



# CODE & STANDARDS OF **PROFESSIONAL CONDUCT**

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APSCA aims to increase the value and effectiveness of independent social compliance audits by enhancing the professionalism, consistency and credibility of individuals and organizations performing them.

Labor rights and workplace conditions are a central focus for many organizations, due to expanding global supply chains, public perceptions related to social responsibility, and legislation. Independent *social compliance services* are an important tool in advancing labor rights and workplace conditions for *workers* globally. APSCA aims to raise the value, quality and effectiveness of *social compliance services* and support *Member Auditors* and *Member Firms* who are performing them.

APSCA expects *Members* to demonstrate a high standard of ethics and *Member Firms* to promote a culture of honesty and integrity in day to day operations and support the fair treatment and appropriate workplace conditions for their *Member Auditors*.

The principles outlined in the Code of Professional Conduct (the *Code*) - presented herein as the first element of each section in bold - have been developed to support APSCA's values and are intended to provide guidance around the transparent and accountable manner in which individual *Member Auditors* and *Member Firms* are expected to operate. The *Code* serves as a foundation for establishing credible, ethical and consistent professional behaviors by *Members*.

The related Standards of Professional Conduct (the *Standards*) presented herein as the subsections under each element in bold provide *Members* with clarification and more detailed requirements related to the obligations under the *Code*.

By becoming a *Member* of APSCA, both auditors and *audit firms* are committing to uphold the principles outlined in the *Code* and the related *Standards* in the conduct of all *social compliance services*. It is also intended that *Member Firms* will ensure that the provisions of this Code will be followed by all personnel working on their *social compliance services*.

In the event the *Code* or the *Standards* conflict with applicable law, such that compliance with both is not possible, *Members* shall comply with applicable law.

The *Code* and the *Standards* are not intended to be, nor should they be interpreted as, a full or exhaustive list of the situations, circumstances or conditions which may comprise compliance and non-compliance. Professional judgment will be required to decide what is adequate, sufficient, and competent according to the situations and circumstances of each audit.

*Member Firms* are independent businesses; however, the actions of *Members* can be attributed to APSCA, affecting the reputation and level of trust APSCA has earned as well as impacting the reputation of the industry as a whole. *Members* are expected to conduct themselves with consideration of this reality.

**Note:** In the *Code* and *Standards*, "*Members*" refers to individual *Member Auditors* and *Member Firms*. *Member Firms* are those organizations that have been accepted for membership into APSCA. *Member Auditors* includes both Certified Social Compliance Auditors (*CSCA*) that have been certified by APSCA, and Associate Social Compliance Auditors (*ASCA*) that have been approved by their *Member Firm* and have been enrolled with APSCA. **During the initial period, Registered Level Auditors have the rights, responsibilities and obligations of a *CSCA*.**

## 1.0 COMPLIANCE

### 1.1 Accountability: **Members shall comply with all relevant legislation and comply with the Code and the Standards.**

- 1.1.1 *Members* shall obtain and maintain all statutory consents, licenses and permissions required to perform *social compliance services* in all jurisdictions in which services are performed.
- 1.1.2 *Members* shall make reasonable efforts to ensure that their agents, directors, employees, officers and *sub-contractors*:
  - 1.1.2.1 not engage in any form of bribery, corruption, extortion or embezzlement, or any other unlawful conduct;
  - 1.1.2.2 comply with all applicable laws, regulations, codes and sanctions, including those relating to anti-bribery and anti-corruption.
- 1.1.3 *Members*, in the operation of their social compliance business, shall observe all labor laws, including those regarding working hours, wages and benefits, providing at a minimum, one (1) day off every seven (7) days with any overtime being voluntary.
- 1.1.4 *Members*, in the operation of their social compliance business, shall observe all health and safety rules and regulations and any other applicable security requirements which apply to their own operations.
- 1.1.5 *Members* shall have a procedure to report illegal conduct to the local authorities, if such reporting is mandated by local laws.

## 2.0 INDEPENDENCE AND INTEGRITY

### 2.1 Independence: **Members providing social compliance services must be independent and avoid conflicts of interest that, in fact or in appearance, may create an incentive to report anything other than the true and accurate facts gathered during a social compliance service.**

- 2.1.1 All *audit firm personnel* shall be aware of the need for independence in conducting all elements of *social compliance services*.
- 2.1.2 *Social compliance services* shall be undertaken independently. All *audit firm personnel* who could influence *social compliance services* shall act independently and shall not allow commercial, financial or other pressures to compromise their independence.
- 2.1.3 *Member Firms* shall not conduct *social compliance services* when the *Member Firm* - including, but not limited to, *owners*, managers, or *auditors* - has a business interest in the outcome of the service. This includes, but is not limited to, fees or other business contingent on the outcome of the service.
- 2.1.4 A *Member Firm* or *Member Auditor* shall not perform *social compliance services* at any *facility* where the *Member Firm*, its *owners* or managers have provided *social compliance consultancy* within the preceding two years.

### 2.2 Corruption and Bribery: **Members shall not solicit, accept or facilitate any form of bribe or inducement.**

- 2.2.1 *Members* shall not solicit, accept or facilitate any form of benefit or value including currency, goods, services, or entertainment from any party directly or indirectly related to a *social compliance service*. As it is not possible to always understand the motivations of the individual providing the benefit or value, there is no minimum threshold for any items received.
- 2.2.2 *Members* shall not accept meals, except for beverages such as water, coffee, tea or soda which are customarily provided to visitors at the *facility*, from any party directly or indirectly related to a *social compliance service*. To the extent a *Member* is provided any meal from any party directly or indirectly related to a *social compliance service*, the *Member* shall pay for the meal at the current market rate and obtain a receipt to evidence payment.
- 2.2.3 *Members* shall not accept transportation from any party directly or indirectly related to a *social compliance service*. To the extent a *Member* is provided any transportation by any party directly or indirectly related to a *social compliance service*, the *Member* shall pay for the transportation at the current market rate and obtain a receipt to evidence payment.

2.2.4 *Members* shall not accept gifts, whether goods or services, from any party directly or indirectly related to a *social compliance service*.

### 2.3 Integrity Management: *Member Firms* shall have a system in place to identify risks and manage compliance relating to ethics and integrity.

2.3.1 *Members* shall implement and maintain an Integrity Management System to address audit integrity and bribery risks that may exist before, during and after each *social compliance service*. The Integrity Management System shall be applicable to all *audit firm personnel* and shall, at a minimum, include the following components:

2.3.1.1 Clear policies, guidelines and processes including specific policies to:

2.3.1.1.1 Identify what constitutes unethical practices, mechanisms for all personnel to distance themselves from unethical practices, and the process for identifying and reporting such practices whenever they occur.

2.3.1.1.2 Disallow use of any routes or channels for provision of benefits to, or receipt of a benefit from *clients, auditors, sub-contractors*, suppliers, employees or government officials.

2.3.1.1.3 Prohibit the billing or reporting of work not in alignment with contractual services.

2.3.1.1.4 Prohibit the offering or acceptance of gifts or hospitality.

2.3.1.1.5 Establish zero tolerance – termination of employment – of any *audit firm personnel* found to have offered, solicited or accepted any form of bribe or incentive.

2.3.1.1.6 Require prompt reporting to their integrity investigations function of all allegations of non-compliance with integrity policies and any bribery attempts.

2.3.1.1.7 Prohibit any form of retaliation or retribution for individuals who in good faith report integrity issues or suspected issues.

2.3.1.2 Risk assessment process as appropriate for the industry.

2.3.1.3 Pre-employment screening for all *audit firm personnel*.

2.3.1.4 *Code of Ethics Agreement* outlining *auditee* expectations in connection with the performance of all *social compliance services*.

2.3.1.5 Periodic ethics training for all *audit firm personnel*.

2.3.1.6 Audit results tracking to identify unusual patterns in results for specific *auditors*.

2.3.1.7 An *Audit-the-Auditor* program.

2.3.1.8 Publicly available confidential mechanism for reporting allegations of ethics or integrity violations.

2.3.1.9 Integrity investigation process including:

2.3.1.9.1 Integrity investigations mechanism that:

- is independent of the management of *social compliance services*.
- conducts investigations consistent with the guidelines in Section 5.2.2.3.
- investigates all allegations received taking into account the nature and specificity of the allegation.
- records all allegations, including the results of investigative activities.

2.3.1.9.2 Required reporting to APSCA of the results of any investigation where disciplinary action is taken in response to a violation of the *Code* or *Standards*.

## 3.0 COMPETENCE

### 3.1 Personnel: *Member Firms* shall only deploy social compliance *auditors* (whether direct employees or independent contractors) who demonstrate, at a minimum, the relevant knowledge, skills and attributes outlined in the APSCA *Competency Framework*, and agree to act in accordance with the *Code* and the *Standards*.

3.1.1 *Member Firms* shall ensure *auditors* meet the expectations as outlined in the *Competency*

*Framework* prior to being identified to APSCA as an *ASCA*.

- 3.1.2 *Member Firms* shall ensure that only *CSCAs* and *ASCAs* are assigned to any *Social Compliance Audit*.
  - 3.1.3 Prior to final scheduling of any *Social Compliance Audit*, *Member Firms* must confirm that the assigned *CSCA* has appropriate skills and competencies – consistent with the *Competency Framework* – to perform the *Social Compliance Audit* including the following:
    - 3.1.3.1 Knowledge of applicable laws and regulations relevant for the *facility* to be audited.
    - 3.1.3.2 To the extent the assigned *CSCA* does not have the appropriate language skills to conduct interviews in the language of *workers* and management in the *facility*, the *Member Firm* must ensure that an *independent translator* will be utilized during the audit.
    - 3.1.3.3 Industry-specific knowledge to the extent the *facility* to be audited has specific industry specific requirements or considerations.
  - 3.1.4 *Member Firms* shall have a mechanism to provide training and education for *auditors*. Training and education processes shall include, at a minimum:
    - 3.1.4.1 Qualified trainer(s).
    - 3.1.4.2 Written training materials that include experiential exercises and case studies.
    - 3.1.4.3 Documented evaluation of trainee comprehension and command of the materials.
    - 3.1.4.4 Training feedback survey.
    - 3.1.4.5 Training and education records to be included in the personnel files of the *auditor* and including, at a minimum:
      - Date of training
      - Training topics
      - Trainer(s)
      - *Training outcomes*
  - 3.1.5 *CSCAs* shall complete continuous professional development to maintain professional knowledge and skills at the level required to execute audits in compliance with the requirements in the *Competency Framework*.
  - 3.1.6 *Member Firms* shall evaluate the performance and competency of *CSCAs* and *ASCAs*. Performance and competency evaluation processes shall include, at a minimum:
    - 3.1.6.1 Formal and documented annual review of performance for each *auditor*.
    - 3.1.6.2 Onsite evaluation by a qualified evaluator at least once per year.
    - 3.1.6.3 Ongoing review of audit files, audit reports, and any feedback received to identify opportunities to enhance performance.
    - 3.1.6.4 Development and tracking of auditor performance metrics with refresher training, feedback and remediation provided, as needed.
    - 3.1.6.5 Policies and procedures to manage underperformance or misconduct by *auditors*. These policies and procedures must be clearly communicated to all *auditors*.
- 3.2 Supervision: *Member Firms* shall ensure *auditors* are adequately supervised to ensure all work is performed as directed and supports the conclusions reached.**
- 3.2.1 *Members* shall create a communication channel that provides a mechanism for *auditors* to engage more experienced resources during the execution of an audit to address unique issues and circumstances.
  - 3.2.2 Where an audit team includes an *ASCA*, the *CSCA* shall ensure that the *ASCA* is only involved in audit elements consistent with the individual's skills, competencies and experience. Additionally, the *CSCA* shall ensure all assigned work is properly completed and performed consistent with *client* or *collaborative program* requirements.

- 3.2.3 To the extent an *auditor* – whether *ASCA* or *CSCA* – is requested to perform work that in the opinion of the *auditor* is beyond the *auditor's* competency or for which the *auditor* has not been properly trained, the *auditor* shall communicate the concerns to appropriate *Member Firm* management or APSCA.

## 4.0 EXECUTION, REPORTING AND RECORDS

### 4.1 Audit Team: Each audit team shall have a minimum of one *CSCA*. Audit teams may include *ASCA(s)* who support the audit under supervision of the *CSCA*.

- 4.1.1 In assigning auditors to perform a *Social Compliance Audit*, *Member Firms* shall ensure sufficient resources are deployed to complete all work required for the *client* or scheme for whom the audit is to be performed.
- 4.1.1.1 To the extent the audit team includes an *ASCA(s)*, the *Member Firm* shall ensure assigned resources are sufficient to provide for appropriate supervision by the assigned *CSCA*.
- 4.1.2 *Member Auditors* shall record all work performed (See Section 4.4.1.3) and shall not report conclusions where work has not been completely performed.
- 4.1.3 A *CSCA* shall only include the designation as a *CSCA* and their APSCA *member* number after having fully completed an independent *Social Compliance Audit* on behalf of a *Member Firm*.
- 4.1.3.1 A *CSCA* shall include reference to *CSCA* status and/or their APSCA *member* number only where the scope of work is a *Social Compliance Audit* and where the work is performed on behalf of a *Member Firm*.
- 4.1.3.2 To the extent a *CSCA* performs an audit that includes consideration of elements beyond the elements in the *Competency Framework*, the associated audit report must conspicuously include the following disclaimer if the *CSCA's* APSCA number is to be included in the audit report:

This audit includes elements beyond the scope of a Social Compliance Audit as defined by the APSCA *Competency Framework*. The association of the auditor's APSCA number with this report is limited to those elements outlined in the APSCA *Competency Framework*. APSCA makes no representations with respect to the auditor's competency to professionally evaluate compliance with any other audit elements.

### 4.2 Confidentiality: *Members* shall maintain confidentiality with respect to information gathered in connection with a *social compliance services* and take all reasonable steps to prevent unauthorized access to, or inadvertent disclosure of, information collected during or relating to a service.

- 4.2.1 *Member Firms* shall establish a policy that all information obtained or developed in connection with a *social compliance service* shall not be disclosed to any party other than the relevant *client*, except under the following circumstances:
- 4.2.1.1 The *client* provides specific written consent.
- 4.2.1.2 Disclosure is required to execute the service.
- 4.2.1.3 Disclosure is required by applicable law.
- 4.2.1.4 Disclosure is required to obtain legal or ethical advice regarding compliance with applicable laws or the *Code* or *Standards*. Where confidentiality is not governed by a recognized professional code of conduct, an appropriate non-disclosure agreement must be executed.
- 4.2.1.5 Disclosure is required to establish a claim or defense in an adversarial proceeding.
- 4.2.2 *Member Firms* shall undertake appropriate technical and security measures to prevent the inadvertent or unauthorized disclosure of, or unauthorized access to, information relating to the audit.
- 4.2.3 Confidentiality of audit data shall be maintained for a minimum of ten years or longer if required by applicable law or contractual agreement; personally identifiable information shall not be disclosed.

**4.3 Report Generation and Submission: *Members* shall ensure an accurate, concise, timely, clear audit report, following the format and methodology of the program being audited against. Auditors may only sign off on an audit as a *CSCA* if they are conducting an independent *Social Compliance Audit* on behalf of a *Member Firm* who takes responsibility for the process.**

4.3.1 *Member Firms* shall provide employment conditions which ensure *auditors* can spend a reasonable part of their normal working hours writing and completing audit reports.

4.3.2 In preparing audit reports, *Members* shall ensure:

4.3.2.1 Prior to report submission, a report quality review process is performed.

4.3.2.2 The audit report is generated and submitted to the *client* and/ or audit requestor at the conclusion of each audit within an agreed timeframe.

4.3.2.3 The audit report includes the names and APSCA member number(s) (where applicable) of all *Member Auditors* who performed audit procedures during the audit.

**4.4 Supporting Documentation: *Member Firms* shall ensure each audit report is supported by a record, which evidences the work performed in sufficient detail to support the conclusions in the audit report.**

4.4.1 The record for each *Social Compliance Audit* should include the following, at a minimum:

4.4.1.1 The final audit report submitted to the *client* or audit requestor.

4.4.1.2 Executed *Code of Ethics Agreement*.

4.4.1.3 A summary of all substantive procedures performed in connection with the audit to evidence consideration of all required elements for a *Social Compliance Audit*.

4.4.1.4 *Facility* map for the operations considered during the audit.

4.4.1.5 Working papers to evidence performance of quantitative elements including, but not limited to:

- Minimum age
- Compensation and benefits
- Hours of work

4.4.1.6 Summary of *worker* interviews identifying:

- The number of *workers* interviewed
- The method of interview – e.g. individual or group
- The composition of the population of interviewed *workers* by key characteristics – e.g. gender, nationality
- The key issues or concerns raised

4.4.2 The records for *Social Compliance Audits* shall be subject to a review process designed to ensure compliance with the *Code* and *Standards*.

**4.5 Handling of Sensitive Information: Reporting of sensitive issues which may lead to retaliation against *workers*, or attempts to bribe, threaten or coerce *Member Auditors* shall be handled in a manner which protects *workers* and *Member Auditors*.**

4.5.1 Protection of *workers* shall be prioritized by respecting the confidentiality of information collected during *worker* interviews. Specifically, if issues raised by *workers* need to be discussed with *auditee* management it must be done with caution, ensuring comments cannot be traced back to individuals.

4.5.2 To the extent sensitive information is received by a *Member* in the conduct of a *social compliance service*, such information shall be communicated to an appropriate party – whether the *client*, service requestor, program owner, APSCA or authorities – for the benefit of the *worker* or the *Member Auditor*.

**4.6 Records Management: *Member Firms* shall have systems in place to ensure all audit data is collected, stored and transferred in compliance with applicable law and is secure and only accessible by authorized persons.**

4.6.1 **Security:** *Member Firms* shall take necessary technical and organizational measures to ensure security of data held in hard copy or electronically.

- 4.6.1.1 Hard-copy records shall be stored in a secure location and accessible only to authorized personnel.
- 4.6.1.2 Electronic data shall be stored in systems that require the use of a unique password and include a record identifying all individuals who have accessed the data.
- 4.6.2 **Retention:** *Member Firms* shall retain *Social Compliance Audit* working papers – consistent with section 4.4.1 above - for a minimum of five years, or longer if required by applicable law or contractual agreement, from the date of the audit whether or not the *client* is active.
- 4.6.3 **Destruction:** *Member Firms* shall have a policy and process in place to ensure that records – whether hard copy or electronic – are securely disposed of in compliance with record retention policies.

## 5.0 OTHER OBLIGATIONS OF MEMBERS

### 5.1 Transparency with APSCA: Upon request by APSCA, true and accurate information shall be made available by *Members* to verify conformance with the expectations in the *Code* and *Standards*.

- 5.1.1 *Member Firms* shall make available or communicate to APSCA the following relevant to the *Member Firm's social compliance services* business:
  - 5.1.1.1 Summary of legal, organizational and governance structure
  - 5.1.1.2 Notification of significant changes to the *Member Firm's* legal, organizational or governance structure including:
    - Change of ownership
    - Change of management
    - Acquisitions or divestitures
    - Change of address
    - Changes in geographic coverage
  - 5.1.1.3 Overview of quality and integrity management systems and processes which support compliance with the *Code* and *Standards*.
  - 5.1.1.4 Annual summary complaint handling information (See Section 5.2.4.7).
  - 5.1.1.5 Summary personnel information based on the requirements in Section 5.2.1.1 below in response to a specific request from APSCA.
  - 5.1.1.6 Results of any complaint or integrity investigations if requested by APSCA.
- 5.1.2 *Member Auditors* shall make available or communicate to APSCA the following:
  - Confirmation of identity
  - Changes in country of residence
  - Changes in e-mail contact details
  - Changes in association with *Member Firms*
  - Any adverse finding or conviction related to bribery or corruption

### 5.2 Policies and Systems: *Member Firms* shall implement and maintain policies and management systems which demonstrate compliance with the requirements in the *Code* and the *Standards*.

- 5.2.1 Management systems shall include, at a minimum, the following components and are applicable to all *audit firm personnel*:
  - 5.2.1.1 Responsible and accountable management structure.
  - 5.2.1.2 Policies, procedures, and work instructions which conform to and support the principles in the *Code*.
  - 5.2.1.3 Records that demonstrate ongoing operations and performance of the system.
  - 5.2.1.4 Internal audit.
- 5.2.2 Human Resource Management
  - 5.2.2.1 *Member Firms* shall maintain personnel information for all *audit firm personnel* including audit logs, observation reports, disciplinary records, training records, and qualification summaries, as applicable.



5.2.2.2 *Member Firms* shall retain personnel information as per Section 5.2.2.1 for all *audit firm personnel* for a minimum of three years from the date an *auditor* leaves the employment of the *Member Firm*.

5.2.2.3 *Member Firms* shall establish fair and thorough disciplinary policies and procedures, including mechanisms to ensure:

- Consistent enforcement
- Effective investigations
- Effective corrective actions
- Opportunity for the subject of any investigation to be heard where there are potential negative consequences

### 5.2.3 Independence Risk Management

5.2.3.1 *Member Firms* shall have a process to consider and manage risks related to independence including:

5.2.3.1.1 Recognition that the source of revenues for *Member Firms* – the payment for services by *clients* – presents a potential threat to independence and development of policies and procedures to ensure audits are conducted in a manner that effectively address the threat.

5.2.3.1.2 A process requiring all *audit firm personnel* to reveal any situation which can present the individual or the *Member Firm* with a conflict of interest. *Member Firms* shall record and use this information as input to identify threats to independence raised by the activities of *audit firm personnel* or by their relationship with organizations that commission their services.

5.2.3.1.3 A process to identify, analyze, evaluate, treat, monitor, and document the risks related to independence and conflict of interest arising from provision of *social compliance services* including any conflict which arises from its relationships on an ongoing basis. Sources of threats to independence of the *Member Firm* can be based on ownership, governance, management, personnel, shared resources, finances, revenue sources, contracts, training, marketing and payment of a sales commission or other inducement for the referral of new *clients* and include but are not limited to:

- **Self-interest:** *Member* acting in their own interest, including financial interests and interests relating to the provision of *social compliance services* to *clients* where other services are also provided.
- **Self-review:** *Member Auditor* reviewing the work done by themselves or other personnel from the same firm.
- **Familiarity (and trust):** *Member* being too familiar with or trusting of another party instead of seeking audit evidence.
- **Intimidation:** *Member* having a perception of being coerced openly or covertly, such as a threat to be replaced or reported to a supervisor

5.2.3.1.4 Where there are threats to independence, the *Member Firm* shall document and demonstrate how the *Member Firm* eliminates or minimizes such threats and document any residual risk. The demonstration shall cover all potential threats that are identified, whether they arise from within the *Member Firm* or from the activities of other persons, bodies or organizations.

### 5.2.4 *Complaint* Handling

5.2.4.1 *Member Firms* shall designate a representative to manage the *complaint* handling process.

5.2.4.2 *Member Firms* shall have a documented, publicly accessible process for receiving, validating, and investigating *complaints*, and deciding what actions to take.

5.2.4.2.1 *Member Firms* may retain a third party to investigate *complaints* or manage other elements of the *complaint* handling process in compliance with the applicable requirements.

5.2.4.3 *Member Firms* shall track and record all *complaints*, including actions taken.

- 5.2.4.4 *Member Firms* shall manage investigations in a manner fair to all parties, avoiding conflicts of interest. Whenever possible, *Member Firms* will provide the subject of an investigation an opportunity to be heard where there are potential negative consequences.
- 5.2.4.5 *Member Firms* shall ensure appropriate corrective and preventative action is taken in response to any *complaints* found to have merit.
- 5.2.4.6 *Member Firms* shall have a process in place for periodic analysis of *complaints* to identify systemic problems and develop appropriate solutions.
- 5.2.4.7 *Member Firms* shall develop an annual summary of *complaint* handling activities including:
- Number of *complaints* received alleging violations of the *Code* or the *Standards*
  - Source of the *complaints*, including the percentage of anonymous *complaints*
  - Breakdown by type of *complaints*
  - Percentage of substantiated and unsubstantiated allegations
  - Disciplinary actions taken, by type and number
- 5.2.5 *Member Firms* shall have a documented procedure to receive, evaluate and make decisions on appeals by *auditees* or other interested parties. In the event of an appeal, the *Member Firm* shall ensure all personnel engaged in the appeal handling process are different from those who carried out the audit(s) and undertook the audit review. In all cases, appeals will be reported to the *client* or the audit requestor.
- 5.2.6 *Member Firms* shall establish policies and procedures to ensure the safety, protection, and security of their *auditors*. *Auditors* shall act in accordance with these policies and procedures, and remain aware of their personal safety and security when conducting audits. These policies and procedures shall include at a minimum:
- 5.2.6.1 Assessing safety and security risks in countries where they offer services.
- 5.2.6.2 Procedures for auditors to quickly assess personal safety conditions while onsite, report risks to a supervisor, and abort the audit if they feel uncomfortable.
- 5.2.6.3 Procedure to report to the *client*, prior to or at time of the request, any audit location where the safety of the *auditors* may be at risk.

### **5.3 Notify: Any *Member* who believes that another *Member* has committed a violation of the *Code* must inform APSCA.**

- 5.3.1 *Member Firms* shall inform APSCA when handling investigations that are likely to have industry-wide significance.
- 5.3.2 *Member Firms* shall promptly inform APSCA of any cases where a *Member Auditor* is disciplined for misconduct which constitutes a violation of the provisions of the *Code* or *Standards applicable to Member Auditors*.

## GLOSSARY OF TERMS

**ASCA:** Associate Social Compliance Auditor (*ASCA*) is an *auditor* who has been signed off by a *Member Firm* as meeting the criteria noted within the *Competency Framework*; has been enrolled with APSCA; and is working towards sitting the *CSCA* exam.

**Audit Firm:** Companies or organizations providing independent *social compliance services*. This definition does not include internal audit functions.

**Audit Firm Personnel:** *Auditors* and all personnel who are involved in the management and supervision, coordination, report writing and report quality review of *social compliance services*.

**Audit the Auditor:** A risk-based confirmation of audit results for a sample of executions by reperformance of audit procedures by another *auditor* or detailed review of audit working papers.

**Auditee:** The *facility* at which the audit is being executed.

**Auditor:** Any individual who conducts *social compliance services* including an employed, *freelance*, or *subcontract auditor*.

**Client:** The organization that has requested the *social compliance service* and/or the organization that is owed the duty of care.

**Code:** APSCA Code of Professional Conduct.

**Code of Ethics Agreement:** Industry standard agreement to be executed in connection with all *social compliance services* outlining the key requirements of the *Member Firm's* integrity program and requiring reporting of all solicitation or offers of bribes.

**Collaborative Program:** A program that manages a *social compliance audit* as part of a larger system of social compliance improvement. The program is managed by an organization which includes stakeholder members who support the development of and enhancements of the program. These programs may also be known as schemes or initiatives.

**Competency Framework:** APSCA's compendium of demonstrated competencies for practitioners and the basis for consideration as an *ASCA* or *CSCA*.

**Complaints:** Reporting, whether on an identified or anonymous basis, of alleged non-compliance with the *Code* or *Standards*.

**CSCA:** Certified Social Compliance Auditor (*CSCA*) is a designation signifying that an *auditor* demonstrates specific experience, knowledge and skills within the field of social compliance auditing. Through a rigorous certification process - including experience, education, examination and assessment - the *CSCA* candidate must demonstrate the core competencies relevant to the profession. During the initial period, *Registered Level Auditors* (RA) have the rights, responsibilities and obligations of a *CSCA*.

**Facility:** An operation that is the subject of the *social compliance services*. Generally, these operations would be a specific geographic location and have a unique business license. This can include any location where products are produced, grown, distributed or sold.

**Freelance Auditor:** – see *Subcontractor*.

**Independent Translator:** An individual with language skills allowing for communication with *workers* or management and the *auditor*. In all cases, the individual shall have no relationship with either the *facility* or the local authorities and will have executed a non-disclosure agreement.

**Member Auditor:** An *auditor* who is enrolled and in good standing with APSCA in either an *ASCA* or *CSCA* capacity.

**Member Firm:** An *audit firm* that is a *member* of APSCA and provides *Social Compliance Audit* services.

**Members:** *Member Firms* and *Member Auditors*.

**Owners:** Those with an ownership interest as follows:

- Public Company: any level of ownership requiring legal disclosure under applicable securities laws
- Private Company: any level of ownership

**Registered Auditor:** A temporary designation for an *auditor* who has been signed off by a *Member Firm* as meeting the educational and experience requirements of a *CSCA* during APSCA's initial deployment of the certification regimen, and is going through the *CSCA* examination process.

**Social Compliance Audit:** A social compliance service requiring consideration of each of the sections in the *Competency Framework* with the capture and evaluation of sufficient evidential matter to assess performance relative to each section by a *CSCA*. Competent capture of sufficient evidential matter includes at a minimum:

- Observations of conditions in the *facility*, which include the work area and any other relevant areas
- Review of records and policies related to Code of Conduct sections
- Management interviews
- *Worker* interviews
- Triangulation of all information

*CSCA's* and *Member Firms* have the responsibility to ensure that appropriate time is spent on site to competently achieve these tasks. Appropriate time is a function of many factors, including but not limited to the number of *workers* and physical size of the *facility*. Industry standard practice indicates that effective consideration would generally require a minimum of one *auditor* day on site for small facilities (e.g. less than 100 *workers*), whereas for larger facilities with more *workers*, two or more auditor days will be required on an incremental basis based on the number of *workers* and the physical size of the *facility*.

**Social Compliance Consultancy:** Any form of assistance with the implementation of any processes or management systems that relates to the requirements of a *social compliance service*. This includes, but is not limited to, tailored training, document development or provision of advice that would specifically assist an entity to work towards meeting requirements or to achieve compliance.

Social Compliance Consultancy does not include:

- The customary exchange of information at the conclusion of or following an audit including clarifying requirements or explaining findings either to an entity undergoing an audit or to an organization commissioning an audit
- Corrective Action Plan management or administration that does not involve the provision of specific direction to address or remediate identified issues
- Training open to the public, not specific to a *client* and held at a public forum

**Social Compliance Service:** An engagement to evaluate, measure, understand and report an organization's social and ethical performance. A *social compliance service* is intended to support a larger system to improve labor conditions.

**Standards:** APSCA Standards of Professional Conduct. The compendium of specific requirements providing further details and guidance related to the elements in the *Code*.

**Subcontractor:** Any *audit firm* and/or individual *auditor* that is not under the direct employment of the *Member Firm* and has been contracted to conduct a *social compliance service* on behalf of a *Member Firm* and for whom the *Member Firm* is responsible.

**Training Outcomes:** Evidence of successful completion of training, including the results of examinations or evaluations from the trainer(s).

**Worker:** Individuals present in a *facility* where a *social compliance service* is being performed including direct employees, contractors, temporary *workers* and all other persons on-site.



APSCA



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SOCIAL COMPLIANCE AUDITORS

