

## Code of Conduct Audit Report

**Social Accountability Evaluation**

**Report No.** DQC-COC-050038

**Factory name:** Shenzhen XXX Electronic & Telecom Ltd.

**Contact Person:** Mr. F.M. Yeung (Operation Director)

**Interviewee:** Mr. Kerry Chow Chi Wah (Production Mgr)  
Mr. Chai S.L. Allen (Adm. Vice Mgr.)  
Ms. Fu Yip King (Personnel Supervisor)

**Reason for Survey:**

**Initial Qualification**

**Follow-up Audit**

**In-Production Audit**

**Other** Unannounced

**(Please Specify)**

**Conclusions:**

**Pass**

**Conditional Accept.**  
**only pending timely required corrective action**

**Fail**

**See details of corrective action requests on next page of this report**

**If re-audit required, date schedules:** **Date**

**Surveyed by (Name, Title & Date)** Alex WONG / Mike TIN  
Daintily Quality Consulting Co. Ltd., April 18<sup>th</sup> 2005

## Corrective Action Request

Part 1 General	
Nil	
Part 2 Company Organization	
Nil	
Part 3 Production Process	
Nil	
Part 4 Facilities	
<p>A To ensure safety operation of metal die-cut press. It is recommended that using two-handed activated press rather than using foot-activated machine (work piece is taken by both hands).</p> <p>B To establish a regular maintenance system on the oven in PCBA dept and keep appropriate inspection records.</p> <p>B To post the allowable floor loading weights for determined for storage areas.</p>	
Part 5 Child Labor	
<p>B To establish the written policy on the youngest age of workers hired and about the against of using child labor, force labor, prison labor and discrimination and convey to subcontractor about the above issues and to make sure that the subcontractors comply such policy by the mean of surveys, unannounced visit..</p>	
Part 6 Forced Labor	
Refer to Part 5	
Part 7 Prison Labor	
Refer to Part 5	
Part 8 Working Hours	
<p>A To reduce the overtime hours in compliance with the local Labor Law (not more than 3 hours per day).</p>	
Part 9 Wages & Compensation	
Nil	
Part 10 Working Conditions - Factory	
Nil	
Part 11 Working Conditions - Health	

Nil

Part 12 Industrial Safety

- B To keep records of all reported accidents and near misses and investigate such happening so that initiate action to prevent such accidents occurred repeatedly.
- B To establish the written contractor safety procedure.
- A To improve the safety of metal die-cut presses which is foot-activated only as per part 3 stated above.
- A It is recommended to enhance the ventilation in the silk-screen printing dept and provide the mouth muffles to workers and educate them to use personal protective equipment, such as mouth muffles, gloves, etc.

Part 13 Living Conditions – Dormitory

- B To post the dormitory rules and emergency evacuation plans at the dormitory area where everyone can see.

**Priority Remarks on Corrective Action Requests**

A	Impact : High	Feasibility : Easy	Immediate action required
B	Impact : Medium	Feasibility : Easy	Complete by 1 month
C	Impact : High	Feasibility : Hard	Complete by 3 months
D	Impact : Medium	Feasibility : Hard	Complete by 6 months
Z	Impact : High	Feasibility : Very Hard	Provide work plan by 3 months



**General**

Vendor Name: XXX Electronic & Telecom Co. Ltd.  
(English & Chinese)

Address: Flat xxx, Block x, XX/F., Focal Ind. Centre, 21 Man Lok Street., Hung Ho, Kowloon, Hong Kong.  
(English & Chinese)

Tel No.: 852- 2334 34xx Fax No.: 852- 2363 35xx

No. of Employees in Office (HK/Macau/Others): 40

Working Days/Week: 5 days or 5.5 days Office Hours: 08:00 – 17:30

**Main Factory**

Plant Name : Shenzhen XXX Electronic & Telecom Ltd.  
(English & Chinese)

Address: XXX XX Industrial Estate, Fuyong Town, Bao An Country, Shenzhen, China  
(English & Chinese)

Tel No.: (86-755) 2777 98xx Fax No.: (86-755) 2777 96xx

No. of Workers: 1,500 Office Hours: 08:30-17:30

Name of Owner: Dai Xing Jing

Name of Plant Manager: Mr. Tong Chun Fai

Principal Products: Pager, mobile phone, electronic games, calculator.

No. of Machines (Sewing, injection molding, etc.): \_\_\_\_\_

Principal Customers: XXX XXXXX XXXXX

Annual Sales: Not specified.

Production: Ratio men to women	<u>1:10</u>	<u>1000</u>	Local	<u>0</u>	Foreign
Engineering/Maintenance:		<u>150</u>	Local	<u>3</u>	Foreign
Quality Assurance:		<u>80</u>	Local	<u>0</u>	Foreign
Sales/Merchandising:	(in HK)	<u>10</u>	Local	<u>0</u>	Foreign
Administration/Management:	(in HK)	<u>10</u>	Local	<u>0</u>	Foreign

Company Organization

Organization Chart

Please submit organization chart for both the office and factory.

Current Employment

Please amend or add any row that is appropriate to your company.

Department	Head of Department	No. of:	
		Staff	Labour/ Technician
Board of Directors	Dai Xing Jing	---	---
General Administration	Yu Yung	10	---
Engineering: product Engineer			
Manufacturing Engineer (PE)	F,M. Yeung	30	---
Industrial Engineer			
R&D	Wong Cheung	25	---
Sales/Marketing	James Jin	30	---
Production Planning (PMC)	F,M. Yeong	15	---
Purchasing	Kenny Lau	7	---
QA	A,M. Wong	5	30
Other (Please Specify)			
Assembly	F,M. Yeung	20	300
Injection			
Roto Molding			
Spraying	F,M. Yeung	15	150
Rooting & Grooming			
Sewing			
QC	A,M. Wong	15	50
Mold Shop			
COB (PCBA)	Kerry Chow	17	350

## Production Process

Please state whichever production process the company possesses and the facilities/ machinery/equipment are being used. Put N/A on for those processes not being adopted.

Process	Specification	Model/Brand Name	Qty.
Injection			
Die Cutting Machine	Flywheel type	---	32
Cotton Loosening M/C			
Roto Casting			
Blow Molding			
Spraying	Spraying guns	---	13
Tampo Printing	---	---	11
Silk Screen Printing	Manual (with metal frame)	---	2
Flat Belt Conveyor	---	---	5
US Welder	Packing Type use	Branson / Others	6
Metal Detector			
Sewing Machine			
Rooting Machine			
Assembly line	---	---	13 lines
Electrostatic plating			
Offset printer	1-color, 4-color	---	2
SMT Machine	---	MAMIYA/ Citizen/ IMT-40	9

## Tool Room Facilities

### Machine

Type	Specification	Qty.
Miller		
Lathe		
EDM		
Grinder		
ARC Welding Machine		
Wire Bonding	ASM/ 500B/ 502B/ 509A	27
CAD Machine	PC with CAD Software	3
CAM Machine		

#### 4. Facilities

Building Type	No. of Floors	Area	Owned/Rented
1. Production facilities	1 Blk with 3 stories	100,000 ft. <sup>2</sup>	Rented
2. Sample making facilities	On-line	---	
3. General facilities & living quarters	3 Blk of dorm (5-stories, 7-stories, and 8-stories)	300,000 ft. <sup>2</sup>	Owned

Audit Questions			Comment
1. Is the plant layout acceptable to manufacture hard / soft toys? - Molding - Assembly - Painting / Deco - Warehouse	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Manufacture of electronic products only, e.g. electronic games, pager, etc. Main processes include PCBA, bonding, spray painting, tempo printing, metal die-cutting, SMT. 3/F is for assembly of pager. 2/F is mainly for assembly of electronic games products. 1/F is for other process, such as PCBA, spray painting, metal die-cut, offset printing, etc.
2. Is there a clearly defined throughput / flow of materials?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
3. Is all production machinery operated under a maintenance schedule?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	As per ISO9002 Maintenance system. But need improvement for the maintenance of oven in PCBA dept at 1/F where is not included in ISO9002 system.
4. Are machines / equipment / fixtures suitable for the job and in safe operating condition?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	At 1/F, the metal die-cut press is foot-activated and the work piece is taken with both hands.
5. Does the factory have a well organized local maintenance team to give appropriate response to equipment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Minor problems are handled by 5 technicians (electrical problems).

breakdown or emergency?			Major problems are responsible by suppliers.
6. Is unused equipment / machinery stored to prevent damage?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
7. Are effective communications available (Telephone & Fax)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Telephone, fax and email available.
8. Are all site buildings maintained in good condition?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
9. Is facility generally clean and safe? - Floor areas - Storage areas - Lifts and stairways - Manufacturing areas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Generally tidy. The factory is starting to implement "5S" for 3 months.
10. Are temperature, ventilation and lighting generally adequate?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Generally acceptable, but need to improvement in silk-screen printing dept.
11. Are sufficient waste, scrap and refuse containers provided?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
12. Is there regular and systematic refuse collection?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Collected by local agent daily.
13. Has the physical and structural integrity of all buildings been professionally inspected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
14. Are boilers, unfired pressure vessels, and furnaces annually inspected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	No evidence showing that ovens in the PCBA dept at 1/F is inspected annually. (At the label attached to the oven shows that the last inspection date is "03/12/23". The temperature calibration of oven is not done regularly.
15. Have the allowable floor loading weights been determined for storage areas and posted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	The main warehouse is at the ground floor. Some warehouses are at the old dorm building (The old dormitory building is used to store goods and for office).



## 5. Child Labour

Audit Question			Comment
1. Does Vendor have a copy of local laws showing minimum legal age for working in this area/Country ?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
If yes, what is legal age?			16 years old
2. Is there a compulsory age for school attendance in the country/region?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	No such mandatory policy.
If yes, what is the age?			N/A
3. Does Vendor have a written policy on the youngest age for workers hired in the facility?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
If yes, what is minimum age? (attach copy)			
4. Identify 3 -5 youngest looking workers and check ages. Identify ages and methods of checking.(ID cards, Employment history etc.) Are all above minimum age?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>5 Workers were randomly selected and personal records inspected:</p> <p>1. Ms. Goon Kam Ling (No.19175) I.D.#: 430223850210XXX Entry Date: 04/6/8 Entry age: 19</p> <p>2. Ms. Lui Fo Kuen (No. 13768) I.D.#: 452528840630XXX Entry Date: 02/5/22 Entry age: 17</p> <p>3. Ms. Pang Kwan (No.17434) I.D.#: 512921830420XXX Entry Date: 02/11/3 Entry age: 19</p> <p>4. Ms. Yue Ming Hung (No.19312) I.D.#.: 420625851225XXX Entry Date: 04/6/28 Entry age: 18</p>

			<p>5. Ms. Ling Chung Kuen (No.15922) I.D.#: 452826791015XXX Entry Date: 02/8/6 Entry age: 22 Full compliance in Labor Laws.</p>
<p>5. Are documents supporting age information kept on record? (identify types of record kept)</p>	<p><input checked="" type="checkbox"/> <b>Yes</b></p>	<p><input type="checkbox"/> <b>No</b></p>	<p>Workers' personal registration records with workers' ID copies and these records are filled and signed by workers.</p>
<p>6. Are there any work experience programs for school age children? Attach details of program and controls.</p>	<p><input type="checkbox"/> <b>Yes</b></p>	<p><input checked="" type="checkbox"/> <b>No</b></p>	<p>No such activity.</p>

## 6. Forced Labour

Audit Question			Comments
1. Does vendor have copies of any local laws concerning forced labor in this country/ area? ( attach if available)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
2. Does vendor have a written policy against the use of forced labor? (attach if available)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
3. Are all workers in facility present voluntarily ( signed hiring agreements, interviews with workers)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Workers have signed hiring contracts issued by government and factory registration form. Workers are not allowed to borrow money from company.
4. Are guards posted only for normal security reasons?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Also, responsible for fire prevention.
5. Are workers permitted free access in and out of facility after working hours?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	For security purpose, the security guards lock the doors of workshop. During working hours and get off work, workers need to be checked by security guards with metal detectors if going out the workshops.
6. Are workers permitted time off with Doctors certificate when sick or for maternity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Required to fill in the requisition form and get approval.
7. Is there any evidence that workers freedom is impeded?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	No evidence observed.
8. Are employees free to enter & exit Dormitories after work hours? ( no undue controls - time cards / limits )	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Requires to show workers' ID card when enter dormitory area.

## 7. Prison Labour

Audit Question			Comments
1. Does Vendor have copies of any local laws concerning prison labour in this country/ area? ( attach if available)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	N/A, No Local Labor Law concerning Prison Labor.
2. Does vendor have a written policy against the use of prison labour? (attach if available)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
3. Does the vendor have a policy against sub -contracting to prisons? ( attach if written)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
4. Does the Vendor have a sub contracting policy?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	e.g. electro-plating is subcontracted. The subcontractor info. Is as follows: <b>Zhen XXX Co. Ltd.</b> Address: The West Mei Lin, Fu Tian, Shenzhen. Tel: 86-755-833116xx
5. Does the vendor use prison labour? ( check Purchase orders, incoming bill of lading, employment records)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Employment records are checked, no evidence of using prison labor. For workers employment, factory will employ worker through Ad. For staff employment, through local labor agents recognized by labor dept.
6. Does vendor monitor sub contractors for use of prison labour? How? (surveys, unannounced visits)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Surveys are conducted as per ISO9001 system, but for product quality only.

## 8. Working Hours

Audit Questions			Comments
1. Is a copy of Local laws available at Vendor? (Attach copy if available)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
2. Does Vendor have a written policy for Working hours? ( attach copy if available)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Stated in the "Employee Regulation" Working hours:08:30-17:30 Lunch time: 12:30-13:30
3. Is time worked documented by time card?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
4. Is overtime voluntary? ( what evidence)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Verified by interviewing workers.
5. What are maximum hours worked per day? Is this within legal maximum and written policy for work hours?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	From the time card of the workers in October, maximum working hour per day is 12 hours.(i.e. 8 normal hrs and 4 overtime hours), but not in a regular basis.
6. What are average hours worked each week? Is this within legal maximum and written policy for work hours?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	About 40 hours per week. Few overtime working in March.
7. What are maximum hours worked per week? Is this within legal maximum and written policy for work hours?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	From the time cards of worker Ms Lui Fo Kuen, the maximum hours work is about 50 hours in the 1 <sup>st</sup> week of March.
8. Does normal work week include one day off?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
9. Do workers have time for meal breaks and rest breaks ? (how long?)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1 hour for meal break.
10. Identify verification processes & documentation. ( signed work contracts, interviews, Personnel records etc.)			Workers' time cards and interviews.

## 9. Wages & Compensation

Audit Questions			Comments
1. Is a copy of Local laws available for area / Country at Vendor? (Attach copy if available)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
2. Is a copy of Vendor written policy on wages & compensation? (attach if available)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Stated in "Employee Regulation".
3. What is minimum hourly wage for Trained and Untrained workers?			Minimum daily wage: New worker: RMB11 Old worker: RMB13or14 In addition to the daily wage, the allowance is given, therefore the daily wage is over RMB15 (One sampled workers, daily wage is RMB22.6 for normal day work)
4. What are overtime rates for Trained and Untrained workers?			1.5 times of the normal wage for normal OT. 2 times for day of rest OT. 3.0 times for official holiday OT.
5. Are workers paid piece work or hourly? If piece work how are rates set (explain).	<input type="checkbox"/> Hourly	<input type="checkbox"/> Pc. Work	Daily
6. What are normal working hours per day / week?			5 days per week, 8 hours/day. (i.e. 40 hours/week)
7. Do wages & compensation meet legal and policy requirements?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	2 workers are randomly selected. 1. Ms. Goon Kam Ling Normal wage =RMB 899.2 (17 days attendance) Actual wage received= RMB 985 (including OT wage, deduction of meal/rent/electricity, etc.) 2. Ms. Yue Hung Ming Normal wage = RMB 798.65 (16.5 days attendance) Actual wage received= RMB 845 Normal wage of workers meet the

			local minimum requirement. The salary is paid by cash.
8. Are wages held back for any reason other than taxes, Social security? (What?)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Meal/Rent and electricity. This types of fee are clearly shown in payroll records.
9. What other compensations are provided? (bonus, vacation pay, meal allowances, etc.)			Position allowance, Hardship bonus = RMB 200 /month, Special process = RMB5 /day.

### 10. Working Conditions - Factory

Audit Questions			Comments
1. Does Vendor have a copy of local laws for factory safety and working conditions?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
2. Is Factory free of any citations, penalties from violations of labour laws and regulations in past 12 months? (If yes explain)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
3. Is there an adequate supply of sanitary drinking water available to employees?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
4. Are worker disciplinary actions recorded and appropriate? (Describe)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Written warning letter to such worker.
5. Are sanitary areas clean and hygienic with available washing facilities?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Acceptable. Each floor has 1 set of toilet (4 rooms for men and 4 rooms for women)
6. Are food service areas clean and hygienic?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
7. Are food service personnel trained in food preparation hygiene?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	All personnel working in canteen are body-checked and records are in place.
8. Are food preparation areas subject to	<input checked="" type="checkbox"/>	<input type="checkbox"/> No	

local government audit, licensing? If yes, has approved audit / license been received?	Yes <input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Valid date: 03/12/21~04/12/21 license No.: (Baoan) hygiene(food) 770303222.
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## 11. Working Conditions - Health

Audit Questions			Comments
1. Does the facility have clear record from Government inspections?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If no problems were found by Government authority, no reports given.
2. If non compliances found previously, have they all been corrected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
3. Are painting or other solvent use areas adequately ventilated?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Acceptable. Need improvement in silk-screen printing dept at 1/F.
Medical / First Aid			
1. Does factory have a written procedure for handling medical emergencies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
2. Is medical service available to facility? - In house clinic - Nearby medical center - Nearby hospital/ clinic - Available medical advice/consultation - Other.. - None	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	-In-house clinic available -Nearby Hospital (Xixiang and Fuyong) 10 minutes driving time apart.
3. Are any of the following available in house? - Doctor - Nurse - Trained First aid personnel - Other trained medical professional - (identify).....	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1 doctor who lives in factory and 1 nurse.
4. Does the facility keep injury/illness records? - Daily injury and illness log - Injury statistics	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Injury and illness log is in place. But no injury statistics. All workers participate in social insurance (injury insurance)



<ul style="list-style-type: none"> <li>- Illnesses reported</li> <li>- Other safety statistics</li> </ul>			scheme.
<p>5. Does each medical staff member have a current CPR certification?</p>	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	
<p>6. Are all designated first aid stations adequate?</p> <ul style="list-style-type: none"> <li>- Marked by a first aid sign</li> <li>- Located appropriately</li> <li>- First aid kit</li> <li>- Kit for bloodborne pathogen protection</li> <li>- Emergency log</li> <li>- First aid guide</li> </ul>	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	First-aid kit available in each workshop.
<p>7. Does the site have a Bloodborne Pathogen process?</p> <ul style="list-style-type: none"> <li>- Job classifications which may have bloodborne pathogen exposure</li> <li>- Disposal of blood contaminated waste</li> <li>- Medical staff training</li> <li>- First aiders training</li> <li>- Disposal of needles (labeled sharps container)</li> <li>- Biohazard waste disposal</li> </ul>	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>	Simple medicine injection only.
Heat Stress			
<p>1. Does the factory have a process to adjust the thermal environment and reduce heat stress factors?</p> <ul style="list-style-type: none"> <li>- Engineering controls <ul style="list-style-type: none"> <li>Fans</li> <li>Air movers</li> <li>Conditioning</li> <li>Exhaust fan</li> </ul> </li> <li>- Administrative controls <ul style="list-style-type: none"> <li>Modifying work-rest schedules</li> <li>Modifying number/duration of tasks</li> <li>Postponing non-critical tasks</li> </ul> </li> <li>- Work practice controls <ul style="list-style-type: none"> <li>Personal protective equipment and clothing</li> </ul> </li> </ul>	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	Air conditioned, fans and exhaust fans available.

## 12. INDUSTRIAL SAFETY

Audit Questions			Comments
<b>General</b>			
1. Has a safety coordinator been designated? Name: <a href="#">Mr. Yu Yung (Adm. manager)</a>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Total 108 member in safety team, including managers, supervisors.
2. Does management have a written safety system (program) that includes processes (policies/procedures) for identifying, evaluating, and controlling risks?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	"Safety Manual" Issue date: 2002/8/4.
3. Does factory have a written procedure in accord with ICTI fire safety and Emergency preparedness guidelines?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	"Fire Prevention and Preparedness Plan" Issue date: 2003/4/10.
4. Is job specific safety training/education provided to all employees prior to starting a new job?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
5. Is a site safety committee/team present? - Members represent a variety of shifts, functions, and personnel levels - Meet on a regularly scheduled basis - Recommendations are received, considered, and properly addressed and feedback	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Hold meeting every 2 or 3 months.
6. Are ALL site personnel given the opportunity to voice safety opinions/concerns? - Suggestion box - Meetings - Surveys - Personal communications	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Suggestion box available or inform dept supervisor.
<b>Accident / Near Miss Investigations</b>			
1. Are all reported accidents and near misses investigated? - Accident/near miss investigation form used	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Usually, correct it at once. Hold meeting every 2 weeks to discuss such problems.

<ul style="list-style-type: none"> <li>- Accident investigation forms filled out completely</li> <li>- Employees instructed/encouraged to report accidents and near misses</li> <li>- Corrective actions tracked</li> </ul>			
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<u>Housekeeping</u>			
<p>1. Are housekeeping inspections conducted?</p> <ul style="list-style-type: none"> <li>- Dust, shavings and scrap materials routinely collected and placed in receptacles</li> <li>- Engineering controls provided to capture and collect dust, shavings and scraps before release into the work environment</li> <li>- Walkways, stairs and exits free of hazards and obstructions</li> <li>- Permanent aisles and passageways clearly marked</li> <li>- Floor and roof openings covered/protected</li> <li>- Stairs with four or more risers provided with standard handrails and midrails</li> <li>- Open platforms four feet or more above the adjacent floor guarded by railings on open sides</li> </ul>	<p><input checked="" type="checkbox"/> Yes</p>	<p><input type="checkbox"/> No</p>	<p>The factory is starting to implement "5S" for 6 months.</p>
<u>Purchasing Controls</u>			
<p>1. Are there controls in the receiving department to prevent new products from entering the factory which have not been reviewed for safety, health, and loss controls?</p> <ul style="list-style-type: none"> <li>- Materials</li> <li>- Machinery</li> <li>- Chemicals</li> </ul>	<p><input checked="" type="checkbox"/> Yes</p>	<p><input type="checkbox"/> No</p>	<p>Control on materials/ Chemical by purchase dept. Control of machinery by concerned dept supervisor.</p>
<u>Contractor Safety</u>			
<p>1. Is a written contractor safety procedure established?</p>	<p><input type="checkbox"/> Yes</p>	<p><input checked="" type="checkbox"/> No</p>	<p>Practically, verbally inform the contractor. Monitored by</p>

<ul style="list-style-type: none"> <li>- Contractor personnel given site safety orientation</li> <li>- Site safety rules given to contractors</li> </ul>			<p style="color: blue;">maintenance dept members.</p>
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<u>Machine Safeguarding</u>			
1. Are policies in place which prohibit loose clothing, jewelry, or long hair near moving machinery?	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	
2. Are machine safeguards provided and used? <ul style="list-style-type: none"> <li>- Points of operation</li> <li>- Power transmission devices</li> <li>- Other hazardous moving parts</li> <li>- Pulleys and belts within 7 feet of floor</li> <li>- Fan blades protected with a guard having openings no larger than 1/2 inch</li> </ul>	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<p style="color: blue;">Generally acceptable, need improvement for metal die-cut presses at 1/F.</p>
3. Are starting/stopping controls adequate? <ul style="list-style-type: none"> <li>- Provided for each operator</li> <li>- Protected from accidental activation</li> <li>- Labeled and properly colored</li> <li>- Emergency stops of the palm/mushroom type and colored red</li> </ul>	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	
<u>Chemical Safety</u>			<p style="color: blue;">N/A, Limited to paints and thinner for cleaning purpose.</p>
1. Is a chemical safety program in place? <ul style="list-style-type: none"> <li>- Chemical safety training conducted</li> <li>- Written program present</li> <li>- Personnel responsibilities defined</li> <li>- MSDSs present</li> <li>- Containers labeled</li> </ul>	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<p style="color: blue;">N/A</p>
2. Are up-to-date Material Safety Data Sheets (MSDSs) present for each hazardous chemical produced, imported, or used?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<p style="color: blue;">N/A</p>
3. Is a current chemical inventory of all hazardous chemicals produced, imported, and/or used at the site available?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<p style="color: blue;">N/A</p>

4. Are all personnel exposures by inhalation, ingestion, skin absorption, or contact with any material or substance at a concentration below ACGIH Threshold Limit Values (TLVs) or equivalent?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
5. Have engineering controls been implemented to reduce personnel exposures?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
6. Have administrative controls been implemented to reduce personnel exposures?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
7. Has personnel protective equipment been provided where engineering and administrative controls are not feasible to reduce personnel exposures?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
8. Do containers coming onto the site have legible affixed labels?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
9. Are engineering controls provided in laboratories to control employee exposure?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
10. Are waste drums properly stored and labeled?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
11. Are emergency eyewash and showers provided in laboratories?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
12. Are all storage and process tanks, piping, and valves containing hazardous chemicals labeled or color-coded?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
<u>Lock / Tag / Try</u>			No such process available
1. Is a LTT (control of hazardous energy) process established?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A

2. Is training provided to all authorized, affected and other employees annually?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
3. Is sufficient LTT isolation equipment available? - Locks - Tags - Group lock box - Breaker lockouts - Valve lockouts - Hasps	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
<b>Personal Protective Equipment</b>			
1. Is a personal protective equipment process established? - Eye/face protection provided and used - Foot protection provided and used - Gloves provided and used - Protective clothing provided and used - Respiratory protection provided and used - PPE provided to visitors and used	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	In Spraying painting, mouth muffles are provided, and "warning notice" is posted on each workstation. But, as told, no mouth muffles not provided in tempo printing and silk-screen printing.

<b>Cranes / Slings / Hoists</b>			
1. Do all authorized crane/hoist operators receive documented safety training?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
2. Are inspections conducted on cranes and hoists? - Load testing - Review of external components for signs of defects, wear or abuse - Internal inspection, cleaning and lubrication. - Safe load limits clearly - Damaged/defective cranes/slings/hoists and accessories removed from service - Hoist/sling hooks have a safety latch	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
<b>Walking &amp; Working Surfaces</b>			
1. Are only approved working platforms used when personnel are elevated to	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	

perform work?			
2. Are elevated work platforms secured to the lifting device (i.e., forklift, Raymond lift, etc.)?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A, no forklift in factory.
3. Damaged or defective ladders removed from service?	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	
<b>Confined Space Entry</b>			N/A
1. Are confined spaces identified and secured? - Storage tanks - Process vessels - Diked tank farms - Boilers - Ovens - Silos - Underground trenches - Enclosed conveyors	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	No confined space. However, workers are not allowed to enter other workshops without permission for security purpose.
2. Are confined space entry procedures established?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A
<b>Forklift Safety</b>			
1. Is a forklift safety process established? - Annual training conducted for all authorized forklift operators and documented - Daily (every shift) inspections of forklifts documented - Stop signs and speed limits posted where pedestrian traffic is present	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	N/A, No forklift

<b>Office Safety</b>			
1. Are walking surfaces free of obstructions which could cause a slip, trip, or fall?	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	Tidy and clean.
2. Is adequate illumination and ventilation provided in office areas?	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	Adequate illumination and ventilation.

3. Is smoking allowed in designated areas only?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Smoking is prohibited in whole plant and dormitory area.
<b>Trailers / Railcars</b>			
1. Are vehicles secured from movement prior to entry? - Chocks - Dock locks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	N/A
<b>Hand &amp; Portable Powered Tools</b>			
1. Are tools maintained in good working condition?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
<b>Emergency Eyewash / Showers</b>			
1. Are emergency eyewash/shower units present? - Tested monthly - No more than 100 feet travel distance Signs posted identifying unit locations	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	No need.

### 13. Living Conditions - Dormitory (If applicable)

Audit Questions			Comments
1. How many workers per room?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	There are 3 blocks of dormitory building (5- stories, 7-stories, 8-stories. For staff, 3-4 people/room. For worker, 8-10 people/room. During visit, sampled selected several workers' room, 10 bed available, but 7 beds are occupied.
2. Is there adequate living space for each worker? (approx. area per worker)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Approx. 200 sqft per room. About 25 sqft per worker.
3. Does building appear structurally sound and in good repair?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
4. Are there adequate sanitary facilities?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Independent toilet and bathrooms. There is other bathrooms (hot water



			provided) beside the canteen building. (10 rooms for men, 10 rooms for women)
5. Are living quarters clean, safe and well lit?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
6. Are kitchen, laundry facilities available?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Cooking is not allowed in the room. Kitchen is available for canteen. Workers clean their clothes in bathroom.
7. Are recreation areas available inside & outside?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	There are Karaoke room, and a big playground in dormitory area. Basketball available in factory area.
8. Are workers free to exit & re-enter dormitory freely?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Requires to show factory ID when entry.
9. Are sleeping arrangements adequate and providing reasonable privacy?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
10. Are workers provided lockers for personal items?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
11. Are adequate security measures provided to protect workers?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	About 35 security guards are on duty in daytime and about 18 guards in nighttime.
12. Are exits unblocked and unlocked for emergency evacuation?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
13. Are written dormitory rules posted? (attach copy)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
14. Are written fire emergency evacuation plans posted? ( attach copy)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	