



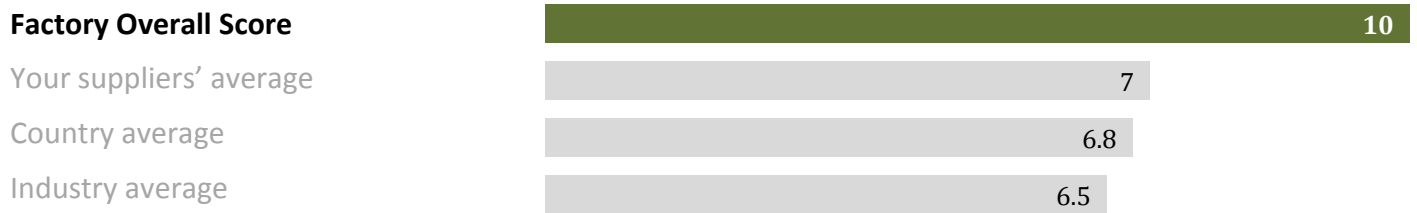
# Ethical Audit Report



Client ABC Co., Ltd.  
 Supplier Supplier A  
 Factory Factory A Co., Ltd.  
 Industry Toys

AI Service No R-cn5-1234567  
 Auditor Bella Zhang  
 Date 16/Sep/2014  
 Country China

## Factory Overall Score **10** of a possible 10



## Audit Rating **Green** Approved

		Critical NC	Major NC	Minor NC	Score out of 10
Health & Safety, Hygiene	35%	0	0	0	10
Waste Management	20%	0	0	0	10
Child Labor	15%	0	0	0	10
Hours, Wages & Benefits	20%	0	0	0	10
Labor Practices	10%	0	0	0	10
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	

NC: Non-Compliances



Valid until: 16-Sep-2015



# Ethical Audit Report



## Description of audited plant

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## Important remarks

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## Home Workers and Subcontractors

Is there any home workers used by factory? **Yes / No**

If yes, description:

Is there any subcontractor used by factory? **Yes / No**

If yes, description:



# Ethical Audit Report



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# Ethical Audit Report



Number of days spent:		
Auditor 1:		Supervisor:
Departure time from home / office	Arrival time at Factory	Departure time from Factory

Map	Factory Gate
Factory Building	Production Line
Sample Room	Office
Manager	Licenses / Accreditations
Certificates	
Workers on site	
Raw material in the factory	Final product

## A. Observation & Questions

### Basic Factory Profile

Item		Finding	Comments
1	Date of formation		
2	Legal status		
3	Location		
4	GPS Location	xx°xx'xx" N/S xx°xx'xx" E/W	
5	Area (m2)		
6	Owner		
7	Total staff in the factory		
8	Total office staff		
9	Total Management staff		
10	Number of workers		
11	Factory Manager		
12	Health and Safety Manager		
13	Main products		
14	Main markets		
15	Annual turnover		
16	Business license	Date of issue:	
		Expiry date:	
17	Payroll records of all employees		
18	Time cards for all employees		
19	Subcontractors	-	
20	Communication equipment	Telephone	
		Fax	
		Computer	
		Internet	
		Homepage	
		Digital camera	

## Part 1 Health & Safety, Hygiene

### 1. General

Item No	Requirement	Result	Comments
1.1	Is a risk analysis conducted to identify the risks associated with production and is this risk analysis reviewed regularly and updated when necessary?	Pass	
1.2	Is there a senior management representative for Health & Safety?	Pass	
1.3	Does the factory arrange health and safety training for new workers and for everyone who changes working roles?	Pass	
1.4	<b>Does the factory have a working environment that is well-ventilated, comfortable temperature, decent lighting, clean, tidy and enough room for each worker? If there are any possible issues that would impact the health of the worker, please give details.</b>		
1.5	Are all serious work-related accidents reported and recorded and corrective actions taken to prevent recurrence of work-related accidents?		
1.6	<b>Is appropriate and adequately maintained personal protective equipment (PPE) provided by the factory?</b>		
1.7	Have workers been trained in the use of PPE and are using provided equipment correctly?		
1.8	Do workers have access to an adequate amount of fresh drinking water?		
1.9	Is there an adequate number of first aid kits?		
1.10	Are first aid kits easily accessible and clearly marked and the content within the expiry date, applicable and replaced when used?		
1.11	Are adequate workers trained on first aid? Specify the number of trained personnel at the factory		

1.12	Are lavatory and or washroom facilities, clean, well maintained, adequate in number, separated by sex, and with relevant privacy?		
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Picture(s)	

## 2. Building Safety

Item No	Requirement	Result	Comments
1.13	Are legal construction certificates (building structure) available?		
1.14	Are all site buildings, including dormitories maintained in good condition without posing a threat to the health of workers?		

Picture(s)	

## 3. Fire Safety

Item No	Requirement	Result	Comments
1.15	Does the factory have adequate unblocked fire exits for every factory workshop/floor?		
1.16	Has the factory been certified by the local fire bureau, and made efforts to comply with recommendations from audits?		
1.17	Are there an adequate number of fire extinguishers and or other fire extinguishing systems in each building (including the dormitories)?		

1.18	Are all fire extinguishing systems (including fire hoses) inspected, maintained properly and ready to use at all times?		
1.19	Are fire drills conducted regularly?		
1.20	Are there fire alarms on each floor and adequate emergency lighting above exits and in working order?		
1.21	Are there fire/evacuation procedures in place with relevant evacuation plans posted in every workshop?		
1.22	Are smoke detectors/sprinklers installed in all workshops/warehouses?		

Picture(s)	

#### 4. Machines/Installations

Item No	Requirement	Result	Comments
1.23	Does the factory have appropriate maintenance/inspections for boilers, elevators, pressure vessels and other equipment per local regulation?		
1.24	Are adequate guarding or devices installed for moving/rotating parts of machine, pulleys and belts or any other dangerous parts of machines?		
1.25	Are all electricians, welding operators and forklift drivers and other employees who operate special equipment trained and qualified per local regulations?		
1.26	Are all electrical wires in the facility adequately protected?		



1.27	Are there appropriate warning signs and written instructions for the operators of machinery?		
1.28	Do operators of machinery get training about safety regulations and operating procedures?		

Picture(s)	

## 5. Hazardous Materials

Item No	Requirement	Result	Comments
1.29	Are hazardous materials / chemicals properly stored, with relevant container and secondary container?		
1.30	Does the factory have MSDS and warning / "No Smoking" signs for each chemical products?		
1.31	Are these materials only accessible to competent employees ?		
1.32	Are the designated employees properly trained for the handling of these hazardous materials ?		

Picture(s)	

## 6. Canteen and Dormitories (if Applicable)

Item No	Requirement	Result	Comments
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1.33	Are the factory kitchen and canteen clean and hygienic with adequate facilities and the required permits and certificates, including canteen staff health certificate?		
1.34	<b>Are workers' dormitories separated from production's building and/or warehouse?</b>		
1.35	<b>Are all exits unblocked and unlocked at all times for emergency evacuation in dormitories?</b>		
1.36	Are workers free to exit & re-enter dormitory freely? Please provide details of any limitations.		
1.37	Does each worker have adequate living space? Please indicate the space per worker and number of workers per room.		
1.38	Are the dormitories clean? Are there adequate toilets with hand basins available to workers at adequate distance at dormitory? Are there adequate bathrooms available to workers at dormitory? Are sanitary areas clean and hygienic with available washing facilities.		
1.39	Are there recreation areas for the workers?		

Picture(s)	

**Special Remarks on this section**

Critical NC	Major NC	Minor NC	Score /10
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# Ethical Audit Report



			/10
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## Part 2 Waste Management

### 1. Legal Authorizations

Item No	Requirement	Result	Comments
2.1	Does factory have a valid Environmental Impact Assessment (where applicable)?		
2.2	<b>Does factory have a valid Approval Report of Environmental Impact Assessment, or relevant legal document to start operations?</b>		
2.3	Does factory maintain a valid Pollutant Discharge Permit or equivalent, where applicable?		

Picture(s)	

### 2. Solid and Hazardous Wastes

Item No	Requirement	Result	Comments
2.4	Does factory inventory all solid wastes, including kind, sources, and quantities?		
2.5	Does factory adequately separate recyclable from non-recyclable wastes in workshops/warehouses?		
2.6	Can factory prove that they have taken actions to reduce/recycle/re-use solid wastes as much as possible?		
2.7	Does factory inventory all hazardous wastes, including kind, sources, and quantities?		
2.8	<b>Does factory store hazardous wastes in a relevant ways, closed, with control access and ensure it cannot spill?</b>		
2.9	<b>Is factory able to prove that hazardous wastes are transferred to 3rd party with relevant certifications, and keep records of wastes transfer including quantities?</b>		

Picture(s)	

### 3. Waste Water, Air Emissions and Noise

Item No	Requirement	Result	Comments
2.10	Does factory inventory all waste water, including domestic waste water and industrial waste water, with sources and quantities?		
2.11	If applicable, is factory able to demonstrate that waste water is treated adequately before discharge, with relevant equipment and trained staff?		
2.12	<b>Is factory able to demonstrate that waste water at discharge point is meeting the local standards requirement (through lab testing reports)?</b>		
2.13	<b>When observing waste water discharge point, does water seem to have color or odor on audit day?</b>		
2.14	Does factory inventory all air emissions, with sources and identification of treatment needed?		
2.15	<b>Is factory able to demonstrate that air quality at factory's boundaries is meeting the local standards requirement (through lab testing reports)?</b>		
2.16	<b>On audit day, is there any smell, fog, or dust observed by auditor on factory's direct environment, linked to factory's activity?</b>		
2.17	Is factory able to demonstrate that noise level at factory's boundaries is meeting the local standards requirement (through lab testing reports)?		

Picture(s)	

### 4. Energy and Water reduction

Item No	Requirement	Result	Comments

2.18	Can factory demonstrate that energy use is monitored and that actions have been taken to reduce energy use?		
2.19	Can factory demonstrate that water use is monitored and that actions have been taken to reduce water use?		

Picture(s)	

<b>Special Remarks on this section</b>

Critical NC	Major NC	Minor NC	Score /10
			/10

## Part 3 Child Labour

### 1. Child Labour

Item No	Requirement	Result	Comments
3.1	Does the factory complies with the legal minimum age ? Please note the age of the youngest worker found.		
3.2	Does the factory have effective procedures such as verifying suspected young worker documents to confirm the correct age of the worker at the time of recruitment?		
3.3	Does the factory sign contracts with all workers and keep copies or records of ID documents of workers or similar way to check age?		
3.4	Does the factory have understand the requirements of laws and regulations on child labour and young workers? If so, is there a written child labor policy?		

### 2. Young Workers

Item No	Requirement	Result	Comments
3.5	Are young workers exempted from hazardous work?		
3.6	Are young workers exempted from night shift?		
3.7	Are young workers exempted from overtime?		
3.8	Are young workers registered and given annual health checks?		

Picture(s)	

### Special Remarks on this section



# Ethical Audit Report



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Critical NC	Major NC	Minor NC	Score /10
			/10



## Part 4 Working Hours, Wages and Benefits

### 1. Working Hours

Item No	Requirement	Result	Comments
4.1	Do the working hours of individual workers comply with local regulation? Do the working hours exceeds the international recommendation of 60 hours / week ?		
4.2	Do workers have 1 day off within 7 days (or 2 days off within 14 days where applicable)?		
4.3	Does the factory record the working hours of individual workers in a reliable manner?		
4.4	Are workers given reasonable time for lunch and rest breaks?		
4.5	Are workers assigned overtime on a voluntary basis?		
4.6	Do workers have legal vacation, national holidays and paid leave?		

Picture(s)	

### 2. Wages and Benefits

Item No	Requirement	Result	Comments
5.1	Is there any evidence that the legal minimum wage is not paid for regular working hours ? Please specify		
5.2	Are overtime hours paid with legal premium?		
5.3	Does the factory have written employment conditions on compensation, compensation methods and benefits that is communicated to and understood by all workers?		
5.4	Is the payment paid at a reasonable and legal frequency (monthly), and in a form convenient for workers (cash, bank,...)?		

5.5	Do workers receive a pay slip to sign that has information that will allow them to confirm their wages and see all deductions and bonuses?		
5.6	Are deductions fair, reasonable and legal (such as social insurance or other tax)?		
5.7	Are all workers provided social insurance as per local legal requirements? If no, please specify what is the percentage of employees without social insurance scheme.		
5.8	Is maternity and paid leaves paid as per regulations?		
5.9	If deductions as disciplinary practices are used, are they falling under regulatory rules?		

Picture(s)	

**Special Remarks on this section**

Critical NC	Major NC	Minor NC	Score /10
			/10

## Part 5 Labour Practices

### 1. Ability for Workers to be represented towards management

Item No	Requirement	Result	Comments
6.1	<b>If applicable by Local Law, do workers have the right to join or for trade unions and bargain collectively, without interference of employer?</b>		
6.2	If there is no union, are there fair and effective parallel means to resolve grievances of workers (workers representatives,...)?		
6.3	Is there evidence that workers cannot efficiently communicate grievances to management out of direct supervisors?		

Picture(s)	

### 2. Forced Labour

Item No	Requirement	Result	Comments
7.1	<b>Is there evidence that work is conducted in voluntary basis, with no threat of penalty or sanctions, and the factory do not use forced, bonded or involuntary prison labour?</b>		
7.2	<b>Is there evidences that factory do not require workers to lodge deposits or original documents such as work permits/ID papers, cards, training certificates, etc.?</b>		
7.3	<b>Are workers free to quit their jobs within the legal framework and without debts forcing them to continue working for the factory?</b>		
7.4	<b>The factory doesn't withhold any part of workers salary or benefits in order to force such worker to continue working for the factory?</b>		
7.5	<b>Are workers allowed to leave the factory compound after work at any time and freely move about during a shift (attend to hygiene etc)? If not, please specify.</b>		

Picture(s)	

### 3. Discrimination

Item No	Requirement	Result	Comments
8.1	Is non-discrimination guarantee in term of employment, promotion, compensation, welfare, dismissal and retirement, etc. within the company based on criteria of race, birth, religion, national or social origins, sex, family responsibilities, marital status, handicap, sexual orientation or political opinions?		
8.2	The factory doesn't insist on blood tests, pregnancy or virginity tests before hiring?		
8.3	Is there a written anti-discrimination policy?		

Picture(s)	

### 4. Disciplinary Practices

Item No	Requirement	Result	Comments
9.1	Is mental / physical /sexual coercion forbidden and avoided in the factory? If not, please give details of the situation.		
9.2	Does the factory have documented disciplinary rules that are clearly communicated to all workers?		
9.3	Does the company keep a record of fines/disciplinary actions?		
9.4	Are the complaint and appeal methods defined and proved to be efficient?		

Picture(s)	

## B. Employee's interview

Interview Nb	Dept.	Comments*
1		
2		
3		
4		
5		
6-7-8		

**\* Comments:**

During the interviews, if any data is found that contradicts findings of Audit Part A (such as: fake birth date or fake date of hire), the whole related section in Audit Part A must be scored 0. No details of employees interviews are available in report in order to protect employees confidentiality. It can provided upon request

## C. Corrective Action Plan

Item No	Result	Finding/Violation	Corrective Action	Factory estimated date for Completion

Asia Inspection maximum suggested timings for implementation of Corrective Actions are:

- 7 Days to submit Action Plan + 30 Days to book a follow-up audit for Critical NCs
- Audit date + 30 days for Major NCs
- Audit date + 90 days for Minor NCs

## IMPORTANT NOTES

THE ABOVE RESULT(S) REFLECT(S) ASIAINSPECTION LIMITED'S FINDINGS AT THE TIME AND PLACE OF AUDIT.

WITH REGARD TO THE RANDOM SAMPLE CHARACTER OF THE AUDIT, IT SHOULD BE NOTED THAT ADDITIONAL NONCONFORMITIES MAY EXIST, WHICH WERE NOT FOUND DURING THE AUDIT.

THE AUDITOR'S FINDINGS DO NOT RELIEVE THE AUDITEE OF ITS RESPONSIBILITY TO ENSURE THAT THE REQUIREMENTS OF THE STANDARD ARE FULFILLED AND CONSTANTLY ADHERED TO.

### Factory Disclaimer

Original signature of the Factory Representative accepting AsiaInspection policy including bribery issues.

### Confirmation of Compliance with AI Code of Conduct

Original signature of the Factory Representative confirming that auditor respected AI Code of Conduct.

### Corrective Action Plan

Original signature of the Factory Representative agreeing with the Audit Findings and Corrective Action Plan defined.

# END