



# Improved Social Compliance Monitoring Through Audit Tool Development

*UL offers audit tool development services in line with industry advancements, customized analysis, and best-practices benchmarking to obtain more insightful and actionable audit reporting.*

UL's Responsible Sourcing group enhanced the audit tools of Initiative Clause Sociale (ICS) to improve their audit implementation and reporting.

## The Challenge

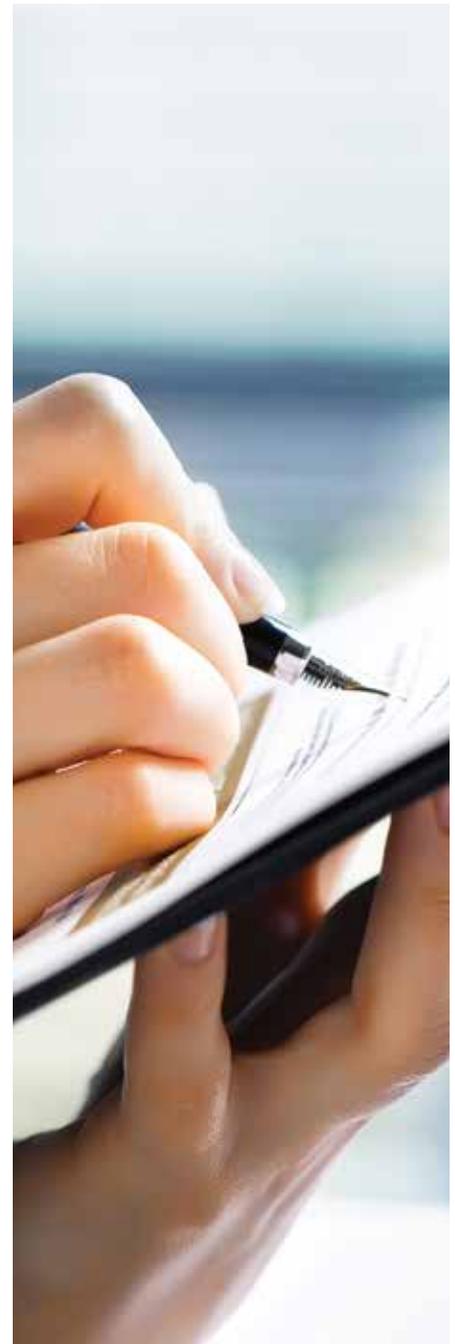
Audit tool development is essential to any social compliance program for companies looking to implement their social responsibility standards in their supply chains through auditing. Audit tools must check for compliance of a company's supply chain responsibility standards, provide enough information to facilitate the post-audit corrections and remediation, respect the capabilities of the auditor, and be designed to enable standard execution of an audit. Any changes to a company's standards influenced by industry trends, international human rights frameworks, or stakeholder interests must be reflected in the audit tool and audit process to hold suppliers accountable.

Initiative Clause Sociale (ICS) is a group comprised of member retailers to improve working conditions in manufacturing. To monitor social compliance of their suppliers, ICS developed a uniform audit questionnaire and grading system to promote collaboration between retailers and their suppliers and minimize audit fatigue. Audits for ICS are conducted on behalf of independent third party auditing firms. However, the execution of audits by multiple auditing firms posed a challenge given that ICS experienced non-standard application of their audit questionnaire, resulting in inconsistent information gathering and non-compliance identification.

## Solution

In 2014, ICS sought the help of UL's Responsible Sourcing group to strengthen their supplier monitoring program and ensure uniform application of audit scope and interpretation of audit questions across users. The project consisted of a benchmarking exercise of ICS' existing audit tools and the review of ICS' audit questionnaire based on best practice and UL's expertise in audit execution. UL reviewed and revised the audit questions based on the following parameters:

- Auditability - the ability of a social auditor to assess the question utilizing generally accepted social auditing methodologies of visual observation, document review, and personnel interviews;
- Objectivity - the independence of the audit questions on auditor experience and training;
- Clarity - the clear understanding of the audit question by the auditor; and
- Scope – the assurance that areas of assessment are within the technical abilities of a social auditor.





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### Results

Using third parties to execute social auditing requires a set of audit tools that can be applied in a consistent, uniform manner. ICS partnered with UL's Responsible Sourcing group to enhance the auditability, objectivity, and clarity of their audit tools. These enhancements provided additional clarity on ICS' protocols and standards among auditing firms and suppliers, in turn providing insightful reporting of supplier compliance to ICS members.

**Initiative Clause Sociale** - Created in 1998 at the initiative of the FCD (French Federation of Retail and Distribution Companies), initially piloted by the Auchan, Carrefour and Monoprix groups, the Initiative Clause Sociale now works with 20 member retailers to improve working conditions in manufacturing.

**UL is a leading global provider of responsible sourcing auditing and advisory services, which include supply chain monitoring, research and program development, and training. UL's Responsible Sourcing team has the global footprint to provide services in several countries.**

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