The consumer products market is increasingly regulated and subject to scrutiny by many government agencies and consumer groups. It is essential that promotional products professionals can provide assurances that our products meet—or exceed—all international standards for quality, safety and societal concerns. The term “social standards” typically refers to labor standards or the working conditions under which products are manufactured. If an end buyer or distributor asks you for assurances that a product is produced in a socially compliant way, do you know what policies and procedures you need to implement? Do you know what standards to apply? To answer that question, you may need to conduct a conformity assessment of both the product and the production process.

The following is an example of a factory audit checklist for conformity with social standards.

**Minimum Wage**
- Are hourly and piece-rate employees paid at least the applicable minimum wage rate?
- Do wage rates paid match those documented in employees’ files?
- Are wages paid properly calculated and meet minimum wage standards?
- Are there any impermissible payroll deductions?
- What is the lowest wage paid to an employee?

**Overtime**
- Are applicable overtime wages properly calculated?
- Are overtime wages paid same as documented in files?

**Benefits**
- Are deductions or withholdings for benefits calculated properly?
- Are deductions or withholdings for benefits submitted to the proper government authority within the time required by applicable law?
- Are legally required allowances and benefits provided to employees?

Interview employees for whom records were selected. Verify above and confirm:
- Is employee paid regularly?
- Is employee paid by check?
- Is employee given pay stubs?
- Is employee required to perform work before or after hours?
- Is the employee given lunch or other breaks?
- Randomly select (x) number of employees. Select separate groups for each topic. Interview employees and verify status of items below. Note any exceptions and explain.
Child Labor
- Are the ages of employees verified by official documents?
- Is information on file regarding the individual's employment at the facility?
- Does the worker's appearance call into question the age noted in the employment file?

Forced Labor
- Is the relationship voluntary?
- Is the employee free to leave once his/her shift ends?
- Is the employee indebted to the company? For what?
- Is the employee bonded or indentured?
- Is the employee's freedom of movement restricted?

Harassment And Coercion
- Do supervisors threaten employees with violence?
- Do supervisors engage in verbal or psychological harassment or abuse?
- Do supervisors engage in sexual harassment or abuse?
- Do supervisors administer physical abuse?

Discrimination
Has the employee been discriminated against on the basis of race, religion, age, nationality, social or ethnic, gender or disability regarding:
- Hiring?
- Salary and benefits?
- Advancement?
- Job assignments?
- Discipline?
- Termination?
- Retirement?

Conduct Health And Safety Observations
- Are exits clearly marked, unblocked and unlocked?
- Are aisles, exits and stairwells kept clear at all times?
- Is there clearance between workstations for movement in an emergency?
- Are fire escapes available in a multi-story facility?
- Is there an evacuation plan easily visible to employees?
- Is there first-aid equipment near work areas?
- Are there fire extinguishers in appropriate locations?
- Are the fire extinguishers of a type appropriate for the fire risk?
- Are fire drills and evacuations drills conducted?
- Is personal protective equipment provided to workers?
- Are workers provided training on health and safety?
- Do employees have access to drinkable water?
- Are there clean and sanitary toilet areas?
- Is equipment properly safeguarded?
- Is equipment maintained to prevent fire or health hazards?
- Is ventilation adequate?
- Is lighting adequate?
- Is temperature adequate?
- Are hazardous chemicals properly handled, stored and disposed?
- Are employees trained in such procedures?

Conduct General Management Review
Identify and document individuals responsible for payroll, employee relations, health and safety. Interview each regarding their responsibilities.
- Are all applicable records up-to-date and secure?
- Are there labor contracts with employees?
- Are there any worker organizations or committees within the facility?
- Does management understand our company's code of product responsibility conduct?
Why adopt a corporate code of conduct?
There is no specific law that requires a code of conduct, but adoption of a code gives distributors an extra level of confidence when doing business with a supplier who posts this code of conduct on their website or in their catalog. It offers end buyers that same confidence when selecting a distributor sales partner.

Solution:
PAAI has created a web form that will allow you to electronically sign the Code. Once you complete the form, PPAI will update your membership records to reflect your adoption of the Code. Visit www.ppai.org/code for details.

PPAI Code Of Conduct

OUR COMPANY’S COMMITMENT TO ETHICAL AND RESPONSIBLE CONDUCT
Our Company believes we must not only meet the expectations of our customers and consumers, we must exceed those expectations. To that end, we have adopted standards for the safety, quality and integrity of our products and processes and we are committed to respecting the rights of individuals and protecting the environment. We are dedicated to complying with all applicable laws and to conduct business in an ethical and responsible manner.

PRODUCT SAFETY
We will comply with all applicable laws and regulations regarding safety of products we sell. We will meet applicable recognized voluntary industry standards for our products and processes.

NO ABUSE OF LABOR
We will not use any form of forced labor, including indentured, prison, bonded or slave labor. We will not use physical or verbal harassment or abuse to discipline employees.

NO CHILD LABOR
We will not use child labor. We will comply with all minimum age provisions of applicable laws and regulations.

FREEDOM OF ASSOCIATION
We respect the rights of employees to associate or organize without fear of reprisal or interference. If employees are represented by an organization recognized under law, we respect the right to bargain collectively.

NO DISCRIMINATION
We will not discriminate in hiring and employment practices on the basis of age, nationality, race, religion, social status, ethnic origin, gender or disability.

HOURS AND WAGES
We will comply with all applicable wage, work hours, hiring, benefits, and overtime laws and regulations. In the absence of law in a particular location relating to product safety, labor, employment, environment or working conditions, the spirit and intent of these policies shall be met.

WORKPLACE CONDITIONS
We will provide a safe, healthy and secure workplace. We will abide by all applicable laws and regulations for safety and health. Proper sanitation, lighting, ventilation and fire safety protection will be provided.
ENVIRONMENT
We abide by all applicable environmental laws and regulations. We will manage our environmental footprint to minimize the adverse impact on the environment. We will manage our energy, water and waste systems for maximum efficiency and minimal adverse impact on the environment.

SUBCONTRACTORS AND SOURCES
We require all businesses that support our business as subcontractors, manufacturers or sources of goods to comply with all of the same policies stated in our Commitment to Ethical and Responsible Conduct Policy. All subcontractors and suppliers are required to comply with all applicable and national laws.

We expect those businesses to develop and implement internal business procedures to ensure compliance with our policy.