

Alsico Environmental Policy for financial year 2019

Alsico™ Meltemi

Delivering More Together

WHAT IS AN ETHICAL TRADING AUDIT?

This is an audit undertaken by a trained and qualified independent auditor that is designed to check that a supplier is meeting the requirements of both local law, ILO conventions and the ETI Base Code in terms of worker welfare.

The auditor will spend several days at a supplier/factory depending on the size of the workforce and they will ask a wide range of questions for which they will require evidence-based answers. They will also view and photograph facilities and health & safety equipment and processes to check their existence.

Audits can be announced – the supplier/factory knows the date of the audit or semi-announced – names a short period of days within which the auditor will arrive. An unannounced audit could be used to assess a suspected high risk issue.

We use SMETA 2 pillar audits – this means that it meets the requirements of the format used by SEDEX and covers the two pillars of labour and health & safety.

WHAT ANSWERS DOES AN AUDIT PROVIDE?

An audit should give a clear picture of where a supplier is meeting or exceeding the requirements or alternatively is failing in specific areas. Each part of the audit details issues that were advised to the management of the supplier allowing the commissioner of the audit to see where failings have been found.

“Ethical Trading Audits are a basic first step in assessing compliance”

A corrective action plan (CAP) is created by the auditor and this lists the faults that need to be rectified and the agreed timeline for this work. This is accepted by the supplier/factory and as actions are completed, they are confirmed to the auditor.

The CAP will be followed up to ensure that all the actions are complete and meet the requirements of the plan in terms of both extent and timing.

WHY DO ORGANISATIONS USE AUDITS AS PART OF AN ETHICAL TRADING PROGRAMME?

Audits provide a basic check that all is well and highlight areas where suppliers/factories need to improve their facilities or processes.

SMETA audits allow us to work collaboratively with other buyers using the same suppliers/factories to improve worker welfare as it is the most widely recognised and used ethical audit in the UK.

The SMETA audit format also allows organisations to compare results for a range of suppliers and develop improvement programmes for specific suppliers/factories who are failing.

“Suppliers/factories need to work collaboratively and in a transparent way with organisations and to ask for support where it is required”

Auditors should be fluent in the language/s spoken by workers so that they can conduct interviews with them. This ensures that the audit contains a mix of voices and views and that answers are not confined to management. It also allows workers to confirm or provide evidence for answers.

Organisations can ask auditors to give priority to specific areas where they might already have a concern – we ask our auditors to use extra questions in worker interviews where our own risk assessment suggests that the workers answers may be of particular interest. These answers are reported directly back to us and this allows us to assess the potential for issues and also compare performance with other suppliers.

ARE THERE DISADVANTAGES TO AUDITS?

Suppliers/factories can experience audit fatigue if presented with multiple requests – the aim is to improve outcomes for workers not to make work for auditors and supplier/factories.

Audits need to be part of a programme of work that assesses the ethical trading practices of suppliers/factories. Used on its own an annual audit could be manipulated by a supplier/factory by presenting a good face for the duration of the audit and it only answers the questions that are asked.

“Responsible companies are looking to go beyond audit”

Our policy ensures that it is just one part of a programme of assessment throughout the year and is supported by regular site visits and a process of creating continual improvement.

We aim to focus our suppliers on specific targets to improve their individual performance but also to include them in projects across our supply base so that we can benchmark specific suppliers for further intervention.

Audits, on their own, will not necessarily improve outcomes for workers but programmes like ours, can and do make a real difference.

“Organisations need to spend time and resource to understand the levers that improve outcomes for workers”

GLOSSARY

ILO – International Labour Organisation
An agency of the United Nations

ETI – Ethical Trading Initiative

SEDEX – Supplier Ethical Data Exchange

SMETA – Sedex Members Ethical Trade Audit

CONTACT DETAILS

ETI: www.ethicaltrade.org

SEDEX: www.sedexglobal.com

ILO: www.ilo.org

