



Social Audit Professional Code of Conduct

DOCUMENT CODE: I 018
VERSION: 2021-05-04

Contents

1. PURPOSE AND SCOPE	1
2. PRINCIPLES AND RULES OF CONDUCT.....	2
3. CODE OF CONDUCT VIOLATIONS	5
4. REFERENCES AND DEFINITIONS	6
5. FINAL PROVISIONS	8

1. PURPOSE AND SCOPE

IQNet Ltd is committed to undertake audit, assessment and certification activities in such a manner as to ensure the highest levels of credibility, professionalism and integrity. This is reflected in every aspect of our operations, activities and at all levels of our organization.

IQNet Ltd Code of Conduct has been established with the purpose of promoting and safeguarding an ethical culture for our professionals involved in social auditing. We value and have the utmost respect for our colleagues performing our social audit assignments and we are committed to support their professional activities in the most meaningful way.

The principles and rules of conduct, described hereafter, provide for the norms of behavior expected from IQNet Ltd social audit personnel. These are applicable to all auditors (team leaders, team members and trainees), technical specialists, employee interviewers, etc., either directly employed or acting on our behalf. These personnel shall be further referenced as **audit professionals**.



2. PRINCIPLES AND RULES OF CONDUCT

2.1 COMPETENCE

Our social audit professionals are committed to apply the knowledge, skills and experience required for a high-level audit service, based on the current developments in standards, codes, legislation and audit techniques.

Specific rules of conduct to achieve this principle:

IQNet Ltd audit professionals:

- Engage only in those audit services for which they have received an appointment by IQNet Ltd Head-office and in the specific role in the audit team;
- Engage only in those audit services for which they have the necessary knowledge, skills and experience;
- Perform the services in accordance with IQNet Ltd requirements for the type of audit being performed;
- Maintain professional knowledge and skills at the level required to ensure clients receive competent professional services;
- Regularly attend trainings and calibrations organized by IQNet Ltd, scheme owners or other parties, as relevant to keeping updated or improving their professional knowledge and skills;
- Continually improve their proficiency and the effectiveness and quality of their services, duly incorporating all suggestions and recommendations raised by the review of their work;
- Authorize and pursue the APSCA social auditor registration and certification. Comply with IQNet Ltd APSCA Policy (document Code I 017);
- Systematically meet the requirements and provide evidence for maintaining their social auditor qualification, including continuous professional development, involvement in audits, witnessing and performance monitoring, as relevant for the type of audit being involved;
- Keep IQNet Ltd Headoffice informed on any changes in their professional status, knowledge, skills and experience.

2.2 PROFESSIONAL BEHAVIOUR

Our social audit professionals are committed to act in accordance with the requirements of their assignment, trustworthy, professionally and efficient.

Specific rules of conduct to achieve this principle:

IQNet Ltd audit professionals:

- Comply with IQNet Ltd Quality Policy (Document Code I 005);
- Behave in such a manner that their reputation and honesty does not come in question;
- Follow the preparation, planning, conduct, reporting and follow-up procedures and processes established by IQNet Ltd;
- Act truthfully, responsibly, with due care and competence, and without allowing their independent judgement to be compromised;
- Are accurate and consistent in their assessment of data and objective evidence obtained through direct observation, interviews, documents and records review;
- Ensure their assessments are complete and avoid any omissions that are relevant to the scope of the audit;
- Ensure that a relevant sample of sites, locations, records, interviews are reviewed, in accordance with IQNet Ltd requirements for the type of audit being performed;
- Ensure that the audit findings (including any non-conformities and improvements), notes and observations are clear, concise, reflective of the audit outcomes and written in clear language;

Social Audit Professional Code of Conduct

- Are honest in their assessment of the workers' rights, workers' welfare, workplace conditions, the encompassing management systems and in their dealings with all persons involved in the audit;
- Separate facts from personal opinions and subjective assumptions, not allowing their personal feelings or prejudices to affect the objectivity of their assessment;
- Ensure that their findings and recommendations for improvement are relevant to the auditee's operations, are based on the requirements of the standard/code/scheme and aimed at providing added value;
- Comply with all timelines set by IQNet Ltd for audit planning, audit completion, submission of the audit report and related documents, review and follow-up on open non-conformities. On any matter, audit professionals shall provide a response to IQNet Ltd within the set timelines;
- Do not use either IQNet Ltd or the auditee's intellectual property or confidential information for personal advantages, including for the advantages of immediate or close family members or friends;
- Do not make imprecise claims for the services they are able to offer, the qualifications they possess or experience they have gained;
- Refrain from criticizing or making unsubstantiated comparisons to the work of others;
- Communicate any identified opportunities for improvement, related to procedures and activities, service to clients and compliance to applicable requirements to support IQNet Ltd in continuously improving.

2.3 COMPLIANCE

Our social audit professionals are complying with relevant laws and regulations and avoiding any action that may damage their profession or IQNet Ltd.

Specific rules of conduct to achieve this principle:

IQNet Ltd audit professionals:

- Follow and apply all auditing and management system requirements as established by IQNet Ltd in its manuals, procedures and related trainings (including the requirements established by scheme owners / accreditation bodies for the specific type of audit);
- Comply with all applicable laws, rules and regulations of national, regional or local governments, and other applicable public and/or private regulators.

2.4 INTEGRITY

Our social audit professionals are committed to act fair and honest in IQNet Ltd professional and business relationships.

Specific rules of conduct to achieve this principle:

IQNet Ltd audit professionals:

- Comply with IQNet Ltd Anti-bribery Policy (Document Code I 015);
- Respect and contribute to the legitimate and ethical objectives of IQNet Ltd;
- Perform their work with honesty, diligence and responsibility;
- Observe the law and IQNet Ltd procedures related to their profession;
- Are not associated with reports that knowingly include false or misleading information, or that omit or obscure information required to be included, where such omission or obscurity would be misleading;
- Do not take shortcuts on the audit techniques, time or samples required by IQNet Ltd for the type of audit being performed;
- Do not knowingly manipulate the data collected from the auditee to influence the findings and recommendations of the audit in a way that is inaccurate, misleading or false;
- Are not knowingly part of any illegal activity or engage in acts that are discreditable to the profession of auditing or to IQNet Ltd.

2.5 IMPARTIALITY

Our social audit professionals are committed to make a balanced assessment of all the relevant circumstances and do not allow bias, conflict of interest or undue influence from others to override professional judgements.

Specific rules of conduct to achieve this principle:

IQNet Ltd audit professionals:

- Comply with IQNet Ltd Impartiality Policy (Document Code I 014);
- Do not undertake an audit assignment for an auditee, if they, an immediate or close family member, or a member of own company/employer, has provided consultancy, internal audit for the auditee's management system or processes (for any discipline) within the last 36 months preceding the date of the audit appointment;
- Do not undertake an audit assignment, if they, an immediate or close family member, or a member of own company/employer have a personal, family, employment, financial, commercial (or related) previous or current connection or relationship with the auditee owner, key employees or members of the auditee's management group that, in fact or in appearance, may create an incentive to report anything other than the true and accurate facts gathered during the audit;
- Do not undertake an audit assignment that may imply or be presumed to imply their biased assessment;
- Avoid placing themselves in a conflict of interest when performing audits and do not accept anything during an audit that may impede or presumed to impede their professional judgement;
- Do not allow the audit results to be influenced by any factor other than the objective evidence collected through direct observation, interviews, review of documents and records and reliable stakeholder inputs;
- When conveying the audit findings to the auditee, do not include any recommended specific solutions on how to address or solve the non-conformities raised, that would be perceived as consultancy;
- Disclose all material facts known to them which, if not disclosed, may distort the reporting of activities under review;
- Do not make recommendations in an audit with the intention of using them to market or justify the purchase of additional business services from with the audit professional (especially consultancy services), IQNet Ltd or IQNet Ltd Representative.

2.6 CONFIDENTIALITY

Our social audit professionals are committed to respect the value and ownership of the information they obtain in course of their work and do not disclose such information without the appropriate authorization.

Specific rules of conduct to achieve this principle:

IQNet Ltd audit professionals:

- Comply with IQNet Ltd Confidentiality Policy (Document Code I 006);
- Are prudent in the use and protection of information acquired in the course of their audit assignment (including and access credentials to web-based platforms);
- Ensure that the Audit Code of Conduct and Ethics (Document Code F 025) is explained and agreed by signature with the auditee's management, at the beginning of the audit;
- Collect only the information and objective evidence relevant for the audit scope;
- Do not remove confidential information from the auditee's premises, neither as hard copies, in electronic format, or by any other means, unless provided voluntarily by the auditee and as requested by IQNet Ltd procedures;

- Ensure that any sample photos and sample records are limited to the requirements of the scheme and do not disclose any organizational intellectual property or personal/sensitive data;
- Ensure that all confidential information obtained during the audit process is treated as confidential and not disclosed to any other person or organization, other than the auditee, IQNet Ltd, SAI or Sedex (when a scheme requirement), except where the auditor is authorized to disclose that confidential information;
- Ensure, at any time, the confidentiality of the worker interview process;
- Ensure, at any time, the confidentiality of any sensitive information and the protection of the individual(s) disclosing that information, that may trigger a sensitive issues' alert;
- Do not communicate confidential or non-public information of IQNet Ltd, IQNet Ltd Representatives and auditees and refrain from giving access to such information to third parties, during or after the work relationship. This requirement remains in force after contractual termination;
- Do not use information acquired as a result of IQNet Ltd professional and business relationships for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of IQNet Ltd.

2.7 TRANSPARENCY AND REPORTING

Our social audit professionals are committed to report any events, circumstances or facts that prompt to a violation of this code of conduct, or might bring themselves to violate this code, and which are revealed to them in relation to their own work, to the work of other colleagues (managers, auditors) and/or to the audited organizations.

Specific rules of conduct to achieve this principle:

IQNet Ltd audit professionals:

- Report to IQNet Ltd Headoffice any threats to impartiality (such as self-interest, self-review, familiarity, or intimidation) or any existing, former or ambiguous link with the auditee, identified upon receiving an audit appointment or performing an audit;
- Report to IQNet Ltd Headoffice any situations revealed to them about perceived unethical audit practices by other management, auditors or auditees;
- Report to IQNet Ltd Headoffice any perceived in-bound or out-bound bribery attempts;
- Report to IQNet Ltd Headoffice any perceived situations where the objective audit process or the safety of the audit team might be at risk, including any attempts to pervert the course of the audit through fraud, coercion, deception or interference;
- Report to IQNet Ltd Headoffice any sensitive issues (zero tolerance issues) revealed during an audit, following the defined protocols. Reporting of sensitive issues which may lead to retaliation against workers, or attempts to bribe, threaten or coerce the audit professional shall be handled in a manner that protects workers and audit professionals;
- Report to IQNet Ltd Headoffice any complaints received directly, as related to their own audit performance, IQNet Ltd audit process or auditee's social practices;
- Report to IQNet Ltd Headoffice any revealed illegal conduct by other auditors, management or auditee. In such cases IQNet Ltd Headoffice shall evaluate whether such conduct must be reported to local authorities, where such reporting is mandated by law;
- Voluntarily submit themselves and support any investigation conducted by IQNet Ltd when they are subject to a Code of Conduct breach.

3. CODE OF CONDUCT VIOLATIONS

The related investigation and the measures for breaching this Code of Conduct depend on the circumstances, previous breaches and the severity of the breach. The measures can include suspension and/or permanent

Social Audit Professional Code of Conduct

withdrawal of the IQNet Ltd audit professional qualification. If the qualification is suspended and/or withdrawn, the involved IQNet Ltd Representatives shall be notified. Scheme owners and/or APSCA will be notified as well.

The investigation should be carried out by independent personnel, who will be given authority, resources and direct access to IQNet Ltd Board of Directors. The investigation aims to establish the facts and collects all necessary evidence.

During the investigation and until the process is completed:

- No related statements shall be made (risk of defamation);
- Applicable law must be considered (e.g. including legal advising);
- The issue shall be kept confidential (except for parties relevant for the investigation process);
- Personnel involved shall be protected from any retaliation;
- Results shall be frequently communicated to IQNet Ltd Technical Manager and Managing Director and, if relevant, to the Board of Directors.

Once the investigation is completed and/or has sufficient information to support a decision, a report shall be made to the IQNet Ltd Board of Directors. In case of proven event, the Board of Directors shall decide on the following:

- Termination of the respective employment of contractual relationship with the involved individual;
- Report illegal conduct to the local authorities, if such reporting is mandated by local laws;
- Taking actions to mitigate or deal with any possible legal consequences;
- If the issue arose due to inadequate documented criteria, taking immediate steps to review procedures.

4. REFERENCES AND DEFINITIONS

Reference documents used throughout this document:

In developing this document, consideration was given to the following main references.

- APSCA Document D-032 *Code and Standards of Professional Conduct*
- SAAS Procedure 201A *Accreditation Requirements for Use by Certification Bodies Performing SAAS Accredited SA8000:2014 Certification Audits*
- Sedex Document *SMETA Best Practice Guidance*
- ISO/IEC 17021-1 *Standard Conformity assessment – requirements for bodies providing audit and certification of management systems. Part 1: Requirements*
- IQNet Ltd Document I 005 *Quality Policy*
- IQNet Ltd Document I 006 *Confidentiality and Security Policy*
- IQNet Ltd Document I 014 *Impartiality Policy*
- IQNet Ltd Document I 015 *Anti-bribery Policy*
- IQNet Ltd Document I 017 *APSCA Policy*

Additional and specific provisions reflected by the above may not be included in this document but in other specific IQNet Ltd operational procedures.

Definitions used throughout this document:

Confidential information – All material brought or required to be brought into existence as part of, or for the purpose of performing the audit services, including but not limited to documents, equipment, information and data stored by any means. Confidential information does not include any information which: is or hereafter becomes publicly available, was available prior to the time of its disclosure by the organization or was disclosed by an independent third-party with the right to make such a disclosure.

Close family - A parent, child or sibling, who is not an immediate family member;

Conflict of interest – A situation in which the audit professional's ability to perform and report an audit assignment in an objective and truthful manner may be affected, or may be perceived to have been affected;

Consultancy - Participation in establishing, implementing or maintaining a management system;

EXAMPLE 1 Preparing or producing manuals or procedures.

EXAMPLE 2 Giving specific advice, instructions or solutions towards the development and implementation of a management system.

Note 1 to entry: Arranging training and participating as a trainer is not considered consultancy, provided that, where the course relates to management systems or auditing, it is confined to the provision of generic information; i.e. the trainer should not provide client-specific solutions.

Note 2 to entry: The provision of generic information, but not client specific solutions for the improvement of processes or systems, is not considered to be consultancy. Such information may include:

- explaining the meaning and intention of certification criteria;
- identifying improvement opportunities;
- explaining associated theories, methodologies, techniques or tools;
- sharing non-confidential information on related best practices;
- other management aspects that are not covered by the management system being audited.

Immediate family - A spouse (or equivalent) or dependent

Impartiality – presence of objectivity

Note 1 to entry: Objectivity means that conflicts of interest do not exist, or are resolved so as not to adversely influence subsequent activities of the audit / certification body.

Intellectual property – Any and all intangible property protectable under patent law, copyright law, trade secret law, trademark law and any and all similar property rights, in intangible property, and any and all renewals, extensions and restorations thereof;

IQNet Ltd – an audit and certification body, legally established under the laws of Switzerland, wholly-owned subsidiary of IQNET Association, with the Headoffice in Bollwerk 31, CH-3011, Bern, Switzerland. Corporate phone: +41 31 310 32 42; Corporate e-mail address: iqnetltd@iqnet.ch; Corporate Website: www.iqnet-ltd.com

IQNet Ltd Representative – an audit and certification body, member of IQNET Association, which has entered into an agreement with IQNet Ltd for representing IQNet Ltd and promoting IQNet Ltd specific services.

Personal data - any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person;

Sensitive issues (or Zero tolerance issues) - Violations observed in the course of preparing, completing or reporting an audit assignment that present:

- an imminent risk to workers' and/or auditors safety / risk to life and limb or constitutes a significant breach of workers' human rights and/or;
- a major non-compliance that has not been addressed or for which no significant improvement has been made by the time of a follow-up audit;
- an attempt to pervert the course of the audit through bribe, fraud, coercion, intimidation, threat, deception or interference.

5. FINAL PROVISIONS

Some scheme owners and jurisdictions may have requirements and guidance that differ from this Code of Conduct. In case of overlapping or conflicting requirements, the most stringent provisions shall apply.

The IQNet Social Audit Professional Code of Conduct was approved by the Board of Directors of IQNet Ltd. This document shall be continuously reviewed for adequacy and relevance to maintain the undertaken commitment.