

SGS Audit

AUDIT REPORT, SOCIAL REQUIREMENT FOR NATURAL STONE PRODUCTION

PRINCIPAL:

BENT VANGSØE NATURSTEN A/S (FYNSVEJ 8, 5500 MIDDELFART, DENMARK)

MANUFACTURER INFORMATION:

FACTORY NAME: JINAN YUANXING GRANITE MATERIAL DEVELOPMENT CO., LTD.

REPRESENTATIVE: MS. ZHAO NING

PRODUCTS: GRANITE

FACTORY ADDRESS: GUYUNHU INDUSTRIAL DEVELOPMENT ZONE, CHANGQING DISTRICT, JINAN CITY

STATE/PROVINCE: SHANDONG COUNTRY: CHINA

AUDIT CONDUCTED AND REPORTED BY: SGS

SAM WANG/AUDITOR

NAME/POSITION

DATE: 15 JAN., 2014

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1. The assignment

The company SGS took inspections upon request of to BENT VANGS Ø E NATURSTEN A/S, general views of overall conditions in regard to Forced labor, Child Labor, No-Discrimination, Freedom of Association, Workplace Health & Safety, Conditions of Employment and Work, Protection of Extern Environment on the date Jan., 15 2014.

Factory: Jinan Yuanxing Granite Material Development Co., Ltd.
 Address: Guyunhu Industrial Development Zone, Changqing District, Jinan, Shandong, China

Specially checked ILO conventions 138, 182, 32, 29, 105, 100, 111, 87, 98, 170, 155 and 148.

2. Structure of the report

In this report, SGS presents a summary of the most important findings followed by suggestions for improvements.

3. The Audit process

The SGS audit team consisted of experienced auditor who conducted inspection at the factory during the day.

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The map above shows Changqing District, Jinan City of Shandong province, and locations of factory site (Red Arrow).

Below photo shows overall view of Jinan Yuanxing Granite Material Development Co., Ltd.



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5. Results:

SGS presents final report, as hereunder.
Classified according to ILO conventions:

CONVENTION 138: MINIMUM AGE FOR WORK

Refer to the personal files, ID cards and interview, all workers found the age more than 20 years old.

CONVENTION 182: PROHIBITION OF CHILD LABOR

Refer to the work contract, personal files, ID cards and interview, no discrepancy noticed.

**UNITED NATIONS CONVENTION ON THE RIGHTS OF THE CHILD,
article 32**

N/A, no child workers found.

CONVENTION 29: PROHIBITION OF FORCED AND COMPULSORY LABOR

Refer to interview with workers, they are working with their own will, no any forced or compulsory labor found.

CONVENTION 105: ABOLITION OF FORCED LABOR

Refer to interview with the workers, no abolition or compulsory labor found.

CONVENTION 100: EQUAL PAY FOR EQUAL WORK, REGARDLESS GENDER.

Refer to the monthly payment list from Jan., 2013 to Dec., 2013, as workers are paid in accordance with how much each worker produced or working hours, regardless gender.

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CONVENTION 148: PROTECTION OF WORKERS AGAINST HAZARDS AT WORK-ENVIRONMENT CAUSED BY AIR-POLLUTION, NOISE, VIBRATION.

All workers wear helmets and gloves. But no workers wear protective boots throughout the factory. At manual operation area, no workers wear goggles when knocking at stone.

First aid kit was kept in office near the workshop.

PAYROLLS: MINIMUM WAGE BY GOVERNMENT OF CHANGQING DISTRICT, JINAN CITY IS RMB1220/M

Refer to salary records, the monthly salary was RMB2300-2500, overtime was less than 10 hours per month, all are paid over minimum wage.

DOCUMENTS: COMPANY REGISTRATION AND ENVIRONMENT PROTECTION

Documents were kept in order. But Forklift driver not get qualified certificate.

WORKING CONTRACT:

All workers have working contract registered by local government.

SOCIAL INSURANCE FOR WORKERS:

Only 15 management + 2 workers has insurance including endowment insurance, accident insurance, medical insurance, unemployment insurance and maternity insurance, other 12 workers were only insured accident insurance.

WORKING TIME:

Regular daily working hour was 8hrs, from 08:00-12:00 in the morning, and 13:30-17:30 in the afternoon. Refer to their salary payment list,

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average monthly overtime was 8-9 hours, but not detailed overtime working time table. One worker told auditor a wrong answer about his 2014 New Year holiday.

Most important non compliances to ILO conventions:

Health and Safety

Finished products were stacked up more than 4 meters, looks not stable.
 No workers wear protective boots throughout the factory.
 At manual operation area, workers didn't wear goggles when knocking at stone.

Insurance

12 workers only have accident insurance, no others four necessary insurances.

Areas no or minor non compliances to ILO conventions

One saw found not work but still power on.
 As power off, emergency light found not work.
 No escape chart defined and posted in the workshop.
 First aid kit was kept in office near the workshop.
 Forklift driver not get qualified certificate.
 No detailed overtime working time table.

Suggestion for improvement

On the close meeting, auditor gave suggestions for improvement as below. Correct all non compliances to ILO and local work legislation.

Materials, semi-products or finished products should be kept under safe height, neatly and orderly.

Give necessary insurance for 12 workers.

At manual operation area, workers should wear goggles when operate.

Wear protective shoes every day. Make sure the use of personal

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