compliance to law?	yes			Education and Training records showed all employees were trained for anti-corruption Control Procedure (TG-TFSP-401-2018)..	
M2.5	Does the company have a management commitment, policy and process which is communicated to all employees, regarding quality management?	yes			Quality commitment and policy were described in Quality Management System Manual" and communicated by training.	
M2.6	Has the company defined any targets to improve and monitor the performance in environmental management?	yes			The company had established the company's environmental objectives and indicators (ER-CP 01-02), this was filled out monthly and quarterly.	Are the established targets suitable to help improve EHS on the site? The auditor should explain what type of targets are in place. For Example: Simply stating the target is 'no lost time injuries' is not sufficient alone. There should also be controllable and meaningful targets that each employee can meet to help achieve the overall target.
M2.7	Has the company defined any targets to improve and monitor the performance in safety, health, and security management?	no	minor	minor	No evidence could prove the company had defined target to improve and monitor the performance in security management. 未发现公司定义目标用于监控安保方面的业绩。	
M2.8	Has the company defined any targets to improve and monitor the performance in labor conditions and employee relations?	yes			The company had defined target to improve and monitor the performance in labor conditions and employment relations, this was filled out monthly and quarterly.	The company is expected to define targets to evaluate and to improve their performance in labor conditions and employee relations, otherwise this will lead to a minor finding.
M2.9	Has the company defined any targets to improve and monitor the performance in quality management?	yes			The company had defined target to improve and monitor the performance in quality, this was filled out monthly and quarterly.	If there is no grievance mechanism at all this will lead to a major finding.
M2.10	Does the company have a process for the ongoing identification of its environmental, social, ethical and human rights risks and impacts according to international recognized standards?	no	minor	minor	The company did not assess its actual or potential adverse impacts with which may be involved either through own activities or as a result of its business relationships to identify and mitigate risks related to business rights regarding social, ethical and human rights according to international recognized standard. 发现未根据认可的国际标准, 包含在自己活动和业务关系的二个方面, 评估社会责任、道德和人权的当前和潜在的反面影响以识别和规避风险。	The company should identify and assess any actual or potential adverse impacts with which they may be involved either through their own activities or as a result of their business relationships. The assessment should be undertaken on the basis of recognized international standards and at regular intervals: prior to a new activity or relationship; prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating environment; and periodically throughout the life of an activity or relationship. To identify and mitigate risks related to business activities, the company should consult with affected communities and relevant national and local administration and civil society organizations. Recognized standards are e.g. UN Guiding Principles, UK Modern Slavery Act, Voluntary Principles on Security and Human Rights.

M3. Training

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M3.1	Does the company provide training to employees regarding environmental management requirements for their job assignment?	yes			Training Program 2018 and records of education and training indicated the company had trained environment aspects, e.g. ISO14001 and gas-saving etc.	The auditor must check if training documentation exists for all relevant topics. If the employee engages in a task that carries any hazard then there should be training detailed enough to ensure safe work occurs. In addition there should be some form of initial training before starting a task, hands on mentorship training for more difficult tasks, and ongoing refresher training at some frequency established by the site for critical tasks.
M3.2	Does the company provide training to all employees regarding safety, health, and security management?	yes			1. The company had provided certificates of Safety Certificates for hazardous chemicals operation etc. 2. Emergency drill in the case of leaking and fire.	Need for and adequacy of training depends on the risk the employee is involved in. For example, if the contractor was asked to conduct a task with high risk area (e.g. line opening) without training, it should be at least major.
M3.3	Does the company provide training to all employees regarding labor conditions and employee relations?	yes			Education and training records showed all employees were trained on Employee Management Rules and Regulations, including complaint channels.	Also training on Health & Safety could be considered a major issue as opposed to a minor issue depending on what training is available. This has to be determined by the auditor and there needs to be good documentation by the auditor on what is in place to make this decision e.g. all training in place except for proper handling of ethylene oxide is a major problem.
M3.4	Does the company provide training to all employees regarding quality management?	yes			1.2018 Year Education and Training records showed all employees were trained for RSPO production operation. 2. Relevant personnel had got food personnel certificates.	On the contrary, the site could be missing 10 training topics but if they are less hazardous issues then it is not major (thus the auditor must describe generally what is in place and specifically what is missing).
M3.5	Does the company provide training to all employees regarding anti-corruption and compliance to law?	yes			2018 Year Education and Training records showed all employees were trained for anti-corruption and anti-bribery.	The provision of training to all employees regarding anti-corruption and compliance to law is expected from the company, otherwise this will lead to a minor finding.
M3.6	Is there a systematic, job-specific onboarding training for new employees in place?	yes			2018 Year Education and Training records showed new employee samples had participated in safety production three level education. Quiz papers were retained on files.	A missing job-specific workplace training should lead to a minor finding or in case this out/ can put the employee in a dangerous situation to a major finding. Especially for new employees working with chemicals or complex machineries, it is important to receive a job-specific workplace training to get familiar with the processes and the risk.
M3.7	Does the site ensure that the content of the training is understood by the employee?	yes			The ways of short quiz and internal certificate were used to check a proper understanding of the trainings.	The auditor must check of any means to ensure a proper understanding of the trainings (short quiz, internal certification, feedback from the employees...) have been implemented. If not, the auditor should check the existence of keeping alive activities and reminders if breaches have been noted.

M4. Business Partners

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

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M4.1	Are contractors/third party workers trained on the company's requirements in relation to environmental management, safety, health, and security management, quality management, labor conditions and employee relations and anti-corruption and compliance to law?	no	minor	minor-major	No evidence could show service provider workers (e.g. construction service etc.) were trained on the company's requirements in relation to environment, labor conditions and employee relation and anti-corruption. 未提供合同方(施工服务等)的工人关于环境、社会责任和反腐败培训证据。	Depending on the type of work being done, contractors may need training as detailed as the site personnel. It depends on the risk the contractors involved in. For example, if the contractor was asked to conduct a task with high risk area like (e.g. line opening) without training, it should be at least major. Auditor must take a look at the type of work to see, what training is relevant and describe it accordingly. Depending on the type of work this could be minor or major.
M4.2	Does the company have a process or system in place in order to assess suppliers' adherence to business ethics, human rights, labor, health, safety and environmental standards?	yes			Currently, the company had established TIS audit checklist to evaluate the suppliers' and contractors adherence to business ethics, human rights, labor etc.	The company is expected to have a system in place to evaluate the suppliers' and contractors' adherence to business ethics, human rights, labor health, safety and environmental standards otherwise this leads to a minor finding. A process should be in place at least to prevent misuse of people and cause reputation damage for a TIS member. A not existing process / system must lead to deeper investigations.
M4.3	Are performance monitored for carriers, supplier, distributors, contractors and third party providers related to environmental management, safety, health, and security management, labor conditions and employee relations, anti-corruption and compliance to law and quality management?	yes			The company used TIS checklist to monitor the performance of suppliers, contractors etc.	A company should monitor the sustainability performance of their relevant business partners such as carriers, suppliers, distributors, contractors and third party providers. The monitoring should be risk-based including business partners with higher risk to meet requirements with regard to social, environmental, or anti-corruption standards. The Company can meet these requirements by various measures, e.g. by regular inspections by competent employees of its own, implementation of an internal monitoring system with training and checks, inspection of subcontractors by external
M4.4	Does the company communicate the company policy on corruption / bribery / fraud externally to business partners?	yes			The company signed Anti-commercial bribery agreement with business partners.	The company should communicate the policy as part of its contractual relationship with business partners. Communication may take different ways. At a minimum purchasers should communicate the policy and hand-over a copy of the policy document to the supplier representative as part of contractual discussions. As a best practice, documentation of this communication should be available to third party auditors, e.g. via reference on purchase order, via a reference in supplier contract
M4.5	Is there a process in place to identify and inform the customer about any non-conformances in relation to shipments/products?	yes			Non-conforming products/non-conforming control procedures was established and followed.	Non-conformance procedure: Describes the methods of identification, recording and addressing any non-conformance.

Environment Assessment

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E1. Environmental Compliance

Compliance with environmental legislation is a key requirement.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E1.1	If the site has received environmental fines and sanctions in the last 4 years (incl. fines amounts): Has the site taken actions to correct identified deficiencies and how can they be prevented for the future?	n/a			No accused or prosecuted case in environment was found in the past one year. In the environmental credit evaluation of non-state-controlled major pollution source enterprises in Rugao City in 2017, they were named blue enterprises.	<p>In general compliance issues with environmental regulation could lead to a rating from minor to critical, depending on the violations and the corrective / preventive actions found.</p> <p>E1.1 If the answer is "no", check if issues in the track record are recurring or single findings. Single findings with lacking corrective / preventive actions = minor finding. Recurring environmental issues, either at one plant/site or with similar or related findings across different plants/sites without the defined corrective and preventive actions = major finding. If answered "yes", the auditor shall still check the corresponding corrective/preventive measures taken.</p>
E1.2	Does the site have processes in place to ensure compliance with environmental regulation in the areas of waste, emissions, water and waste water, energy, land use and biodiversity, soil and groundwater?	yes			The company prepared the environmental impact report of <Functional Surfactant Production Project> in Oct.,2016, and obtained approval on 23rd, Jan.,2017, No.: Suhuanguan2007-16; obtained the acceptance inspection on 5th, Dec.,2011, No.: Suhuanyan2011-58.	<p>Critical findings = uncorrected issues of immediate concern, like immediate danger for the audit team, employees, contractors, environment or neighborhood.</p> <p>The auditor shall describe the situation. Describe the type of violations and corrective actions with a statement indicating they believe the corrections are sustainable to prevent future problems or that they are not sustainable solutions.</p>
E1.3	Does the site use a HSE regulatory monitoring system (e.g. legal & regulatory register)?	yes			EHS compliance assessment was performed in Oct.,2018, and all was compliant.	<p>E1.2 Check for the presence of a systematic approach with defined processes for environmental evaluation of compliance level, including:</p>

E2. Waste

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E2.1	Does the site have a process in place to ensure waste resulting from its activities is disposed according to applicable regulations?	yes			Solid waste management procedure was provided for review. Version: TG-EP-DP-02.	Refer to local legislation and required documentation, communication and records. If no procedure or process description is available it becomes a major finding.
E2.2	Are legally required waste documents prepared and submitted to the waste disposal facility with each shipment? For example, is generated hazardous waste appropriately labelled according to the Globally Harmonized System (GHS), respectively according to local regulation?	yes			DG label was used on the container storing glycerin residue.	This question addresses the documentation and labelling of waste shipments. A lack of documentation may lead to dumping of waste material in the environment (see question 2.1 above). If it is not required by law then the site does not have to have the GHS system in place. However the auditor should make sure some form of labeling and documentation system is in place which properly identifies and classifies materials.
E2.3	Are containers stored in adequate condition (not rusted or damaged) to ensure leaks do not occur?	no	major	major	It was found that 6 iron drums storing glycerin residue in hazardous waste storage area were open. 危险废弃物存储区域有6个装废甘油渣的铁桶敞口放置。	Chemicals which seep into the soil may pollute the ground water. Waste collection containers must therefore be stored in specifically sealed and secured areas, regardless of the national legal regulations and the state disposal facilities available otherwise this leads to a major finding.
E2.4	Is (hazardous) waste stored in areas with secondary containment to prevent contamination of the environment if a leak occurs?	no	major	major	The barrels filled with waste oil and lubricating oil were stored in non-hazardous waste storage area without leakage prevention facilities. 将装满废机油、废润滑油的桶存在非危险废弃物存放处，无防泄漏的设施。	
E2.5	Is the final destination of the waste a legally approved waste disposal facility?	no	major	major-critical	The disposal records of waster nickel catalyst, waste glycerin residue, waste engine oil and other hazardous wastes within recent 4 years were not provided. (currently, the hazardous wastes were collected and stored, internal records were retained.) 没有提供4年内对镍催化剂、废甘油渣、废机油等危险废弃物的处置记录，目前暂存，有危险废弃物收集台账。	It is expected to make sure the waste disposal facility used by the company is legally approved. It is expected that the company does not dispose its waste illegally otherwise this leads to a critical finding and has to be reported to TIS immediately. Depending on the type of waste it leads to a major finding for non hazardous waste and to a critical finding for hazardous waste.
E2.6	Does the site use external waste contractors? If yes, are these contractors regularly audited/ assessed?	yes			The company signed <Solid Waste Entrusted Treatment Contract> (including hazardous waste) with Nantong XXX Technology Co., Ltd., which was valid until February 2019.	Not applicable if the site has its own trained staff with legal approvals to manage and treat their own waste. Otherwise it is expected that the plant / site only collaborates with regularly audited/assessed external waster contractors. It is important that the site has the waste handlers trained, qualified and audited regardless of being internal or external.

E3. Water and Wastewater

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E3.1	Does the company have any procedures established and followed for sustainable water management?	yes			"Waste water, waste gas, noise management procedures (DP03)" was provided for review.	The company is expected to have an implemented procedure for a continuously improving water management otherwise this leads to a minor or major finding.
E3.2	Are there any protection concepts for wastewater effluents in places?	yes			Sewage treatment station was in place.COD, pH, total phosphorus were monitored online and waste water would be discharged after meeting the standard.	Based on the environmental aspects and impacts, it shall be defined how to deal with the specific wastewater contents.
E3.3	Does the site ensure that released water (process water, storm water, cooling water, sewer water, secondary containment rain water, steam condensate, etc.) does not contaminate the environment?	no	major	major	Waste water containing pulverized coal and cinder flowed into the soil nearby in the new boiler construction area.Besides, there was no cofferdam around the medicament box of sewage treatment facility. 在新锅炉施工区域，有大量含煤粉、煤渣的废水流到附近土壤里，污水处理设施药剂箱周围无围堰。	In general, the auditor should describe the situation as best as possible in a summary so it is easy to interpret the situation and what may be missing. Prevention methods should also be documented once risks are identified. As long as the auditor review does not find gaps in protective measures for released water, documentation in a formalized document is not required. If gaps are found, then a documented assessment is required but if no gaps are found then this would be a nice to have.
E3.4	Is the secondary containment adequate to protect the environment from contaminated water?	no	major	major	It was noted the storage tank cofferdam and grooves of caustic soda, hydrochloric acid were damaged. 烧碱、盐酸储罐围堰及导流槽有破损。	In the event of chemical leakage or fire fighting, the contaminated effluent must be collected for treatment. Any discharge into surface or ground water must be avoided. If the company cannot ensure prevention of any contamination this leads to a major finding.
E3.5	Does the company have any targets in place and monitored to reduce water consumption?	yes			Monthly statistical table of energy resource consumption was provided, ER-DP01-02 version No.: B/0, and monthly statistical analysis was done.	The company shall have targets in place to monitor its reduction of water consumption otherwise this leads to a minor finding.

E4. Soil and Groundwater

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E4.1	Does the company have a process to identify potential impact on soil and groundwater from current activities/operations (e.g. groundwater contamination) or is the company involved in any active remediation activities?	yes			The company identified potential impacts of current activities/operations (such as groundwater pollution) on soil and groundwater, and developed corresponding measures.	It is expected that runoff of chemicals or any other hazardous substances into streams, groundwater or soil does not occur. If runoff occurs, the site's management needs to have plans to mitigate or to reduce impact. Any major hazardous impact on soil and groundwater from current activities / operations will lead to a major finding. This could also lead to a critical finding when for example toxic substances contaminate groundwater in areas where it is used as
E4.2	Does the company have installations and procedures in place to reduce impacts?	no	major	major	No cofferdam was around the sodium hydroxide medicament box of sewage treatment facilities, and no remedial measure was established. 污水处理设施氢氧化钠药剂箱周围无围堰，没有制定补救措施。	

E5. Emissions to Air and Climate Change

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E5.1	Does the company have any procedures established and followed for emission measurement?	yes			"Waste water, waste gas, noise management procedures (DP03)" was provided for review.	Common error was emissions testing found during supplier audits was that the emission testing conducted yearly was not always from the stack. Sometimes the site made area samples from a spot in the plant. This is okay for occupational safety issues but not environmental emissions estimates.
E5.2	Are data, records or reports on the emissions emitted available?	yes			On-line monitoring system of heat conduction oil furnace exhaust gas was used.	Normally a site will take air measurements only on an annual basis to determine estimated annual emissions. In this case it is very important to have efficiency checks on control equipment on a regular basis (sometimes daily or even per shift if critical materials). Typical inclusion in this program are visual emissions checks, pH of scrubber water, pressure drop of filters and scrubbers, temperature for incinerators, etc. Auditor discretion needs to be used to determine if it is adequate and notes should be written on what is in place and if sufficient. If there are no data, records or emission control devices should ensure emissions are prevented and/or controlled in type and amounts to protect the environment and neighborhoods.
E5.3	Have the company emission sources and types of emissions to air and fugitive emissions been identified?	yes			Boiler exhaust gas and other discharge outlets had been identified.	The efficiency of these control devices must be checked routinely to ensure they are always working properly e.g. daily checks of pressure drop on scrubbers and dust collectors, pH test on scrubbers where applicable, daily visible emissions checks.
E5.4	Are there adequate pollution prevention devices (e.g. filters, scrubbers) in place? If yes, are these pollution prevention devices maintained in proper condition?	yes			Desulphurization and other waste gas treatment facilities were used and maintained regularly.	The company shall have an emission testing in place to monitor compliance with the legal limit values. If emissions testing reveals the site is not in compliance with the legal limit values established, please review your judgment of environmental compliance in question Environment 1.2.
E5.5	Does the company have emissions testing in place to monitor targets and is the site in compliance with the legal limit values established?	yes			Online monitoring system was used on boiler exhaust gas and other discharge outlets, and outsourcing monitoring was conducted yearly. The test report (No. : TQHW190253) on July 2nd, 2018 showed that waste water, exhaust gas and noise all met the emission standards.	The company is expected to define targets to monitor and where possible reduce emissions. If this is not the case this leads to a minor finding.
E5.6	Does the site monitor/routinely assess emissions of GHGs associated with site processes/activities, fuel use for on-site or off-site transportation, agricultural activities etc.?	yes			Monitoring records of greenhouse gases were provided.	It is expected that GHGs associated with site processes/activities, fuel use for on-site or off-site transportations, agricultural activities etc. are monitored/routinely assessed. It is also expected that on-site equipment containing ODS is assessed regularly and included in an inventory.
E5.7	Does the site have an inventory of equipment on-site that contains ozone depleting substances (ODSs) (e.g. air-conditioning equipment that contains refrigerants)? If so, is a phase out plan in place?	yes			List of air-conditioners were in place.	It is suggested to rate this criterion as minor if the site does not measure or does not take action on GHG or ODS, since there are some topics more critical than this one for most of the suppliers.

E6. Energy

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E6.1	Does the site have a program in place to measure and to improve its energy consumption?	yes			The energy consumption target was set, and statistical analysis was implemented on a regular basis.	For example by - measuring and monitoring energy consumption - energy savings or recovery - purchase of energy from renewable sources - regular site energy audits

E7. Land Use and Biodiversity

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E7.1	Has the company assessed the potential impacts of the site operations on designated protected areas or the ecosystem (plants, animals and microorganisms)?	yes			The company was located at local industry area, which was identified in EIA report.	To evaluate the impact of company's production on the immediate environment, companies can either run their own measurement, or rely on external data collections. Not having assessed impacts on designated protected areas or ecosystem should lead to a minor finding. If the auditor obtains knowledge about protected areas impacted by site operations or if the supplier has a significant impact on biodiversity, this should be reported as major finding.

Health & Safety Assessment

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H1. Product Safety

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H1.1	Are the components of all products registered according to the destination country's legal requirements?	yes			REACH registrations of fatty acids and fatty alcohols were in place.	The auditor should outline and explain to what extent this section applies to the supplier. Legal frameworks are in particular REACH (Registration, Evaluation, Authorization and Restriction of Chemicals; Europe) and TSCA (Toxic Substances Control Act) for the auditor should outline and explain to what extent this section applies to the supplier.
H1.2	Does the company have an up-to-date and complete set of Material Safety Data Sheets (MSDS) available for all hazardous materials used or stored on-site (raw materials, intermediates, products)?	yes			MSDS of raw materials, intermediate, finished products were in place.	Up-to-date MSDS's have to be provided in local language and made accessible to employees as well as emergency responders. If there are single cases with no MSDS's in place, but a good labelling and trained employees, then this will lead to a minor finding. The auditor should outline and explain to what extent this section applies to the supplier.
H1.3	Is there a process in place to ensure proper MSDS's are obtained or created for new raw materials, intermediates and products?	yes			MSDS were available in the area storing hazardous chemicals.	Discovering some hazardous material without any MSDS or without any system to ensure proper MSDS is in place will lead to a major finding. The auditor should outline and explain to what extent this section applies to the supplier.
H1.4	Does the company ensure proper labelling (Globally Harmonized System (GHS) label or Dangerous Goods (DG) labels as legally required) of all hazardous materials/dangerous goods, substances, raw materials, and final products handled?	yes			GHS label was used on the hazardous products as required.	If there is no proper labelling in place this shall lead to a minor finding.

H2. Transportation Safety

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H2.1	Are the following items part of the procedure or checklists for loading and unloading operations (packaged goods): - obvious technical deficiencies of the vehicle - vehicles secured against moving - segregation rules - contamination of packaging or transport units - proper loading and load securing - maximum gross vehicle weight	no	minor	minor-major	The company failed to provide checklists for loading and unloading operations of sodium hydroxide packaged by barrels. 没有提供运输氢氧化钠溶液吨桶的检查表。	The auditor should outline and explain to what extent this section applies to the supplier. As a minimum requirement the company should have a procedure in place to ensure transportation safety. According checklists are a good additional proof of evidence.
H2.2	Are the following items part of the procedure or checklists for filling and discharging operations (bulk): - obvious technical deficiencies of the vehicle - vehicles secured against moving - cleaning status of the tank - filling or discharging of the correct tank - filling and discharge valves tight - filling levels of road tankers and rail tank cars - maximum gross vehicle weight - safe working at height - filling and discharge hoses inspection and maintenance	no	minor	minor-major	The company failed to provide checklists for filling and discharging operation for tank trucks transporting of hydrochloric acid. 没有提供运输盐酸溶液槽罐车的检查表。	In addition to a procedure, training for those involved in shipping and goods receipt is also important and legally required, in particular for oversea and air shipments of dangerous goods. (e.g. IATA-DGR; IMDG Code) If it is not done this leads to a major finding. -A missing checklist (only) leads to a minor finding.
H2.3	Is there a system in place to ensure that the shipping documents are provided completely and correctly containing in particular all necessary dangerous goods information?	yes			All finished products were general chemicals. Some raw materials were hazardous chemicals. The shipping documents had necessary dangerous goods information.	The auditor should outline and explain to what extent this section applies to the supplier. A procedure must be established to ensure that proper shipping documents in particular in compliance with dangerous goods transport regulations are provided. This is achieved by according training of personnel as well as a database system which produces consistent and correct information.

H3. Process Safety and Storage

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H3.1	Does the company have up-to-date Pipe and Instrumentation Diagrams/Documentation (P&IDs) available for each facility or process and does a spot check in the field show equipment is properly included?	yes			Pipe and instrumentation diagrams for producing were integrated in DCS system.	The auditor should outline and explain to what extent this section applies to the supplier. If the company is engaged in process industry and has no Pipe and Instrumentation Diagrams for each facility and processes in place this leads to a major finding.
H3.2	Are processes established to ensure material compatibility (materials processed vs. construction materials and equipment such as pipes, gaskets, valves, pumps, tanks)?	yes			The safety assessment report and the safety assessment report of major hazardous sources of hazardous chemicals were prepared, and process ensuring material compatibility was established.	The auditor should outline and explain to what extent this section applies to the supplier. If there is no system in place to assess the specification of the equipment vs. critical chemical and physical properties of materials processed and this bears a risk for people or the environment, this leads to a major finding. If there is a situation of immediate danger to employees or the neighborhood then it should be classified as a critical finding. The auditor should outline and explain to what extent this section applies to the supplier.
H3.3	Have systematic safety reviews been performed by qualified resources and are those regularly reviewed on all processes?	yes			Safety inspection was conducted regularly.	Aspect to consider: - Do safety reviews appropriately evaluate ALL potential risks for different failures e.g. technical issues, human error, utility outages, etc. The auditor should outline and explain to what extent this section applies to the supplier.
H3.4	Is all important equipment included in the maintenance plan e.g. tanks, pressure relief devices, pipes, hoses, forklifts, interlocks, level indicators, safety critical weigh scales? In case of equipment, legally requiring a valid inspection permit or operator certificate: Are they obtained?	yes			Annual inspection report of gas boiler, external inspection report no.: s-gcd (W)-2018-0037, pansu HA1069, which met the requirements, the next inspection date: November 2019.	Preventive maintenance is considered as key aspect of risk mitigation, for example to prevent breakdowns and failures. This includes equipment checks, partial or complete overhauls at specified periods, oil changes, lubrication and so on.
H3.5	Have worst case scenarios that could lead to a loss of primary containment (e.g. overfeeding reactant, filling too fast, overheating vessel, fire in the plant, etc.) been assessed for their consequences and are safety measures established accordingly?	yes			DCS system diagram indicated tank devices had equipped with high-level, low-level, high-level limit, low-level limit alarm.	The auditor should outline and explain to what extent this section applies to the supplier. Worst case scenarios for buildings including calculations for over-pressure stability have to be identified and managed to minimize the risks. If these are not defined, this leads to a major finding.
H3.6	Are critical safety devices (in particular relief valves) identified, properly designed, sized and verified in the field to meet design criteria and periodically inspected?	yes			Boiler and pressure gauge, safety valve were qualified and valid.	The auditor should outline and explain to what extent this section applies to the supplier. Missing calculations could lead a critical finding. If it appears that calculations could be incorrect for a strong exothermic process then it is also critical. In case of a certain element not (fully) considered, deficiencies in the quality of calculations or concerns
H3.7	Do the relief vents relieve to a safe location e.g. do not rain down on employees or neighbors and hazardous gas clouds could not spread to neighbors e.g. routed to scrubbers, incinerators, catch tanks, unpopulated areas, etc.?	no	major	major	One discharge orifice of the drain pipe of hydrochloric acid and sodium hydroxide storage tank was facing the direction of the operator; this might result in a risk of spilling on people. 去离子水装置东面的盐酸、氢氧化钠储罐放液管的管口正对着操作者的方向，有溅到人身上的风险。	The auditor should outline and explain to what extent this section applies to the supplier. Relief vents and hazardous gas clouds are a high risk for the employees. Therefore if the company does not ensure the relieve to a safe location this leads to a major finding.
H3.8	In review of question 3.1 to 3.7, is the overall management system of process safety adequate to prevent catastrophic events?	yes			The overall management system of process safety was adequate to prevent catastrophic events.	This question is to evaluate the overall process safety approach of the company. Any major / systematic deficiency regarding the subjects above could lead to a critical finding if processes and/or equipment by failing could cause a catastrophic event, which cannot be prevented through other processes or systems.

<p>H3.9 Is a hazardous area classification (Ex classification) performed for storage and handling of flammables with hardware and management systems adequate for zoned areas?</p>	<p>yes</p>	<p>A large amount of liquefied petroleum gas (LPG) was stored on site, and the LPG tank area constituted a major hazard source of level 4 dangerous chemicals. Corresponding management system was in place. The hazardous chemical production safety license was in place (Su) WHanxuzhengzi [F00405], valid until 2019-06-21.</p>	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>The classification of areas where flammables are stored or used is important to minimize the risk of fire or explosion; aspects to consider:</p> <ul style="list-style-type: none"> - Is it ensured that no spark producing equipment is used without a proper hot work permit and atmospheric testing e.g. drills, grinders, welders, non Ex forklifts, lamps, hammers, wrenches, etc.? - Are all permanent electric fixtures e.g. lights, electrical outlets, etc. installed in these Ex areas properly rated for explosion protection and in good condition? - Is proper grounding / earthing of fixed and temporary equipment ensured and in
<p>H3.10 Does the company have processes established to identify hazardous substances and according applicable requirements for storage, use and handling to ensure compliance?</p>	<p>yes</p>	<p>No hazardous substance was used in the factory.</p>	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Examples include</p> <ul style="list-style-type: none"> - required licenses or permits obtained to store or use hazardous chemicals - systems or procedures in place to manage hazardous substances - containers for hazardous materials or waste are adequately labeled and separated
<p>H3.11 Do bulk storage tanks have level indicators, independent overflow devices or other methods to prevent overflow?</p>	<p>yes</p>	<p>Level indicators were used.</p>	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p>
<p>H3.12 Is there a system or procedure in place to ensure incompatible materials are segregated during storage (container storage)? Does it also include a method to prevent leakages of 2 incompatible materials from coming in contact?</p>	<p>yes</p>	<p>Chemicals management system was established, to ensure incompatible materials were segregated during storage.</p>	<p>If bulk storage tanks have no level indicators, independent overflow devices or other methods to prevent overflow and provide adequate protection, this leads to a major</p> <p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Chemicals must be stored in such a way that they do not leak into the ground, and cannot pollute the groundwater. The safest form of protection is collecting basins. Segregation rules must be followed to avoid chemical reactions of incompatible</p>

H4. Occupational Health and Safety

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H4.1	Have formal risk assessments been performed on task group or job function level to identify occupational health risks e.g. chemical exposure potential, falls, heat stress, cuts, ergonomics etc.? Are risk mitigation measures defined and implemented giving risk elimination and technical measures first priority?	yes			Occupational hazard status evaluation report was prepared(No.:AntaizhipingX2017-009), and safety status report was in place.	Auditor should check in the field if technical measures are used such as ventilation, enclosures, closed systems. There must be some form of risk assessment on all tasks performed to review all health and safety hazards e.g. chemical exposure, falling from high, ergonomics, electricity, etc.
H4.2	Is proper Personal Protective Equipment (PPE) made available to employees according to the risks concerned and is it consequently worn in the field?	yes			Appropriate personal protection equipment was provided to relevant employees, such as dust mask, gas mask, earplugs, acid and alkali resistant protective clothing. Employees wore PPE as required.	If no risk assessment is implemented in a plant with risk profile, this should be a major finding. If major risks remain either because no or inappropriate PPE was made available or because employees do not wear proper PPE, this should be classified as a major finding. If personal protective equipment (PPE) is made available but not all risks are covered appropriately, this may lead to a major finding. If there is an isolated case of a worker not wearing PPE although it has been provided, then this may lead to a minor finding.
H4.3	Are exposure assessments conducted for hazardous chemicals and are technical measures in place to mitigate exposure?	yes			Occupational hazardous factors inspection report was provided for review.No.: Taijiezhiyan(2018)0164.	Does the facility look at exposure limits according to good international practices or just refer to local legislation? (In some countries chemicals that are not considered hazardous locally are highly hazardous by according to GHS standards.
H4.4	Are noise exposure assessments conducted to verify safe levels (<85dBa)? Where noise levels are found above 85 dB is hearing protection worn?	yes			Employees in the area, where noise level was above 85dBa, wore earplugs.	Depending on e.g. time of exposure and number of employees working in this area that could be classified as minor or major. It depends on the severity of the noise and the protections in place. If the noise level is a significant risk factor for the site, but a systematic evaluation has not been performed and appropriate prevention measures implemented it should be major. If ear protection is not consequently worn this could be a minor.
H4.5	Are there valid procedures for operations, tasks or use of equipment on-site detailing the safety precautions required?	yes			Occupational hazard notification card was in place.	Auditor shall do a spot check of procedures based on the work and activity done. This criterion can be classified as minor as far as warning signs within the facility are installed.
H4.6	Are occupational health check ups performed on employees by a physician? Do they include specific testing for the specific jobs conducted or chemicals handled, e.g. pulmonary function and spirometer test for respirator users?	no	minor	minor-major	It was found that 2 employees in laboratory resigned in Sept., and Oct., 2018 respectively were not provided with occupational health check report after dismission. 有2名化验室员工于2018年9月、10月分别离职，没有做离职后的职业病体检。	The auditor should validate to what health risks and deficiencies in health protection could result in substantial danger for employees. Seriousness and potential effects should be estimated. Depending on working environment, it can be either minor or major if the hazard from chemicals shows significant impact and the health check ups have not been done. It is a minor finding if check ups are missing in general at plants with non-major

H4.7	Are safety showers and eye wash equipment installed, easy accessible from work stations involving hazardous chemicals handling (especially corrosives and skin toxins)?	yes	Safety showers and eye washes were in place.	Depending on working environment it can be either minor or major. No appropriate measures taken (no safety showers/no eye wash equipment at all or out of order,) gives a major; isolated issues could be a minor finding.
H4.8	Are proper hygiene practices observed (i.e. no eating, drinking, smoking in areas where chemicals may be present, storage of clean personal clothes and work clothes is separated, proper cleaning of work clothes to prevent taking contamination home)?	yes	It was stipulated that no smoking or dieting in the production area.	Depending on working environment it can be either minor or major. If according restrictions (e.g. no eating, drinking in the workshop) have never been considered or are not followed in principle, this is a major finding. Isolated indications that according rules are not followed could be a minor.
H4.9	Are containers labeled with chemical name and hazard to warn employees of the hazardous contents?	yes	Correct label was used on the containers of chemicals.	Depending on working environment, it can be either minor or major. Missing labeling although legally required or for example, if the employees are not aware of the hazard(s) of a substance they are using this should be a major. Single placards / labels missing leads to a minor.
H4.10	Is there a work permit system established covering at least: - Lockout Tag out Tryout - confined space entry - hot work - elevated work / working at heights - groundbreaking excavation - high voltage	yes	The work permit system of restricted space and fire was established and permits like fire permit were provided.	Some of the most critical items to look for on a permit: 1. Description of the work, approvers and worker reviews. 2. Risk assessment identifying hazards and assigning protective measures used to mitigate the hazards. 3. 4 eyes principle used 4. Is all work completed by trained and qualified people? 5. Are electrical devices locked out so they cannot be activated? 6. Are all lines disconnected to prevent contamination during an entry?
H4.11	Does the company have an incident management and reporting system established covering for example certain types of incidents, reporting lines, consequences and corrective actions required?	yes	The "Emergency Plan of Production Safety Accident" was provided.	At a minimum, issues with severe consequences, e.g. fires, explosions, releases, etc. should be addressed and corrected. However, injuries (even small first aids), emissions to the environment, leakages (even small), property damage, near misses should also be covered. No incidents (at all) reported / investigated indicate deficiencies in reporting culture rather than nothing occurred and leads to a major finding. In case of certain elements not fully covered this could be a minor.
H4.12	Does the site apply a systematic root cause investigation system in place to ensure the true causes are identified?	yes	A systematic root cause investigation system was established.	
H4.13	Are corrective actions identified for the incidents and are they implemented?	yes	Corrective actions were required to implemented within the fixed time.	The auditor should check the corresponding corrective/preventive measures taken by the company. If there is no systematic approach in principle, this leads to a major finding. If for example near misses are not consequently reported and formally investigated this could be a minor.

H5. Emergency Preparedness

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H5.1	Has the company established a written procedure for emergencies and evacuations and communicated this to all workers? Does the site emergency response plan cover all realistic scenarios (e.g. tornados, floods, spills, releases of hazardous materials)?	yes			The "emergency plan for safety accidents" and the record registration form were provided.	A written procedure for emergencies should contain information about individual responsibilities, arrangements for 24/7 coverage by trained responders, a list of the different parties to be informed with their contact details, a procedure for handling the information towards the neighborhood, the press and other interested parties of serious accidents / incidents that happened on-site. If this is not the case, this leads to major finding.
H5.2	Does the company ensure a proper handling of emergencies, e.g. - availability of a trained emergency response team (on/off-site), - well indicated and properly signposted escape routes, emergency exits (unlocked) and assembly points, - enough fire exits for all workers to leave buildings safely, - checking of all fire fighting equipment regularly (e.g. alarms)?	no	major	major-critical	The nearest escape route to the south of the hydrogen compressor room was closed by barbed wires, and the evacuation door was closed permanently. Besides, it was noted no emergency escape route diagram was in place. 氢气压缩机房南面最近的逃生通道被铁丝网封闭，疏散门关闭。也无紧急逃生路线图。	Fire early warning systems are for example smoke sensors, fire alarm systems, alarm devices. They are an important safety requirement even in countries where this is not a legal requirement. If no alarm devices are found then this leads to a major finding. The functioning condition of fire extinguishers must be checked at specified intervals. As a rule, fire extinguishers are marked by a tag when they are inspected, and this shows the duration of validity.
H5.3	Does the company coordinate emergency response programs with external experts, e.g. local fire brigade, authorities?	yes			Fire extinguishers, fire hydrants and other fire facilities were equipped.	In case there are no written procedures, the auditor should describe on-site fire detection, notification, suppression and response systems (e.g. sprinkler systems). If significant risks are concerned (e.g. handling of considerable volumes of hazardous materials) deficiencies should lead to a major finding. For low risk activities or administrative work (only) this could be a minor.
H5.4	Is fire fighting capacity available (e.g. water volume, emergency power supply, redundant pump system, fire fighting equipment, retention basin for fire fighting water)?	yes			One fire emergency pool (2000m ³) was equipped.	Normally the national legal regulations specify the standard requirements for fire extinguishers and other fire fighting equipment. There must in all cases be functioning fire extinguishers in sufficient quantity (see recommendation of manufacturer). The fire extinguishers must be distributed in a meaningful manner, so that they can be reached by employees easily and within a short time. They must be placed at a height such that they can easily be reached by employees. It is easier for employees to find
H5.5	Are emergency drills performed at least yearly (per shift) and do they consider all different emergency scenarios identified (e.g. chemical spill, fire, etc.) ?	yes			Comprehensive emergency drills of fire fighting, evacuation and rescue were carried out on 20th, June, 2018. Emergency drill of heat conduction oil leakage fire accident in public works was performed on 14th, Nov, 2018.	If the site does not conduct any drill, it should be a major finding. If drills are carried out but they do not cover everyone or are not conducted regularly, the finding could be a minor one.

H6. Medical Care

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	
		Answer	Type			
H6.1	Does the company provide prevention programs (e.g. back therapy training, healthy eating, anti-smoking programs, company sport activities)?	yes			Anti-smoking programs was implemented in the workshop.	Prevention programs are for example back training sessions, sport programs etc. If the company does not provide any of those, this leads to a minor finding.
H6.2	Does the company ensure that medical care for the employees is provided in case of emergency?	yes			8 qualified first-aiders were in place.	If this has never been considered or nothing is offered, this leads to a major finding.
H6.3	Does the company provide well-stocked and maintained first aid boxes in relevant areas (e.g. production site, offices, warehouses)?	yes			Adequate first aid box (with enough materials) was provided in the company.	The requirements for first-aid materials are normally defined in the national regulations and needs to be complied with. Fundamental deviations lead to a major finding. Unless stated in legislations or not, a first aid kit appropriate to the site and occupational accident possibility must be provided (appropriate for the size and layout).
H6.4	Does the company have any further medical facilities/doctor's room on-site?	n/a			Medical facility was not suitable for the company.	Compliance with according national legal requirements should be checked; in case of deviations or if the nearest hospital is very far away this would lead to a major finding. Otherwise it is a minor one.
H6.5	If asbestos containing materials or other restricted substances (e.g. PCB) are present, has the site compiled a register of these substances and trained employees on the hazards?	no	minor	minor-major	The asbestos containing materials was suspected to be used as oil furnace thermal insulation materials. The company did not compile a register of these substances and train employees on the hazards. 油炉保温材料疑似有石棉，无登记簿，未对员工进行关于其危害的培训。	It depends on how prevalent the material is within the plant. If exposure can occur in many areas, then it is a major finding. Isolated issues could lead to a minor one.

H7. Security

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H7.1	Is the site secured through e.g. staff or fence/wall, areas intrusion prevention system?	yes			The site was secured on 24/7 basis.	If there are gaps in the intrusion prevention systems, this can lead to a minor finding.
H7.2	Are entrances and windows along the periphery secured?	yes			Entrances and windows along the periphery were secured.	If there are gaps in the intrusion prevention systems, this can lead to a minor finding.

Labor & Human Rights

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L1. Child Labor

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L1.1	Does the company have an age verification system in place?	yes			All employees' ID copies were retained.	When hiring, the company shall require formal identification and age documentation for all workers. The company shall keep a copy of age documentation for all employees (but not the original!). Nevertheless, the auditor has to check how age of
L1.2	Does the company ensure that there are no children below the age of 14 or 15 years (depending on local legislation), except for apprentices, summer jobs, school or education related internships employed? Please state the age of the youngest employee at the sites and offices in scope.	yes			The youngest worker was 23-years-old.	The employment of any children below 14 or 15 years (depending on local legislation) is a violation of local law and ILO convention, therefore it bears a high risk and always leads to a critical finding which has to be reported immediately to TFS.
L1.3	Does the company make sure that young workers below 18 years of age are exempt from overtime, night work and hazardous work?	n/a			The youngest worker was 23-years-old.	It must be checked that their protection rights (e.g. with respect to working times, health and safety, hazardous workplaces, etc.) are complied within the company and there is a policy that ensures these rights. Young employees (between 14 or 15 and 18 years) are normally under the special protection of the law.
L1.4	Is it ensured that young workers below 18 are not harmed with regard to health, safety, security or physical / psychological integrity?	n/a			The youngest worker was 23-years-old.	If there is clear indication of serious harm to young employees, this should be considered as a critical finding. Otherwise, it would lead to a major finding.
L1.5	Does the company ensure that employees below 18 years have no conflict with compulsory education or vocational training? Do the combined hours of transportation (to and from work and school), school attendance and work amount to less than 10 hours a day?	n/a			The youngest worker was 23-years-old.	If the combination of hours of transportation, school and work exceeds 10 hours a day, this leads to a major finding. If hours worked by young employees systematically exceed 10 hours (e.g. high number of workers affected or combined hours far above 10 hours), this should lead to a critical finding.
L1.6	Does the company develop or adhere to policies and take part in programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child?	yes			There was one policy and written procedures in place for remediation of children found to be working.	Some examples of initiatives the companies might adhere to are the UN Global Compact and the OECD Guidelines.

L2. Forced and Compulsory labor

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L2.1	Does the company ensure that no forced, bonded or involuntary prison labor is employed?	yes			No forced, bonded or prison labor was found in the company.	
L2.2	Does the company ensure that there is no money (deposit, credits) of its employees kept as a condition of employment in the company or does the company ensure that credits do not create dependencies for the workers?	yes			No deposit or credits to all employees.	
L2.3	Does the company have a written contract of employment for every directly employed worker and provide a copy of the contract in a language that they can understand?	yes			Signed contracts were retained in the company and employees respectively.	Missing contracts for employee increase the risk for illegal employment and for forced labor, therefore this leads to a major finding. If this is not systematic, this leads to a minor finding. The auditor should verify if there is a contract in the language that the employee can understand and if a copy of the contract is provided. In some countries this might be replaced by a collective bargaining agreement with the conditions of
L2.4	Are all employees in the company free within the legal framework and upon the discussion with their employer to terminate their employment on their own decision? Are employees informed about conditions of contract termination?	yes			The written request for leaves showed employee terminated their employment on their reason.	If the employees are not informed about the conditions of contract termination, this leads to a minor finding. If the employees in the company are not free within the legal framework and upon discussion with their employer to terminate their employment on their own decision, this leads to a major finding.
L2.5	Are all employees allowed to leave the company property after contracted hours/regular working time?	yes			Employees were allowed to leave the company at any time.	If employees are not allowed to leave the company (including factory and housing facilities, if provided) after contracted hours this leads to a major finding.
L2.6	Are all workers provided with written and understandable information about their employment conditions with respect to wages (e.g. weekly or monthly payment periods) before they enter employment? Are workers informed about the particulars of their wages for the pay period?	yes			Information about employment conditions with respect to wages was involved in labor contracts and being understood. Particulars were also attached.	Information received before entering the employment helps workers to evaluate the job offer. If this information is not provided, this leads to a minor finding.

L3. Working Hours

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L3.1	Are the working hours recorded? If yes, please explain how.	yes			Both written attendance records and fingerprint electronic records were retained.	The company may decide for itself what arrangements it makes for time recording systems (attendance lists, punch/time cards, electronic data processing). But the system must be logical and comprehensive and must record the following: - Actual start of work and actual end of work
L3.2	Does the average number of weekly hours per person (including overtime) not exceed 60 hours (ILO standard of maximum weekly working time)?	no	major	major	It was noted that 3 out of 15 sample population employees worked in excess of 60 total hours per week (i.e. 60 to 72 hours) for 2-3 weeks in Oct. 2018. Besides, no Trade Union or worker representative was in the company, and the company was unable to provide the collective agreement about the issues. 抽样的3/15名员工在2018年10月有2-3周的周工作时间为60到72小时,超过每周工作60小时。该公司没有工会或工人代表。也未能提供集体协议。	This question is based on the ILO Convention 1 that determines that the weekly working time of on average 48 hours in normal cases may not be exceeded. The total hours worked in any 7 day period shall not exceed 60 hours (including overtime), except where all of the following are met: • This is allowed by national law; • This is allowed by a collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce; • Appropriate safeguards are taken to protect the workers' health and safety; and • The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
L3.3	Do working hours comply with national laws?	no	major	major	It was noted 3 out of 15 sample population employees worked in excess of 3 overtime hours per day (i.e. 4 to 5 hours) for 3 to 4 days per month in Oct. 2018, which was not in compliance with the legal requirement. 抽样的15名员工中有3名员工在2018年10月有3到4天每天的加班时间为4到5小时,超过每天加班时间不能超过3小时的法律规定。 5 out of 15 sample population employees worked in excess of 36 overtime hours per month (i.e. 36-58 hours in Sept. 2018), which was not in compliance with the legal requirement of 36 hours per month. 抽样的5/15名员工在2018年9月的加班时间为36小时到58小时,超过每月加班时间不能超过36小时的法律规定。	The compliance with national rules and agreements regarding working hours (for daily and weekly limits) is preconditioned and therefore a non-compliance would lead to a major finding.
L3.4	Do employees have one day off (24 consecutive hours) per week on a regular basis?	no	major	major	It was noted 3 out of 15 sample population employees did not have 1 day rest for 2 weeks in 5th -20th, Oct. 2018, which was not in compliance with the legal requirement. 3/15名员工在2018年10月有2个星期没有每周休息1天(10月5日到20日),不符合法律规定。	Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period. If this is not the case it leads to major finding.
L3.5	Does the company demand overtime only exceptionally and on a voluntary basis (except for legally defined situations of urgency or emergency that require full employment of the workforce)?	yes			Based on interviewees, overtime was on a voluntary basis.	This is to find out whether there are only individual employees or groups of employees that do excessive overtime, or whether the overtime in the company is at too high a level in general. The average number of overtime hours worked by all employees in the previous week is to be determined from the time record documents provided, and to be compared with the relevant legal regulations. If the stipulated maximum working times are exceeded, this will lead to a major finding.

L4. Minimum Wages

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L4.1	Is the minimum salary paid by the company in compliance with legal minimum wage?	yes			The lowest wage provided to employee was RMB1902 per month, which was higher than the local minimum wage RMB1830.	The minimum salary paid by the company shall be in line with national law. Violations should lead to a minor if there are not systematic. In cases of systematic breaches this leads to a major finding.
L4.2	Does the minimum salary paid by the company provide the employee with a basic salary that allows for making a living according to local standards?	yes			The lowest wage provided to employee was RMB1902 per month, which met local BNV.	ILO Convention 131 stipulates that for the establishment of minimum wages, besides economic conditions, economic development requirements and productivity also the needs of the employees and their families, the cost of living and the social security benefits have to be taken into account. It is anticipated that the company observes the in each case legally guaranteed minimum rates, the minimum standards of the in each case national economic sectors and that the company acts upon the local law.
L4.3	Are wages paid either with money directly to the employees in cash, check payment or by bank transfer as well as at regular intervals at least once per month? Are pay slips provided to the employees?	no	minor	minor-major	In accordance with Article 19 of Regulations of Zhejiang Province on Wage Payment, where the employing unit and a laborer dissolve or terminate their employing relationship according to law, the employing unit shall pay up wages in one time within five working days after dissolution or termination of such employing relationship, unless otherwise agreed by the two parties. It was noted 5 employees who terminated their employing relationship before 1st ~ 20th day of every month were paid centralizingly at the 26st-30th day in the current. (No otherwise agreed by the two parties). 根据《江苏省工资支付条例》第19条：用人单位与劳动者依法解除或者终止劳动关系的，应当在劳动关系解除或者终止之日起二个工作日内一次性付清劳动者工资，双方约定除外。当前上和月中旬终止劳动关系的五名员工的工资集中在下旬发放。	Wages must be understood by the employees, paid in a timely and regular fashion, accurately calculated and paid in accordance with contract. If one of these aspects is systematically not followed, it is major. If not this leads to a minor finding. Some wages are mandatory according to local laws, if they are not paid, it should be a major.
L4.4	Is it ensured that there are no unjustified deductions made from wages, e.g. for required safety protection equipment, medical expenses, transport, accommodation, meals, training and disciplinary measures?	yes			No unjustified deduction was made from wages.	If services are ordered by the company for which the employees have to pay or for the use of which deductions are made from their wages, it must be examined whether deductions and the amount of deductions are legal. It is not permissible to make automatic deduction without the services being used. It is not permissible to make deductions from wages for the use of objects, buildings or services which are directly necessary for execution of the work (e.g. entry fees, charges for the use of tools and machines, for the use of sanitary facilities or for the provision of protective clothing for

L4.5	After deductions are made, is it ensured that no workers receive less than the legally applicable minimum wages?	yes			No unjustified deduction was made from wages.	measures, not the use of sanitary facilities or the provision of protective clothing for work, for drinking water or for washing facilities). Deductions for disciplinary measures are only accepted if they are allowed by law and if a freely negotiated collective bargaining agreement is in place.
L4.6	Is overtime compensated (money, time) according to national law and benchmark industrial standards, whatever is higher?	no	minor	minor	The calculation base of overtime wage (basic wage/22) was less than the base of one's own monthly wage (basic wage/21.75). 加班工资的计算基数（基本工资/22）略少于其本人当月工资的基数（基本工资/21.75）。	Deductions are made should be limited to a certain percentage of the workers' It must be ensured that the compensation of overtime hours is paid. This has to be calculated on the regular hourly wages that the single employee has earned and should be checked with the relevant counting methods and if necessary with samples. According to ILO Conventions No. 1 and No. 30, the rate of pay for overtime shall be not less than one-and-one-quarter times the regular rate. Overtime premium of 50 per.
L4.7	Are all workers provided with paid annual leave, statutory holiday, maternity leave as per local legal requirements?	yes			The annual leave benefit was provided to all employees in 2018.	If payment of annual leave, statutory holiday or maternity leave as per local legal requirements are not offered this leads to a major finding.
L4.8	Are all workers provided with other benefits, such as medical insurance, pensions, social insurance as per local legal requirements?	no	minor	minor-major	The social insurance premium basis of the company was insufficient. Some employees with different salary level had the same social insurance payment basis. 企业的社会保险缴费基数不足。一些不同工资级别的员工有相同的缴费基数。	The word benefits refers to additional compensation, for example bonuses, transport, food, clothing, etc., to which employees have a legal entitlement. If such a compensation is not offered this leads to a minor finding. If benefits are a legal requirement and not provided this should lead to a major finding.

L5. Freedom of Association

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

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

L6. Discrimination and Harassment

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L6.1	Does the company assure compliance with policies on harassment and discrimination in hiring, promotion, equal pay, benefits, and training based on ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental or marital status?	yes			Anti-discrimination management procedure (TG-TFSP-301-2018) was established and followed.	For example, the company hires workers based on individual skills and qualifications and does not ask applicants questions that are discriminatory in nature or irrelevant for carrying out job tasks and does not ask job applicants about pregnancy status or requests pregnancy testing. If the company does not ensure that its employees are not harassed in any way this leads to a major finding.
L6.2	Does the company clearly and strictly forbid any form of verbal, physical or psychological threats, abuse or harassment in your company?	yes			By document review and worker interview, no threat, abuse or harassment in the company.	This could be for example included in an internal policy that should be communicated to the employees.
L6.3	Does the company ensure no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers?	yes			By document review and worker interview, no harsh or inhuman treatment in the company.	If more than an occasional occurrence is recognized by the auditor than this leads to a critical finding.

L7. Special Work Contracts

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L7.1	Do above defined labor requirements also apply to contract workers?	no	minor	minor-major	The agreement signed between the company and the construction service providers did not involve the requirements regarding to age requirement, working hours and minimum wages for their employees. E.g. repairing workers are working. 公司的施工服务协议中没有包含对其员工年龄要求，也没有包括对其员工的劳动合同中的工作时间和最低工资的要求。(大修正在进行中)	The auditor is expected to review a limited size of samples to ensure that the above requirements also apply to contract workers. The company is expected to apply all above defined labor requirements to their contract workers as well. The classification of this question is based on the most critical evaluation of the above criteria applied for contract workers.
L7.2	Are systems and processes in place to manage sub-contracting, homeworking and external processing?	n/a			No external product processing was found in the company.	

L8. Facilities & Dormitories

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L8.1	Does the company provide unlimited access to free clean drinking water during working hours?	yes			Drinking came from local clean tap water.	National statutory regulations often give a definition of the characteristics and inspection required for potable water. Clean drinking water includes bottled water and clean tap water. Clean potable water must be available to all employees during working times otherwise this leads to a major finding.
L8.2	Does the company provide adequate sanitary facilities e.g. low risk of infection, fixed equipment to wash hands?	no	minor	minor	It was noted that management was unable to provide the food catering license for the employee canteen. 未能他提供员工食堂的餐饮服务许可证。	The number of toilets required by national regulations is to be entered and compared with the actual conditions. If there are less than the required number, this will lead to a minor finding.
L8.3	If living accommodation / dormitories are provided for employees or contractors, are they safe and clean, and do they meet relevant basic requirements?	yes			Employees dormitory management regulation was described in the Chapter 3.12 of Employee Management Rules and Regulations. Living accommodations were safe and clean.	Accommodation / dormitories should meet basic requirements. The auditor may classify as minor if standards are in line with country level standards but lack some basic requirements. The finding should be classified as major if basic needs are not met or the standards fall below country level standards or laws.

Governance Assessment

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G1. Business Integrity

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G1.1	Has the company established internal controls to prevent and identify corruption (e.g. four-eye principle, separation of functions, job rotation)?	yes			1. Anti-Corruption Control Procedure (TG-TFSP-401-2018) was established and followed. 2. Purchasing, Logistics, and Finance Personnel had signed "I commit to integrity and self-discipline". 3. The company signed Anti-commercial bribery agreement with business partners.	A missing policy or missing procedures to prevent and to identify corruption and bribery always lead to a minor finding.
G1.2	Can the auditor confirm that no indication for fraudulent or corrupt behavior has been observed in the entire audit process?	yes			No indication for fraudulent or corrupt behavior was observed in the entire audit process.	Corrupt or fraudulent behavior leads to a critical finding.

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

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G2.1	Does the company have a policy/internal instruction to prevent sourcing from civil war zones or other areas with severe human rights infringements (e.g. Democratic Republic of Congo and their neighboring countries)?	n/a			All raw materials were purchased in China. China was at a peace zone.	This question is applicable to any company potentially sourcing minerals or metals from conflict-affected and high-risk areas (Particularly referencing to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, EU Conflict Minerals Regulation and the US Dodd Frank Act). Suppliers in scope shall demonstrate that they have implemented responsible mineral
G2.2	Does the company have a process in place to check business partners against any international/regional/national sanction party lists (e.g. lists related to product risks (e.g. arms and weapons) or country risks (e.g. terrorism))?	n/a			China was at a peace zone.	The auditor should outline and explain to what extent this section applies to the supplier. A policy / internal instructions to prevent sourcing from civil war zones or other areas with severe human rights infringements, are expected from the company. A missing of such a policy should lead to a minor finding.

G3. Special Risk Area: Animal Testing

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

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

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

G4. Privacy and Intellectual Property

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G4.1	Does the company have a process to ensure confidentiality with customers in relation to contracted products, projects under development, and related product information?	yes			1. The company had signed confidentiality agreement in all employees' labor contracts. 2. The company had signed confidentiality agreement with customers.	The company is required to ensure confidentiality otherwise a minor finding has to be indicated. Systematic violations could lead to a major finding according to the definition in the TIS Audit Program.

G5. Fair Competition

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

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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G5.1	Does the company have a process to ensure that applicable laws and regulations of fair business, including advertising and competitive marketing, are upheld (e.g. antitrust)?	yes			All suppliers had signed anti-business bribery agreement (TG-XZ-06) was established and followed.	Missing standards to conduct business in line with fair competition and in accordance with all applicable anti-trust laws lead to a minor finding. Systematic violations could lead to a major finding according to the definition in the TIS Audit Program.

G6. Disciplinary and Complaint Procedures



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

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G6.1	Does the company have any disciplinary policies in place in order to respond to cases of misconduct of employees (including management)? Have they been clearly communicated to all employees?	yes			Promotion, Reward and Punishment and Regulations written in the Chapter 3.6 of Employee Management Rules and Regulations was established and followed.	To ensure the compliance with national law and ILO standards, the company shall have a policy on disciplinary practices in place.
G6.2	Has the company implemented disciplinary and complaint procedures in earlier cases of identified misconduct (if any)?	yes			Internal Reward and Punishment was established and implemented, and no complaint or grievance occurred in recent one year.	It is expected that the company provides means for their employees to report concerns or potentially unlawful activities in the workplace and to treat them in a confidential manner. Once cases of misconduct and unlawful activities are identified, these shall be followed up with due care and adequate sanctions shall be put in place in response. For workers, business partners and affected communities the company needs to have a policy and process in place to effectively communicate the possibility to raise a complaint and address grievances.
G6.3	Does the company have a grievance mechanism for workers to report any complaints or cases of concern? If yes, is the reporting system designed to help identifying cases of misconduct and to promote reporting of misbehavior for prosecution (e.g. anonymous reporting / external point of contact that protects the whistle blower)?	yes			1. Grievance issue described in the Chapter 3.14 of Employee Management Rules and Regulations was established and followed. . 2. Opinion Box Opening Record and Management Rule (TG-XZ-09) was established and followed. 3. Opinion Box Opening Records were retained on files.	If no grievance mechanism for employees is in place, this leads to a major finding. If no grievance mechanism for business partners or other interested parties is in place, this leads to a minor finding. Examples: - reporting channels established for anonymous reporting of misconduct and

Photo Report

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

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

Picture	Description <i>(short description of the photo , indication to which criterion it relates and how it supports findings and conclusions made)</i>
	<p>Exterior of the company</p>
	<p>Name of the company</p>