

BON-TON

INTERNATIONAL SOCIAL COMPLIANCE GUIDE





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Introduction

The Bon-Ton Stores, Inc. (“Bon-Ton”) has a long-standing commitment of conducting its business in an ethical and legal manner. We choose suppliers who share that commitment. As explained in the Bon-Ton Code of Conduct, we strive to maintain consistent standards in all facilities involved in the manufacture and distribution of our products

The Bon-Ton requires that every potential new factory undergo and pass a social compliance audit. We also require that all active factories conduct and pass annual re-audits. The purpose of these assessments is to ensure that all of our partners and suppliers comply with local laws and regulations in every country in which they operate.

This package will help factories prepare for a Social Compliance Audit that will be performed by Omega Compliance Limited (“Omega”) as described below. The manual includes information on what to expect and how to prepare as well as information concerning factory assessment guidelines. A Social Compliance Evaluation Checklist and an Explanation of Social Compliance Violations are included as well.

Code of Conduct for Suppliers

The Bon-Ton Stores Inc. (“Bon-Ton”) is committed to legal compliance and ethical business practices in all our operations worldwide and is firm in our resolve to do business only with those suppliers which we believe share in that commitment.

We require our suppliers to comply with all applicable laws and regulations mandated by the country in which the merchandise is manufactured, including but not limited to laws against child labor, forced labor, debt bondage, slavery, human trafficking, and unsafe working conditions.

If it is found that a factory used by a supplier for the production of our merchandise has committed legal violations, we will take appropriate action. Such action may include (i) working with the supplier to ensure that steps are taken to address the violations and prevent their reoccurrence; (ii) canceling the purchase contract(s);(iii) terminating our relationship with the supplier, (iv) commencing legal actions against the supplier; (v) reporting the violation to the appropriate governmental authorities; or (vi) other actions as warranted.

Bon-Ton. supports local law enforcement and cooperates with law enforcement authorities in the proper execution of their responsibilities as well as supporting educational programs and collaborative efforts by our suppliers to enhance legal compliance on the part of their industries worldwide.

Compliance Requirements

The appropriate authorized executive representing each of our suppliers must sign this Compliance Form. Once a supplier has signed this form, it must be submitted to Bon-Ton in order for a purchase order to be issued.

**Supplier:* The term supplier means an individual, partnership, corporation, association or any other form of business enterprise.

Compliance Form

- 1) Supplier agrees to abide by, and only utilize facilities that comply with, all laws governing the manufacture and supply of its merchandise, including but not limited to local Health & Safety, Child Labor, Forced Labor, Debt Bondage, Slavery, Human Trafficking, and Wage & Hour laws.
- 2) In order to enable The Bon-Ton to monitor Supplier's compliance, Supplier agrees to permit and facilitate announced with a three week window inspections and/or audits by The Bon-Ton and/or its authorized agents of all facilities utilized to make the merchandise (including workers' living conditions). It is understood and agreed that such audits may include inspection of books and records relating to payment of wages.
- 3) Supplier acknowledges that failure to comply with these requirements or violations of applicable law or other unsatisfactory inspection findings will result in appropriate action which may include termination of the order, rejection or return of merchandise and/or termination of the business relationship.

I have read The Code of Conduct for The Bon-Ton Suppliers and the above Compliance Requirements and understand that conducting business with The Bon-Ton depends upon full compliance with these requirements. I further understand that the above is in addition to, not in lieu of, all terms and conditions contained in the applicable The Bon-Ton purchase order.

SUPPLIER NAME (print)

ADDRESS

SIGNATURE

TELEPHONE

PRINT NAME

FAX NUMBER

TITLE

E-MAIL

DATE

Please be sure to complete and sign this form and return to the below contact.

The Bon-Ton Stores, Inc.
310 West Wisconsin Avenue
Milwaukee, Wisconsin 53203

Attn: Michael DiCocco
Private Brand Quality Assurance Director

Tel: [\(414\) 212-6793](tel:(414)212-6793)
Email: Michael.DiCocco@bonton.com

WHAT TO EXPECT, HOW TO PREPARE

Social Compliance Audit

The audit is a fact-finding process designed to help you identify areas that could be improved to ensure you are in compliance with The Bon-Ton standards, country-specific as well as universal legal requirements related to the factory. This process does not certify full compliance nor does it automatically approve you for production for any other brands or retailers or qualify you for membership in industry associations.

The Bon-Ton performs the audits through its authorized third party partner Omega. The audit is approximately a full day and consists of an inspection of the facility, interviews with employees, and a review of relevant documents. The consultant of Omega will also place a great deal of focus on education. Upon completion of the assessment, the consultant will offer corrective actions in order to help factory management make improvements to the facilities.

The following is a simple outline of the audit procedures. The audits do not necessarily follow this order, however all steps are completed during the audit. In addition, if further steps or documents are needed in order to have a complete understanding of the facility situation, they may be requested and should be provided. Management such as factory owner, manager or human resource personnel should be present during the audit. Otherwise, anyone who has delegated authority to provide the documents needed and answer the questions from the consultants could assist in the process.

- * Consultants arrive at the facility and present business cards and/or a staff badge.
- *Opening Conference is held with the contact person, preferably management. During this meeting, the format of the audit is described.
- *The production manager and the human resource personnel are needed in order to answer a series of questions regarding production capacity, machines, lead times, hiring practices and security procedures.
- *Company policies, handbooks, and management systems are reviewed.
- *Private employee interviews are conducted. The consultants select the employees to be interviewed in private, without management present. Employees are asked questions regarding hours of work, length of employment, their understanding of disciplinary policies of the factory, hiring policy, and working conditions.
- *Payroll documentation is reviewed. Payroll journals, timecards, production records, attendance books, proof of insurance payment or tax payment (if applicable) must all be provided to the consultants for a complete audit to take place. Consultants are evaluating that the regional minimum wage is provided to all employees for all hours worked, including overtime compensation. Also evaluated is whether maximum hours authorized to work, including weekend and evening hours, are in compliance with regional labor laws.
- *Employee records are reviewed. Proof of age documentation must be available.
- *A walkthrough of the facility is conducted. Here the health and safety of the facility is evaluated, as is the production capacity. Housing units, if provided, also need to be viewed by the consultants. The eating area used by the workers is also viewed, as is the kitchen if cooking takes place onsite.
- *Photographs of the facility are also taken with permission from management.
- *Copies of operating licenses and other government issued permits are also reviewed.
- *At the conclusion of the audit a Recap is filled out, and all concerns are discussed with the facility management. Management is requested to sign the Recap to verify that they understand the findings. A copy of the Recap is left with management to assist them in resolving the concerns detected during the audit.

SOCIAL COMPLIANCE AUDIT POLICY & EVALUATION RATING SYSTEM

Bon-Ton is committed to legal compliance and ethical business practices in all our operations worldwide and is firm in our resolve to do business only with those suppliers which we believe share in that commitment. Starting January 1, 2013, time restrictions were added to further enhance our "3 strike" policy. A Factory is allowed a maximum of 180 days between a failed audit and re-audit for proper corrective action to occur. This can happen 2 times before a 3rd and final audit occurs. The total time allowed to initiate and execute a 3rd and final audit is 365 days from the date an audit invoice is issued by one of our third party audit partners.

Any factory that fails 3 consecutive audits is reviewed for potential deactivation by Bon-Ton. The factory, at Bon-Ton's discretion, is allowed to complete production already on order. However, future business may not be placed with the factory unless cleared by Bon-Ton management. If deactivation occurs the factory may work with the designated third party auditor offline and if they pass an audit we may reactivate the factory for future business placement.

Any factory that has exceeded 365 days from the initial issuance of an audit invoice from one of our designated third party auditors without passing an audit may be deactivated. The factory, at Bon-Ton's discretion, is allowed to complete production already on order. However, future business may not be placed with the factory unless cleared by Bon-Ton management. If deactivation occurs the factory may work with the designated third party auditor offline and if they pass an audit we may reactivate the factory for future business placement.

Audit rating definitions and specific guidelines for these critical policies' follow:

No Outstanding Issues: is assigned to factories with no violations of the local labor law and/or client's requirements.

Opportunity for Improvement: is assigned to factories with concerns related to the local law and/or client's requirements. The audit notes a need for additional improvement or clarification but the current status is considered within a threshold of acceptance.

Needs Improvement: is assigned to factories with major concerns related to the local law and client's requirements such as minimum wage or overtime compensation not met, audit access denied, etc. Factories assigned with this grade put the client's image and quality standards at a high risk

Zero Tolerance: Unacceptable practices that represent significant risk (e.g. Forced labor, Child labor, Unpaid wages, Corporal Punishment, etc.)

"No Outstanding Issues" and "Opportunity for Improvement" are considered passing audits. A "Needs Improvement" rating results in a factory failing under our "3 strike" or "365 day" policy. A "Zero Tolerance" rating results in immediate review of the audit finding by Bon-Ton management. Refer to Appendix A for Bon-Ton's Grading Guideline.

If it is found that a factory used by a supplier for the production of our merchandise has committed legal violations, we will take appropriate action. Such action may include (i) working with the supplier to ensure that steps are taken to address the violations and prevent their reoccurrence; (ii) canceling the purchase contract (s); (iii) terminating our relationship with the supplier; (iv) commencing legal actions against the supplier; (v) reporting the violation to the appropriate governmental authorities; or (vi) other actions as warranted.

EXPLANATION OF VIOLATIONS

The type of violation and the extent of deviance are a consideration in the assessment of risk level. A determinant factor in the assessment will be whether the violation was deemed willful. Willful violation would be considered manipulative and result in a failing audit status.

A violation occurs when a Supplier violates either a law of his/her country or a standard in the Code of Conduct. The categories listed below provide general standards upon which monitors assess the workplace environment. Please note that individual country regulations and restrictions MAY be more restrictive than these generalities.

Discrimination:

Religious Discrimination: This type of discrimination occurs when the employees are treated differently according to their religion. This includes denial of work, denial of promotions, differing pay rates, differing benefits, and differing disciplinary practices. Also, religious observance, i.e. prayer breaks, holidays, should not be prohibited.

Racial Discrimination: This type of discrimination occurs when employees are treated differently on the basis of their race. As with any discrimination, this includes denial of work, denial of promotions, differing pay rates, differing benefits, and differing disciplinary practices.

Gender Discrimination: This refers to any instance where a female employee is treated differently due to her gender. Examples include pregnancy testing, firing pregnant employees, denial of promotions, denial of employment, different pay scales for the same job, and other differential treatment.

Medical Discrimination: This may occur when employers screen potential applicants for hire and require medical examinations. The exam itself is not discriminatory but if the results of the exam are used in an exclusionary manner to prevent an employee from being hired, this is discriminatory. Employees who become ill or injured should not be fired for this cause.

Pregnancy Testing: This can be viewed as gender and medical discrimination. While it may not be against the law, it is viewed as discrimination by human rights groups and the general public. Similarly to medical discrimination, if the results of a pregnancy test are used to exclude women from employment, this is discrimination. Manufacturers should be careful not to allow Suppliers to conduct these tests.

Harassment:

To harass is to wear out or exhaust, to irritate or torment persistently. Sexual harassment is the making of unwanted and offensive sexual advances or of sexually offensive remarks or acts. Some companies may use harassment techniques to pressure employees to behave a certain way. Many countries have laws prohibiting harassment of employees involved in union activities as well as prohibition of sexual harassment in the workplace. Harassment is not an acceptable form of management.

Forced Labor, Debt Bondage, Slavery, and Human Trafficking:

Suppliers shall not engage in involuntary, forced, prison, bonded, indentured, or slave labor, human trafficking or the hiring of trafficking and debt bondage victims. All employees shall be guaranteed freedom of movement. Suppliers shall conduct due diligence to prevent the recruitment/ hiring of victims of trafficking, debt bondage or other types of exploitation by third parties such as labor brokers or Suppliers.

Child Labor:

Supplier shall not use child labor in the manufacture of the Merchandise. For purposes of this Guide, the term "Child" ("Children") refers to a person who is (i) under the age of sixteen (16) years or (ii) below the minimum age for unrestricted work in the country of manufacture, whichever age is greater. Proof of age documentation must be available for all employees in the form of birth certificate, government identification card or other official documents in order to verify compliance with this Guide. Additional documents may be required for Children, including school completion certificates, doctor certificates and/or or permission from parents. Supplier shall maintain all records necessary to demonstrate compliance with this policy and, if requested by Bon-Ton, provide a written certification of such compliance. Any Merchandise not manufactured in conformity with this policy may, at Bon-Ton's option, be returned to Supplier at Supplier's expense. Supplier shall permit or arrange for representatives of Bon-Ton to enter each facility used in the manufacture or storage of Merchandise and its components, and enter the offices of each shipper used to transport Merchandise and components thereof, at any reasonable time to inspect relevant employment, health and safety records and to observe the manufacturing and shipping processes.

Wages and Benefits:

Off Clock Work: If employees work off the clock, they may be paid in cash, which leads to tax and social security problems. They also cannot be guaranteed the minimum wage and/or overtime.

Cash Pay: In Canada and the U.S.A. cash pay is a violation because if an employee is paid in cash, then the records can be altered, allowing for evasion of taxes and social security. Furthermore, employers can violate minimum wage and overtime regulations.

Unpaid training: A violation occurs if the employer does not pay a trainee the amount that he/she should receive according to the law.

Minimum Wage: The minimum wage is set either nationally, regionally, or by occupation. If an employee is paid by piece instead of hour, the employee must receive a wage equal to or above minimum wage. Any compensation below the minimum wage set by an individual country is a violation.

Overtime: All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. All hours worked above the normal workweek must be compensated at the overtime rate specified by the individual country's labor code. This is regardless of any industry practice which may deny workers overtime. Overtime to be paid within the working month or as specified by individual country law.

Record Keeping: The employer must keep adequate records on his employees including their personal information (name, address...), wages, hours worked, and money received. Also, in some countries, Suppliers need to have factory license and health insurance for the employees.

Excessive Deductions: This occurs when an employer subtracts more money than required or is legally permitted from the employee's pay.

Work Hours:

Working Hours: Workers shall not be required to work more than the regular and overtime hours allowed by the law of the country where the workers are employed, or the sum of regular and overtime hours in a week shall not exceed 60 hours, whichever affords the greater protection for workers. Workers shall be provided at least one day off in every seven day period.

Time Cards: All hours worked must be tracked in order to ensure correct payment of minimum wage and overtime. Absence of an adequate system of tracking hours worked means that correct pay for hours worked cannot be verified. Time card violations occur if an employer shaves off time or manipulates the hours punched on the timecard. Sometimes, one employee has multiple time cards or one employee punches in for all employees. In order to avoid these problems, time cards should include employee name, week ending date, employee signature, and the employee should initial any changes made to this record.

Freedom of Association:

Most countries require that employers allow employees the freedom to choose to associate or not to associate with trade unions and other employee organizations. Even where these rights are restricted by the country law, employers should facilitate worker organizations within the company. Employees should be allowed to select worker representatives and representatives should have access to company management in order to address grievances and other issues.

Health and Safety:

Violations occur when factories have unsanitary or unhealthy conditions that pose a danger to employees' well being. Sanitary conditions, good lighting and ventilation, employee training, and emergency preparation are all necessary for an acceptable work environment.

Environmental Standards:

International environmental standards, and most country regulations, require control of air emissions, wastewater processes, labeling of chemicals, storage of hazardous materials, reduction or elimination of PCB and asbestos use, and many other issues. Employers must monitor their work environment to determine noise and temperature levels, emission levels for chemicals and pollution, and other areas that may present hazards to employees and the community as a whole. Then they must take the necessary steps to ensure that all processes are within national or international limits. This allows the company to take responsibility of caring for their employees and their community.

Subcontracting:

Many possible violations result from subcontracting. If work is sent outside the factory, then the factory can no longer guarantee the conditions in which the work is produced. Therefore, there is a risk of child labor, homework, minimum wage and overtime violations, etc.

Unauthorized subcontracting is prohibited and is defined as the production and related processes carried out in an undisclosed, unapproved, and/or prohibited facility for the purpose of supplementing the primary production facility,

Authorized subcontracting is defined as the production and related processes carried out in a disclosed and approved facility for the purpose of supplementing the primary production facility. **For Subcontracting to be considered authorized, the primary production facility must provide the subcontractor name, location, manufacturing process involved, style number, PO Number and Date, etc. to the auditor**

Homework:

Like subcontracting, homework can result in violations because the conditions in which the work is done are unknown. Child labor, overtime, and minimum wage violations are common results of homework. In order to avoid these violations, any homework conducted must be meticulously tracked, including records of exact hours worked, files of all home worker employees, and documented health and safety and child labor checks conducted by factory personnel. A copy of all home workers' records is to be kept and readily available on file in the factory.

IMPORTANT CONTACTS

Please contact the following individuals for assistance at any stage of the audit process.

Bon-Ton
<p>Michael DiCocco Private Brand Quality Assurance Director</p> <p>The Bon-Ton Stores 310 W. Wisconsin Ave. Milwaukee, WI 53203</p> <p>Phone 414-212-6793 Email:Michael.DiCocco@bonton.com</p>

Omega	Omega
<p>Lynn Wong Corporate Accounts Manager</p> <p>Omega Compliance LTD 807B The Harbourfront II 18/22 Tak Fung Street Hung Hom, Kowloon Hong Kong</p> <p>Phone : 852-2621-2011</p> <p>Email:lynnwong@omegacompliance. com</p>	<p>Frieda Li Corporate Compliance Coordinator</p> <p>Omega Compliance LTD 807B The Harbourfront II 18/22 Tak Fung Street Hung Hom, Kowloon Hong Kong</p> <p>Phone: 852-2621-2757</p> <p>email:friedali@omegacompliance. com</p>

SOCIAL COMPLIANCE EVALUATION CHECKLIST

In preparation for the site visit, the following documents should be made available to facilitate the visit. The Bon-ton Stores or its appointed representative (Omega) will expect to review these documents as part of the monitoring process.

Document Name	Yes	No	Must Improve
Forced Labor, Debt Bondage, Slavery, Human Trafficking			
Employee files (including but not limited to: job application, employee contracts/terms & conditions of employment, disciplinary practices, valid labor contract, proof of age, etc.)			
Recruitment practices			
Contract between recruitment agency and factory if applicable			
Employee contracts/terms and conditions of employment			
Employee handbooks/Employment site rules			
Disciplinary deductions from paycheck			
Identification of any brokers, labor contractors or third parties involved in the recruitment process.			
Breach of contract penalties			
Forced Labor, Debt Bondage, Slavery, Human Trafficking			
Copies of adequate proof of age documents available for all employees, including photo identification.			
Visual check of all areas of factory to ensure that no children are in the facility (even if the children are not working, it is not advisable for children to be on the premises)			
Documents such as proof of age and signed and valid labor contracts are available for randomly selected employees on the work floor			
Factory has policies towards the prevention of using child labor			
Visual and documentation check to ensure the working condition for workers below the age of unrestricted employment is complied with the legal requirements			
Restriction for workers below the age of unrestricted employment			
Wage and Hour (for four (4) payroll periods)			
Payroll journal (The number of employees present matches the number of timecards punched and number of people on payroll.)			
Timecards or time registers (average hours worked as shown on timecards does not exceed legal limit.)			
All deductions shown on pay journal are legal and made with the employee's consent.			
Proof of payment of tax, social security, or applicable benefits from employee deductions			
Hours worked and overtime are calculated and compensated correctly.			
Employees are aware of terms of either written or oral employment contracts.			
Employee reports match findings of payroll and timecard records.			
Piece rate tickets			
Signed pay stubs (if employees do not sign the payroll journal)			
Legal required benefits, such as insurance, leave, medical check, etc., are provided to workers with records.			
Employee Environment			
Employees are selected randomly to be privately interviewed			
The interviews are used to confirm the working conditions viewed, the records audited and the statements of factory management			
Employees freely have access to restroom breaks and potable water			
Do employee report match other findings?			
Factory Policies and Structure			
Employee handbook / terms and conditions of employment			
Government Licenses, Certificates of Operation			
Wage and hour policies			
Disciplinary Procedure and Policy			
Security structure (Alarm system documentation, Security Guards)			
Union membership documentation			

	Yes	No	Must Improve
Dormitories			
Government Licenses, Certificates of Operation, Inspection Reports re: sanitation, fire and structural safety, etc.			
Dormitory rules and regulations			
Quota, Shipping, Subcontracting			
Packing, shipping and trash areas are checked for evidence of diverted shipments			
Appropriate security procedures, policies and documentation			
Labels and work on production floor match work orders			
Names, addresses, and functions of subcontractors are disclosed			
Agents and vendors are responsible for communicating Bon-Ton's Code of Conduct to all entities within their supply chain			
Discovery of unauthorized subcontracting will result in a factor automatically being deactivated from Bon-Ton's system for future orders			
Health and Safety			
Inspection Reports re: sanitation, fire safety, worker safety, structural safety, etc.			
Machinery inspection / service logs			
Policies / procedures on use of personal protective equipment			
Accident / injury log			
Emergency medical procedures			
Evacuation plan and procedures			
Health and Safety: First Aid/Medical Services			
At least one easily accessible first aid kit per clearly separated work area, or one first aid kit for every 100 workers			
First aid supplies are available on each floor and always available for use			
Supervisors or other personnel should be trained in basic first aid procedures			
Is this person licensed?			
Have first aid kits been supplied by a reputable medical supply company indicating that they are adequate for a particular area of operation?			
Kits are inspected periodically and restocked whenever necessary			
Ideal contents of first aid kit to include: adhesive bandages, flexible fabric bandages, combine pad, ammonia inhalants, instant cold packs, elastic bandages, burn cream, cotton balls, first aid cream, disposable gloves, adhesive tape, forceps (tweezers), eye wash, antiseptic wipes and rubbing alcohol			
Are emergency numbers for injury or accident prominently posted?			
Is there a hospital, clinic or other medical facility in proximity of the workplace? Type of facility: _____ Distance: _____ km			
Does the factory operate a medical clinic? If yes, describe: _____			
If so, does the clinic give injections?			
Are proper procedures followed regarding needle use and disposal?			
Are controlled substances issued to the workers? Prescription drugs _____ Narcotics _____ Sedatives _____			
Are medical procedures performed within the facility and/or employee housing units ?			
A "substance dispense" record is maintained listing medication and condition			
Are records kept for injuries and accidents?			
A "serious injury illness" log is maintained listing information on every injury requiring medical treatment			
Workers are encouraged to seek first aid and are informed of proper procedures for seeking necessary assistance			
Health and Safety: Aisles			
Main and secondary aisles are at least two people wide			
Main aisles are clearly marked and are illuminated during emergencies			
All aisles must be clear of obstruction and kept clean of sewing scraps			

Health and Safety: Fire Safety and Fire Equipment	Yes	No	Must Improve
Fire Safety related violations must be addressed and corrected within 30 days of the finding through a desk audit and verified at the next on-site within 60-90 day window			
No locked doors			
All floors and buildings, including dormitories, must have a secondary exit and preferably an external fire escape route			
Fire escape routes must lead to safe assembly points without obstructions			
Proper access for fire department vehicles and other firefighting equipment in the factory			
Adequate water supply for sprinkler and fire hydrant systems			
Audible, visible and operable smoke alarms placed appropriately throughout the building			
Audible and operable fire alarms can be heard in all parts of the building			
One fire alarm system for all floors and all parts of building			
Marked and lighted exit routes for all floors and areas of the building including stairwells			
Semi-annual joint fire drills including all floors of all buildings in the compound to be overseen by an external party such as fire authority. Should be conducted simultaneously with fire safety training for all personnel.			
Documentation of all fire drills must be retained by the facility for review during any visit to the facility			
Fire safety training conducted and documented for all personnel semi-annually Should be conducted with semi-annual joint fire drill with external fire authority.			
Personnel onboarding process should include fire safety training upon hiring			
Trained firefighters for each floor of the facility			
Valid construction approval where required by law			
Hazardous/flammable chemicals must be kept away from ignition sources			
Childcare facilities must be on the ground floor of the building, preferably located in a separate non-industrial facility			
On-site person in plant management is appointed as a fire safety officer and is will versed in safety documentation, evacuation routes, shows documentation execution of monthly fire drills, and can demonstrate proper use of fire safety equipment			
Fire Alarms in place on the production floor and in dormitories if applicable			
Fire extinguisher inspection interval is acceptable and documented (according to local law or at least once per month)			
Fire extinguisher visual check on canister and tube (e.g. dust, leakage, etc.)			
Fire extinguisher shaken to insure the powder is not settled			
Fire extinguisher lifted to ensure it is not noticeably lighter than comparable units			
Fire extinguishers are marked with a sign			
Fire extinguisher pins or seals are intact			
Fire extinguisher gauges are all in the "green" zone			
Accessible fire extinguishers and/or hoses in clear view on each floor with water pressure sufficient to power the hose			
Adequate number and location: one extinguisher per clearly separated work area; one extinguisher per 25 employees; one extinguisher per 75 feet circumference			
Fire extinguishers mounted on walls or columns; visible and accessible			
Fire extinguishers are serviced by the fire department or other outside agency and are with tagged with dates of service as per the legal requirements (suggested to perform every 6 months)			
Written instructions on operation of a fire extinguisher should be posted in the employees' native language			
Fire extinguishers are labeled with the type of fire they are to be used for Class A - Ordinary combustible material fires Class B - Flammable liquid, gas or grease fires Class C - Electrical equipment fires			
Combustible materials are stored in a contained area with fire equipment within Outside material storage - 75 ft. Internal flammable liquids - 10 ft.			
Fire license will be reviewed for all facilities in building/compound			
Fire hydrants are flushed and hoses tested as per the legal requirements (suggested at least annually)			
Building approvals/layout plan will be reviewed for all facilities in the building/compound			
Rooftop will be reviewed for compliance with all legal requirements and included in the audit findings			
	Yes	No	Must Improve
Health and Safety: Measures to minimize fire risks			
Isolate flammable solids, liquids and gases from sources of ignition such as open flames, heated surfaces or unprotected electrical wiring to prevent fires and explosions. (This isolation should include adequate marking of such materials; adequate separation; suitable and fire resistant containers and adequate ventilation to prevent the accumulation of flammable vapors or gases.)			
Restrict the distribution of flammable materials used for daily work to only the minimum amount necessary for that day.			

Health and Safety: Measures to minimize fire risks	Yes	No	Must Improve
Construct specifically designed fuel storage facilities in a clearly marked location, well separated from areas where personnel are working.			
When open flames are present (such as welding, cutting or smelting) take adequate precautions such as isolating sources of fuel or combustible materials from the open flames. Any residual heat that is left in materials must be monitored until they have cooled and can no longer provide a source of ignition.			
Assure that flammable substances or combustible materials are isolated from hot surfaces such as machines, equipment and furnaces.			
Install and maintain all electrical circuits to assure adequate earthing to prevent arcing and sparking, to prevent overloading and resulting resistance heat and to prevent short circuits.			
Protect each electrical circuit with an adequate fuse or circuit breaker located in a well-constructed box in close proximity to the work station.			
Use fixed wiring circuits instead of extension cords to avoid damage to internal wires and instead of multiple plugs to avoid the overloading of circuits.			
Arrange switches in such a way that every work station has individual controls to avoid overloading circuits and can be rapidly shut down in an emergency.			
Arrange and organize storage areas in such a way that materials are easy to store (on racks, shelves or in containers) to prevent unorganized accumulation and to allow for effective housekeeping in storage areas.			
Provide an adequate number of waste receptacles for each work station to avoid the accumulation of waste and scraps on the workplace floor and to facilitate removal. (Receptacles for combustible materials such as paper, wood, plastic, fabrics and rags should have a cover.)			
Designate specific smoking areas and restrict smoking from all other areas by clearly indicated non-smoking signs, Make sure designated smoking areas are free of flammable and combustible materials,			
	Yes	No	Must Improve
Health and Safety; Preparing for fire emergencies and Training			
Where curtains are used, assure they are of a fire resistant material			
Assure that there are at least two exit routes to a safe area outside of the building from every work station			
Clearly mark each exit route and provide functional lighting so that exit routes are well lit during the day and night			
Provide an adequate number of exit stairways (at least two) of adequate construction and width to support the rapid evacuation of all workers from floors above or below ground level			
Post a warning sign at watch lift station (on each floor) indicating DO NOT USE THE LIFT FOR EVACUATION DURING A FIRE			
Keep exit routes clear of obstructing objects and assure that the exit route is continually unlocked and make sure that all doors in exit routes open in the direction of the flow of workers during an evacuation. Doors that may be confused as exits should be clearly marked NOT AN EXIT.			
Provide fire detection equipment, such as smoke detectors, heat detectors or flame detectors in all areas of the building where flammable materials are being stored. Where possible connect the detection system to an independent evacuation alarm system loud enough to be heard by all workers in an emergency. (These devices need to be routinely inspected and tested.)			
Place fire extinguishers in sufficient numbers in locations based on specific fire hazards. Always locate the fire extinguishers at the exit route from the area. (Check with the local fire brigade or labor inspectorate about the appropriateness of types of fire extinguishers for the fire hazard.)			
Mount fire extinguishers at a reasonable height and clearly mark each of their locations. Keep obstructions cleared from in front of each fire extinguisher.			
Carry out semi-annual fire drills evacuating all workers to areas of safety outside of the workplace.			
At least annually provide refresher training to all workers on how to prevent fire hazards and the actions to take if a fire is detected, including emergency evacuation and simple firefighting procedures.			
Train managers/supervisors on fire safety, fire control including the use of fire extinguishing systems and how to lead evacuation procedures.			
	Yes	No	Must Improve
Health and Safety: Fire Alarms/Emergency Exits/Evacuation Plan			
Fire alarm is audible throughout the facility			
Facility has visual plus visual or personal notification procedure to supplement the audible alarm			
All alarm devices are tested as per the legal requirements (suggested at least twice annually)			
All personnel are informed of the fire alarm system during new employee orientation			
Illustrated evacuation plot plan is posted, indicating which doors are to be used for emergency exits			
Evacuation plan in native language of workers			
Evacuation drills conducted semi-annually, drill must include alarms, firefighting equipment, emergency shutdown, evacuation routes and gathering areas			
Practice evacuations are conducted at least twice annually			
Emergency exit doors are unlocked and unobstructed			

	Yes	No	Must Improve
Health and Safety: Fire Alarms/Emergency Exits/Evacuation Plan cont.			
Exits open directly to the outdoors or exterior stairway			
Corridors leading to exits are clear and approximately 36 inches wide			
No employee workstation more than 200 feet from an exit			
All exit routes are adequately lighted			
Emergency lighting is provided for up to 60 minutes			
Exits are marked with signs visible up to 100 feet			
Supervisors or other personnel should be trained in basic first aid procedures			
At least two exits per floor that are clearly marked, unlocked, and unblocked			
Emergency exits are marked with letters 18 cm high			
Emergency lights are located above exits and on stairwells			
Exit doors open outward and are at least two people wide (48 inches / 122 cm)			
Exits open directly to outside or exterior stairwell			
	Yes	No	Must Improve
Health and Safety: Restrooms			
Restrooms are clean and functional with running water and covered waste containers			
Adequate number of water closets: 1 per 25 female employees, 1 per 50 male employees, and/or 1 per 40 employees regardless of gender for a workforce of 150 or more			
Toilets are cleaned daily and supplies such as toilet tissue, soap and towels must be available			
Toilets must be segregated by gender			
Toilets must be provided with adequate privacy (doors on stalls)			
Toilets are plumbed with running water and basic supplies (western toilets).			
Non-Western or squat toilets provide clean running water.			
Toilets are lighted and ventilated.			
Unrestricted access to toilets at all times.			
Toilets are available on each floor			
Employees have access to clean water for washing within close proximity to toilet..			
	Yes	No	Must Improve
Health and Safety: Work Environment/Work floor			
Adequate climate control and ventilation; suggested temperature range is 15 to 20 degrees Celsius (60 to 86 degrees Fahrenheit)			
Adequate lighting for cutting, sewing, finishing and warehouse; suggested lighting for cutting, sewing and finishing is 300 to 500 foot candles and suggested lighting for warehouse is 30 to 50 foot candles, office (general) 28-50 foot candles			
Aisle space between each workstation allows for free body movement and adequate room for emergency evacuation, minimum width per primary aisle 60 inches, per secondary aisle 36 inches			
Aisles are clear of production, tables and chairs and all other obstructions			
Unobstructed vision of the work floor from the employee work station			
Work floor is marked with yellow emergency lines leading to exit doors			
Trash cleared from heat generating machinery, boilers, furnaces, compressors, etc.			
Empty pallets are stored flat rather than on edge or side in a specified area			
All doors open outwards			
Noise control; suggested noise level is 85 decibels, employees should not be subjected to more than 85 decibels for 8 continuous hours, an environment where noise level is above 85 decibels requires hearing protection			
Safety devices and conditions to check include: 1. Front and side guards on abrasive wheels 2. Needle guards and pulley guards in sewing machines 3. Knife guards on cutting machines 4. Plastic eye guards on button-sewing machines 5. Emergency release and pressing bed controls on pressing machines 6. Finger guards for automatic welt pocket machines 7. Cover guards and belt guards for sharp objects 8. Appropriate footwear for special areas			
Factory provides all production workers, during orientation and ongoing training, instruction in general factory safety and in the safe operation of their machines			
Impact-resistant goggles or other eyewear are provided to workers subject to flying objects, metal tailings, persistent glare, toxic/hazardous liquids or a high degree of dust			

Health and Safety: Work Environment/Work floor cont.	Yes	No	Must Improve
Machine operators applying glue and solvents have mouth-guards (paper guards do not screen out dangerous substances)			
Employees using sharp objects or who are subjected to toxic substances are provided protective gloves			
Employees in washing plants, dye houses or similar operations are provided protective footwear			
Health and Safety :Ventilation and Sanitation	Yes	No	Must Improve
Facilities adequately ventilated, cooled or heated for the local environment			
Windows, fans, air conditioners or heaters are operational for air circulation, ventilation and provide an acceptable work floor temperature. (Recommended 16 C - 30 C.)			
Exhaust fans are kept clean of accumulated dust and debris.			
Exhaust fans are operational at all times during work hours.			
Chemicals are contained in a separate, well-ventilated room with open windows available.			
Hazardous fumes neutralized or scrubbed			
Sufficient ventilation in enclosed spaces where heat generation is operated			
Appropriate ventilation in areas where workers engage in strenuous activity such as continuous lifting of heavy objects			
Food preparation areas are separate from the work area.			
Eating facilities are covered protecting the employees from the elements (sun and rain).			
There are adequate facilities for eating and is well lighted—tables and chairs provided.			
Food preparation area has a refrigeration unit, fire equipment, and potable water.			
Unrestricted potable water is provided all employees.			
Food preparation area is cleaned and disinfected daily.			
Canteen or food service personnel undergo health examination as per the legal requirements.			
Canteen or food service personnel are outside contractors and not considered employees of the production facility.			
Maintenance	Yes	No	Must Improve
Grounds and facility are cleared of rubbish daily			
Facility is maintained to acceptable local standards (paint, windows, grounds)			
Rubbish is removed to a legitimate dump site, not deposited directly into the environment			
Chemical waste should not be released directly into the environment			
Facility has procedures for recycling or reusing materials whenever possible			
Machines are maintained as required by manufacturing instructions and have all pulley guards in place			
Personal safety equipment is provided at no charge to the workers			
Workers exposed to hazardous chemicals, heat and noise wear designated protective equipment			
All cutting machines are fitted for "two-click" operation			
All open roll mills are fitted with emergency brake systems			
Individual machines have an individual power shut-off switch within reach of the operator			
Factory inspection logs and service records are maintained for compressors, boilers, embroidery machines and other factory equipment			
Electrical Safety	Yes	No	Must Improve
Electrical panels with circuit breakers are installed and maintained in satisfactory condition			
Electrical cords are in good condition, continuous in length and without splices or taped repairs			
Power cords to production equipment are grounded, i.e. containing a third prong			
Dangerous equipment and machinery have safety guards			
Emergency generators are maintained on-site with regulated "brown-outs"			
Flashlights are kept on the premises			

Chemicals and Hazardous Materials	Yes	No	Must Improve												
Chemicals and how they are stored: FL = Flammable CR = Corrosive OX = Oxidizer CB = Combustible <table style="margin-left: 200px; border: none;"> <tr> <td style="border: none;">_____</td> <td style="border: none;">_____</td> <td style="border: none;">FL</td> <td style="border: none;">CR</td> <td style="border: none;">OX</td> <td style="border: none;">CB</td> </tr> </table>	_____	_____	FL	CR	OX	CB									
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container size	annual volume used														
Gasses and how they are stored: (cylinder/line system) List gasses used by the facility: <table style="margin-left: 200px; border: none;"> <tr> <td style="border: none;">_____</td> <td style="border: none;">CYL</td> <td style="border: none;">LINE</td> </tr> <tr> <td style="border: none;">_____</td> <td style="border: none;">---</td> <td style="border: none;">---</td> </tr> <tr> <td style="border: none;">_____</td> <td style="border: none;">---</td> <td style="border: none;">---</td> </tr> <tr> <td style="border: none;">_____</td> <td style="border: none;">---</td> <td style="border: none;">---</td> </tr> </table>	_____	CYL	LINE	_____	---	---	_____	---	---	_____	---	---			
_____	CYL	LINE													
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Chemicals and hazardous materials are stored in an area designed for and dedicated to the storage of such substances															
Secondary containment materials are appropriate for the type of chemicals stored															
Anything related to hazardous materials is labeled appropriately															
Areas of concern: Storage are is properly labeled Containers are properly labeled Chemical use areas are properly identified No Smoking signs posted All secondary containers clearly labeled Labels contain chemical name Labels include chemical abstract Waste is properly identified Emergency codes appear where required (IMDG/IATA/NFPA)															
Storage areas equipped with: Signs that warn against mixing hazards Proper ventilation Sprinklers FIFO tracking documentation Fire extinguishers Temperature control															
Organization has acquired and implemented MSDS (Material Safety Data Sheet)															
MSDS is listed by company and by chemical															
MSDS resources are available in appropriate language(s)															
MSDS resources are centrally located															
Organization's training program includes MSDS education															
Are there specially trained staff (emergency personnel) who can respond to situations regarding hazardous materials?															
There is a documented safety program dedicated to all staff who come into contact with chemicals and hazardous materials.															
Duration of Exposure has been identified for hazardous materials and is actively monitored															

	Yes	No	Must Improve
Chemicals and Hazardous Materials cont.			
Safety equipment provided: Proper ventilation Gloves Aprons Blood test Respirators Showers Eye wash Medical reviews			
Proper methods for neutralizing waste have been identified			
Waste is neutralized using proper methods and in a timely manner How often is hazardous waste removed? _____			
Waste is stored in an area segregated from new material			
Waste removal is actively monitored by the organization including: Analytical Bill of lading Volumes			

Frequently Asked Questions

1. What is a Social Compliance Audit?

Social Compliance Audit is a way to document and hold a company accountable for its social and ethical business practices, following Country Laws and Code of Conduct.

2. What is Corporate Social Responsibility (CSR)?

CSR, also called corporate conscience, corporate citizenship, social performance or sustainable responsible business is a form of corporate self-regulation integrated into a business model. Policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

3. Are Bon Ton factories required to follow Code of Conduct and Local Law?

Yes, all facilities that are producing and will be producing for BonTon are expected to adhere to the Bon Ton Code of Conduct and Local Laws of the Country where they operate.

4. Who is requested to participate in the audit?

The audit procedures require participation from Supplier management. Not all management need to be available to answer questions, but the Supplier owner or manager may request that the human resources department, payroll manager and/or floor supervisor participate as needed.

5. What is the time frame for each audit?

The length of time required to complete an audit varies upon several factors such as the total number of employees present at the facility, the size of the Supplier (number of buildings, dormitories, square footage, etc.), the cooperation of management, the availability of records and the facility concerns, among other things. The number of auditors that are present also is a factor in the amount of time the audit takes.

6. What documents are asked for the audit?

Employee Documentation

- * Employee contracts/terms and conditions of employment
- * Employee files (including application, discipline letters, etc.)
- * Proof of age documentation

Facility Policies and Procedures

- * Business, maintenance and health licenses
- * Company policy/procedures

General EHS Documents

- * Notices from regulatory agency inspections
- * Correspondence with regulatory agencies
- * EHS training records (sign in sheets, agenda, \training materials.)
- Inspection records (fire extinguisher, eyewash/shower, etc.)

Frequently Asked Questions cont.

Health and Safety Documents

- * Accident investigation forms
- * Accident or injury reports
- * Chemical inventory
- * Material safety data sheets (MSDS)
- * Records of industrial hygiene monitoring (exposure to chemicals, noise temperature and measurements of ventilation)
- * Audiometric testing records
- * Job/task hazard assessment/determinations
- * List of required/approved personal protective equipment
- * Respirator fit testing reports
- * Emergency response plan
- * Testing, inspection and maintenance records for fire suppression equipment
- * Evacuation/emergency egress maps

Environmental Documents

- * Air emission permits and monitoring records
- * Reports of analysis of drinking water
- * Piping diagrams/as-built diagrams for wastewater and air emissions
- * Wastewater discharge permits for PCB-containing equipment
- * Inventory of PCB-containing equipment
- * Registration or permits for PCB-containing equipment
- * Asbestos survey/inventory and sampling results
- * Asbestos operations and maintenance plan
- * Hazardous waste manifests or shipping papers
- * Waste profiles/test results/waste analyses

7. Who has access to the information from the audits?

Omega considers all of its monitoring interactions to be extremely confidential; inspection data is strictly controlled and released only to the client of record. Omega makes no public statements regarding either its inspections or clients without express authorization.

8. How are the employee interviews conducted?

At least ten employees are chosen from the work floor by the auditors to be interviewed. They are chosen based on appearance (age) and department. The interviews are always conducted in the employees' local language. They are conducted in a private area away from the management offices or production areas. The results of the interviews are confidential and efforts are made to confirm information obtained from employee interviews from other sources (records).

Appendix A - Grading Matrix Guideline

		Closed	Needs Improvement	Opportunity for Improvement	No Outstanding Issues
WAGES AND BENEFITS					
		Minimum wage and overtime violations	Unintentional wage computation mistakes	No wage violations	
		Illegal or excessive deductions which place a financial burden on the employee(s) (hiring deposits not regulated by law, hiring deposits prohibited by law)	Hiring deposits as a condition of employment (where not regulated by law)	All deductions in compliance w/law	
		Illegal or non-regulated excessive charges/deductions from pay which place a financial burden on the employee (disciplinary issues, tools, uniforms, PPE, etc.)	Non-regulated nominal charge/deposit for disciplinary issues, tools, PPE, uniform etc. (i.e. law is silent); policies for illegal deductions found in writing but not in practice	All equipment provided free of charge, no disciplinary deductions or policies	
		Mandated benefits not provided (i.e. social security, maternity leave, annual leave, etc.)	Non-payment of mandated benefits due to unintentional clerical errors	All legally required benefits provided	
	Non-payment of wages	Pay period over one month	Late payment of wages	Wages paid on time and at least once per month	
		Missing payroll records	Legally required pay slips not issued	All payroll records present, all employee's receive a detailed pay slip (if required by law)	
		Missing employees on payroll			
		Manipulated payroll records	Unintentional payroll errors	Accurate payroll records	
		Repeated employee misclassification findings resulting in wage deficiencies (mainly in USA)	Employees misclassified resulting in wage deficiencies (driver, office, samples, etc. Mainly in USA)	All employees classified correctly and receive correct wages	
		Intentional non-payment of wages	Strong suspicion of inconsistencies between the employee testimonies, payroll or other documents where manipulation can not be confirmed after further investigation (usually cited as a recordkeeping violation with a "Monitor's Note" to the client detailing the strong suspicion)	Employee interviews match payroll records and other due diligence documents; All employees paid from the regular payroll with all required payments and deductions recorded accurately	
		Late payment of wages			
		Confirmed illegal cash pay "under the table" (not on payroll, usually reported by employees) without required deductions and/or no wage recordkeeping proving correct MW or OT pay			
		Two or more conflicting employee testimonies with payroll or other records resulting in wage deficiencies			
	Conflicting employee testimonies resulting in back wages or any back wage situation (USA only)				
	WORK HOURS				
		Lack of 7 th day of rest on a regular basis	Occasional lack of 7th day rest 1-2 times p/mo	7 th day of rest guaranteed	
		Significant / regular excessive hours - regular or overtime	Average work hours will exceed allowable under waiver before waiver expiration. Slight / occasional working hours above the legal and/or Bon Ton limits but cannot exceed 72 hours.	Regular and overtime hours within legal and Bon Ton limits	
		Legal work hours restrictions (children, women) exceeded	Insufficient break time provided		
		Off-clock work	Unintentional missed punches or time calculation errors	All hours recorded and calculated in compliance with local law	
		Fraudulent or intentional alteration of time records	Altered time records - no employee verification	All time records appear to be true and accurate, changes are verified by the employee	
		Missing time records	Inaccurate time records	All time records accounted for and appear to be accurate and truthful	

Appendix A - Grading Matrix Guideline

	Closed	Needs Improvement	Opportunity for Improvement	No Outstanding Issues
CHILD LABOR				
	Confirmed Child Labor workers under 16 years of age	Historic child labor	Children present but not working	
EMPLOYEE DOCUMENTATION / JUVENILE WORKERS				
		None or numerous missing employee age documents (over 10%);	A few missing age documents for employees who are obviously over 25 years old (under 10%)	Valid age documentation maintained for all employees
		Falsified employee identification		
		Insufficient documentation for apprentice programs		All apprentice documentation available, valid, current and correct
		Non-compliance with youth regulations (work hours, tasks)		No child labor
		Juvenile workers not abiding by country or client age restrictions		All documentation & hours requirements for youth employment followed
RESTRICTED OR FORCED LABOR				
		Restricted liberties on the work floor (bathroom and water breaks, etc.)		No restrictions on work floor
		Original documents (birth cert., official ID card, passport) retained by facility without employee permission	Employer retention of docs w/employee permission but employee's can't access docs	Employee's have control of their own documents or selected employee has access to docs w/o management intervention.
		Mandatory overtime AND the total weekly working hours exceeds 60	Mandatory overtime AND the total weekly working hours is within 60 hours (in practice or in written policy)	Employees free to refuse OT hours without fear of reprisal from supervisors and management
ABUSE, DISCRIMINATION & OTHER HUMAN RIGHTS FINDINGS				
	Pervasive discrimination Physical or verbal abuse Corporal Punishment Prison Labor utilized Discrimination (gender, race, religion, etc.) Sexual Harassment			No physical or verbal abuse
		Confirmed wage discrimination	Reported but not confirmed instances of discrimination	All employees paid based on experience/skills and/or length of service
		Birth control injections (consensual or non-consensual); Other female oriented acts of discrimination (auditor's discretion)	Pregnancy testing or questions asked about pregnancy as a condition of hire; Other female oriented acts of discrimination (auditor's discretion)	No pregnancy testing; no other types of female human rights issues discovered
		Security checks involving removal of clothing	Frisking by opposite sex	Same sex frisking
		Unlawful and/or excessive disciplinary practices which place a financial burden on employees (lock outs, forced days off, other overly harsh policies)	Non-regulated nominal charge/deposit for disciplinary issues (i.e. law is silent); policies for illegal deductions found in writing but not in practice	No excessive or illegal disciplinary practices where the employee is abused, humiliated or loses wages due to forced time off
FREEDOM OF ASSOCIATION				
		Denied/Restricted freedom of association	Worker organizations discouraged or not recognized	Complete freedom of association allowed
SUBCONTRACTORS				
		Home workers w/no records, no monitoring	Home workers w/records and monitoring visits	Home worker network fully documented, all records maintained, with monitoring and training program in place. All wages benefits
		Intentional nondisclosure of sub contractors	Disclosure of unapproved subcontractors producing goods for the client	No subcontractors or home workers used

Appendix A - Grading Matrix Guideline

Closed	Needs Improvement	Opportunity for Improvement	No Outstanding Issues	
DOCUMENTATION (Labor, General, Licenses & Quota)				
<p>(Note: STRRS only conducts country of origin/quota inspections as part of a social compliance audit in Vietnam as of 1/1/05)</p>		<p>Missing legally required labor contracts</p> <p>Employees not given a copy of their contract (willfully to avoid legally entitled benefits)</p> <p>No I-9 forms or numerous (over 10%) missing I-9 forms (U.S. only)</p>	<p>Failure to meet terms of required labor contract</p> <p>Employees not given a copy of their contract or provided later after hire (clerical oversight)</p> <p>Labor contracts not signed by the employee or approved by the government (if required by law)</p>	<p>Complies with all local labor law regulations</p>
		<p>Subcontractors were used but the factory refused to present the info.</p>	<p>Disclosure of subcontractor info but no evidence showing that the factory report this in advance to the client.</p>	<p>No subcontractors are used, or the use of subcontractors was reported to the client</p>
			<p>Breach of probation period limits or terms</p>	<p>Probation period is clear to employees and employee becomes permanent per country law when period ends.</p>
	Bribery or unethical practices	<p>Inspection Denied</p> <p>Any part of the inspection denied or documents refused</p>	<p>Any missing requested documentation (not refused) to support audit findings</p>	<p>All components of audit allowed</p> <p>All requested documentation Provided</p>
		<p>Missing legally required licenses or shipping visas or environmental permits</p>	<p>Legally required postings not posted</p>	<p>All licenses, shipping visas, quota documentation and environmental permits appear to current and valid</p>
		<p>Incorrect country of origin paperwork/labels</p>	<p>Cut labels</p> <p>Some missing country of origin documentation</p> <p>No country of origin paperwork (but no evidence of transshipment found during walk through)</p>	<p>No evidence of transshipment found</p> <p>All country of origin documentation present</p>
	IMPORTED WORKER ISSUES			
	<p>Only Receiving Country Issues Cited as Findings</p>		<p>Factory charged deposits or debt bonds as a condition of employment upon arrival in receiving country (deducted from wages or in lump sum; this would be deposits, or deductions in addition to those paid in the home country)</p>	
		<p>Falsified labor contracts</p>	<p>Labor contracts not signed by employees</p>	<p>Labor contracts reflect actual hiring practices, do not infringe upon workers rights are signed by the employee with a copy provided to them</p>
		<p>Management holds imported workers' original passports with or without their consent</p>		<p>Employees are allowed to keep their own original identification/travel documents or have complete and free access to original documents at all times</p>
		<p>Termination of employment contract and employee sent home for becoming pregnant</p>	<p>Pregnancy testing or questioning upon arrival or during tenure of employment</p>	<p>No pregnancy testing or questions upon arrival or during employment tenure</p>
		<p>Restriction of movement outside the factory on their day(s) off</p> <p>Curfews or electricity shutoffs for dormitories of imported workers</p>		<p>Employees are free to leave the factory or dormitory during their days off and after working hours</p>
		<p>Any human rights abuses targeted at imported workers versus local workers (excessive hours, uncompensated and/or forced overtime, discrimination, harassment and abuse, unfair or overly harsh disciplinary measures)</p>		<p>No human rights abuses detected for imported workers</p>
		<p>Other Illegal terminations or threats of repatriation</p>		<p>Employees work in threat-free work environment without fear of illegal termination</p>

Appendix A - Grading Matrix Guideline

		Closed	Needs Improvement	Opportunity for Improvement	No Outstanding Issues
HEALTH & SAFETY (Factory)					
Employee Training	Imminent hazardous working conditions		Falsified training records	No health and safety training;	Employees and supervisors trained in first aid, evacuation drills and use of fire equipment
			Factory does not have a person appointed for fire safety	No training records maintained; Insufficient safety training Factory has appointed a fire safety person but not certified Factory has appointed a fire safety person but no training conducted for employees	Occupational H&S training provided and records available
	PPE		No PPE and employees have direct contact with high volume hazardous material (Example: Spray painting without local ventilation and respirator)	Employees not issued PPE (lower exposure to hazardous materials) Use of PPE not enforced by supervisors Insufficient/ incorrect PPE	Required PPE issued to employees and consistently used by them
	First Aid			Missing first aid kits or supplies No first aid supplies or personnel	Well stocked first aid kits provided in all areas for every 100 employees
	Records		Excessive serious recent accidents (loss of body part, etc.)	No accident or injury record	Accident or injury record maintained
	Clinic		Medical personnel not qualified	No legally required clinic	Legally required clinic maintained on-site
Fire Safety			Inappropriate needle disposal		Qualified medical personnel provide reputable medical care
			Records not maintained or insufficient		Proper needle disposal maintained
			No or incorrect medical waste management		Detailed medical records maintained
			No copies of doctor or nurse certifications		Proper medical waste management
			No fire equipment (pervasive)	Missing some equipment	Adequate number of functional fire equipment
			Majority are non-functional	Most of equipment improperly labeled	Equipment properly labeled and mounted
			Facility do not test fire equipment regularly	Expired or blocked	
		Facility has not conducted safety and fire training for employees	Fire department has not conducted an inspection at the factory	Facility has taken steps to minimize fire risk and provided training for employees	
		The factory has not conducted any fire drill within the past 12 months	Insufficient fire drill was conducted or the fire drills were conducted but not overseen by an external party.	Fire drills are conducted at least semi-annually or more frequent if required by law.	
		Facility has not tested fire equipment regularly	Insufficient fire safety training.		
		Facility has not appointed a fire safety officer	Facility has not documented the visits from the fire department	Facility conducts regular inspections on firefighting equipment	
			Facility has appointed a fire safety officer however he/she is not certified	Facility has appointed a certified fire safety officer	
				Facility is receives visits from the fire department and these are Facility conducts regular safety and fire trainings for all employees	
Emergency Exits			No secondary exits (pervasive)	Exits temporarily blocked	All areas have at least 2 unlocked, easily accessible exits that open outward and are marked by exit signs and emergency lights
			Exits locked (pervasive)	No/ missing exit signs or lights	
				Emergency door not open outward	
				Employee are too far from any emergency exit	

Appendix A - Grading Matrix Guideline

	Closed	Needs Improvement	Opportunity for Improvement	No Outstanding Issues
HEALTH & SAFETY (Factory) cont.				
Emergency Pathways			Blocked/ congested/ narrow aisles Aisle not directly leading to emergency exit Yellow evacuation lines not painted on	Work floors marked with yellow lines leading toward the exit, all aisles and work stations clear of obstructions and allowing easy movement
Noise			Noise unmonitored Earplugs not provided Work more than 8 hours under 85 dB	Employees not subject to noise louder than 85 Dbl for 8 hours
Lighting				Illumination sufficient
Ventilation		Oppressive temperatures -- heat/cold Hazardous material, e.g. dust/ chemical, workstation without local ventilation	Ventilation insufficient or inadequate	Ventilation sufficient and temperatures controlled
Maintenance		Observable structural flaws which present a serious hazard to employees	Facility not maintained to local standards Serious uneven or broken floor/ structure	Facility appears to be well cared for and in safe condition
Machine Safety		No machine safety equipment (pervasive) Dangerous equipment (Pressing machine with out protective equipment)	Some machine safety equipment missing No/ missing pulley guard on sewing machine or other similar machinery	All machine safety devices are installed on machines
Electrical Safety		Exposed wiring or panel nearby workers (immediate hazard to workers)	Electrical panels not labeled Panels not covered Exposed and/or dangerous electrical wiring; Tripping or overhead hazard Not three prong grounded Not one length continuous wiring	Electrical cords are in safe condition Electrical panels are covered and labeled
Chemical and Hazardous materials		Chemicals released directly into the environment Immediate hazard to employees	No secondary containment Chemicals not covered, labeled No separate/ designated chemical storage areas Inadequate electricity fixture or ventilation in chemical storage	Chemicals stored in a dedicated chemical storage area with a fire door, fire extinguishers, secondary containment etc.
MSDS			No/ missing MSDS MSDS not posted in chemical use or storage areas Not in local language No MSDS training/ training record	MSDS maintained and posted in chemical storage and use areas
Restrooms		No restrooms on premises available	Restrooms not sanitary No supplies provided Missing supplies (TP, soap, paper hand towels) Insufficient in number Poor ventilation or illumination No privacy inside Not separated by gender	Restrooms separated by gender, have privacy stalls, are sufficiently sanitary, well illuminated and ventilated, provided with clean running water, toilet paper, soap, paper hand towels and cleaned at least daily

Appendix A - Grading Matrix Guideline

	Closed	Needs Improvement	Opportunity for Improvement	No Outstanding Issues
HEALTH & SAFETY (Factory) cont.				
Kitchen/Canteen		Severe vermin or insect infestation or severely unsanitary Improper/unsanitary handling or storage of food by cafeteria workers	No secondary exit No exit lights or signs No fire equipment No first aid kit Missing or non functional refrigerator No health license or employee certification (if law requires) Soap not provided to wash plates, utensils, etc. Unsanitary conditions (not severe)	Canteen has sufficient seating for all employees, is sanitary, has a functional refrigeration unit and equipped with fire extinguishers, exit signs and emergency lights; food properly handled; health license and employee certification maintained (if required by law)
ENVIRONMENT (Factory)				
Hazardous waste management		Direct discharge to environment Missing or expired legally required permits or licenses	Hazardous waste not separated from regular waste	Proper hazardous waste management with all required permits and/or licenses appearing to be current and valid
Air emissions		Pollutant is directly discharged into environment	Waste treatment facility but lack of certificate or passed sample test result	Proper waste treatment facility with certificate and passed sample test report (if applicable)
Water emissions		Pollutant is directly discharged into environment	Waste treatment facility but lack of certificate or passed sample test report	Proper waste treatment facility with certificate and passed sample test report (if applicable)
Trash/Dumping			Trash dumped into open outside area (not controlled)	Outside environment is free of trash and is maintained in good condition
DORMITORIES				
Living Conditions		Egregious hazardous building conditions The dormitories are located near or where explosive, inflammable or combustible material is handled or stored	Inadequate building conditions No attached handrails in stairwells Inadequate lighting and temperature	Structure provides adequate shelter Handrails installed in stairwells and applicable passages Building is well lit
Health and Safety in housing		No fire equipment No secondary evacuation exit or route No fire alarm installed	Inadequate fire equipment Missing some fire equipment Fire equipment is not marked, is not accessible, and is not serviced Evacuation routes are not designated and marked or employee's are too far from 1 or both exits Evacuation and fire training is not provided Emergency lights are not installed Evacuation plot plan is not implemented No first aid kits implemented First aid kits not stocked or locked Electrical control panels not labeled or blocked or exposed.	All licenses are in place Fire equipment is available, accessible, marked and serviced. Evacuation routes are properly marked and accessible Evacuation and fire training is provided twice a year Emergency lights are installed Evacuation plot plan is posted Stocked first aid kits available
		Egregious electrical hazardous conditions	Exposed wiring	Electrical control panels accessible and marked

Appendix A - Grading Matrix Guideline

Closed	Needs Improvement	Opportunity for Improvement	No Outstanding Issues
DORMITORIES cont			
Ventilation and Sanitation		<p>Facility has not conducted safety and fire training for employees leaving in the dormitories</p> <p>Facility has not tested fire equipment regularly</p> <p>Facility has not appointed a fire safety officer</p>	<p>Facility not documenting visits from the fire department at the dormitories</p> <p>Fire department has not conducted visits at the dormitory</p> <p>Facility has taken steps to minimize fire risk and provided training for employees leaving in the dormitories</p> <p>Facility conducts regular inspections on firefighting equipment</p> <p>Facility has appointed a certified fire safety officer</p> <p>Facility is receives visits from the fire department and these are documented</p>
		<p>No toilets available</p> <p>Open sewage in the housing location</p> <p>Severe vermin or insect infestation</p>	<p>Unsanitary conditions in restrooms</p> <p>Restrooms are not stocked with running water, and supplies</p> <p>Restrooms/Showers are not separated by gender</p> <p>Inadequate number of restrooms</p> <p>Potable water is not available</p> <p>No privacy in toilets/showers</p> <p>No hot water available for bathing</p> <p>Inadequate/ poor ventilation</p> <p>Restrooms and showers are in acceptable sanitary conditions</p> <p>Facilities are stocked with supplies and running water</p> <p>Adequate number of restrooms and showers</p> <p>Drinking water is available at all times</p>
Kitchen/ Canteen		<p>No fire equipment in kitchen</p> <p>No secondary exit or insufficient secondary exit</p> <p>Unsanitary food preparation or eating area</p>	<p>Incomplete or not clean kitchen/food preparation area</p> <p>No license/ employee no health cert. (if legal requirement)</p> <p>No refrigerator, improper food storage, food on floor</p> <p>Cooked food is not covered</p> <p>Cooked food and raw food not separated</p> <p>Kitchen area is clean and provides refrigeration unit, and table ware, fire equipment, maintains proper food storage and health license and certifications (if required)</p>
		<p>Curfew disciplinary actions</p> <p>Electricity shut off to enforce curfew</p> <p>Personal liberties are not respected</p> <p>Illegal or excessive deductions for housing</p> <p>Excessive and abusive security policies implemented</p> <p>Excessive populace in one room</p> <p>Employees are not free to find independent housing if desired</p> <p>Employer restricts the freedom of meetings</p> <p>Standards of dormitories vary according to the race or ethnic background of the workers</p>	<p>Curfew with no disciplinary actions</p> <p>Inadequate security guards behavior</p> <p>Inadequate information to employees in regards of dormitories rules</p> <p>Inadequate number of populace in one room</p> <p>Dormitories are not separated by gender</p> <p>No curfew is implemented</p> <p>Security guards respect employees' personal liberties</p> <p>Employees are informed properly of housing accommodation's rules, cost and conditions</p> <p>Adequate populace designated in each dormitory</p> <p>Dormitories are gender separated</p> <p>Employer respects the freedom of employees' meetings within the promises</p>
Human Rights			