



## Communication on Progress

Year 2011

DongGuan HuMen TaiDa Electric Company Limited endeavours to grow with the communities in the South-eastern China on the improvement of human rights and promotion of environmental friendly measures for better tomorrow.

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Electric Company Limited.

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**Statement of continual support**

DongGuan HuMen Tai Da Electric Company Limited is a contract Electronics manufacturer with manufacturing base in DongGuan, China and headquarter in Hong Kong. We have been the member of the Global Compact since 2007, and will endeavour the best of our capability to influence the community to support the ten advocated principles of UN Global Compact. It is our company goal and long term pursuit to look for more feasible and practical solutions from other practitioners for the improvement of the human rights and protection of the environment in the long term benefits of global advancement.

**Brief description of nature of business**

DongGuan HuMen Tai Da Electric Company Limited is a contract Electronics manufacturer with manufacturing base in DongGuan, China and headquarter in Hong Kong. There are 2 production buildings and 3 dormitory buildings in the manufacturing area. The production area is over 25,600 sq. meters. The dormitory area is over 18,000 sq. meters. Kitchen and canteen are provided to workers and employees. We provide one-stop services which include SMT process, Bonding, spray printing, silkscreen, assembly and packing for customer designed electronics products like electronic calculators, card readers, digital diaries, walkie-talkie and pedometers etc.

PRINCIPLE 1	BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS
Act ions	<p><b>Actions taken</b></p> <p><b>Commitment:</b> Our company supports the human rights of our workers and ensure their equalities are well protected under the labour law of the Chinese Government.</p> <p><b>System:</b> We have signed employment contracts with employees according to the most recent labour law of China updated since 2008. All workers are protected by the law and are subject to receive compensation in case of accident or determination of contracts without prior notice. Moreover, Employees are also allowed to join the labour union and express their concerns on human right issues.</p> <p>Within the factory, staffs who have obtained first aid training and relevant certificates are on duty to ensure employees working safety are maintained. Fire drill practices are performed regularly to arise employee’s attention to fire safety.</p> <p>For better occupational safety to the employees, all materials received from outsiders will be recorded in the security stations. There is at least 1 employee in each department who obtained safety certificate that support and monitor safety measures in the working environment. First aid kits are available and easily accessible in dormitory and working area for safety concerns. All new staff are given training on 5S lessons, and also precaution training on the static protection.</p> <p>For freedom of association, suggestion box is placed in the dormitory area so as to provide channels for legal expression and complaints.</p> <p><b>Activities:</b> Employment contracts have been signed and both the employer and the employees keep their copy for future reference. Annual audit is performed on customer request. The contract records are well documented for verifications. Public notice board are also available and free for employees to raise comments and suggestions to improve their living &amp; working conditions in the factory.</p> <p>Training record for all staff is documented in the Personnel department. And staff who finished the training lesson will be required to sign with signature to acknowledge their understanding &amp; commitment to the safety procedures.</p>

	<p>As the employees are protected by the China labour law, should there be further claims or disputes arose from either parties, cases can be addressed to the local court for jurisdiction.</p> <p>Public notice boards &amp; also the labour union are served as a medium between the employees &amp; the management. The representative of the labour union held regular meetings with the Karce management to address concerns from employees. The effectiveness of the above measures can be evaluated by better sense of belonging to the company.</p>
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<b>PRINCIPLE 2</b>	<b>BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES</b>
<b>A</b>	<b>Actions taken</b>

**Commitment:** We support the human rights & equalities of our workers, and ensure human right abuse do not exist in the working environment.

**System:** Employees wages are paid according to the minimal wages required from the government. Workers are also protected by social insurance; their overtime works are reimbursed with premiums according to the law.

Electronics IC cards have been issued to all staff in the order to keep their entry record to the factory. This is to prohibit unauthorized staff trespass to restricted area and also keep a humane warning to the trespassers. With a view to have better personal safety & property protection to the staff, it is now implemented as it will help identify outsiders and the employees of the company.

All computers in the company have been installed with password and will be subject to change in regular basis. This enables higher security maintenance to the information available only for authorized staff. It will help eliminating any disclosure of information to outsider at a minimum level.

To ensure the epidemic control in the factory while preventing discriminations to epidemic carriers, staff who are responsible for cleansing, including first-aid operators, are required to attend training on how to handle refuses & chemical garbages. There are also handling procedures in their working station to provide guidelines & protection to their daily works.

Regular health check and examinations are provided to painting and silk-printing workers since April 2009. Carbon mask, snout mask are also provided for their daily uses which is in compliance with the production safety law in China.

We also offer injury insurance and medical insurance coverage for all working operators who fulfilled the working probation period.

**Activities:** We have signed employment contracts with employees stating the above terms and conditions of service, copies are made available to all employees. All young workers worked on assembly workshop were not allowed to involve in night shift and hazardous work post.

Issue of IC card to all staff and installation of the IC checking posts in all entries of the factory to perform the identity check function.

Every computer has been recorded with a password and are under monitored by the MIS department. Any password change will be updated to give protection to the highly sensitive information & protection of the staff to avoid disclosure of information to unknown persons.

We contracted with qualified company for the disposal of hazardous waste, like empty chemical containers & waste rags). A local authority also issue a pollutant discharge license for waste waters out of painting process.

The ISO9000 document has mentioned the introduction of the epidemic guidelines to all staff and are subject for audit in a yearly basis.

<b>Outcomes</b>	<b>Measurement of (expected) outcomes and value added for our company</b>
	<p>In case of violation, or any inequalities terms exist, workers can address to the local government and claim against the company. Employees' payroll records are documented for reference and checking. And the effectiveness of the above measures can be evaluated by the lower turnover rate of employees and greater job satisfactions.</p> <p>The introduction of the IC cards give employees a better corporate identity &amp; also help fighting terrorism. This serve as a censorship function to employees &amp; outsider. All staff will be issued the IC card during job registration and it will be collected after they resign from the company.</p>

<b>PRINCIPLE 3</b>	<b>BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING</b>
<b>Actions</b>	<p><b>Actions taken</b></p> <p><b>Commitment:</b> We recognize the freedom of association and the right to collective bargaining so as to improve the working and living conditions of workers, and eventually will bring to better sense of belonging to the company.</p> <p><b>System:</b> Meetings between the management and the labour union are held on monthly basis. Senior management and the representatives of the labour union chair the meeting together. Labour union presents statistical data to the management for review and bargaining. Mutual agreement is reached through negotiations &amp; meetings.</p> <p><b>Activities:</b> Meeting minutes are released to notify all workers concerned.</p>
	<p><b>Measurement of (expected) outcomes and value added for our company</b></p> <p>Workers' living conditions, including the amenities facilities, accommodation, cafeteria etc. are improving from the time being. And the effectiveness of the above measures can be evaluated by higher sense of belonging and more loyalty to the company.</p>
<b>Outcomes</b>	

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<b>PRINCIPLE 4</b>		<b>BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR</b>
<b>Actions</b>	<b>Actions taken</b>	
	<p><b>Commitment:</b> Our company supports and implements the labour requirements according to the China Government and endeavours to eliminating all forms of forced and compulsory labour.</p> <p><b>System:</b> We have implemented a system for checking and recording that all employees are paid minimum wage and to avoid excessive overtime hours. Therefore, timecard, payroll and production records are reviewed on a regular basis and are verified through worker interviews. We also invite customer to perform audit checking to ensure the operations are running according to the government requirements.</p> <p>Any resignation would be approved by submission of resignation notice to the department head 30 days in advance. Employees are also entitled to paid legal leaves and maternity leaves upon fulfilment of probation working period.</p> <p><b>Activities:</b> We have signed employment contracts with employees stating the above terms and conditions of service are made available to all employees.</p>	
<b>Outcomes</b>	<b>Measurement of (expected) outcomes and value added for our company</b>	
	<p>All employees personal data files, identity cards, leave applications, resignation record and monthly wage payment records are all documented for checking. With all business units having to notify to the China labour department of the lowest wage paid on site, every case showed that the wage level was above minimum wage.</p>	

<b>PRINCIPLE 5</b>		<b>BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR</b>
<b>A</b>	<b>Actions taken</b>	

	<p><b>Commitment:</b> Our company supports the effective abolition of child labour, employees whose age is under the legal minimum age are not allowed working in the company.</p> <p><b>System:</b> We have internal system control over workers' personal details. They are well documented and their identity card copies are taken for reference of their ages. In all employment advertisement, the legal age requirement is listed out for public reference.</p> <p>Young employees whose age between 15 to 18 are not assigned with dangerous post nor night shift jobs.</p> <p><b>Activities:</b> Copies of identities card &amp; personal details registration in the admission process are sustained &amp; monitored by the personnel department of the company.</p>
<b>Outcomes</b>	<p><b>Measurement of (expected) outcomes and value added for our company</b></p>
	<p>With the above measures implemented, we expect the system can rule out the possibility of child employment and thus eliminate the child abuse. Local government and customer audits are also welcome to check the employees record to ensure the above measures are well followed.</p>

<p><b>PRINCIPLE 6</b></p>	<p><b>BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION</b></p>
<p><b>A</b></p>	<p><b>Actions taken</b></p>



	<p><b>Commitment:</b> Our company opens employment vacancy to anyone who is capable and knowledgeable in the related working scope that help promotes the growing business of the corporation.</p> <p><b>System:</b> Job requirements of each position is well documented and described so to let the staff be well aware of their expectations on the job. We also have an internal appraisal system to review employee' working performance. New employees' performance are assessed after the probation period while old employee' will be assessed once a year. Junior staff who is less experienced to the job are offered with training and tests to equip them better for their working tasks.</p> <p>Employees are also entitled to paid legal leaves and maternity leaves upon fulfilment of probation working period. Staff who enjoy the maternity leaves in the last 6 months cannot be unreasonably terminated with the existing employment contract. They will be protected by the local Chinese law.</p> <p>Initiatives rewards are offered to employees for full attendance, special job allowance and senior staff bonus according to their review performance by the responsible department in charge.</p> <p><b>Activities:</b> The assessment is based on their knowledge of their working field, their coordination capabilities, quality of their works, time management control and motivations. There are scoring scales (from 0 – 20 marks) for each of the above items mentioned. Rewards system is offered to employees who can out perform the requirements on the job. Assessment form is documented for review on request.</p>
<b>Outcomes</b>	<b>Measurement of (expected) outcomes and value added for our company</b>
	Employers working capability can be statistically collected for reference or audit and discrimination against their gender differences, races can be ruled out.

<b>PRINCIPLE 7</b>	<b>BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES</b>
<b>A</b>	<b>Actions taken</b>

	<p><b>Commitment:</b> We are cordially implementing measures to monitor any harm to the environment can be traced before happening.</p> <p><b>System:</b> Testing devices are available in the production floor to detect the noise pollution level and safety storage of chemical materials. Boiler inspection is also checked regularly to ensure the safety of application. Electronics components used in production are mostly RoHS compliance that they will not post any harm to the environment even after disposal.</p> <p>Almost all products manufactured in Karce are RoHS compliant and some products are compliant to REACH regulations on customer request. It reduces the potential hazard to the environment as well as to the general health of workers.</p> <p>We contracted with qualified company for the disposal of hazardous waste, like empty chemical containers &amp; waste rags). A local authority also issue a pollutant discharge license to Karce for waste waters out of painting process.</p> <p><b>Activities:</b> Staff is trained to monitor the above records regularly and report to the senior whenever abnormalities are noticed. Electronics components are documented with certificates that prove them to be RoHS compliance. We also signed agreement with electronics manufacturers to ensure their materials are RoHS compliance.</p>
<b>Outcomes</b>	<p><b>Measurement of (expected) outcomes and value added for our company</b></p>
	<p>We obtained the ISO14001 certificate and are audited by CCC once a year. RoHS certificates and vendor agreements are available for checking and audit. REACH certificates are applicable to products on request.</p>

<b>PRINCIPLE 8</b>	<b>BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY</b>
<b>A c</b>	<b>Actions taken</b>

	<p><b>Commitment:</b> Our company is committed to incorporate environmental protection measures in production and office operation.</p> <p><b>System:</b> We are qualified to be member of ISO14000 and have installed a system to monitor waste, gas emission, energy and water use. We are now working actively to reduce lighting and heating consumption by more cost effective and efficient ways, e.g. Air conditioning is controlled at 26 degrees in summer, use of lighting in overtime working hours are suggested to be reduced according to number of operators at work. And employees are suggested to use recycled papers and keep tracking on paper consumption.</p> <p><b>Activities:</b> Materials are under recycling programmes within the factory or among suppliers. For indispensable wastages, we have liaised with suppliers who are responsible for material processing before disposal.</p>
<b>Outcomes</b>	<p><b>Measurement of (expected) outcomes and value added for our company</b></p>
	<p>We expect to cut the overall power consumption this year by at least 2% reduction.</p>

<p><b>How do you intend to make this COP available to your stakeholders?</b></p>
<p>COP will be updated in the company website, <a href="http://www.karce.com">www.karce.com</a>, and available to all stakeholders.</p>