



At a glance: The benefits of a supply chain audit

A supply chain audit enables you to take responsibility for social compliance, labour safety and environment issues within your supply chain. It also opens up new marketing possibilities.

By adhering to a renowned code of conduct you strengthen your stakeholders' trust in your company. You also gain a key competitive advantage in tender procedures by using social standards to prove that issues like social and ethical sustainability are important for you. You create a way of proving your social commitment by taking responsibility for fair production and working conditions. And: With a

high social standard like amfori BSCI (Business Social Compliance Initiative) you save time and money. With the amfori BSCI audit you avoid costly multiple audits for different clients.

QUESTIONS AND ANSWERS ON OUR SUPPLY CHAIN AUDIT SERVICES

1. WHAT CHARACTERIZES A SUSTAINABLE, SOCIAL AND FAIR BUSINESS?

Fulfilling international standards like amfori BSCI (Business Social Compliance Initiative) or SMETA (Sedex Members' Ethical Trade Audit) ensures a company's social integrity and sustainability. These standards include safety regulations like fire safety and social aspects like work schedules, child labour and discrimination. Besides these ethical aspects, complying with a high standard that is internationally recognized and offers comparability can deliver a competitive advantage. Suppliers acquire new customers with corresponding requirements, and companies reinforce their integrity and can market their brands with greater self-confidence. Consumers pay greater attention to fairly manufactured products and brands' reputations.

2. WHAT IS A CODE OF CONDUCT?

It makes sense for a company to have its own code of conduct if it wishes to go beyond existing standards or to focus on its own special areas of interest. For example, in the pharmaceutical sector the focus might be on the trained handling of hazardous materials. In this area, the existing guidelines do not cover all the safety aspects. For companies with such special requirements, it is not enough to join an initiative. Establishing a company's own high standards for its partnerships with suppliers minimizes the risk of incidents in the supply chain. It is also worthwhile to be a pioneer before state legislation sets new external standards in areas such as data protection. In addition, by formulating their own, more stringent, code of conduct companies can distinguish themselves from their competitors — and that is an important step toward market leadership.

3. WHY SHOULD COMPANIES AUDIT THEIR SUPPLIERS REGULARLY?

Compliance is an ongoing process and standards are updated regularly. As an example, the amfori BSCI audit is valid for two years. After these two years it can no longer be ensured that the audited company still fulfils the requirements — another audit is necessary to extend the validity by a further two years. This also helps to make sure that the company's compliance meets the latest changes of the standard.

4. WHAT IS THE ENVIRONMENTAL STANDARD ISO 14001?

ISO 14001 governs environmental protection rules that are designed to avoid ecological stresses in accordance with

socio-economic requirements. As an established environmental norm, ISO 14001 is the world's foremost instrument for the implementation and application of an effective environmental management system.

5. WHAT IS THE ISO 45001 STANDARD?

The ISO 45001 standard is intended to fulfil the growing expectations regarding occupational health & safety management. Companies can reduce the number of accidents in the workplace using a systematic approach to aspects of occupational health & safety with ISO 45001 certification, regardless of their industry or the company's size. Sources of errors are identified and eliminated. Companies can therefore ensure their compliance with statutory and regulatory requirements for occupational health and safety protection.

6. HOW CAN COMPANIES MAINTAIN AN OVERVIEW OF THEIR SUPPLIER NETWORK?

If a company becomes a member of an initiative such as amfori BSCI, it can compare its own supplier chain with the amfori BSCI database. That way it can find out which of its suppliers have not yet been audited. And that is how companies can know where there is still room for improvement in terms of HSE (Health Safety Environment) and CSR (Corporate Social Responsibility).

7. WHAT POTENTIAL IMPROVEMENTS ARE ENABLED BY SUPPLY CHAIN AUDITS?

Supply chain audits according to an international social standard enable companies to take responsibility for their supply chain and to show their sense of responsibility for fair and safe production and working conditions. This opens up new marketing possibilities and strengthens the trust of customers and consumers as well as business partners and employees. Common international standards like amfori BSCI include many other high standards. Therefore companies save costs and time by avoiding multiple audits. Furthermore, the improvements according to an audit are often accompanied by more efficient management of the company's value chain.

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