Bureau Veritas Certification

SEDEX Virtual Assessment (SVA)

Terms & Conditions – V6 .01 – 27 July 2020
THE FOLLOWING POINTS HAVE BEEN AGREED.

Client entrusts Bureau Veritas that agrees to realise the indicated mission according to the defined particular and general conditions.

Client confirms to give auditor access to SAQ (self-assessment) on the client’s Sedex account prior to the audit.

Client agrees that the auditor may remotely audit the nominated site vide video conferencing, conduct observations, document inspections pertinent to the scope of the audit without hindrance, and conduct confidential group interviews with employees including individual interviews with Union / worker representatives, if any, which are chosen freely without any influence by the Client.

Client agrees that in case of Critical Non-Compliances, Master Client will be notified directly by the auditors within 24 hours. Refer to SMETA Best Practice Guidance document and SEDEX Virtual Assessment Technical Requirements document for critical non-conformance details.

Client agrees that the auditor may upload the Audit Report, Issues (Non-Compliances, Observations, Good Examples) and Corrective Action Plans onto the Audit Client's Sedex account (if Sedex upload is required).

Client agrees to give Master Client access to the Audit Report, Issues and Corrective Action Plan within Sedex. Bureau Veritas send all reports and evidences of CAP to Master Client after the assessment/follow-up assessment.

Client has to maintain and update the Corrective Action Plan within Sedex account, once evidence of effective completion of corrective actions is provided.

Client agrees to provide photographic or documentary evidence to support the completion of corrective actions and where necessary, provide access to the auditor to conduct a Follow-up verification.

Application Form is an integral part of present contract. The Client ensures the validity of the supplied data on the Application Form with his/her signature.

1. SERVICE DESCRIPTION

According to Sedex rules your company will have to request an identification number first. Join and register your company and site and complete your site Self-Assessment Questionnaire (SAQ) on Sedex: www.sedex.org.uk.

The Sedex online Self-Assessment Questionnaire must be completed before the assessment takes place.

To conduct a SEDEX Virtual Assessment (SVA) wherein normal onsite audits are not possible due to any circumstance/s and up-load report files into Sedex database are the interest of your company, especially when you provide several Big Brands / retailers. Please note though that some of these retailers and brands might have additional requirements. These extra requirements can sometimes include having the assessment announced or semi announced (for example having a 3 or 4 week window but no exact date), having the actual auditor(s) recognised by the retailer/brand, having summary documents, having the audit loaded to another IT platform and other requests. Normally, SEDEX Virtual Assessments are conducted on an announced basis. So, when you book the assessment, please let us know who you need the assessment to be valid, for so we can help you ensure you don't get audit fatigue (requests for unnecessary audits).

The principal purpose of the initial assessment is to assess the client’s organisation in compliance with ETI Code (Ethical Trading Initiative Code), SEDEX requirements, local laws and regulations and the applicable customer specific requirements.

In order to achieve this, the Client must:

- Provide the assessment team with sufficient information for them ultimately to conclude that the organisation has been fully documented.
- Allow the assessment team remote access to facilities and personnel records.
- Co-operate fully in the resolution of any non-conformities.
Your company has to send the following documents to Bureau Veritas prior to the virtual assessment, but not limited to:

- Detailed site map
- Site and Head Office policies and procedures
- Site risk assessments
- Employee Handbooks
- Fire records
- Site and business licenses and certificates
- Production records
- Training records (redacted for data protection if necessary)
- Equipment maintenance records
- Site permits
- Service Level Agreements
- Chemical Lists
- Accident Records (redacted for data protection if necessary)
- First Aid log (redacted for data protection if necessary)
- Waste records
- Collective Bargaining agreements
- Job postings/ advertisements and blank job application forms
- Standard blank contracts
- Official Inspection reports
- List of workers (redacted for data protection if necessary)

Your company shall make the following documents available to Bureau Veritas on the day(s) of the Virtual assessment:

- Applicable laws and regulations
- Labour contracts
- Government Inspection Reports, e.g., sanitation, fire safety, structural safety, environmental compliance, etc.
- Emergency action procedures
- Evacuation plan
- Time records for the past 12 months
- Payroll records for the past 12 months
- Piece rate records for the past 12 months (if applicable)
- Insurance, tax and other required receipts

In addition to the above, the auditor shall request any documentation, which was not sent for review prior to the virtual assessment.

It will be essential that the factory site is operating under normal production conditions at the time of the assessment and full site access is given to Bureau Veritas’ auditor(s).
Prior to the scheduled assessment dates, Bureau Veritas Certification will provide the Client with a copy of the intended assessment schedule together with any supplementary requirements deemed necessary to achieve the requirements.

The SEDEX Virtual Assessment will be conducted remotely via video-conferencing in accordance with the Sedex rules and Bureau Veritas Certification procedures and will consist of the following elements:

- Desk-top analysis of documents
- Site tour
- Interviews with management representatives
- Interviews with employees and union representatives (if applicable)
- Document analysis e.g. payroll samples

The will usually comprise of the following steps:

- Opening meeting
- Site tour
- Group Employee interviews and individual interviews with Union / Worker representatives, if any
- Wherein Group worker interviews cannot be included in the assessment due to any circumstance/s, Direct Worker Reporting or Worker voice tools through SEDEX approved tools may be used to gain insight into worker experiences.
- Management interviews and documentary reviews
- Auditor pre-closing meeting
- Closing meeting and agreement of Corrective Action Plans with the site management accountable.

During the closing meeting, the lead auditor will present and discuss on the findings of the assessment with the employment site’s management and agree the suggested corrective action plan, which sets out areas for improvement, actions and timeframes.

Draft Corrective Action Plan Report (CAPR) including a description of all Non-Conformities, observations, if any would be released as soon as possible after the assessment has taken place.

The audit frequency of the audit is generally one audit in a three year period time. However, it depends on the Big Brand / retailer’s regulation.

Our suggestions

- that site management, employees should be briefed prior to the assessment, to guarantee they understand the scope of the assessment including virtual assessment criteria not limited to Technology, Site check, Operational Aspect etc. and what is required from each department.
- that site management should be instructed on the importance of having the correct key personnel to guide the auditor with the document review and virtual site tour on the day of the assessment (see above) and understand the importance of releasing personnel for interviews on time.
- to make available a quiet room free from interruptions and large enough to accommodate both group and individual (with Union / Worker Representatives, if any) interviews. This should be reserved for the auditors use throughout the assessment (this should be a place where workers will feel comfortable, near a canteen or a workers’ area is preferred). Additionally, site shall have a laptop or tablet (must be freestanding) with a working camera and microphone with the software
- a union or other worker representatives should be briefed about the assessment and to ensure their availability and understanding.
- there should be a contact within the site for the workforce if they have any questions or worries about the assessment e.g. HR Manager.
any labour Providers (agency) the site uses should be informed about the assessment and make sure they understand the importance of having the correct key personnel and documentation available on the day.

any questions or points the site may have about the assessment should be referred to the auditor for clarification.

the site should prepare all relevant documents in advance of the visit – see above.

Audit report
The team leader will provide a final report within 10 days of the closing meeting including:

- Scope – products – customer specific requirements with issue level
- Summary of the audited elements and the related results
- Nonconformities as evidenced during the assessment process
- Opportunities for improvement

Your company will be the owner of the Audit Report and is free to share the report with other customers (Master Clients) members of AIM-PROGRESS* Group.

You have to confirm your consent by ticking the Section 5 - Scope of services to share the audit Report with AIM-PROGRESS Member Company in the Sedex site.

*AIM: Association des Industries Marque
*Progress: Program for Responsible Sourcing

Follow-up Assessment
It is common for facilities to have opportunities to improve systems. In many circumstances, a SEDEX Virtual Assessment will be used as either a partial or full follow up to a SMETA audit. If this is requested, the site shall undergo the same process as outlined in the document to confirm if it is suitable to proceed with a follow up assessment in this manner.

The assessment team shall also consider if the open non-compliances can be closed appropriately through a Sedex Virtual Assessment.

Any of the issues which require the assessment team

- to use sensory evidence to triangulate for verification i.e. issues regarding temperature, humidity etc.,
- to conduct worker Interviews for verification and the site cannot undergo Group Worker Interviews
- to conduct individual interviews for verification i.e. specific cases of discrimination/ harsh or inhumane treatment.

Will not qualify for a follow-up assessment.

Where possible, a desktop review can sign off a finding (sometimes called non-compliance) effectively without the need for a revisit. Typical issues that can be desktop include where a policy document or a photo can be sent. These can often be uploaded by the facility to Sedex (if the client is a Sedex member) or emailed (if their client is not a Sedex member). Some issues may require an onsite follow up audit. Most onsite follow up audits can be done within one day - this will depend on the size of your facility and the type and number of findings. There is a Sedex document called Non Compliance Guidance that helps auditors decide if issues are desktop or follow up issues. This guidance also prescribes the maximum timescale to sign off issues.

When your issues are resolved please

A: For desktop issues

(i) Upload any desktop review evidence to Sedex (if the issues are desktop and if your client is a Sedex member) and also email the evidence to the auditor.

(ii) Inform your Bureau Veritas office when you have uploaded any evidence to Sedex
(iii) Any desktop issues can be signed off by Bureau Veritas as they are ready or we can sign off if there is a virtual assessment. However, your client might want these closed out before any follow up assessment can be carried out, so please bear this in mind.

B: For onsite follow up audits

(i) Book a follow up assessment when any follow up issues are resolved and any required data is in place. For example for many issues on hours and wages, two months data needs to be in place after the issues are resolved.

(ii) Check any client requirements you have on, when follow up assessments are required, to ensure you meet your client expectations. For example, some might have a maximum of 6 months for follow up audit. Others might not need audits again for up to 3 years depending on audit results.

Please note, different brands and retailers have different rules on follow up assessment. Please ensure the rules for your client(s) are observed. Examples can be including maximum times before follow up assessment are done, frequency of next audits. Your local Bureau Veritas can help you with this if your clients have confirmed such rules with us.

2. COSTS

Only in case non-conformities are found. It is defined according to severity of non-compliance and corrective action required.

Service fees listed above do not contain next items:

- VAT
- Travelling costs: x EUR/km

In case of significant difference between data supplied in the Application Form - Site suitability check criteria and real experiences during the Virtual assessment, Bureau Veritas reserves the right to abort the virtual assessment and any its consequent costs and expenses will be charged to Client.

Also, in case of significant difference between the data supplied in the Application form and real experiences observed during the Virtual assessment, Bureau Veritas reserves the right to lengthen the period of the audit and any its consequent costs and expenses will be charged to Client.

Terms of payment

The Contract is made based on data supplied by Client whose reliability and completeness is taken for granted. The invoices will be due after the signature of the present contract. Please note that the Bureau Veritas Certification will not up-load SMETA report package into SEDEX portal or any other client portal, until full payment has been received by Bureau Veritas Certification. Payments are due within 15 calendar days of the date of invoice. Payments due after the payment term shall be subject to an interim interest charged by Bureau Veritas. Should the Client not pay any invoice, Bureau Veritas will send a demand note every week after the due date expired. Note that the assessment will be conducted only after payment.

3. CONTRACT VALIDITY

This agreement is an open ended contract.

The Contract enters into force by the signature of both parties and it will be valid until its termination.

In case of Client signs the contract after 3 months following its issuance, Bureau Veritas is obliged to review the fees of service after Client provide its updated data, and Bureau Veritas has the right to modify the prices.

4. BUSINESS PRACTICES POLICY
Bureau Veritas Code of Ethics applies to all Group employees - internal and external auditors - who are expected to comply with it and it is checked regularly.

We are committed to comply fully with the laws and regulations of the countries in which we operate.

The Group's reputation for integrity is built on its respect for, and compliance with, those laws, regulations or similar mandatory requirements, that apply to the conduct of its business. It is the personal responsibility of each employee to know the laws, regulations and requirements within his area of activity, to ensure that these requirements are all observed, and to request legal assistance when necessary.

**Anti-bribery rules**

We categorically reject all forms of bribery and prohibit the offer of gifts or the giving or acceptance of a bribe in any form, direct or indirect, including kickbacks, the use of funds or assets for any unethical purposes and the use of other routes or channels for provision of improper benefits from or to customers, agents, contractors, suppliers and government officials. We apply relevant local and international anti-bribery laws in all jurisdictions within which we are established or perform services.

By our internal procedures:

- We monitor certain specific operations such as political contributions, charitable contributions and sponsorship.
- We regulate the offer or receipt of gifts, hospitality or expenses.
- We ensure to maintain accurate books and records which properly and fairly document all financial transactions.

**Dealing with our business partners**

We seek to ensure that improper payments are not being channelled through intermediaries, joint venture partners, agents and subcontractors. We conduct our procurement practices in a fair and transparent manner. By dedicated internal procedures, we monitor the selection and the ethical behaviour of some of our business partners (intermediaries, joint venture partners, subcontractors, agents, main suppliers and contractors).

**Integrity of our services**

We avoid situations in which our independence or impartiality may be compromised. We are committed to examining and dealing with such situations openly and transparently.

Our work is carried out honestly in a professional, independent and impartial manner, with no influence tolerated with respect to any deviation from either our own approved methods and procedures or the reporting of accurate results. We must not bow to any pressure or influence.

**Our clients’ information**

All information received in the course of the provision of our services is treated as, and remain, strictly confidential, subject to authorised divulgation.

**Integrity of the information and reports supplied**

Each employee is personally responsible for the information he provides and the documents he circulates (including through IT systems). All employees, at every level of the Group, ensure that reports, records and information used or communicated by them, including to upper levels of the various entities (head office, country, divisions, regions, zones or business units, etc.) contain reliable, truthful and complete information.

**5. CONTRACT CANCELLATION, CANCELLATION & POSTPONEMENT OF AUDITS**

**Cancellation of contract**

If the Client cancels this agreement, the client has the responsibility to pay all outstanding invoices.

If the Client terminates the agreement, it must be done in written form and Client must make sure that Bureau Veritas has received the cancellation document completely.

If the Client terminates the agreement within less than 30 working days from the mutually agreed audit date, Bureau Veritas charges the 50% amount of the contracted assessment fee and additionally the fee for the works done till that time.
Cancellation or postponement of assessment

Modification of mutually agreed assessment date can be done latest 31 working day before the start of the assessment.

If the Client requires postponement of assessment date, it can be done only by a specific allowance process (explained with especially solid reasons) but Client should take into account that the possibilities are regulated by the Rules so the allowance result can’t be guaranteed by Bureau Veritas.

If Client modifies the assessment date within less than 30 working days from the audit, Bureau Veritas charges the 50% amount of the contracted assessment fee and additionally the fee for the works done till that time.

If Client does not make it possible for the auditors to execute the assessment without asking for a previous postponement allowance, Bureau Veritas charges the total fee of the audit to Client.

Either party may terminate this Agreement: By notice: Either party may give written notice to the other and obliged to make sure of its reception by the other party. This Agreement shall terminate upon the lapse of 60-day period.

By default:

Immediately upon either party being notified by the other of:

− any material breach of this Agreement
− if either party goes into liquidation, receivership or an administrator is appointed for all or part of the undertaking there of
− if either party ceases to trade, whether in whole or in part, then this Agreement is deemed terminated.