

Social Responsibility Best Practices	SUBJECT Social Responsibility Audits For Distributors	LAST UPDATE July 2019
	APPLIES TO • Distributors	FOCUS ON Auditing Suppliers For Compliance With Distributor Social Responsibility Requirements
	QUICK LINKS <ul style="list-style-type: none"> • PPAI Social Responsibility: https://www.ppai.org/corporate-responsibility/social-responsibility/ • UL Responsible Sourcing: industries.ul.com/responsible-sourcing • Fair Labor Association: www.fairlabor.org/ 	

Intended for advanced compliance programs

Italic grey text indicates a hyperlink listed in the Online Resources section of this document.

Overview

A social responsibility audit will identify areas of concern with regard to facility safety, worker safety, working conditions, waste and human rights throughout the supply chains of your suppliers. Suppliers are expected to ensure compliance with baseline expectations and stated requirements, typically a code of conduct. Audit criteria can vary greatly. Knowing what policies and procedures your suppliers implement and what standards they apply is essential to the success of your program.

Conformity Assessment

An assessment of your supplier’s policies and procedures related to social responsibility for both the product and the production process go hand-in-hand. This best practice will focus on the production process as it relates to social responsibility standards (a.k.a. labor standards or working conditions) under which the products you source are manufactured. For more information on conformity assessment criteria, refer to our best practice: *social compliance basic factory audit checklist*.

Expectations Of Suppliers

- Expect your manufacturers, suppliers and subcontractors to share your commitment to responsible sourcing.**
- Require suppliers to complete a supplier vetting questionnaire prior to issuing purchase orders.**
- Establish procedures for regular review with suppliers of responsible sourcing policies and procedures and benchmark against supplier vetting questionnaire.**
- Conduct facility tours and inspections of domestic facilities where appropriate.**

Audit Procedures

Step One: Scheduling

Conduct annual review meetings with suppliers to confirm the location where products are manufactured, and to review social responsibility reports.

Preparation

Have copies of your code of conduct, social responsibility policies and procedures, and supplier vetting questionnaire.

Sample supplier vetting questionnaire

APPLICATION FORM:			
Please complete this questionnaire to complete your accreditation and email it to (_____). It is essential that all relevant parts of this document be fully completed. Should you wish any clarification, please feel free to contact us.			
COMPANY INFORMATION			
Company Name:		EIN/Federal Tax ID:	
Contact:		Telephone:	
Address:		Fax:	
City:		Mobile:	
State:		E-mail:	
Zip Code:		Web Address:	

Sample supplier vetting questionnaire (cont.)

ABOUT YOUR COMPANY

# Years in business?		Approximate annual volume		# of import project annually	
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Please list examples of past projects:

Please list top clients/end users:

CODE OF CONDUCT **CIRCLE ONE**

Do you have a written code of conduct?	Yes	No
If yes, please enclose a copy of your code of conduct.		
Do you have a documented social responsibility policy?	Yes	No
If yes, please enclose a copy of your policies and procedures.		
Do you conduct regular factory audits?	Yes	No
If yes, please enclose a copy of a recent factory audit.		
Are you a member of any responsibility associations or do you have accreditations or certifications for social responsibility efforts?	Yes	No
If yes, please provide documents/certificates.		

FAIR TRADE/SOLIDARITY SOURCING **CIRCLE ONE**

Does your business have a solidarity sourcing program?	Yes	No
If yes, please indicate the specific solidarity programs you participate in:		

ENVIRONMENT **CIRCLE ONE**

Do you have a written environmental policy?	Yes	No
Do you have documented environmental procedures?	Yes	No
If yes, please enclose a copy of your policies and procedures.		
Do you offer any eco-friendly or sustainable products?	Yes	No
If yes, please list examples:		

PRODUCT SAFETY/QUALITY **CIRCLE ONE**

Do you have a written product safety policy?	Yes	No
Do you have documented product safety procedures?	Yes	No
If yes, please enclose a copy of your policies and procedures.		
Are you aware of the CPSC requirements for product safety for both general use and children's products?	Yes	No
Can any of your product/s be considered or classified as children's product?	Yes	No
If yes, please provide examples of product/s that can be considered children's products:		

Sample supplier vetting questionnaire (cont.)

PRODUCT SAFETY/QUALITY	CIRCLE ONE																				
What is your policy with regard to distributing general use products to children?																					
Are you aware of California Proposition 65?	Yes	No																			
Does your product safety policy include Prop 65?	Yes	No																			
Please list names of labs with whom you currently work:																					
INSURANCE	CIRCLE ONE																				
Do you have product liability insurance?	Yes	No																			
If yes, please supply copies of insurance certificates.																					
REFERENCES																					
Please provide 2 references of distributors that you have worked with.																					
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AUTHORIZED SIGNATORY																					
I certify that the Officers of the company authorized me to provide the information contained herein, and that to the best of my knowledge, it reflects a true and accurate statement of the company.																					
Signature: _____																					
Completed by (Name): _____																					
Position in company (Title): _____																					
Date of completion: _____																					

Step Two: Audit Process

Suppliers request copies of vendor social responsibility audits conducted at factories used to manufacture products sold to you by the supplier.

An assessment consists of five components:

1. An opening meeting
2. A health and safety tour
3. A payroll and documentation inspection
4. Employee interviews
5. A closing meeting

Step Three: Corrective Actions

Discuss concerns with suppliers based on shared audits and

results of open dialogue. Establish corrective action plans where appropriate.

Step Four: Verify Corrective Actions

Ensure corrective actions are completed by your supplier’s vendors within the recommended time frames. Require proof from supplier to continue any future work. Request copies of photographs and re-audits based on your supplier’s corrective action plans as evidence that corrective actions have been implemented. Non-compliance with your code of conduct by your supplier or their vendors would be cause for termination of the relationship.

Online Resources:**PPAI Corporate Responsibility:** <https://www.ppai.org/corporate-responsibility/>**PPAI Product Responsibility Frequently Asked Questions:** <https://www.ppai.org/corporate-responsibility/product-responsibility/product-responsibility-faqs/>**PPAI Business Partner QIMA:** <https://www.ppai.org/members/affinity-partners/#8ed9d94d-cb76-488a-9919-c94f8345d123>**PPAI Code of Conduct:** <https://www.ppai.org/corporate-responsibility/ppai-code-of-conduct/>**PPAI Social Compliance Basic Factory Audit Checklist Best Practice:** <https://www.ppai.org/media/1898/sr-bp-basic-audit.pdf>**PPAI Social Responsibility Audits for Suppliers Best Practice:** <https://www.ppai.org/media/1897/sr-bp-audit-for-suppliers.pdf>**PPAI Social Responsibility Policy for Distributors Best Practice:** <https://www.ppai.org/media/1905/sr-bp-policy-distributors.pdf>**PPAI Social Responsibility Monitoring Best Practice:** <https://www.ppai.org/media/1904/sr-bp-monitoring.pdf>**PPAI Social Responsibility Corrective Action Plan Best Practice:** <https://www.ppai.org/media/1900/sr-bp-cap.pdf>**United Nations Global Compact:** www.unglobalcompact.org/**International Labour Organization (ILO):** www.ilo.org/global/lang--en/index.htm**International Organization for Standardization (ISO) 26000:** www.iso.org/iso/home/standards/iso26000.htm**Social Accountability International (SAI) SA8000:** www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937

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