

Creating a Holistic Social Responsibility Supply Chain Risk Management Program

Presented by:
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Agenda

- Introduction to BSI Supply Chain Solutions
- Importance of understanding Social Responsibility risks
 - Brand Protection
 - Customer driven importance
- Review government legislation relevant to Social Responsibility practices
 - UK Modern Slavery Act
 - EU Conflict Minerals initiative
 - Anti-Bribery legislation
- Understanding a best practice approach to mitigate ethical risks in supply chains
 - Country risk
 - Supplier-specific risks
 - Auditing practices and reporting

Who is BSI?

Welcome to BSI – Over 100 Years of Innovation

- 1901 - World's first National Standards Body
- 1947 - Founding member of International Standards Organization (ISO)
- BSI issues over 2,000 standards each year
- Carry out 150,000 assessments each year in over 160 countries

BSI Supply Chain Solutions

- Over 20 years experience assessing global supply chain threats
- Provider of Supply Chain Intelligence to global government and to commercial clients
- Proprietary Risk Modelling relating to supplier compliance and assessment management
- On-site Auditing in 150+ countries annually



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A truly global brand and network – trusted and recognized



- Clients in 150 countries
- 61 offices worldwide
- 3 regional hubs in UK, US and Hong Kong



- Global key account management
- Facilitating governance, risk & compliance
- Certifying and verifying global suppliers
- Stimulating international trade

Defining Social Responsibility

Why is it so important?

What is **Corporate Social Responsibility**?

United Nations definition:

“Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.”

Key CSR issues: environmental management, eco-efficiency, responsible sourcing, stakeholder engagement, **labour standards and working conditions, employee and community relations, social equity, gender balance, human rights,** good governance, and anti-corruption measures.

Your REPUTATION is your Brand



87%

of Executives say a strong **corporate** brand is just as important as strong **product** brand

60%

of a company's market value is attributable to its **brand reputation**

70%

of consumers avoid buying a product if they don't like or **trust the company** behind the product

Source Weber Shandwick 2012 *The Company behind the Brand: In Reputation We Trust*

Why is Corporate Social Responsibility Important?

PWC has found that 88% of millennials choose employers based on strong CSR values, and 86% would consider leaving if the companies' CSR values no longer met their expectations.

CSR is responsible for more than 40% of a company's reputation

340 million fewer liters of water used in denim production.

30% said that they expect to increase the amount of goods and services they buy from socially-responsible companies.

*Source: H&M CSR Report 2013
PWC Whitepaper 2013
Forbes consumer survey 2013*

Reputational Risks



42% of a company's reputation is driven by **perceptions** of Citizenship, Governance, and Workplace.

Source: Reputation Intelligence Winter 2013

External Suppliers are a Part of Your Business

Take corporate social responsibility policies externally

Many companies implement social responsibility management systems to encourage an ethical workplace at their own internal sites.

It is important to then take these ethical practices and push them outwards to your supplier base. Your suppliers are absolutely critical points for your business

Social Responsibility Policies



CSR Risk Management

- Business Ethics
- Conflict Minerals
- Waste Management
- Environmental, Health and Safety
- Human Rights
- Labour Standards
- Wage Rights
- Working Conditions



Government legislation drivers to assessing Social Responsibility supply chain risks

European Union – Conflict Minerals Legislation

European Union's legislative body has adopted a draft law to ensure conflict minerals are not part of corporations supply chains.

Requirements:

- importers must certify their supply chains are free from minerals produced in conflict zones.
- European companies perform due diligence to ensure that any of the four minerals tin, tantalum, tungsten, or gold used in their products did not contribute to a military conflict.

Next steps:

- The legislation will now be negotiated by the European Commission, the EU's executive body, before becoming actual law.
- It remains to be seen if the Commission will grant its approval for the legislation, as the body had previously recommended making the certification measures voluntary.

Magnitude:

- If approved, the law would impact as many as 880,000 companies and about 20 refinery or "smelting" facilities.
- The proposal covers the same minerals as the U.S. Dodd-Frank legislation but applies to mining operations worldwide, rather than just countries in Central Africa.



Conflict minerals Trade Flows from Central Africa region



Conflict Minerals: Major Countries of Concern and Trade Flows



Top Global Exporters - Gold

Country	2013 Exports (Tonnes)
1. Australia	204,973
2. Romania	150,678
3. Russia	117,346
4. Turkey	62,356
5. Dodd-Frank countries	38,711

Top Global Exporters - Tin, Tantalum, and Tungsten

Country	2013 Exports (Tonnes)
1. South Africa	400,645
2. Australia	82,289
3. Indonesia	49,395
4. Ukraine	35,641
12. Dodd-Frank countries	9,578

MEXICO

Mineral: Iron Ore
Industries: Construction
Issue: Armed group control of mineral trade
Groups: Mexican drug cartels
Human Rights Concern: Rights violations by cartels, including extrajudicial killings and human trafficking; poor health and safety concerns in iron ore mines

COLOMBIA

Mineral: Tungsten
Industries: Automotive and Aerospace; Construction; Electronics
Issue: Armed group control of mineral trade
Groups: Revolutionary Armed Forces of Colombia (FARC)
Human Rights Concern: Illegal charging of indigenous miners; poor health and safety conditions in often illegal mines

VENEZUELA

Mineral: Columbite-Tantalite (Coltan)
Industries: Electronics
Issue: Armed group control of illicit mineral smuggling routes
Groups: Armed Venezuelan/Colombian smuggling networks
Human Rights Concern: Extortion of miners; poor health and safety conditions in unregulated mines

DRC + SURROUNDING COUNTRIES

Minerals: Tantalum, Tungsten, Tin, Gold
Industries: Electronics; Food and Beverage; Automotive and Aerospace; Apparel; Construction
Issue: Armed groups exploiting extraction and trade of minerals in Central Africa
Groups: M23, other rebel groups including those receiving support from regional governments
Human Rights Concern: Extortion of miners; forced mining of indigenous peoples; poor health and safety conditions in mines

UK Modern Slavery Act

Part 6 Section 54 – Transparency in the Supply Chain

United Kingdom passed into law a monumental progress step towards eradicating slavery and force labour in supply chains.

Requirements:

- Commercial organisations must prepare a slavery and human trafficking statement for each financial year
- Statement has to outline steps org has taken to ensure no slavery in supply chain or in any part of business OR statement has to say that the organisation has taken no steps to ensure a process is in place

Statement can include:

- Corporate organisational structure and supply chain
- Corporate policies related to human trafficking
- Due diligence process related to slavery/human trafficking
- Determine the parts of the business **where a risk of slavery exists**
- Steps that make sure these high risk areas have been **assessed and managed that risk**
- Level of effectiveness of due diligence process to ensure no slavery
 - **Measured against Key Performance Indicators**
- Training for staff related to slavery/human trafficking
- Must have high level executive staff sign off



UK Modern Slavery Act

Part 6 Section 54 – Transparency in the Supply Chain

Magnitude

- Applies to any commercial organisation that provides goods or services in the UK
- There is an annual turnover threshold that is intended to set which commercial organisations will be required to report
 - Still not stated what this turnover threshold is
- Statement must be published on corporate website and in a prominent location

Penalties and Repercussions

- Duties can be imposed by Secretary of State and bring organisation to civil proceeding court if failure to comply with legislation
- Corporate brand will be tarnished
- Lack of consumer trust



Anti-Bribery Regulatory Requirements

UK Legislation – **Bribery Act 2010**

US Legislation – **Foreign Corrupt Practices Act – FCPA**

***Key – applies to all suppliers who do business with UK and US companies**

The principal way in which companies can approach bribery risks which could be present in a supply chain is by employing the types of anti-bribery procedures:

- risk-based due diligence
- the use of anti-bribery terms and conditions

It is suggested that these processes are used in the relationship with their contractual counterparty (direct supplier), and by requesting that counterparty to adopt a similar approach with the next party in the chain.

Magnitude : Very strict penalties for **bribery** in the US, UK and elsewhere – requirements are pushed to suppliers



“Stress Test”

Your CEO is at a Shareholder meetings together with stakeholders, media and NGO's and is going to be asked some questions following some recent supply chain issues which have put a number of Governance, Risk & Compliance issues under the spotlight

Do you have the answers?

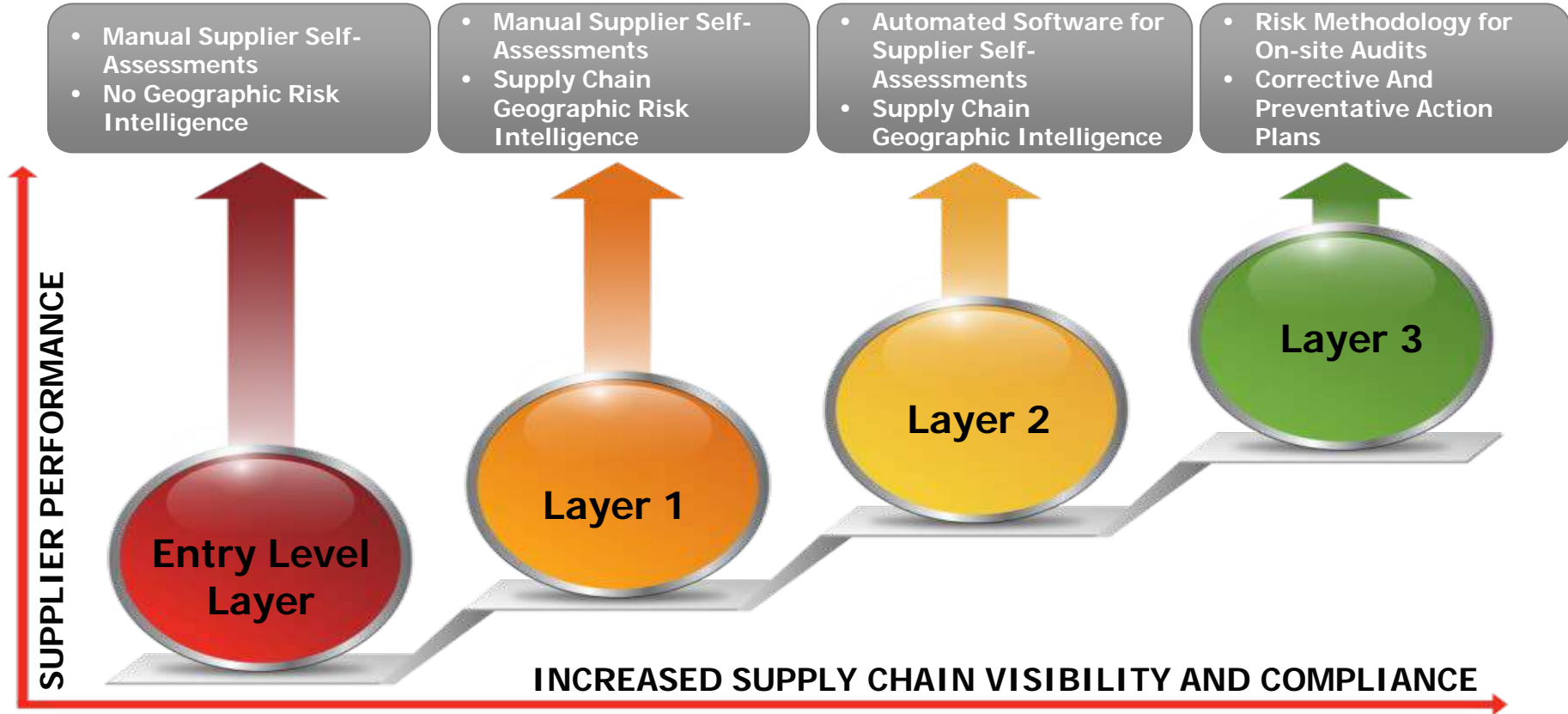
- 1.** How many suppliers do you have?
- 2.** How many are direct vs. indirect?
- 3.** Do you actively verify the living profiles of your suppliers?
- 4.** Have you conducted risk assessments of all your suppliers?
- 5.** How many have you physically visited?
 - a.** What are the issues and where?
 - b.** What improvements have you made?
- 6.** Does your supply chain adhere to your corporate values?
- 7.** Can you tell your supply chain story?

What Does Good Look Like?

1. Ensures Corporate values are aligned with Supply Chain, R & D, Procurement, Risk and Compliance. Avoid opposing forces.
2. Keep an active database of living and approved supplier profiles
3. **Be in a position to articulate, explain and tell your supply chain story:**
 - What are the issues and where?
 - Improvements made or plans to be made?
 - How your supply chain aligns with corporate value?
4. C
5. A
6. C
measure if they adhere to corporate values
7. Measures, monitors and improves the performance of suppliers and supports those that adhere to corporate values

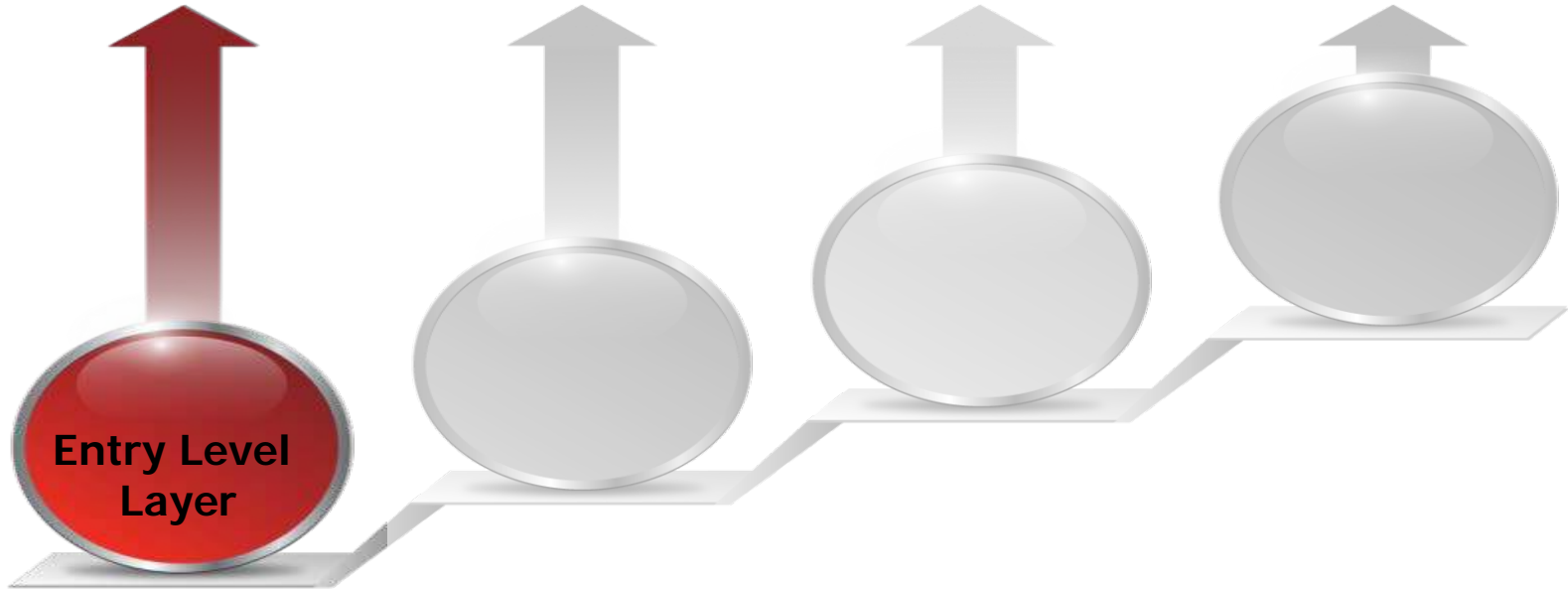
Managing Corporate Social Responsibility Compliance in Your Supply Chain

Progression Towards Maximum Compliance



Entry Level Layer

- Manual Supplier Self-Assessments
- No Geographic Risk Intelligence



Questionnaire Development

Objectives and Criteria Goals of Questionnaire

- Social Responsibility
- Business Continuity
- Code of Conduct
- Quality

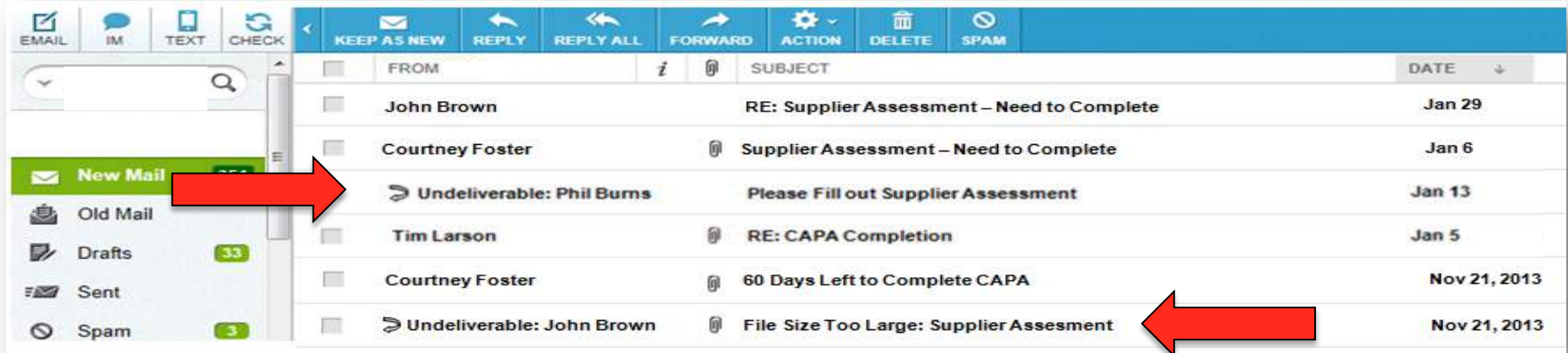
Questionnaire Functionality Needs

- Attachments needed?
- Additional supporting text needed?
- Weight of questions
- Question scored in risk calculation?

	A	B	C	D	E	F	G
1	Question Category	Question	Required or Recommendation?	Include NA?	Scored?	Insert Additional Supporting Text	Attachment
2	Business Partner Requirements	Do you have written verification processes in place for the selection of business partners, manufacturers, product suppliers and vendors?	Required	N	Y		
3	Business Partner Requirements	Do your business partners participate in any Government Customs' Supply Chain Security programs? If yes, do you collect any documentation to verify their certification to these programs?	Required	N	Y		
4	Business Partner Requirements	Do you have a documented risk assessment process in place to review your business partners in your supply chain?	Recommendation	N	Y		
5	Container Security	Do you have a process in place which protects container integrity against unauthorized access (i.e. stored in a secured area)?	Required	N	Y		
6	Container Security	Do you have documented procedures in place to verify and maintain the physical container integrity prior to and at the point of stuffing?	Recommendation	N	Y		
7	Container Security	Does your container physical integrity inspection include verifying the reliability of locking mechanisms on container doors?	Required	N	Y		
8	Container Security	Do you have designated employees assigned to distribute container seals?	Recommendation	N	Y		
9	Container Inspection	Do you ensure that high security seals (ISO/PAS 17712 compliant) are affixed to all outbound containers?	Required	N	Y		
10	Container Inspection	Do you have written procedures in place to indicate how seals are to be controlled and affixed to loaded containers?	Required	N	Y		
11	Container Inspection	Do your procedures include how to recognize and deal with compromised seals/containers?	Required	N	Y		
12	Container Inspection	Do you have procedures in place for reporting unauthorized entry into your container storage areas?	Required	N	Y		
13	Physical Access Controls	Do you have procedures in place to prevent unauthorized access into the facility?	Required	N	Y		

Sending Assessments from Personal Email

- Large attachments needed to be sent and received
- Digging through archives for supplier responses
- Inability to have multiple internal representatives send assessments
- Mass communication limitations
- Read receipts difficult to obtain for emails
- Tracking change requests for new supplier email points of contact
- Follow-up emails required- reminders not customized based on status
- Multiple points of contact for supplier

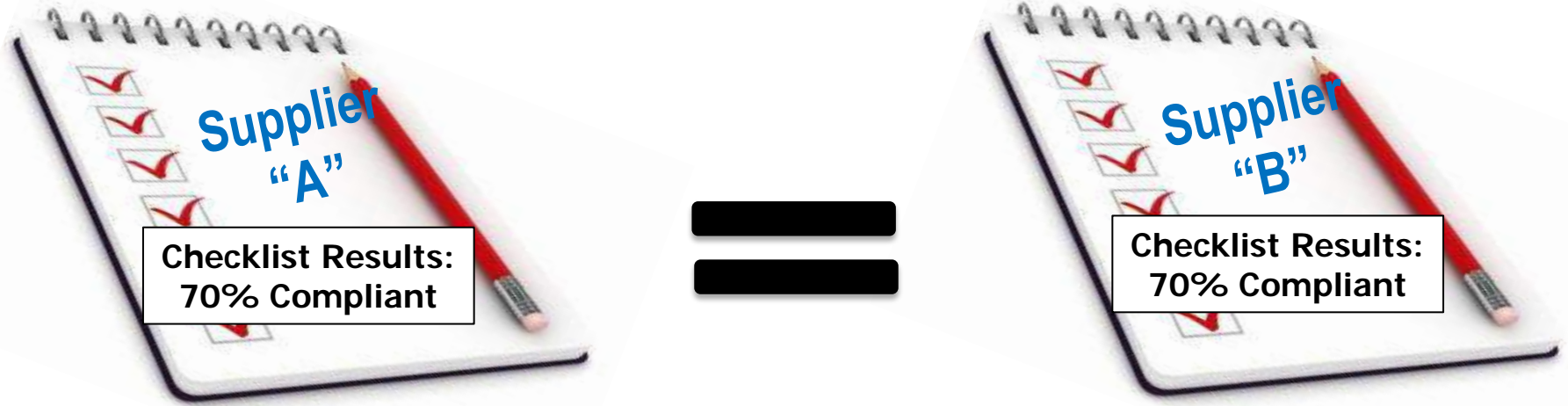


Excel Spreadsheet Tracking Completed Assessments

- Inability to understand where different suppliers are in completion process
- More difficult to filter suppliers based on region, division, product type, SAP number
- Tagging suppliers to specific buyers/agents more difficult
- Hard to track number of reminders, date sent, and the wording of the different emails

	A	B	C	D	E	F	G
	Business Partner Name	Country	Questionnaire Assigned	Status	Original Date sent	# of Reminders	Date Last Reminder Sent
1							
2	Abuja Rubber Industries	Malaysia	Manufacturer	Questionnaire Sent	12/8/2014	5	1/14/2015
3	Asia Outdoor Apparel	China	Manufacturer	Questionnaire Sent	9/28/2013	1	8/29/2016
4	Barcelona Manufacturing	Spain	Manufacturer	Questionnaire Sent	4/12/2014	7	1/14/2015
5	Beijing Electronics	China	Highway Carrier	Questionnaire Sent	9/17/2013	2	1/14/2015
6	Beijing Manufacturing	China	Manufacturer	Questionnaire Sent	1/1/2014	1	1/14/2015
7	Best Highway Carriers	United States of America	Manufacturer	Questionnaire Sent	1/26/2015	1	?
8	Birmingham Manufacturing	United Kingdom	Rail Carrier	Questionnaire Sent	12/9/2013	1	1/14/2015
9	Bogota Specialty Components	Colombia	Manufacturer	Uncertain	8/29/2013	10	1/27/2012
10	Bratislava Rail	United States of America	Manufacturer	Refused	7/17/2013	1	8/30/2013
11	British Columbia Plastics	Canada	Manufacturer	Corrective Action	1/27/2012	2	11/12/2012
12	Brussels Electronics	Belgium	Highway Carrier	Corrective Action	7/2/2013	5	1/21/2014
13	Brussels Specialty Machinery	Belgium	Manufacturer	Questionnaire Sent	1/27/2012	2	1/27/2012
14	Brussels Trucking	Belgium	Sea Carrier	Questionnaire Sent	2/7/2012	1	?
15	Buenos Aires Textiles	Argentina	Manufacturer	Questionnaire Sent	10/1/2012	3	1/27/2012
16	Busan Ocean Lines	South Korea	Highway Carrier	Certified	10/18/2013	3	?
17	Calgary Lumber	Canada	Manufacturer	Refused	11/26/2012	3	?
18	Canadian Container Shipping	Canada	Highway Carrier	Uncertain	1/14/2014	2	?

Traditional Risk Assessment Approach



- Assume suppliers are EQUAL risk based on their compliance scores from a simple checklist
- Single-focused self-assessments sent out manually from own email
- No geographic risk incorporated
- No automation
- Unsystematic, single-focused audits

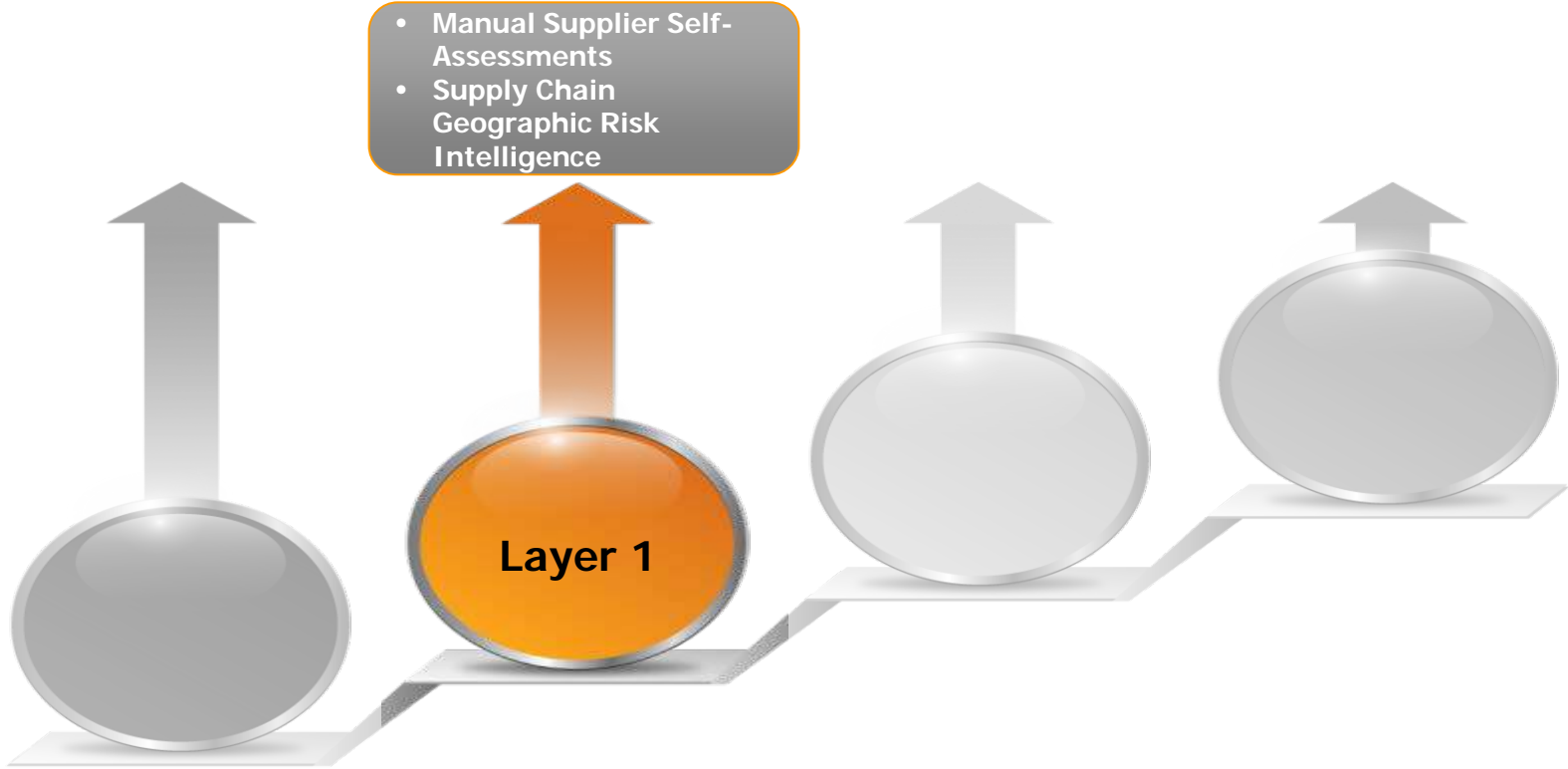
Unsystematic, Single-Focused On-Site Audits

Business Trip Audits
Over-Auditing

Single-Focus Audits

Under-Auditing

Layer 1



Analyzing the Geographic Threats to Supply Chains– The Minimum Approach

Government Tracking & Alert Websites    **Insufficient or incorrect information**

- This generic threat information gives an inaccurate assessment for issues related to supply chain
- Much of it is not applicable to supply chain threats
- This information does not assess threats in context to other threats in other areas
- The information is dated and does not provide active monitoring for a changing world

You cannot look at traditional Travel Security or Political Stability risk and apply it to supply chain threats

Supply Chain Geographic Risk Intelligence



Generic Geographic Risk

Travel Security
Guarded Risk

Political Stability
Guarded Risk



PERU



Supply Chain Specific Geographic Risk

Human Rights
High Risk

Working Conditions
Severe Risk

Child Labor
Severe Risk

Environment
Elevated Risk

Country Risk Overview

- Procurement comes to Supply Chain divisions to inquire about country risks in emerging markets and new business ventures
 - If you're only assessing current source countries, no analysis readily available
- Manual analysis of country risk prevents the ability to view country risks in a context of a regional view

Country	Number of Suppliers	BSI Human Rights Risk Rating
ARGENTINA	5	3
AUSTRALIA	4	1
AUSTRIA	FUTURE	??
CHILE	1	1
CHINA	52	5
COLOMBIA	6	3
CZECH REPUBLIC	FUTURE	??
DENMARK	8	1
FRANCE	18	1
IRELAND	FUTURE	??
MEXICO	12	3
RUSSIA	6	4
SWITZERLAND	FUTURE	??
UNITED KINGDOM	10	1
UNITED STATES	45	1

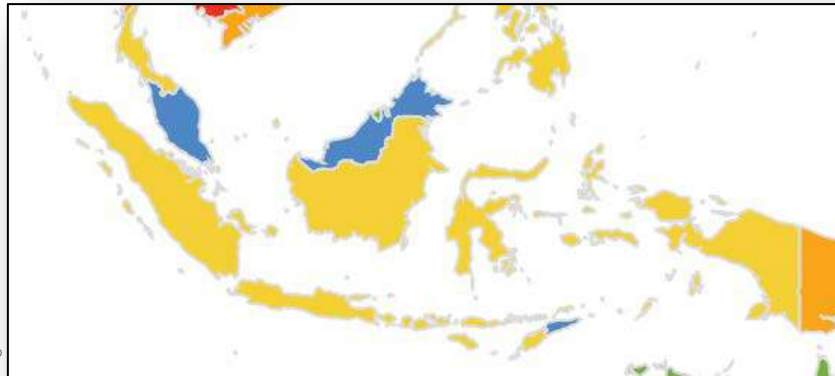
Country Risk Identification – Case study in Indonesia

Last month, Minister of Manpower in Indonesia has set a goal of eliminating child labour by the year 2022.

- did not specify any new programs designed to help reduce the prevalence of child labour
- stated that the ministry would be working with employers and unions to end the practice.

BSI Analysis: Indonesia suffers from an **Elevated** threat of child labour, with an estimated seven percent of five to 14 year olds performing some form of work in the country. Child labour is most prevalent in the agricultural sector, with the palm oil industry being notably problematic. Poverty among many Indonesian families is one of the primary causes leading children to prematurely enter the workforce.

Another government program - the Child Labour Elimination Program - removes child workers from their workplaces while providing remedial education, counselling, and financial assistance to help these children re-enter the education system. Needs more funding to be effective and to contribute to 2022 goal



Case Study: Threats to Working Conditions in Cambodia

bsi. SCREEN News Global Map Analysis Countries Reports Help Courtney.Foster@bsigroup.com SCM

motivation and manpower.

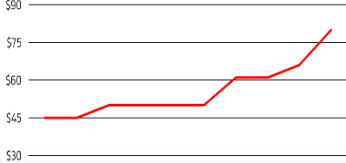
Working Conditions

The threat to working conditions in Cambodia is High due to a lack of trained inspectors, corruption, and weak enforcement of labor laws. The law calls for 48-hour work weeks without excessive overtime. Workers in the garment industry were consistently subjected to excessive work and government enforcement of laws was almost nonexistent throughout all sectors. Corruption and the need for more inspectors minimized the effectiveness of penalties. However, the government has made a strong commitment to improving working conditions and has recently started to train more inspectors.

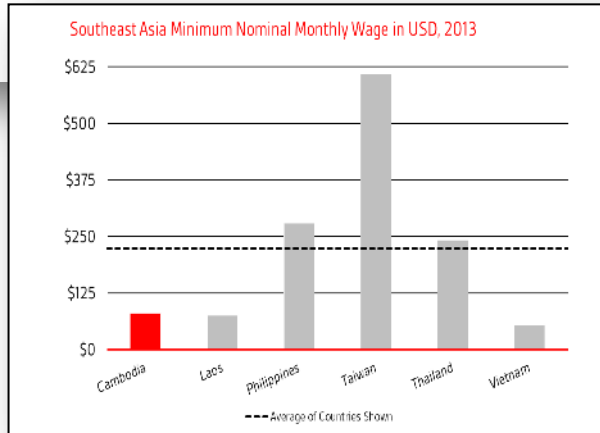
In the first six months of 2013 there was about 7,043 work related injuries with at least 54 deaths. The Cambodian garment and construction industries remain extremely hazardous with a majority of the injuries coming from these two sectors. The garment and shoe sector employees are at risk of fainting with approximately 316 employees fainting in the first half of 2013. Labor laws call for safe and healthy working conditions but employees in garment and shoe factories risk exposure to extreme heat and inadequate ventilation. While the government is committed to providing better conditions for laborers, as shown by nation-wide faint prevention awareness programs and an increase in hired inspectors, poor penalties and fine enforcement has only induced minimal industrial changes.

Minimum Wage:

Cambodia Minimum Nominal Monthly Wage in USD, 2004-2013



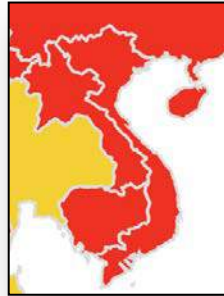
Year	Minimum Nominal Monthly Wage (USD)
2004	45
2005	48
2006	55
2007	55
2008	55
2009	55
2010	60
2011	60
2012	70
2013	80



- Working Conditions in Cambodia are rated as **High**.
- Manufacturing in Cambodia presents its own risks to social responsibility
 - First half of 2014- over 7,000 work-related injuries were reported, with over 50 deaths.
 - Law states 48 work week, with no excessive overtime. However, workers in industries such as garment are subject to excessive overtime hours with no government enforcement
 - Minimum wage in Cambodia is one of the lowest in SE Asia region comparing to other neighboring countries

Case Study: Forced Labour in Vietnam

BSI rates Vietnam a **Severe** risk for Human Rights Violations



As production has shifted away from commonly known areas of Human Rights violations (i.e Bangladesh)- the uptick of production in Vietnam has been noticed

Unique scenario of forced labour in Vietnam- most of the instances come from government-run drug detention centres.

- Individuals in these centres are forced to work for little or no pay as a form of punishment or rehabilitation.
- These centres can be found in most major industrial cities in Vietnam
- Whilst the law in Vietnam prohibits the use of forced labour, there is a lack of deterrent-level punishments for violations.
 - Sweat shop owners can be fined, very rarely is there ever jail time served for the discovery of forced labour camps.

Incorporation of Supply Chain Geographic Risk Intelligence into Assessments



**Supplier
"A"
Philippines**

Checklist Results:
70% Compliant
+
Supply Chain
Geographic Risk Variables

Human Rights
Environmental
Working Conditions



Natural Disasters
Counterfeits



**Supplier
"B"
Taiwan**

Checklist Results:
70% Compliant
+
Supply Chain
Geographic Risk Variables

Supplier Name	Country	Compliance Score- Overall	Geographic Risk – Human Rights	Risk Factor – Annual Value of Spend	Overall Risk Score
Taipei Machines	Taiwan	70%	Elevated	Tier 1	3
Manila Parts	Philippines	70%	Low	Tier 2	2
British Electronics	England	90%	High	Tier 2	2

Manual Generation of Supplier Risk Reports


Many due diligence programs require “evidence of implementation” to show exactly how you approach the supplier risk assessment process.

- Problems manually compiling all of the information gathered on a single supplier
- Formatting of manual reports can be time-consuming
- Number of reports that need to be generated can be overwhelming
- May have to compile many reports on a daily basis if assessments are completed regularly

BUSINESS PARTNER FULL REPORT
for
CHENNAI PARTS

VALID FROM
Oct 01, 2012 - Dec 08, 2014

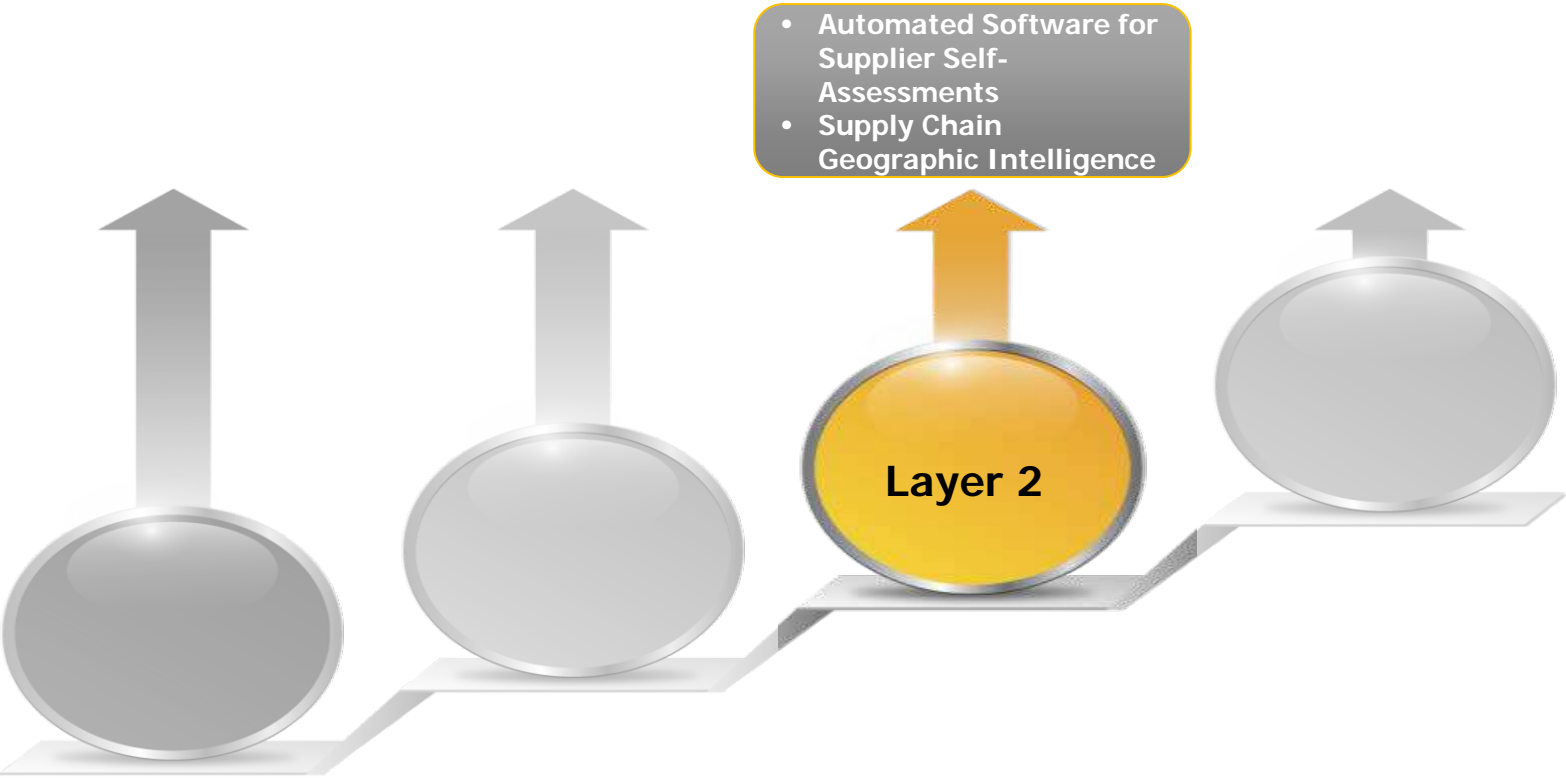
Business Information
Business Type: Importer
Years in Business: >10 years
Number of Employees: 0-50
Do you export goods from this operation on behalf of Abuja Rubber? Yes
Who arranges for transportation? **Chennai Parts**
ISO Seals Applied? No
Annual Import Weight (Kilos) **25,000**
Commodities Shipped: **Electronics**



Overall Indicator
Considering all business partner's risk variables to include the questionnaire score, country threat level, mode of transportation, supply chain design, and cargo handling practices, supply chain risk rating for shipments from Abuja Rubber Industries as **High**

Considering the overall threat to the supply chain in India, including the threat of cargo theft and cargo tampering, we rate India as **Severe**.

Layer 2



Automated Business Partner Risk Assessment Process

Corporate Social
Responsibility
Geographic Risk
Intelligence

Risk Assessment
Compliance

Industry-Specific
Risks

Variables
Specific to Your
Business
Relationship
with the
Business Partner

=

Dashboarding

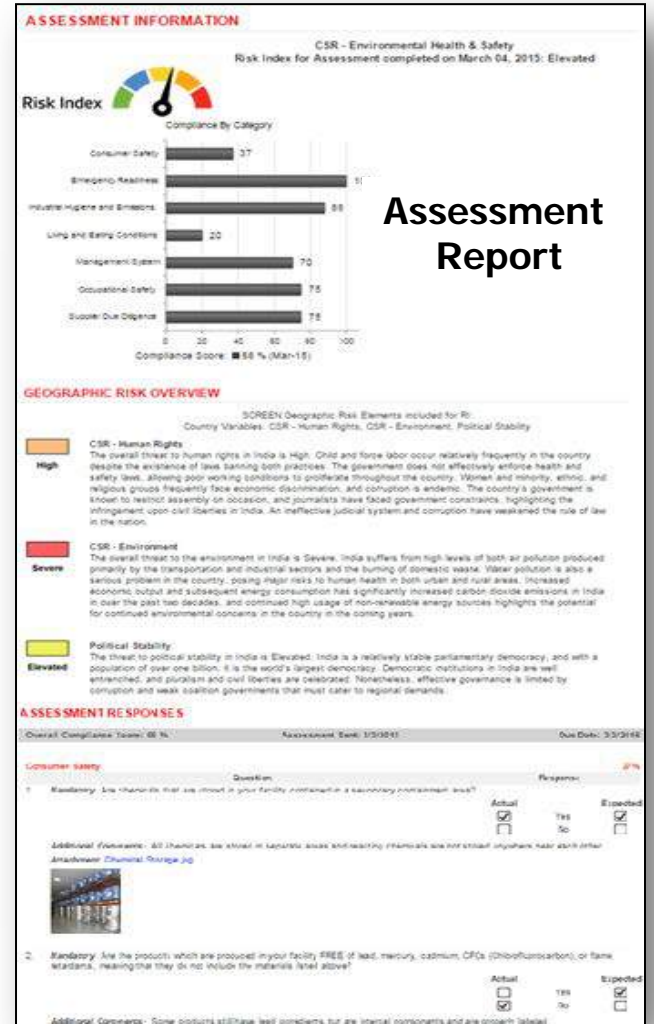
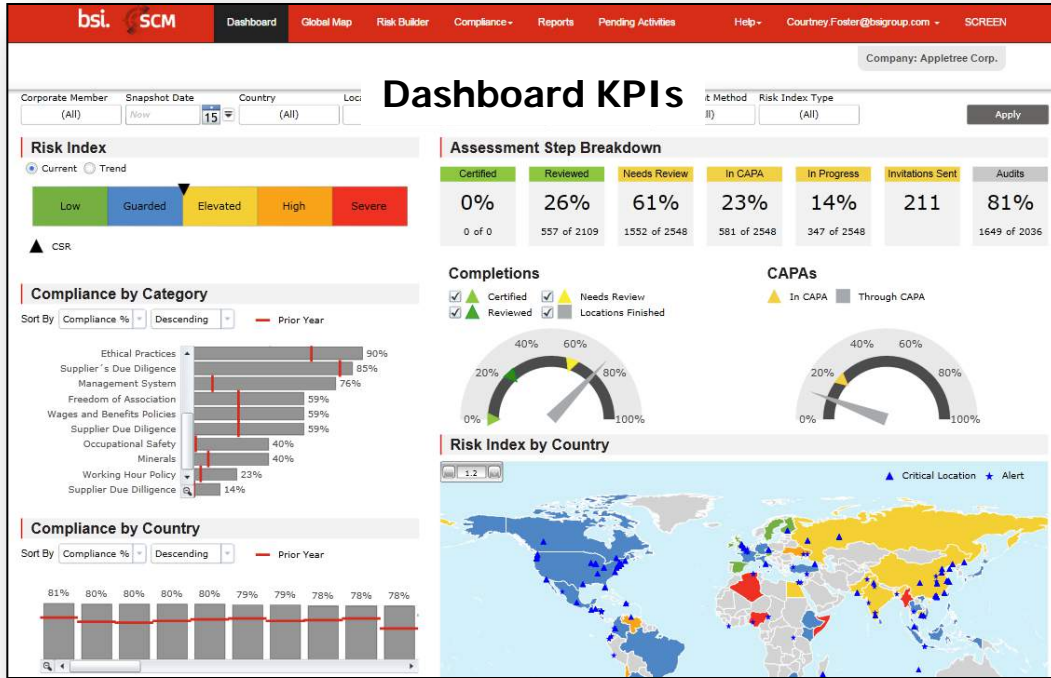


Global
Mapping

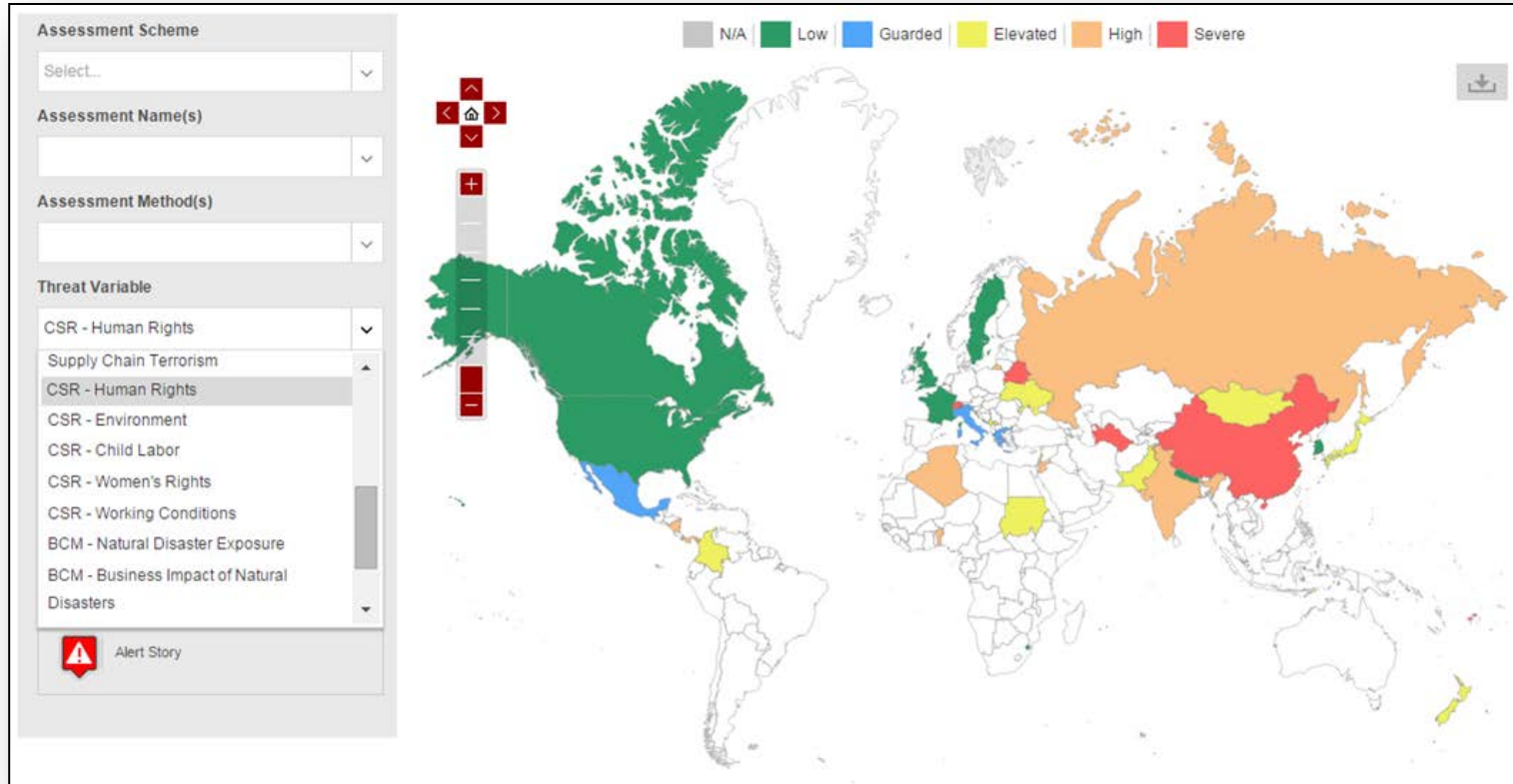


Automatic-
Generated
Reporting

Macro and Micro Views of Risk - all levels within organisation



Identify and Map Out High Risk Areas of Global Supplier Base



Automation of Communication and Continuous Monitoring

- Eliminating manual sending of communication to suppliers
- Eliminating the manual tracking of completion status
- Automatic reoccurrence of assessment intervals

Assign Assessment(s)

Assessment Scheme(s) *
CSR

Assessment Name(s) *
Human Rights

Assessment Method *
|

Show Appletree Corp. Locations

Excel Export

Company Names	Locations	Country	Business Type	Assign To
<input type="checkbox"/> AGar Scientific, Inc.	<input type="checkbox"/> AGar Scientific, Inc.	United States of America	Exporter	<input type="checkbox"/> smartace.76
<input type="checkbox"/> Agami, Inc.	<input type="checkbox"/> Agami, Inc.	United States of America	Exporter	<input type="checkbox"/> smartace.76
<input type="checkbox"/> Akash Chemicals and Dye-Stuffs, Inc.	<input type="checkbox"/> Akash Chemicals and Dye-Stuffs, Inc.	United States of America	Manufacturer	<input type="checkbox"/> smartace.76
<input type="checkbox"/> APER Alcohol & Chemical Co.	<input type="checkbox"/> APER Alcohol & Chemical Co.	United States of America	Importer	<input type="checkbox"/> smartace.76

bsi. SCM Dashboard Global Map Risk Builder Compliance - Reports Pending Activities Help - Courtney.Foster@bsigroup.com - SCREEN

Company: Appletree Corp.

Dates - (CSR - Human Rights - v1)

Set a Default Assessment Due Date and Expiration Date

Due Date: 30 Days

Expiration Date: 12 Term: Months

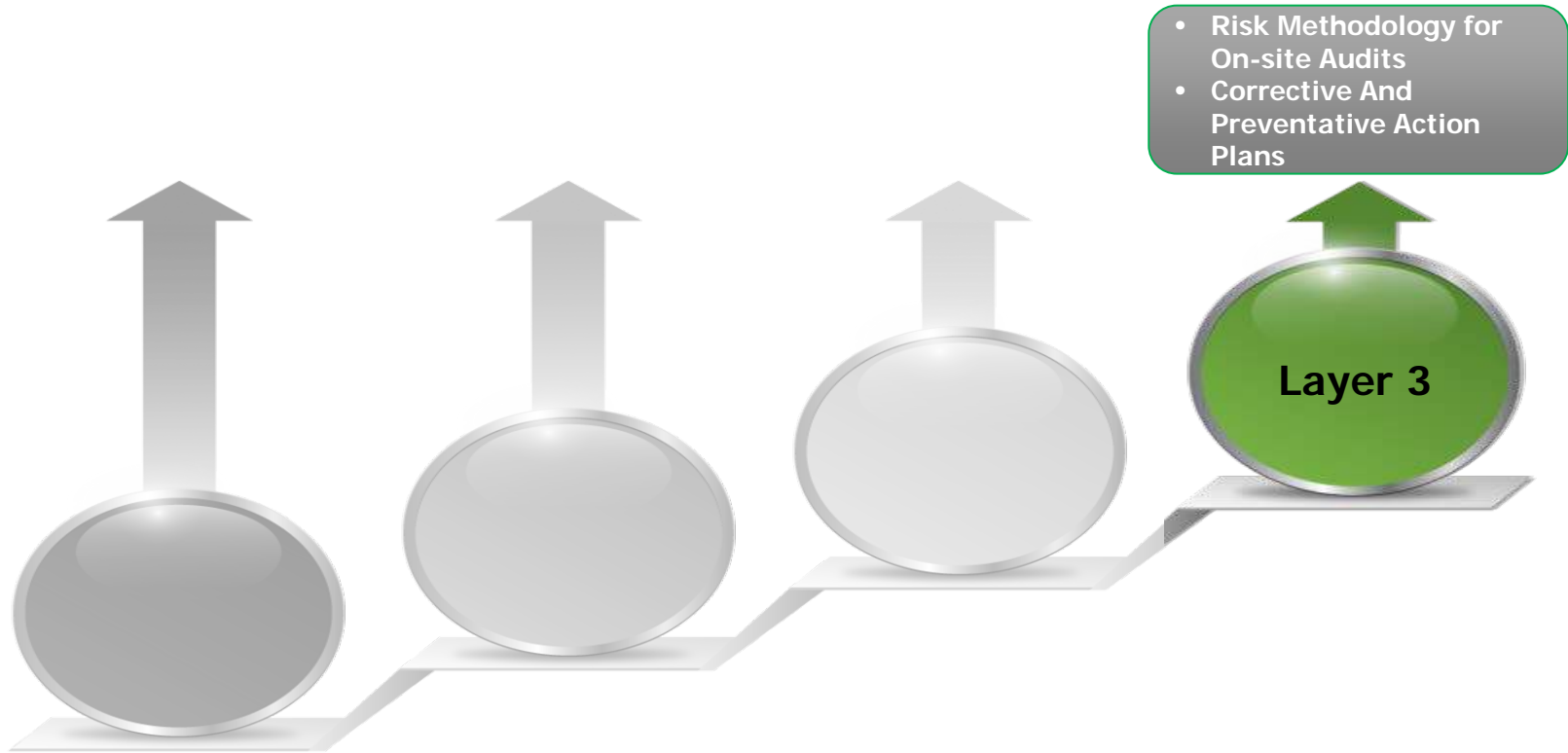
Recurring Assessment: Yes

Send Auto CAPAs for this Assessment

Yes No

Save

Layer 3



Identifying and Correcting Weaknesses - Corrective And Preventative Action (CAPA)

The screenshot shows a software interface for managing CAPAs. On the left is a navigation menu with options: Assessment Management, Assessment Set Up, Assign Assessment(s), Review Assessment, and Assign CAPAs (highlighted in orange). The main content area is titled 'Assign CAPAs' and shows details for 'Corporate Audit - Labor Practice' at 'Aakash Chemicals and Dye-Stuffs, Inc.'. There are filters for Response Type (All), Question Categories (Forced and Compulsory La), Question Attributes (All), and Classification Type (All). Below the filters is a search bar for 'Question Text Contains'. The main list shows three questions:

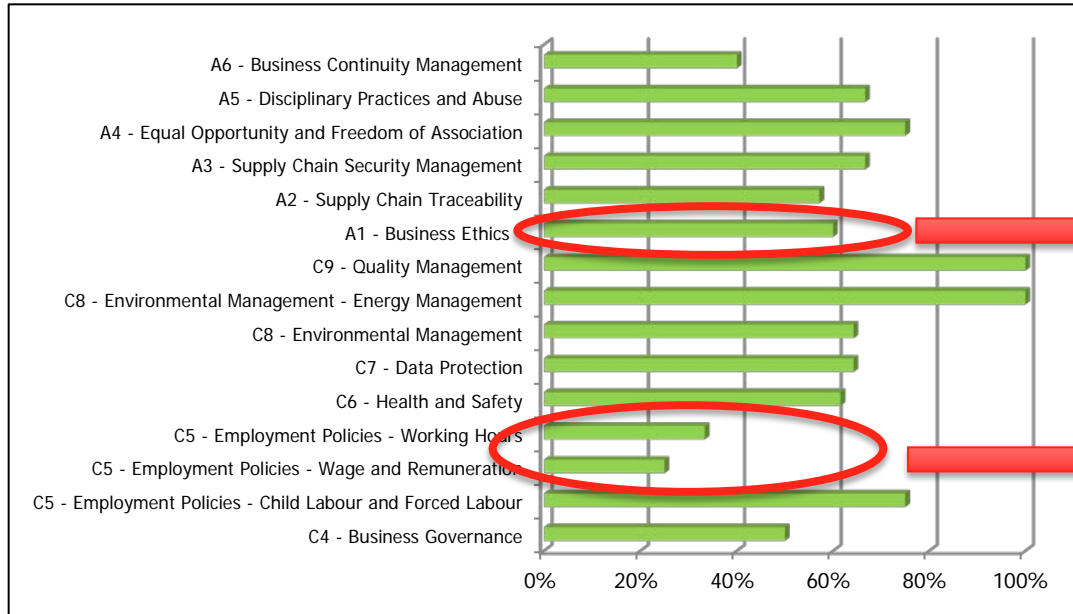
- Question N° 20** (green background, status: correct): Does the organization employ individuals who are imprisoned, trafficked, bonded, forcibly retained or indentured either by the organization itself, or an employment agent/broker? *If yes, please give the details.
- Question N° 21** (green background, status: correct): Does the organization retain the employee's original identification cards, passports, work permits, residency permits or other personal documents issued by government as a condition of employment, except where required by local regulation? *If yes, please give the details.
- Question N° 22** (red background, status: incorrect): Does the organization require monetary deposits as a condition of employment (except those reasonable amounts for employee badge, uniform, tool deposits where allowed by local regulation)?

The CAPA process is designed to identify and correct weaknesses from a completed assessment report

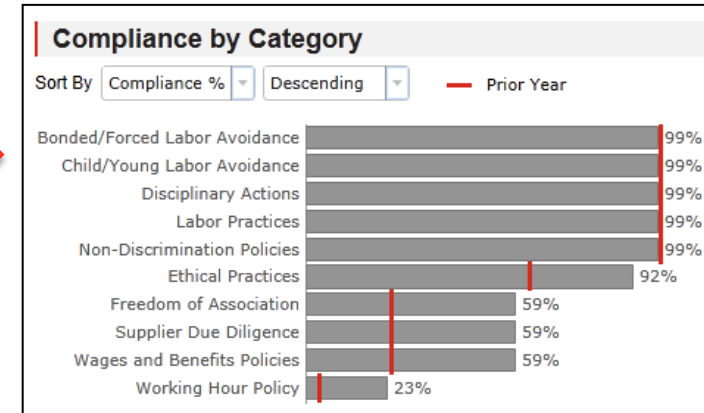
Biggest fault in risk assessment methodology is forgetting CAPA step

Analysing and Reviewing Self-Assessment Results

Social/Ethical weaknesses identified



Deep Dive audit for Social/Ethical issues



Risk-Based Methodology Behind On-Site Audit Decisions

Summary of Assessments

Average RI - **Elevated**

135 Assessment Complete Out of 194 Requests Sent - 69%
Average Compliance Score - 51%
Average Days to Complete Assessments - 50
47 Assessments Pushed to CAPA 24%
81 Assessment Expired (Included in Requests Sent #)

Excel Export

Drag a column header and drop it here to group by that column

Company Name	Assessment Name	Risk Index	Country
New Delhi Manufacturing	Human Rights	High	India
New Delhi Manufacturing	Conflict Minerals	High	India
Mom's Motherboards	Human Rights	Elevated	Malaysia
Groove-Lux	Environmental	Guarded	Antigua & Barbuda
Quoline Manufacturing	Human Rights	Severe	Macau
Driptech Pharmaceuticals GmbH	Human Rights	Severe	Kiribati
Zertrans Pharmaceuticals	Human Rights	Guarded	South Korea
Silverflex Products	Conflict Minerals	Elevated	Ukraine
Wareplex Watering Systems	Human Rights	Severe	Mexico
Wareplex Watering Systems	Environmental	Guarded	Solomon Is.



See highest-risk
business
partners and
make informed
decisions about
where to
perform on-site
audits

Refine Audit Strategy Using Risk-Based Methodology



Financial spend



Progression Towards Maximum Compliance

