



LegalSource™ Audit Report

for Zaixing Electronic (Shengzhen) Co., Ltd.

Annual audit 2020

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A. Introduction

The purpose of this report is to document conformance with the requirements of the LegalSource standard by **Zaixing Electronic (Shenzhen) Co., Ltd.** hereafter referred to as "Organisation". The report presents findings of LegalSource auditors, who have evaluated the Organisation's systems and performance against the applicable requirements. The sections below provide the audit conclusions and follow-up actions required by the Organisation.

Dispute resolution: If stakeholders have concerns or comments about the LegalSource standard or the auditing body, they are encouraged to contact their closest NEPCon regional office. Formal concerns and complaints should be sent in writing.

B. Scope

The LegalSource audit, report and certificate covers the following scope:

Report Type	
Report type:	Confidential

Organisation Details	
Primary contact:	Rich Fu, QA Manager
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Tel/Web/Email:	Tel: 0755-29932188 Email: rich.fu@zaixing.com.cn
Jurisdiction of primary legal entity:	China
Primary Activity	Secondary Manufacturer
Description of Organisation:	Zaixing Electronic (Shenzhen) Co. Ltd., located in Shenzhen city, is a manufacturer of adjustable desks (office furniture). The desks are manufactured from FSC-certified MDF and then exported. It has appr. 50 employees.

Certificate Scope	
Certificate Type	<input checked="" type="checkbox"/> Single site certificate <input type="checkbox"/> Group/ Multi-site certificate
Standards Evaluated:	<input checked="" type="checkbox"/> LegalSource Standard (LS-02) V2-1 <input checked="" type="checkbox"/> NEPCon Generic Chain of Custody Standard (NC-STD-01) <input type="checkbox"/> NEPCon Generic Group & Multi-Site Standard (NC-STD-02)

Product scope:	<p>Products: Adjustable computer desk, HS code: 9403609990</p> <p>Species: Eucalyptus – the common and scientific names are included in the documents DD-05 Supply Chain Information Sheet.</p> <p>Origin: China</p>
Changes to certificate scope since last audit:	Organization changed the supply chain as previous supplier terminated the FSC certificate. The supply chain all changed as 'Tier 1 Dongguan MeiYingSen Smart Home Co.,Ltd – Tier 2 GUANGXI SUNWAY FOREST PRODUCTS INDUSTRY CO., LTD. – Tier 3: GUANGXI SUNWAY FOREST PRODUCTS INDUSTRY CO., LTD (Guangxi Teng county forest farm) ' .
<p>Certificate Sites or Group members</p> <p><input type="checkbox"/> In place of below table, details are found in Exhibit [ENTER NUMBER OF EXHIBIT]</p>	
Site 1:	
Site name:	Zaixing Electronic (Shengzhen) Co., Ltd.
Site Address/ Tel/Web/Email:	<p>3# 1st Road Yang Yong, Shapu Community, Songgang Street, Baoan District, Shenzhen City, Guangdong province, China</p> <p>Tel: +8613421959856</p> <p>Web: NA</p> <p>Email: rich.fu@zaixing.com.cn</p>
Site Activity:	<p>Secondary Manufacturer</p> <p>Purchasing MDF, manufacturing and sales of desks, directly shipped to customers in Australia.</p> <p>Only one FSC certified supply chain: Tier 1 Dongguan MeiYingSen Smart Home Co.,Ltd – Tier 2 GUANGXI SUNWAY FOREST PRODUCTS INDUSTRY CO., LTD. – Tier 3: GUANGXI SUNWAY FOREST PRODUCTS INDUSTRY CO., LTD (Guangxi Teng county forest farm) .</p>
Product Scope:	See Certificate Scope "Product Scope" section above
Site visited during audit:	<input checked="" type="checkbox"/>

Evaluation Process	
Audit team leader:	<p>Huang Rui, Master of Forestry, has 5 years' experience in forest survey and sustainable forestry includes 2 years academic work. Huang Rui is working for NEPcon (Beijing) Technical Promotion Co., Ltd as forestry certification specialist who oversees East Asia forestry certification in NEPCon.</p> <p>Before that he worked at China Standard Conformity Assessment Co., Ltd as Forest certification and Fair Wild Program manager of the International Cooperation Department and he also had been a sustainable development</p>

	<p>department commissioner of APP (China) Forestry. He has attended the auditor training of CFCC, FSC and ISO9000. He is qualified as FSC FM and FSC CoC lead auditor and has participated more than 100 FSC CoC audits and more than 20 FM audits in China mainland, Taiwan, HK, Vietnam and Thailand etc.</p>
<p>Description of Audit Process:</p>	<p>Prior to the onsite visit, the auditors performed a desk-based evaluation of the Due Diligence system and associated documents and records provided by the overall responsible person of the DDS.</p> <p>The onsite visit took place on 27-28 June 2019, where all the persons involved in Zaixing's DDS were physically present. The audit included the following itinerary:</p> <p>30 June 2020</p> <p>14:30-15:00 Opening meeting* - introductions, the audit agenda, scope and objectives.</p> <p>15:00-16:00 Presentation by Zaixing of the basic structure, scope and overall design of the DDS and progress made in its development and implementation.</p> <p>16:00-17:00 Review of Quality Management aspects, in relation to the DDS: Policy, Responsibilities and Competences, Procedures, Scope, Internal Performance Monitoring of the DDS and other matters.</p> <p>1 July 2020</p> <p>09:00-10:00 Legal conformance of Zaixing with regards to processing, trade, transport and customs.</p> <p>10:00-12:00 Review of supply chain information and supplier management procedures. Supply chain information may be requested for a sample relevant sources and supply chains.</p> <p>12:00 Break for lunch</p> <p>13:30-15:00 Risk Assessment procedures and evaluation/discussion of conclusions. NEPCon will evaluate risk assessment procedures and conclusions reached.</p> <p>15:00-15:45 Risk Mitigation measures selected and implemented, including any own-verification audit programme for suppliers.</p> <p>15:45-16:20 Audit team own time to summarize findings.</p> <p>16:20-17:00 Closing meeting: Summary of audit findings presented by Auditors (including identified non-conformances and observations, if applicable) discussion and next steps.</p>
<p>Actions taken by Organisation prior to report finalisation:</p>	<p>None</p>
<p>Notes for the next audit:</p>	<p>None</p>

C. Audit Findings

Audit Conclusion:	
Organisation approved: No non-conformances issued	<input checked="" type="checkbox"/>
Organisation not approved: Conformance with MAJOR non-conformance(s) required	<input type="checkbox"/>
Additional comments: None	

Non-Conformances

Non-conformance reports (NCRs) describe the non-conformances identified during audits. NCRs include defined timelines for the Organisation to demonstrate conformance. MAJOR non-conformances issued during assessments/reassessments shall be closed prior to issuance of the certificate. MAJOR non-conformances issued during annual audits shall be closed within the timeline specified in the NCR, or result in certificate suspension. Where applicable, all non-conformances against standard requirements are shown below:

None

Observations

Observations (Obs) are issued for the early stages of a problem which does not in and of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed by the Organisation or where general improvements may be made. Where applicable, all observations are shown below:

None

D. Closed Non-Conformances

Closed Non-Conformances

This section indicates where the Organisation has adequately addressed non-conformances issued during or since the last audit.

Any non-conformances which cannot be closed remain open and appear in Section C (above). Failure to comply with a minor non-conformance results in the NCR being upgraded to major; the specified follow-up action is required by the Organisation or involuntary suspension will take place.

None