

COMPLIANCE WITH INTERNATIONAL STANDARDS (GUIDELINES FOR TEXTILE INDUSTRY)



Turn Potential into Profit

Small & Medium Enterprise Development Authority

Ministry of Industries and Production

Government of Pakistan

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Preface

The emerging trade scenario at the global level has brought challenges to Pakistan's export sector. The issues like child labor, human rights, environmental pollution and management standards have started sounding the note of warning for our major exports including Textiles and leather sectors.

Keeping in view the importance of the compliance issue and persistent demand of local Textile Industry, SMEDA has taken initiative to prepare “*Compliance with International Standards - Guidelines for Textile Industry*”. This document provides comprehensive information regarding different accreditation and certification requirements. For the facilitation of Textile related SMEs the data bases of accreditation agencies and individual consultants has also been provided. We hope readers will be benefited from this document.

Abbreviations

ATC	Agreements on Textile and Clothing
AATCC	American Association of Textile Chemists and Colorists
ASTM	American Society for Testing and Materials
BS	British Standards
CTP	Cleaner Technology Production
EU	European Union
EIA	Environmental Impact Assessment
EMS	Environmental Management System
GDP	Gross Domestic Production
GATTs	General Agreements on Tariffs and Trade
ISO	International Organization for Standardization
ILO	International Labor Organization
IEE	Initial Environmental Examination
MFA	Multi Fiber Agreement
NTB	Non Tariff Barriers
NEQS	National Environment Quality Standards
NCS	National Conservation Strategy
NGO	Non Governmental Organization
OHSAS	Occupational Health and Safety Assessment Specifications
OSHA	Occupational Safety and Health Administration
PNAC	Pakistan National Accreditation Council
PIQC	Pakistan Institute of Quality Control
PEPC	Pakistan Environmental Protection Council
PEPA	Pakistan Environment Protection Act
QMS	Quality Management System
SMEs	Small and Medium Enterprises
SMEDA	Small and Medium Enterprise Development Authority
TBT	Technical Barriers on Trade
TOE	Terms of Engagements
UN	United Nations
WTO	World Trade Organization
WRAP	Worldwide Responsible For Apparel Production

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1. Textile Industry of Pakistan

Pakistan is primarily an agrarian economy, agriculture sector comprises almost one fourth of the total GDP. The manufacturing sector has over the past several years remained stagnant with a share of 18.3% in the GDP. Textile industry is the dominant-manufacturing sector in Pakistan. The significance of Textile industry in Pakistan's economy can be gauged from the fact that it contributes more than 67% to the total export earnings of the country, contributes 27% of industrial value addition, constitutes 31% of total manufacturing investment and provides employment to 38% of the manufacturing labor force. The availability of basic raw material for Textile industry i.e. cotton has played a catalytic role in the growth of the industry.

2. Industry Structure in Pakistan

Presently, the industry consists of large-scale organized sector and a highly fragmented cottage / small-scale sector. The organized sector comprises of integrated Textile mills i.e. spinning units with Shuttle less looms. The down stream industry (Weaving - Finishing -Garment - Towels & Hosiery), with great export potential, is mostly in the unorganized sector.

2.1 Spinning

Pakistan's spinning sector caters not only to the requirements of domestic industry but about one third of the total production of yarn is also exported. Spinning industry operates in the organized sector and over 200,000 individuals are employed in this sector. Pakistan is the fourth largest producer and second largest exporter of cotton yarn in the world.



2.2 Weaving

This sector includes production of cotton and synthetic fabric and accounts for almost 70% of the woven fabric production. Majority of the units in this segment are small and medium sized entities. Nearly 300,000 individuals are employed by the weaving industry in the country.



2.3 Processing

The processing sector mainly comprises of dyeing, printing and finishing sub-sectors. There are over 650 units with an estimated number of 30-40 units operating in the organized sector at a large scales, whereas rest of the units operate as small and medium sized units. This sector employs around 100,000 individuals. The printing segment dominates the overall processing industry with a share of 52% of the total installed fabric processing capacity in the country, followed by Textile dyeing industry having a share of 26% and fabric bleaching facilities with a share of 22%.



2.4 Garments

The garments manufacturing segment generates the highest employment within the Textile value chain. Over 730,000 jobs are created by more than 4500 units. 80% of the units comprise small sized units. The knitwear industry operates at 60% capacity in the country with a large number of factories operating as integrated units. The following table depicts the magnitude of the Textile industry.



Table 1: Large Scale Sector

Sub Sector	No of Units	Size	Production
Spinning	448	9.06 mn Spindles	1817 M. Kgs
Composite Units	50	150000 Rotors 9898 Looms	577 M. Sqmt
Independent Weaving Units	140	23652 Shuttle less loom	
Finishing Units	106		
Garment Units	600		

Table 2: Small & Medium Scale Sector

Sub Sector	No of Units	Size	Production
Independent Weaving Units	425	50000 Looms	
Power Looms	20600	225253 Conventional Looms	
Finishing	625		4600 M. Sqmt
Terry Towels	400	7602 Looms	55 M. Kgs.
Canvas		2000 Looms	35 M. Kgs.
Garments	4500	200000 (Industrial) 450000 (Domestic) Sewing Machines	685 M. Pcs.
Knitwear	700	15000 Knitting Machines	5.5 M. Pcs

Source: Textile Sector Profile Expert Advisory Cell Pakistan

3. Investment in Textile Sector

Pakistan's Textile industry has shown a huge investment for the last five years in modernization and the improvement of the production base and at the same time skill development has increased at a greater pace. Keeping in view the importance of post quota regime the Textile industry is trying to convert this into an opportunity and has been preparing to face this challenge. Accordingly, over the last five years this sector has invested \$ 5.0 billion in modernization and higher value addition.

Table 3: Sub Sector Share in Textile Industry

Sectors	Sectoral shares in Total Investment in the Sector
Spinning	46 %
Weaving	24 %
Textile Processing	12 %
Knitwear & Garments	5 %
Made-Ups	8 %
Synthetic Textile	5 %

Source: Textile Commissioner Organization (Economic Survey of Pakistan 2004-05)

4. Export Performance of Textile Sector

Pakistan has emerged as one of the major cotton Textile product suppliers in the world market with a share of world yarn trade of about 30% and cotton fabric about 8%, having total export of \$ 7.4 billion during 2002-03 which accounts for only 1.2% of the over all share. Out of this Cotton fabric is 0.02%, Made-ups are 0.18% and Garments is 0.15%.

Pakistan's export of Textile product during 2003-04 and 2002-03 is as follows:

Table 4: Textile Exports

Category	US \$ Billion		
	2003-04	2002-03	% Change
Knitwear (Hosiery)	1.47	1.15	28.32
Cotton Fabrics	1.71	1.35	27.21
Bed wear	1.39	1.33	4.46
Readymade Garments	1.00	1.09	-8.16
Cotton Yarn	1.14	0.93	22.93
Towels	0.41	0.37	9.90
Made-Ups	0.42	0.26	61.75
Art Silk & Synthetic Textiles	0.47	0.57	-18.56
Other Textile Products	0.08	0.08	-1.05
Knitted Crouched Fabrics	0.05	0.06	-9.70
Tents & Canvas	0.07	0.07	0.21

Yarn Other Than Cotton Yarn	0.04	0.05	-26.77
Raw Cotton	0.05	0.05	-2.58
Total Textiles	8.30	7.36	12.83

Source: Export Promotion Bureau (EPB)

5. Future Direction

Pakistan's Textile industry has great potential; we have one of the best basic raw materials with the blend of human resources availability. We are fast approaching an era of Free Trade Regime, which requires standardization complied with WTO regulations. In WTO regime, quality is the focal point. ISO has developed management standards like ISO 9000, Social Compliance and standard regarding environmental issues.



Under the WTO regime, our industry would have to comply with the international environmental & social standards and intellectual property rights. The emerging trade scenario at the global level has brought challenges to Pakistan's export sector. The issues like child labor, human rights, environment and management standards have started sounding the note of warning for our major exports including Textiles and leather sectors, followed by the conditions set by the market forces. The importing countries as well as individual buyers are now demanding that the exporting companies should carry the certification marks in the areas of environment, Social Compliance and also comply with the conventions and treaties signed by Government of Pakistan.

We should revise our policies and educate our big and small entrepreneurs regarding different compliance requirements to the Textile industry. It would help the industry to upgrade their production facilities and management systems in the changing world scenario, which ultimately would enhance the image of the industry in international markets and would help to boost of exports of Pakistan in Textile industry.

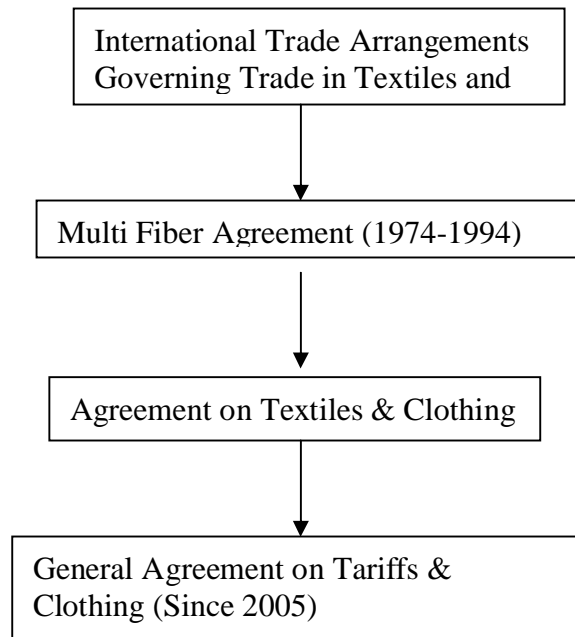
6. WTO and Textile Industry

Trade in Textiles and clothing has remained highly distorted. For more than thirty years, this sector was governed by special regimes: the Short Term Cotton Arrangement in 1961, the Long Term Cotton Arrangement from 1962 to 1973, and the Multi Fiber Agreement (MFA) from 1974 to 1994. The MFA was a deviation from the general preferences of General Agreement on Tariffs and Trade (GATT). So in 1986, it was decided to include the Textile sector within the scope of the Uruguay Round multilateral trade negotiations. It was not possible to bring the quota driven trade into normal GATT rules, keeping in view the highly distorted global Textile trade. So on 1st January 1995, it was decided to carry over all the quotas and growth rates of MFA to the WTO's (World Trade Organization) Agreement on Textiles and Clothing (ATC). It was also decided to bring the Textile sector under the normal GATT/WTO rules by giving the countries a transition period of ten years and thus eliminating all the quotas. The purpose of giving ten years was to allow both the importers and exporters to adjust themselves to the

upcoming international trade era that was to set in as a result of WTO agreements. This transition is taking place in four stages spread over ten years, starting from 1st January 1995 and ending on 1st January 2005. In each stage, the importing countries are required to integrate a specific percentage of restrained products into normal GATT rules and also increase the quotas of remaining restrained products at an agreed upon increasing growth rate.

6.1 International Trade Arrangements in Textiles and Clothing

Following are the Trade Arrangements in Textiles and Clothing which directly or indirectly affect our export of Textile goods to other countries.



6.1.1 Multi Fiber Agreement (MFA) 1974-1994

The trade in Textiles has been regulated since the 1960s, and since 1974, through the Multi-Fibre Arrangement (MFA). The MFA exempts the Textiles and clothing trade from GATT disciplines allowing industrial countries to place bilateral quotas on imports of various Textile and clothing product categories.

According to [Consumers International](#),

“By restricting the trade in Textiles and clothing the MFA seriously limits opportunities for growth and development in developing countries.”

It was supposed to be a temporary arrangement which would give producers in the North time to restructure and adapt to competition from cheaper imports from the South. However, the MFA was renewed 5 times up until the late 1980s.

6.1.2 Agreement on Textiles and Clothing (ATC)

During the Uruguay Round negotiations, it was agreed that the MFA would be phased out through the implementation of the Agreement on Textiles and Clothing (ATC).

The ATC is an attempt to put an end to the constant extensions of the MFA by agreeing a phase out plan, after which the Textiles and clothing sectors will no longer be subject to quotas. The phase-out plan is as follows:

On January 1st 1995, WTO Members were to integrate into the World Trade Agreement (WTA) products accounting for no less than 16% of the volume of their 1990 imports of Textiles and clothing. These products were to include yarns, fabrics, Textile products and clothes (although proportions were not specified).

- On January 1st 1998, WTO Members were to integrate into the WTA at least 17% of the volume of their 1990 imports in the 4 categories mentioned above.
- On January 1st 2002, WTO Members are to integrate into the WTA at least 18% of the volume of their 1990 imports in the 4 categories mentioned above.
- On January 1st 2005 the MFA will be fully phased out and the Textiles and clothing sector is to be fully integrated into the WTA whereupon the ATC ceases to apply.

6.2 Need for a Change

Developed nations are going to get maximum benefit out of global trade expansion resulting from WTO agreement implementation. But even then they are taking every possible care to avoid any negative developments out of such agreements. Because of this reason, EU and US have postponed the integration of "import sensitive" Textile products until the last day of the agreement. This extended protectionism is giving them enough time to make their industry globally competitive by modernization and introducing efficient processes. By January 2005, when ATC is fully implemented, they want to become as competitive as the third world Textile exporting countries are.

A short-term task would be to review our quota policy that promotes quantity driven exports. It needs to be based on unit price realization to put an emphasis on quality. Incentives like a lower export refinance rate, liberal financing of working capital needs etc. should be offered for exports in under-utilized or unutilized categories. We need to be proactive to adjust to the inclusion of China and many Russian states in WTO. This development will have potential affect on our Textile exports, as these countries include both the importers and exporters of Textiles.

A medium term task would be to ensure our global competitiveness in the years to come such that we would be able to export even in absence of quotas, when ATC is fully implemented. A long run strategy calls for measures to make our industry compliant with

international quality standards, switching to efficient processes and production methods and bringing built-in responsiveness to global trends in our production and exports. A timely flow of information between government and Textile exporters and prompt actions based on this information is the key to keep our exporters globally competitive. The fact remains that the Textile sector of Pakistan has a lot of potential. However, we have not been able to make an optimum use of this potential because of the short-term ad-hoc policies that have governed this sector.

6.3 Textile Quota

The developed countries including the USA, EU and Canada imposed quantitative restrictions on the imports of Textiles from the developing countries through the Multi Fiber Agreement (MFA). The formation of WTO in 1994 with the objective to eliminate non-tariff barriers across the globe started an era of MFA phase out through the implementation of the Agreement on Textiles and Clothing (ATC). This new arrangement provided the developed countries a ten-year timeframe to abolish quotas on imports of Textiles. Different developing countries adopt various quota allocation mechanisms to ensure maximum utilization of quotas along with increased export earnings.

For a developing country, whose Textile exports are dominated by a few products and reflect low unit price realization, the objective of the quota policy should be firstly to drive the manufacturing base towards value addition and secondly to facilitate product diversification to enhance quota utilization across categories. This can be achieved by allocation of quota on unit price realization basis rather than on export volumes.

The MFA phase out by the year 2005 makes it mandatory for the Textile sector of Pakistan to prepare itself for competing with some of the highly developed players in the Textile arena, having a balanced portfolio of Textile products to offer in the global markets. The success of achieving the desired results through effective implementation of quota policy heavily relies on the fact that quota policy is formulated while keeping in view a long-term perspective. At the same time steps should be taken to ensure transparency in implementation and to ensure consistency in the policy over the period specified.

7. Changing World Scenario of Textile Industry

Textile is one of the oldest industries on the face of this world. It is as old as human civilization and is growing every other day. Textile products are a basic human requirement next to food. Textile production comprises of cotton, cotton yarn, cotton fabric, fabric processing (Grey-dyed-printed), home Textiles, towels, hosiery & knitwear and readymade garments.

The demand for Textiles in the world is around \$18 trillion, which is likely to be increased by 6.5% in 2005-06. Due to the phasing out of Quotas in the developed countries a new era of limitations and restrictions is heading towards the Textile exporting countries. The post



quota system is bringing the Non Tariff Barriers which will work as trump card in the hands of importing countries. Although the Uruguay round addressed the issue of technical barriers to trade by introducing the Agreement on TBT, but still it provides sufficient room to impose quality and environment standards, both product and process specific.

The subject of NTB currently appears to have no clear-cut demarcation and there exist a lot of grey areas. This dynamic broad spectrum of non-tariff trade restrictions may include following.

Product and Process Standards – Refer to the quality and specification of particular product and also processes.

Social Accountability – Pertains to the responsibility of manufacturers and industrialists to provide due social protection to the workers including hygiene at the work place, proper working environment, etc.

Environment – Probably the broadest area imposing restrictions on processes and certain intermediate processing products which are detrimental to the overall environment.



- Useful Links are attached as **Annexure – I**
- Brief on Pakistan Environmental Protection Act 1977 is attached as **Annexure – II**
- Range of Textile Tests are attached as **Annexure – III**

8. Buyers Need for Standards

Large firms, conscious of their image, often set up their own codes of conduct for the exporters and manufacturers in the developing countries to ensure that all standards are being complied with. These firms do not rely on ISO or other certifications and send their own auditors to evaluate a company's performance. An example in this regard is IKEA, which is currently buying Textile products from a number of Textile companies in Pakistan. It does not permit the use of chemicals such as azo dyes or cadmium in Textile products. IKEA also applies the strictest possible (German) regulations on pentachlorophenol, used as a mould agent. IKEA also provides a niche for "organically grown" cotton, meaning that no artificial fertilizers or chemical biocides have been used in its cultivation. Another example is of Walt Disney Ltd., U.S., which is also a major buyer of Pakistan's Textile products. Their codes of conduct include a complete list of regulations for labor and environmental protection. Some company codes of conduct are tabulated illustratively.

8.1 Code of Conduct (Gap Incorporation)

This Code of Vendor Conduct applies to all factories that produce goods for Gap Inc. or any of its subsidiaries, divisions, affiliates or agents (“Gap Inc”).

While Gap Inc. recognizes that there are different legal and cultural environments in which factories operate throughout the world, this Code sets forth the basic requirements that all factories must meet in order to do business with Gap Inc. The Code also provides the foundation for Gap Inc.’s ongoing evaluation of a factory’s employment practices and environmental compliance.

I. General Principle

Factories that produce goods for Gap Inc. shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules and regulations.

A. The factory operates in full compliance with all applicable laws, rules and regulations, including those relating to labor, worker health and safety, and the environment.

B. The factory allows Gap Inc. and/or any of its representatives or agent’s unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance.

II. Environment

Factories must comply with all applicable environmental laws and regulations. Where such requirements are less stringent than Gap Inc.’s own, factories are encouraged to meet the standards outlined in Gap Inc.’s statement of environmental principles.

A. The factory has an environmental management system or plan.

B. The factory has procedures for notifying local community authorities in case of accidental discharge or release or any other environmental emergency.

III. Discrimination

Factories shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.

A. The factory employs workers without regard to race, color, gender, nationality, religion, age, maternity or marital status.

B. The factory pays workers wages and provides benefits without regard to race, color, gender, nationality, religion, age, maternity or marital status.

IV. Forced Labor

Factories shall not use any prison, indentured or forced labor.

A. The factory does not use involuntary labor of any kind, including prison labor, debt bondage or forced labor by governments.

B. If the factory recruits foreign contract workers, the factory pays agency recruitment commissions and does not require any worker to remain in employment for any period of time against his or her will.

V. Child Labor

Factories shall employ only workers who meet the applicable minimum legal age requirement or are at least 14 years of age, whichever is greater. Factories must also comply with all other applicable child labor laws. Factories are encouraged to develop lawful workplace apprenticeship programs for the educational benefit of their workers, provided that all participants meet both Gap Inc.'s minimum age standard of 14 and the minimum legal age requirement.

A. Every worker employed by the factory is at least 14 years of age and meets the applicable minimum legal age requirement.

B. The factory complies with all applicable child labor laws, including those related to hiring, wages, hours worked, overtime and working conditions.

C. The factory encourages and allows eligible workers, especially younger workers, to attend night classes and participate in work-study programs and other government-sponsored educational programs.

D. The factory maintains official documentation for every worker that verifies the worker's date of birth. In those countries where official documents are not available to confirm exact date of birth, the factory confirms age using an appropriate and reliable assessment method.

VI. Wages & Hours

Factories shall set working hours, wages and overtime pay in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater. While it is understood that overtime is often required in garment production, factories shall carry out operations in ways that limit overtime to a level that ensures humane and productive working conditions.

A. Workers are paid at least the minimum legal wage or the local industry standard, whichever is greater.

- B. The factory pays overtime and any incentive (or piece) rates that meet all legal requirements or the local industry standard, whichever is greater. Hourly wage rates for overtime must be higher than the rates for the regular work shift.
- C. The factory does not require, on a regularly scheduled basis, a work week in excess of 60 hours.
- D. Workers may refuse overtime without any threat of penalty, punishment or dismissal.
- E. Workers have at least one day off in seven.
- F. The factory provides paid annual leave and holidays as required by law or which meet the local industry standard, whichever is greater.
- G. For each pay period, the factory provides workers an understandable wage statement which includes days worked, wage or piece rate earned per day, hours of overtime at each specified rate, bonuses, allowances and legal or contractual deductions.

VII. Working Conditions

Factories must treat all workers with respect and dignity and provide them with a safe and healthy environment. Factories shall comply with all applicable laws and regulations regarding working conditions. Factories shall not use corporal punishment or any other form of physical or psychological coercion. Factories must be sufficiently lighted and ventilated, aisles accessible, machinery maintained, and hazardous materials sensibly stored and disposed of. Factories providing housing for workers must keep these facilities clean and safe.

Factory:

- A. The factory does not engage in or permit physical acts to punish or coerce workers.
- B. The factory does not engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal abuse.
- C. The factory complies with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection, and electrical, mechanical and structural safety.
- D. Work surface lighting in production areas—such as sewing, knitting, pressing and cutting—is sufficient for the safe performance of production activities.
- E. The factory is well ventilated. There are windows, fans, air conditioners or heaters in all work areas for adequate circulation, ventilation and temperature control.

F. There are sufficient, clearly marked exits allowing for the orderly evacuation of workers in case of fire or other emergencies. Emergency exit routes are posted and clearly marked in all sections of the factory.

G. Aisles, exits and stairwells are kept clear at all times of work in process, finished garments, bolts of fabric, boxes and all other objects that could obstruct the orderly evacuation of workers in case of fire or other emergencies. The factory indicates with a “yellow box” or other markings that the areas in front of exits, fire fighting equipment, control panels and potential fire sources are to be kept clear.

H. Doors and other exits are kept accessible and unlocked during all working hours for orderly evacuation in case of fire or other emergencies. All main exit doors open to the outside.

I. Fire extinguishers are appropriate to the types of possible fires in the various areas of the factory, are regularly maintained and charged, display the date of their last inspection, and are mounted on walls and columns throughout the factory so they are visible and accessible to workers in all areas.

J. Fire alarms are on each floor and emergency lights are placed above exits and on stairwells.

K. Evacuation drills are conducted at least annually.

L. Machinery is equipped with operational safety devices and is inspected and serviced on a regular basis.

M. Appropriate personal protective equipment—such as masks, gloves, goggles, ear plugs and rubber boots—is made available at no cost to all workers and instruction in its use is provided.

N. The factory provides potable water for all workers and allows reasonable access to it throughout the working day.

O. The factory places at least one well-stocked first aid kit on every factory floor and trains specific staff in basic first aid. The factory has procedures for dealing with serious injuries that require medical treatment outside the factory.

P. The factory maintains throughout working hours clean and sanitary toilet areas and places no unreasonable restrictions on their use.

Q. The factory stores hazardous and combustible materials in secure and ventilated areas and disposes of them in a safe and legal manner.

Housing (if applicable):

A. Dormitory facilities meet all applicable laws and regulations related to health and safety, including fire safety, sanitation, risk protection, and electrical, mechanical and structural safety.

B. Sleeping quarters are segregated by sex.

C. The living space per worker in the sleeping quarters meets both the minimum legal requirement and the local industry standard.

D. Workers are provided their own individual mats or beds.

E. Dormitory facilities are well ventilated. There are windows to the outside or fans and/or air conditioners and/or heaters in all sleeping areas for adequate circulation, ventilation and temperature control.

F. Workers are provided their own storage space for their clothes and personal possessions.

G. There are at least two clearly marked exits on each floor, and emergency lighting is installed in halls, stairwells and above each exit.

H. Halls and exits are kept clear of obstructions for safe and rapid evacuation in case of fire or other emergencies.

I. Directions for evacuation in case of fire or other emergencies are posted in all sleeping quarters.

J. Fire extinguishers are placed in or accessible to all sleeping quarters.

K. Hazardous and combustible materials used in the production process are not stored in the dormitory or in buildings connected to sleeping quarters.

L. Fire drills are conducted at least every six months.

M. Sleeping quarters have adequate lighting.

N. Sufficient toilets and showers or mandis are segregated by sex and provided in safe, sanitary, accessible and private areas.

O. Potable water or facilities to boil water are available to dormitory residents.

P. Dormitory residents are free to come and go during their off-hours under reasonable limitations imposed for their safety and comfort.

VIII. Freedom of Association

Workers are free to join associations of their own choosing. Factories must not interfere with workers who wish to lawfully and peacefully associate, organize or bargain collectively. The decision whether or not to do so should be made solely by the workers.

A. Workers are free to choose whether or not to lawfully organize and join associations.

B. The factory does not threaten, penalize, restrict or interfere with workers' lawful efforts to join associations of their choosing.

IX. Monitoring & Enforcement

As a condition of doing business with Gap Inc., each and every factory must comply with this Code of Vendor Conduct. Gap Inc. will continue to develop monitoring systems to assess and ensure compliance. If Gap Inc. determines that any factory has violated this Code, Gap Inc. may either terminate its business relationship or require the factory to implement a corrective action plan. If corrective action is advised but not taken, Gap Inc. will suspend placement of future orders and may terminate current production.

8.2 Levi Strauss & Co. Global Sourcing and Operating Guidelines

Levi Strauss & Co.'s (LS&CO.) commitment to responsible business practices embodied in our Global Sourcing and Operating Guidelines guides our decisions and behavior as a company everywhere we do business. Since becoming the first multinational to establish such guidelines in 1991, LS&CO. has used them to help improve the lives of workers manufacturing our products, make responsible sourcing decisions and protect our commercial interests. They are a cornerstone of our sourcing strategy and of our business relationships with hundreds of contractors worldwide.

The Levi Strauss & Co. Global Sourcing and Operating Guidelines include two parts:

The Country Assessment Guidelines, which address large, external issues beyond the control of LS&CO.'s individual business partners. These help us assess the opportunities and risks of doing business in a particular country.

The Business Partner Terms of Engagement (TOE), which deal with issues that are substantially controllable by individual business partners. These TOE are an integral part of our business relationships. Our employees and our business partners understand that complying with our TOE is no less important than meeting our quality standards or delivery times.

Country Assessment Guidelines

The numerous countries where LS&CO. has existing or future business interests present a variety of cultural, political, social and economic circumstances.

The Country Assessment Guidelines help us assess any issues that might present concern in light of the ethical principles we have set for ourselves. The Guidelines assist us in making practical and principled business decisions as we balance the potential risks and opportunities associated with conducting business in specific countries. Specifically, we assess the following:

Health and Safety Conditions — must meet the expectations we have for employees and their families or our company representatives;

Human Rights Environment — must allow us to conduct business activities in a manner that is consistent with our Global Sourcing and Operating Guidelines and other company policies

Legal System — must provide the necessary support to adequately protect our trademarks, investments or other commercial interests, or to implement the Global Sourcing and Operating Guidelines and other company policies; and

Political, Economic and Social Environment — must protect the company's commercial interests and brand/corporate image. We do not conduct business in countries prohibited by U.S. laws.

Terms of Engagement

Our TOE helps us to select business partners who follow workplace standards and business practices that are consistent with LS&CO's values and policies. These requirements are applied to every contractor who manufactures or finishes products for LS&CO. Trained assessors closely monitor compliance among our manufacturing and finishing contractors in more than 50 countries. The TOE includes:

Ethical Standards

We will seek to identify and utilize business partners who aspire as individuals and in the conduct of all their businesses to a set of ethical standards not incompatible with our own.

Legal Requirements

We expect our business partners to be law abiding as individuals and to comply with legal requirements relevant to the conduct of all their businesses.

Environmental Requirements

We will only do business with partners who share our commitment to the environment and who conduct their business in a way that is consistent with LS&CO.'s Environmental Philosophy and Guiding Principles.

Community Involvement

We will favor business partners who share our commitment to improving community conditions.

Employment Standards

We will only do business with partners who adhere to the following guidelines:

Child Labor

Use of child labor is not permissible. Workers can be no less than 15 years of age and not younger than the compulsory age to be in school. We will not utilize partners who use child labor in any of their facilities. We support the development of legitimate workplace apprenticeship programs for the educational benefit of younger people.

Prison Labor/Forced Labor

We will not utilize prison or forced labor in contracting relationships in the manufacture and finishing of our products. We will not utilize or purchase materials from a business partner utilizing prison or forced labor.

Disciplinary Practices

We will not utilize business partners who use corporal or other forms of mental or physical coercion.

Working Hours

While permitting flexibility in scheduling, we will identify local legal limits on work hours and seek business partners who do not exceed them except for appropriately compensated overtime. While we favor partners who utilize less than sixty-hour work weeks, we will not use contractors who, on a regular basis, require in excess of a sixty-hour week. Employees should be allowed at least one day off in seven.

Wages and Benefits

We will only do business with partners who provide wages and benefits that comply with any applicable law and match the prevailing local manufacturing or finishing industry practices.

Freedom of Association

We respect workers' rights to form and join organizations of their choice and to bargain collectively. We expect our suppliers to respect the right to free association and the right to organize and bargain collectively without unlawful interference. Business partners should ensure that workers who make such decisions or participate in such organizations are not the object of discrimination or punitive disciplinary actions and that the representatives of such organizations have access to their members under conditions established either by local laws or mutual agreement between the employer and the worker organizations.

Discrimination

While we recognize and respect cultural differences, we believe that workers should be employed on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs. We will favor business partners who share this value.

Health and Safety

We will only utilize business partners who provide workers with a safe and healthy work environment. Business partners who provide residential facilities for their workers must provide safe and healthy facilities.

Evaluation and Compliance

All new and existing factories involved in the manufacturing or finishing of products for LS&CO. are regularly evaluated to ensure compliance with our TOE. Our goal is to

achieve positive results and effect change by working with our business partners to find long-term solutions that will benefit the individuals who make our products and will improve the quality of life in local communities. We work on-site with our contractors to develop strong alliances dedicated to responsible business practices and continuous improvement.

If LS&CO. determines that a contractor is not complying with our TOE, we require that the contractor implement a corrective action plan within a specified time period. If a contractor fails to meet the corrective action plan commitment, Levi Strauss & Co. will terminate the business relationship.

8.3 Code of Conduct Wal-Mart Stores, Inc

'Wal-Mart' has enjoyed success by adhering to three basic principles since its founding in 1962. The **first principle** is the concept of providing value and service to our customers by offering quality merchandise at low prices every day. Wal-Mart has built the relationship with its customers on this basis, and we believe it is a fundamental reason for the Company's rapid growth and success. The **second principle** is corporate dedication to a partnership between the Company's associates (employees), ownership and management. This concept is extended to Wal-Mart's Vendor Partners who have increased their business as Wal-Mart has grown. The **third principle** is a commitment by Wal-Mart to the United States and the communities in which stores and distribution centers are located.

Wal-Mart strives to conduct its business in a manner that reflects these three basic principles and the resultant fundamental values. Each of our Vendor Partners, including our Vendor Partners outside the United States, is expected to conform to those principles and values and to assure compliance in all contracting, subcontracting or other relationships.

Since Wal-Mart believes that the conduct of its Vendor Partners can be transferred to Wal-Mart and affect its reputation, Wal-Mart requires that its Vendor Partners conform to standards of business practices which are consistent with the three principles described above. More specifically, Wal-Mart requires conformity from its Vendor Partners with the following standards, and hereby reserves the right to make periodic, unannounced inspections of Vendor Partner's facilities to satisfy itself of Vendor Partner's compliance with these standards:

1. Compliance with Applicable Laws

All Vendor Partners shall comply with the legal requirements and standards of their industry under the national laws of the countries in which the Vendor Partners are doing business. Should the legal requirements and standards of the industry conflict, Vendor Partners must, at a minimum, be in compliance with the legal requirements of the country in which the products are manufactured. If, however, the industry standards exceed the country's legal requirements, Wal-Mart will favor Vendor Partners who meet such industry standards. Vendor Partners shall comply with all import requirements of the U.S. Customs Service and all U.S. Government agencies. Necessary invoices and required documentation must be provided in compliance with U.S. law. Vendor Partners shall warrant to Wal-Mart that no merchandise sold to Wal-Mart infringes the patents, trademarks or copyrights of others and shall provide to Wal-Mart all necessary licenses for selling merchandise sold to Wal-Mart which is under license from a third party to protect intellectual property rights in the United States or elsewhere. All merchandise shall be accurately marked or labeled with its country of origin in compliance with the laws of the United States and those of the country of manufacture. All shipments of merchandise will be accompanied by the requisite documentation issued by the proper governmental authorities, including but not limited to Form A's, import licenses, quota allocations and visas and shall comply with orderly marketing agreements, voluntary

restraint agreements and other such agreements in accordance with U.S. law. The commercial invoice shall, in English, accurately describe all the merchandise contained in the shipment, identify the country of origin of each article contained in the shipment, and shall list all payments, whether direct or indirect, to be made for the merchandise, including, but not limited to any assists, selling commissions or royalty payments. Backup documentation, and any Wal-Mart required changes to any documentation, will be provided by Vendor Partners promptly.

2. Employment

Wal-Mart is a success because its associates are considered partners and a strong level of teamwork has developed within the Company. Wal-Mart expects the spirit of its commitment to be reflected by its Vendor Partners with respect to their employees. At a minimum, Wal-Mart expects its Vendor Partners to meet the following terms and conditions of employment:

Compensation

Vendor Partners shall fairly compensate their employees by providing wages and benefits which are in compliance with the national laws of the countries in which the Vendor Partners are doing business and which are consistent with the prevailing local standards in the countries in which the Vendor Partners are doing business, if the prevailing local standards are higher.

Hours of Labor

Vendor Partners shall maintain reasonable employee work hours in compliance with local standards and applicable national laws of the countries in which the Vendor Partners are doing business. Employees shall not work more hours in one week than allowable under applicable law, and shall be compensated as appropriate for overtime work. We favor Vendor Partners who utilize less than sixty-hour work weeks, and we will not use suppliers who, on a regularly scheduled basis, require employees to work in excess of a sixty-hour week. Employees should be permitted reasonable days off (which we define as meaning at least one day off for every seven-day period in other words, the employee would work six days and have at least one day off during a seven day period) and leave privileges.

Forced Labor/Prison Labor

Vendor Partners shall maintain employment on a voluntary basis. Forced or prison labor will not be tolerated by Wal-Mart. Wal-Mart will not accept products from Vendor Partners who utilize in any manner forced labor or prison labor in the manufacture or in their contracting, subcontracting or other relationships for the manufacture of their products.

Child Labor

Wal-Mart will not tolerate the use of child labor in the manufacture of products it sells. We will not accept products from Vendor Partners that utilize in any manner child labor in their contracting, subcontracting or other relationships for the manufacture of their products. For a definition of "Child", we will look first to the national laws of the country in which the Vendor Partner is doing business. If, however, the laws of that country do

not provide such a definition or if the definition includes individuals below the age of 15, Wal-Mart will define "Child", for purposes of determining use of illegal child labor, as any one who is:

A. less than 15 years of age;

Or

B. younger than the compulsory age to be in school in the country in which the Vendor Partner is doing business, if that age is higher than 15.

Wal-Mart supports legitimate workplace apprenticeship education programs for younger persons.

Discrimination/Human Rights

Wal-Mart recognizes that cultural differences exist and different standards apply in various countries, however, we believe that all terms and conditions of employment should be based on an individual's ability to do the job, not on the basis of personal characteristics or beliefs. Wal-Mart expects its Vendor Partners to have a social and political commitment to basic principles of human rights and to not discriminate against their employees in hiring practices or any other terms or conditions of work, on the basis of race, color, national origin, gender, religion, disability, sexual orientation or political opinion.

3. Workplace Environment

Wal-Mart maintains a safe, clean, healthy and productive environment for its associates and expects the same from its Vendor Partners. Vendor Partners shall furnish employees with safe and healthy working conditions. Factories working on Wal-Mart merchandise shall provide adequate medical facilities, fire exits and safety equipment, well fit and comfortable workstations, clean restrooms, and adequate living quarters where necessary. Wal-Mart will not do business with any Vendor Partner which provides an unhealthy or hazardous work environment or which utilizes mental or physical disciplinary practices.

4. Concern for the Environment

We believe it is our role to be a leader in protecting our environment. We encourage our customers and associates to always Reduce, Reuse, and Recycle. We also encourage our Vendor Partners to reduce excess packaging and to use recycled and non-toxic materials whenever possible. We will favor Vendor Partners who share our commitment to the environment.

5. Buy American Commitment

Wal-Mart has a strong commitment to buy as much merchandise made in the United States as feasible. Vendor Partners are encouraged to buy as many materials and components from United States sources as possible and communicate this information to Wal-Mart. Further, Vendor Partners are encouraged to establish U.S. manufacturing operations.

6. Regular Inspection and Certification by Vendor Partner

Vendor Partner shall designate, on a copy of the Wal-Mart Vendor Partner Inspection and Certification Form, one or more of its officers to inspect each of its facilities which produce merchandise sold to Wal-Mart. Such inspections shall be done on at least a quarterly basis to insure compliance with the standards, terms and conditions set forth herein. The Vendor Partner Officer designated to perform such inspections shall certify to Wal-Mart following each inspection that he or she performed such inspection and that the results reflected on such compliance inspection form are true and correct.

7. Right of Inspection

To further assure proper implementation of and compliance with the standards set forth in this Memorandum of Understanding, Wal-Mart or a third party designated by Wal-Mart will undertake affirmative measures, such as on-site inspection of production facilities, to implement and monitor said standards. Any Vendor Partner which fails or refuses to comply with these standards is subject to immediate cancellation by Wal-Mart of all its outstanding orders with that Vendor Partner as well as refusal by Wal-Mart to continue to do business in any manner with that Vendor Partner.

As an officer of _____ a Vendor Partner of Wal-Mart

I have read the principles and terms described in this document and understand my company's business relationship with Wal-Mart is based upon said company being in full compliance with these principles and terms. I further understand that failure by a Vendor Partner to abide by any of the terms and conditions stated herein may result in the immediate cancellation by Wal-Mart of all outstanding orders with that Vendor Partner and refusal by Wal-Mart to continue to do business in any manner with said Vendor Partner.

I am signing this statement, as a corporate representative of _____ to acknowledge, accept and agree to abide by the standards, terms and conditions set forth in this Memorandum of Understanding between my company and Wal-Mart.

I hereby affirm that all actions, legal and corporate, to make this Agreement binding and enforceable against _____ have been completed.

8.4 C & A Codes of Conduct and Ethical Responsibility

8.4.1 The C&A Code of Conduct

Principles of acting responsibly

C&A has put its principles of ethically responsible dealings in writing in the C&A Code of Conduct for the Supply of Merchandise. Its phrasing is based on internationally recognized conventions and standards, such as those of the ILO (International Labor Organization) and the OECD (Organization for Economic Co-operation and Development). They reflect fundamental convictions, as can also be found in the Universal Declaration of Human Rights of the United Nations. (Additional information at: www.ilo.org, www.oecd.org and www.un.org)

The Code of Conduct has been an obligatory component of all contractual relationships between C&A and our contract partners for more than ten years. During this time, it has proven to be a practical instrument together with the monitoring activities of SOCAM in achieving what are feasible and implementing realistic changes in terms of sustainable development. In order to embrace the basic conditions that have changed as a result of globalization, we have reviewed and amended the text of the Code of Conduct in the past year to include comprehensive interpretation aids and commentary. We have consciously renounced any change to the wording. This is because our basic principles of fair and honest dealings as manifested in the Code of Conduct will also endure in the future and be an essential part of our business activities. The complete text of the C&A Code of Conduct is given below, which you can also find on our website.

Introduction

The C&A Code of Conduct for the Supply of Merchandise describes the standards of business conduct which we see as fundamental in our dealings with merchandise suppliers. Although our dealings with suppliers often take place in cultures which are different from our own and which have a different set of standards and values, certain standards based on respect for fundamental human rights are universally valid and must apply to all our commercial activities. These requirements apply not only to production for C&A but also to production for any other third party.

Supplier Relationships

We seek to develop long-term business relationships with our suppliers, who should have a natural respect for our ethical standards in the context of their own particular culture. Our relationships with suppliers are based on the principle of fair and honest dealings at all times and in all ways.

We specifically require our suppliers to extend the same principle of fair and honest dealings to all others with whom they do business, including employees,

sub-contractors and other third parties. For example, this principle also means that gifts or favors cannot be offered nor accepted at any time.

Legal Aspects & Intellectual Property Rights

We will always comply fully with the legal requirements of the countries in which we do business, and our suppliers are required to do likewise at all time. The intellectual property rights of third parties will be respected by all concerned.

Employment Conditions

In addition to the general requirement that all suppliers extend the principle of fair and honest dealings to all others with whom they do business, we also have specific requirements relating to employment conditions. The use of child labor is absolutely unacceptable. Workers must not be younger than the legal minimum age for working in any specific country and not less than 14 years, whichever is the greater. We will not tolerate forced labor or labor which involves physical or mental abuse or any form of corporal punishment. Under no circumstances will the exploitation of any vulnerable individual or group be tolerated. Wages and benefits must be fully comparable with local norms, must comply with all local laws and must conform to the general principle of fair and honest dealings.

Suppliers must ensure that all manufacturing processes are carried out under conditions which have proper and adequate regard for the health and safety of those involved.

Environmental Aspects

The realization of environmental standards is a complex issue – especially in developing countries. It therefore needs to be continuously reviewed within the limits of what is achievable per country. We will work with our suppliers to help them to meet our joint obligations towards the environment.

Freedom of Association

We recognize and respect the freedom of employees to choose whether or not to associate with any group of their own choosing, as long as such groups are legal in their own country. Suppliers must not prevent or obstruct such legitimate activities.

Disclosure & Inspection

We require suppliers to make full disclosure to us of all facts and circumstances concerning production and use of sub-contractors. All C&A suppliers are obliged to make their sub-contractors aware of, and comply with, the C&A Code of Conduct.

Additionally, our suppliers are required to authorize SOCAM, the auditing company appointed by C&A, to make unannounced inspections of any manufacturing facility at any time.

Monitoring

In order that this Code and the requirements it sets out have real meaning, we will ensure that standards of compliance on the part of our own employees and suppliers are actively audited and monitored and are an integral part of the day-to-day management process. We will maintain all necessary information systems and on-site inspection facilities to achieve this objective.

Sanctions

Where we believe that a supplier has breached the requirements set out in this Code either for C&A production or for any other third party, we will not hesitate to end our business relationship including the cancellation of outstanding orders. We also reserve the right to take whatever other actions are appropriate and possible.

Corrective Plans

Where business has been suspended due to an infringement of the C&A Code of Conduct, the business relationship may only be re-established after a convincing corrective plan has been submitted by the supplier and approved by C&A.

Awareness & Training

We will take all necessary steps to ensure that our employees and suppliers are made fully aware of our standards and requirements. We will take all necessary action to promote full understanding and co-operation with the aims and objectives of this Code.

Development of the Code

This document is an update of the C&A Code of Conduct for the Supply of Merchandise published in May 1996, which it supersedes. Whilst accepting the need for continuity and consistency, we continue to recognize that this Code must be developed over time in the light of practical experience and changing circumstances. We will continue to ensure that the Code is reviewed on a regular basis and revised where appropriate.

8.4.2 C & A Ethical Responsibility

In today's world there is more requested from a company than just doing daily business.

Although successful financial performance is essential, not only to sustain the future of the business, but also to contribute to the prosperity of society as a whole, companies are expected to do more.

This is particularly the case for a company that is present in European retail markets - and world-wide supply markets - and where expectations are different from area to area.

As a company we want to be a good corporate citizen. The philosophy that underpins our approach to our social responsibilities can best be described as follows:

Our strategy is to earn and retain the trust of our stakeholders by accepting our responsibility to:

- Provide best value, safe, quality products
- Act responsibly in the communities where we operate
- Support the development of improved employment/working conditions in our supplier markets - particularly the developing countries
- Play our role in building and serving a more sustainable society.

Global Industry

Meeting today's responsibilities as a corporate citizen goes beyond the legal and financial aspect of a company's business, requiring in addition a convincing ethical engagement in social and environmental matters in the context of ongoing globalization.

Globalization

To meet the competitive challenge in this age of globalization C&A must source in the world-wide supply markets, which change fast and are very complex. The growth of free trade has had beneficial effects throughout history, mostly in terms of economic growth and the raising of individual living standards. This does not occur over night but is a long lasting process of development, democratization and implementation of social structures

Textile supply markets

With the opening of markets, which have been restricted for developing countries for a long time, the production of Textiles is increasingly seen as a new source of income and a chance to contribute to own development. With this the Textile supply chain gets more and more complex and production finds it's way even into the most remote areas of this world. As a company sourcing in world markets we are confronted with many different social, cultural and legal structures. Global sourcing is however absolutely essential in order to remain competitive in the retail market, therefore we concluded very early that the need for ethical sourcing is a key component of this enlightened approach. Global sourcing involves business relations between companies in the developed world and producers in developing countries. There may be no agreed standard of ethics between the two parties, with potential for misunderstanding, possibly resulting in unacceptable practices. Even though we do not manufacture products ourselves, we do not want to have our merchandise made under any inhuman and exploitative circumstances. We accept our responsibility to ensure that our suppliers produce our merchandise in a way that meets internationally, recognized ethical standards

C&A Approach

Based on the principle of "fair and honest dealings at all times" we have organized and monitored our sourcing activities - stating that we will not tolerate violations of human rights and basic social standards. At the same time we have to respect local laws, norms and culture as far as they are not in conflict with

those fundamental ethical and human rights which are common, substantial and non-negotiable.

We have introduced a "Code of Conduct" and made it a contractual obligation for all our business partners. Next to this we have set up a monitoring system, which is tailor-made, pragmatic and effective and enables us to audit global performance throughout the entire Textile supply chain, down to the point of manufacture.

What is C & A is doing

C&A is committed to meet own - and stakeholders - expectation about the circumstances in which C&A merchandise is made. There is no doubt that in global markets we face dilemmas. Production cannot always be monitored because the supply markets are complex. Working standards may be not as we expect them to be and the possibilities to influence are sometimes limited. We also realize that some people may have different points of view how to handle this.

This is legitimate because there will never be only one way. However, we believe that policy applied is honest and fair - and we are willing to listen to the views of others who may have different opinions.

Monitoring

Since 1995 C&A has been pursuing a course of including ethical standards in daily management processes, a contribution towards maintaining our concept. For this reason, we have engaged SOCAM (Service Organization for Compliance Audit Management) whose task is to monitor compliance with contractual terms covering ethical workplace standards. This work is carried out on behalf of C&A and based on the *"C&A Code of Conduct for the Supply of Merchandise"*.

For the first time detailed information on the location of every single production unit used by suppliers was required. Not only their own locations but also those of sub-suppliers intended to be used for C&A production. We want SOCAM to follow our merchandise down to the initial level of production and this is an effective and pragmatic way. As it however also is to be safeguarded that information provided to SOCAM will only used for monitoring and auditing purposes it was - and still is - vital to ensure the operational independence of SOCAM from C&A, and to guarantee the absolute confidentiality of submitted data

Step by Step

The C&A Code of Conduct is intentionally not a theoretical declaration - but a document to practically work with on a daily basis. It contains strict rules and standards which suppliers are able to meet and develop in their common business. On a step by step approach - and the qualification of our supply partners to meet higher standards. But the code also gives us the possibility of legal sanctions whenever our expectations are not met, not taken seriously, or abused.

Experience proves that this concept is successfully working. We see a lot of progress, but each day brings new challenges because supplier relationships and supply markets are not static but constantly changing. Furthermore the public debate on globalization and ethical sourcing has increased significantly so awareness levels on these topics have risen. C&A is participating in this debate and we are willing to share experiences and take advice and contributions from this process. In the light of practical experience of operating our code, and as social conditions and priorities alter over time; the code will be adapted to reflect different circumstances. If you would like to view the Code of Conduct in other languages, you will find it on the SOCAM website.

SOCAM

A code is worthless unless it is enforced. That's why C&A has set up SOCAM an operationally independent stand alone organization, staffed by experienced international auditors. SOCAM inspections are never announced in advance. If serious breaches of our Code of Conduct are found, the business relationship will be suspended and the supplier will be asked to implement a "corrective plan" before business can restart.

SOCAM carried out over 1.500 factory visits in 2004. SOCAM audit procedures are based on ISO Guide 62/EN 45012. For more information about SOCAM please visit: www.socam.org

Contact SOCAM

We want to continue to improve standards in the supply of our merchandise but we know that we cannot yet be certain that everything is always as it should be; we also know we cannot always solve global issues on our own. If you have any evidence of a breach of our Code of Conduct, please bring it forward to the SOCAM website, from where investigation will be carried out. Any information provided will be treated in the strictest confidence.

8.5 H & M Code of Conduct

H & M, as a strongly expanding multinational company, feels that it is increasingly important for us to take responsibility for all our actions, in Europe as well as in the rest of the world. Most importantly we have a responsibility towards all the thousands of people taking part in the production of our garments. We have to make sure that nobody whose work is contributing to our success is deprived of his or her human rights, or suffers mental or bodily harm. In order to make our position clear to our suppliers, our own staff, as well as any other parties, we have set up a Code of Conduct. It is a non-negotiable requirement from our side that all our suppliers and their subcontractors, without exception, should follow this code.

1. Legal Requirements

Our general rule is that all our suppliers must, in all their activities, follow the national laws in the countries where they are operating. Should any of the following requirements by H& M, be in violation of the national law in any country or territory, the law should always be followed. In such a case, the supplier must always inform H& M immediately upon receiving this Code.

It is however important to understand that H& M's requirements may not be limited to the requirements of the national law.

2. Child Labor

Policy

We base our policy on child labor on the UN Convention on The Rights of the Child, article 32.1. We recognize the rights of every child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.

Definition

We define, in this context, the word "child" as a person younger than 15 years of age or, as an exception, 14 years in countries covered by article 2.4 in the ILO convention No. 138.

Implementation of H& M's policy on Child labor

H& M does not accept child labor. We are concerned about the situation of children in many parts of the world. We acknowledge the fact that child labor does exist and can't be eradicated with rules or inspections, as long as the children's social situation is not improved. We want to actively work with factories and with NGO's (Non Government Organizations) in third world countries, to try to improve the situation for the children affected by our ban on child labor. If a child (see definition under 2.2) is found working in any of the factories producing our garments, we will request the factory to make sure

that the measures taken are in the child's best interest. We will, in co-operation with the factory, seek to find a satisfactory solution, taking into consideration the child's age, social situation, education, etc. We will not ask a factory to dismiss a child without a discussion about the child's future. Any measures taken should always aim to improve, not worsen, each individual child's situation. Any costs for education, etc. have to be paid by the factory.

We will firmly demand that the factory employs no further children. We recommend factories with predominantly female workers to arrange day care for children below school age.

Enforcement

If a supplier does not accept our policy on child labor, we will not continue our co-operation with this supplier.

Apprenticeship programs

In countries where the law permits apprenticeship programs for children between 12 and 15 years of age, we will accept that children of this age work a few hours per day. The total numbers of hours daily spent on school and light work should never exceed 7 (seven) hours (ILO convention No. 33). The factory must be able to prove that this work is not interfering with the child's education that the work is limited to a few hours per day, that the work is light and clearly aimed at training, and that the child is properly compensated. If we have any reason to doubt that these conditions are met, such apprenticeship programs will not be accepted in factories producing garments for H& M.

Special recommendations

We acknowledge that according to the UN Convention on the Rights of the Child, a person is a child until the age of 18. We therefore recommend our suppliers to make sure, that employees in the age group 15-18 years are treated accordingly. Limits for working hours and overtime for this age group should be set with special consideration to the workers' low age.

3. Safety

Building and Fire Safety

We require from our suppliers that the workers' safety should be a priority at all times. No hazardous equipment or unsafe buildings are accepted.

The factory should have clearly marked exits, and preferably emergency exits on all floors. All exit doors should open outwards. Exits should not be blocked by cartons, fabric rolls or debris, and should be well lit. If emergency exits are locked, the keys should be placed behind breakable glass next to the doors, and thus be available to all staff at all times.

All workers should be aware of the safety arrangements in the factory, such as emergency exits, fire extinguishers, first aid equipment, etc. An evacuation plan should be displayed in the factory, the fire alarm should be tested regularly and regular evacuation drills are desirable.

First Aid

First aid equipment must be available in each factory, and at least one person in each department should have training in basic first aid.

It is recommended that a doctor or nurse should be available at short notice, in case of an accident in the factory. The employer should pay any costs (not covered by the social security) which a worker may incur for medical care, following an injury during work in the factory.

4. Workers' Rights

Basic Rights

All workers producing garments for H& M should be entitled to his or her basic rights:

- We do not accept that bonded workers, prisoners or illegal workers are used in the production of goods for H& M.
- If foreign workers are employed on contract basis, they should never be required to remain employed for any period of time against their own will. All commissions and other fees to the recruitment agency in connection with their employment should be covered by the employer.
- Under no circumstances do we accept that our suppliers or their subcontractors use corporal punishment or other forms of mental or physical disciplinary actions, or engage in sexual harassment.
- All workers should be free to join associations of their own choosing, and they should have the right to bargain collectively. We don't accept any disciplinary actions from the factory against workers who choose to peacefully and lawfully organize or join an association.
- No worker should be discriminated against because of race, gender, religion or ethnic background. All workers with the same experience and qualifications should receive equal pay for equal work.
- All workers should be entitled to an employment contract.

Wages and Working Hours

- Wages should be paid regularly, on time and be fair in respect of work performance. The legal minimum wages should be a minimum, but not a recommended, level.

- Weekly working time must not exceed the legal limit, and overtime work should always be voluntary and properly compensated.
- The workers should be granted their stipulated annual leave and sick leave without any form of repercussions.
- Female workers should be given their stipulated maternity leave in case of pregnancy.
- Dismissal of pregnant female workers is not acceptable. In developing countries, we recommend our suppliers to provide the workers with at least one free meal daily.

5. Factory Conditions

- It is important for the workers' well-being, and for the quality of the garments, that the factory environment is clean and free from pollution of different kinds.
- The temperature in the factory should be tolerable as a working environment, and the ventilation should be adequate. Heaters or fans should be provided when needed.
- The lighting in each workplace should be sufficient for the work performed, at all times of day. 4
- Sanitary facilities should be clean, and the workers should have access without unreasonable restrictions. The number of facilities should be adequate for the number of workers in the factory. Sanitary facilities should be available on each floor, and preferably separated for men and women.

6. Housing Conditions

If a factory provides housing facilities for its staff, the requirements regarding safety and factory conditions, under point 3 and 5 above, should also cover the housing area.

All workers must be provided with their own individual bed, and the living space per worker must meet the minimum legal requirement. Separate dormitories, toilets and showers should be provided for men and women. There should be no restriction on the workers' right to leave the dormitory during off hours. We want to particularly stress the importance of fire alarms, fire extinguishers, unobstructed emergency exits and evacuation drills in dormitory areas.

7. Environment

The environment is of increasing concern globally and H& M expects its suppliers to act responsibly in this respect.

Our suppliers must comply with all applicable environmental laws and regulations in the country of operation. According to the H& M Chemical Restrictions, we do not allow use of solvents or other hazardous chemicals in the production of our garments. All suppliers

must sign the H& M Chemical Restriction Commitment, confirming that no prohibited chemical substances will be used in the production.

8. Monitoring and Enforcement

The principle of trust and co-operation

H& M expects all its suppliers to respect the above Code of Conduct and to actively do their utmost to achieve our standards. We trust our own staff to take a lot of responsibility in their work, and we expect from our suppliers that they do the same. We believe in co-operation and we are willing to work with our suppliers to achieve workable solutions in each individual case.

We are willing to take into consideration cultural differences and other factors which may vary from country to country, but we will not compromise on our basic requirements regarding safety and human rights.

Monitoring

All suppliers are obliged to always keep H& M informed about where each order is being produced. H& M reserves the right to make unannounced visits to all factories producing our goods, at any time. We also reserve the right to let an independent third party (e. g. a NGO) of our choice make inspections, to ensure compliance with our Code of Conduct.

Non-compliance

Should we find that a supplier does not comply with our Code of Conduct, we will terminate our business relationship with this supplier, if corrective measures are not taken within an agreed time limit. If we find repeated violations, we will immediately terminate the co-operation with the supplier and cancel our existing orders.

8.6 Sara Lee Corporation, Supplier Selection Guidelines

Sara Lee Corporation, an enterprise which originally developed in the food sector, has diversified its activities and the apparel and accessories sector now accounts for a large share of its turnover. The personal products department, which includes a number of internationally known brands (including Hanes, Wonder bra, Dim, Champion, Playtex, Coach), achieved a turnover of 7.2 thousand million dollars in 1995, with a record level of profits of 658 million dollars, i.e. an increase of 18 per cent over the previous year. In the personal products sector, Sara Lee has focused its development strategy on the image of the different brands which the group controls and which it has tried to enhance through diversified promotional campaigns (the Champion trademark, for example, obtained an exclusivity contract for the 1996 Olympic Games in Atlanta), whilst at the same time developing an ethical approach through the adoption of two codes of conduct. The first establishes the global production principles applicable to the group's operational units, while the second contains criteria for the selection of suppliers and subcontractors.

The global operating principles refer to a number of specific measures which are included in a separate column in the following table in order to distinguish them from the theoretical principles.

Sara Lee: Synoptic table of codes of conduct

Keywords	Operating Principles Units	Specific Measures	Supplier's Guidelines
Child Labor	Minimum age: 16 years (for activities on the United States territory).		<ul style="list-style-type: none"> - In accordance with local legislation - Minimum Sara Lee standards - Minimum age 15 years - Not below the legal employment age defined by national legislation.
Forced Labor			Prohibited.
Non Discrimination	No account taken of the personal characteristics and beliefs during recruitment.		No account taken of personal characteristics and beliefs in the recruitment of an employee.

Safety & Health	Search for high safety and health standards.	Specific training programs regarding safety measures and the use of the necessary equipment.	The business partner must have a sense of social responsibility concerning the health and safety of employees at the workplace and their place of residence if provided by the employer.
Coercion			Sara Lee will not do business with suppliers who use any type of corporal punishment or other forms of mental or physical coercion.
Recruitment & Training	Employment and employee training and development: Sara Lee's goal is to create an environment that attracts and retains the best, brightest and most talented individuals and to provide an environment that empowers each employee to reach his or her full potential.	Implementation of recruitment and training programs within the enterprise.	
Hours of Work	In accordance with local regulations.		In accordance with national laws and standards.
Wages & Remuneration	- Fair - As a minimum local industrial standards.		
Communication	Open, honest and fair communication. Exception: confidential nature of personal information and information of critical importance to the enterprise.		

Ethical Practice	<p>Ethical practices:</p> <ul style="list-style-type: none"> - Honesty - Integrity - Fair dealing - Conformity with high ethical standards - Refusal to condone legal payments - Not to engage in ethically questionable practices 		Application of high ethical standards.
<p>Responsibility of Global Enterprise</p> <p><i>Community Relations</i></p> <p><i>Corporate Contributions</i></p>	<p>Participate in the social/economic development of the community in which the enterprise exercises its activities.</p> <p>Contribute to the betterment of the community in which the enterprise operates with a view to improving employees' working environment and quality of life.</p>	<p>Financial support for social projects: schools, orphanages, libraries, crèches, drug and poverty prevention programs.</p> <p>Special program for youth: preventing drug dependency, programs to promote health, welfare and education; emphasis placed on family life, culture and the arts.</p>	
Legal Requirements	In accordance with local regulations.		In accordance with local regulations.
Environment	In accordance with all the applicable laws, regulations and standards.		In accordance with national environmental standards.

8.7 JC Penney Code of Conduct

Supplier Selection

In selecting suppliers, JC Penney attempts to identify reputable companies that are committed to compliance with legal requirements relevant to the conduct of their business.

Legal Requirements

JC Penney requires of its supplier strict compliance with all contract provisions, as well as all applicable laws and regulations, including those of the United States and those of the countries of manufacture and exportation.

Country-of-Origin Labeling

JC Penney will not knowingly allow the importation into the United States of merchandise that does not have accurate country-of-origin labeling.

Prison Labor

JC Penney will not knowingly allow the importation into the United States of merchandise manufactured with convict labor, forced labor or indentured labor.

Child Labor

JC Penney will not knowingly allow the importation into the United States of merchandise manufactured with illegal child labor.

Manufacturer's Certificate

To emphasize its insistence on accurate country-of -origin labeling and its particular abhorrence of the use of prison labor and illegal child labor, JC Penney requires that its foreign suppliers and its U.S. suppliers of imported merchandise, for each shipment of foreign-produced merchandise, obtain a manufacturer's certificate that the merchandise was manufactured at a specified factory, identified by name, location and country, and the neither convict labor, forced labor or indentured labor, nor illegal child labor, was employed in the manufacture of the merchandise.

Factory Visits

On visits to foreign factories, for any purpose, JC Penney associates and buying agents have been asked to be watchful for the apparent use of prison or forced labor, or illegal child labor, or indication of inaccurate country-of-origin labeling, to take immediate responsive action when necessary and to report questionable conduct in these areas to their management for follow-up and, when appropriate, corrective action.

Corrective Action

If it is determined that a foreign factory utilized by a supplier for the manufacture of merchandise for JC Penney is in violation of these foreign sourcing requirements, JC Penney will take appropriate corrective actions, which may include cancellation of the affected order, prohibiting the supplier's subsequent use of the factory or terminating JC Penney's relationship with the supplier.

8.8 Global Sourcing Principles Marks & Spencer

At Marks & Spencer, we take great care selecting the companies who supply us directly with products and services. Our Global Sourcing Principles establish the standards for suppliers working with us. As our business relationship develops, we expect suppliers to raise their standards and improve working conditions, taking account of internationally recognized codes of practice. We have adopted the Ethical Trading Initiative (ETI) base code as our international standard, and expect our suppliers to work to this.

Supplier's Responsibility

Together with each supplier, we establish a set of standards which includes specifications appropriate to the industries and countries manufacturing the products. It is the supplier's responsibility to achieve and maintain these standards.

Workforce Rights

The people working for our suppliers are to be treated with respect, and their health, safety and basic human rights must be protected and promoted. Each supplier must strive to comply with the ETI base code and with all relevant local and national laws and regulations, particularly with regard to:

- Minimum age of employment.
- Freely chosen employment
- Health and Safety
- Freedom of association and the right to collective bargaining
- No discrimination
- Discipline
- Working hours
- Rates of pay
- Terms of employment

Moreover, whatever the local regulations, workers should normally be at least 15 years old, and be free to join lawful trades unions or workers' associations.

Production Sites and Labeling

Suppliers must agree with us in advance the production site or sites to be used for each order: no subcontracting of our orders from these agreed locations is allowed. All products sold in Marks & Spencer stores must be labeled with their country of origin.

Regular Assessment

All production sites are visited and assessed regularly by our suppliers and by our own people. Together we strive for continual improvement.

Environmental Responsibility

At the very least, suppliers must meet all local and national regulations. In addition, we expect them to meet all the relevant Marks and Spencer standards relating to the environment.

Commitment to Extending these Principles through out the Supply Chain

We expect our suppliers to adopt similar principles in dealing with their own suppliers.

Suppliers must apply these principles at all times, and must also be able to demonstrate that they are doing so. We will work with suppliers to support any necessary improvements but we will also take action, which may involve canceling contracts and ceasing to trade, if suppliers are not prepared to make appropriate changes.

9. An Introduction to Major Certifications

Following are some major certifications:

- ISO 9001/2000
- ISO 14001
- OHSAS 18001
- SA 8000
- ISO 17799/BS 7799/BS 15000
- WRAP
- ECO-Labeling
 - Oeko-Tex 100
 - EU Eco-Label for Textiles



OHSAS 18001
HEALTH & SAFETY
ZONE

OHSAS 18001 Occupational Health and Safety Zone

10. ISO 9001:2000

Gaining competitive advantage through quality



Background

Successful companies are those driven by quality from the way they operate, to the customer service standards they set and the products they deliver. Focusing on quality makes for a learner, fitter organization, and one that is better equipped to win new opportunities in an increasingly competitive global marketplace. Certifying your organization to ISO 9001 offers proof of your commitment to quality and, as a benchmark, allows you to measure your progress towards continual improvement of business performance.

Benefits to Organization

ISO 9001: 2000 is an international standard related to quality management, applicable to any organization from all types of business sectors and activities. It is based on eight quality management principles (all fundamental to good business practice) when fully adopted these principles can help improve your organizational performance.

- **Customer Focus** – Organizations depend on their customers, and therefore need to shape activities around the fulfillment of market need
- **Leadership** – Is needed to provide unity of purpose and direction
- **Involvement of People** – Creates an environment where people become fully involved in achieving the organization's objectives
- **Process Approach** – To achieve organizational objectives, resources and activities need to be managed as processes, with an understanding of how the outputs of one process affect the inputs to another
- **System Approach to Management** – The effectiveness and efficiency of the organization depends upon a systemized approach to work activities
- **Continual Improvement** – Adopting this as a part of everyday culture is key objective for an organization
- **Fact Based Decision Making** – Effective decisions are based on the logical and intuitive analysis of data and functional information
- **Mutually Beneficial Supplier Relationships** – Such relationships will enhance the ability to create value.

Checklist of ISO 9001:2000 is attached as **Annexure – IV**

11. ISO 14001

Proving your responsibility to the environment



Background

Care for the environment improves the image of your company. At the same time, the appropriate management of environmental issues contributes positively to economic gain and increases the competitiveness of the company. Proof of a responsible approach is fast becoming a key purchasing criterion. Environmentally conscious clients prefer to do business with like-minded companies, i.e. those who demonstrate their commitment through internationally recognized standards such as the ISO 14000 series

Benefits to Organization

ISO 14001 is part of a series of international standards applicable to any organization, anywhere, relating to environmental management. Based on the Plan – Do – Check – Act cycle, ISO 14001 specifies the most important requirements to identify, control and monitor the environmental aspects of any organization, and also how to manage and improve the whole system. Some business benefits are:

- Customer, investor, public, community assurance by demonstrating commitment
- Improving cost control through conserving input materials and energy
- Reducing incidents that result in liability, therefore reduces insurance costs
- Assisting the attainment of permits and authorizations for local trade.

Checklist of ISO 14001 is attached as **Annexure – V**

12. OHSAS 18001

Demonstrate your ability to manage risk

Background

Organizations of all kinds are increasingly concerned about achieving and demonstrating sound Occupational Health and Safety performance to their shareholders, employees, clients and other stakeholders by managing the risks and improving the beneficial effects of their activities, products and services.

Increasingly, stringent legislation, the development of economic policies, human resources management and other measures are used to foster Occupational Health and Safety protection and welfare. A general growth of concern from stakeholders and other interested parties suggests a clear commitment to Occupational Health and Safety is required. A commitment that will lead to sustainable development, continual improvement and the new challenges posed by globalization.

Benefits to Organization

Occupational Health and Safety Assessment Specification (OHSAS) is an international standard giving requirements related to health and safety management systems in order to enable an organization to control its risks and improve its performance. It is applicable to any organization from all types of business sectors and activities. Certification against OHSAS 18001 is aimed at the way a company has control over, and knowledge of, all relevant risks resulting from normal operations and abnormal situations. OHSAS 18001 is focused on the management of Occupational Health and Safety and as such addresses the organizations continual improvement that can be used to provide stakeholders and others with assurances of conformance with its stated Occupational Health & Safety policy.

- Improve your safety culture
- Improved efficiency and consequently reduce accident and production time loss
- Increased control of hazards and the reduction of risks through the setting of objectives, targets and devolved responsibility
- Demonstrate legal compliance
- Increase your reputation for safety and occupational health
- Reduce insurance premiums
- Is an integral part of a sustainability strategy
- Demonstrate your commitment to the protection of staff, property and plant
- Encourage more effective internal and external communication
- Business to business contract winner

Checklist of OHSAS 18001 is attached as **Annexure – VI**

13. SA8000

Enhancing your company reputation through social responsibility



Background

The current global business environment is motivating organizations to consider the full social and ethical impacts of their corporate activities and policies. Those companies who are able to prove a responsible approach to broader social and ethical issues will gain a vital competitive edge and inspire the confidence of stakeholders such as clients, investors, local community and consumers.

Social concerns like child labor, forced labor and discrimination require companies to not only consider their own direct sphere of influence but also their entire supply chain. The concept and value of employing an independent, third party to monitor social responsibility is becoming increasingly important.

Benefits to Organization

SA8000 is the first auditable standard in this field. The initiative is based on the well-known ISO 9001/ISO 14001 structure, conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. The worldwide-recognized certification to the SA8000 standard involves the development and auditing of management systems that promote socially acceptable working practices bringing benefits to the complete supply chain.

14. ISO 17799/ BS 7799/ BS 15000

Helping you for the security of your business

Background

Information is most valuable asset to your organization. Virtually every business now depends on information and information technology. The larger and more complex these systems become the greater the disruption should they fail. For many organizations, in healthcare, transport, utilities and finance for example, system failure of mission critical networks can spell total disaster. Protection (against system failure or security risks) is a key concern, not only for your, but also clients, suppliers etc.

Benefits to Organization

Organization can protect themselves from potential system failure or misuse by investing in an independent audit of information security management systems. The BS 7799 standard, involves a thorough review of all aspects of IT security. From data loss, unauthorized access and virus attack to electronic commerce, hacking and disaster recovery, the BS 7799 initiative carefully assesses the risks to your business and highlights the areas where improvements need to be made. BS7799 sets a new standard for handling of sensitive information. An information security management system has three main components:

- **Confidentiality** – Protects key information from unauthorized disclosure.
- **Integrity** – Safeguarding the accuracy and completeness of information and software
- **Availability** – Ensuring that information and services are available when required

A Certificate tells your existing and potential customers you have defined processes in operation. The certification process helps you to focus on continuous improvement of your information security thus enabling greater information exchanges with your key partners and clients.

15. WRAP (Worldwide Responsible for Apparel Production)

Dedicated to the certification of lawful, human and ethical manufacturing



WRAP is an Apparel Certification Program. The objective of the Apparel Certification Program is to independently monitor and certify compliance with the following standards, ensuring that a given factory produces sewn goods under lawful, humane, and ethical conditions. Note that it is not enough to subscribe to these principles; WRAP monitors the factory for compliance with detailed practices and procedures implied by adherence to these standards.

Compliance with Laws and Workplace Regulations - Manufacturers of Sewn Products will comply with laws and regulations in all locations where they conduct business.

Prohibition of Forced Labor - Manufacturers of Sewn Products will not use involuntary or forced labor -- indentured, bonded or otherwise.

Prohibition of Child Labor - Manufacturers of Sewn Products will not hire any employees under the age of 14, or under the age interfering with compulsory schooling, or under the minimum age established by law, whichever is greater.

Prohibition of Harassment or Abuse - Manufacturers of Sewn Products will provide a work environment free of harassment, abuse or corporal punishment in any form.

Compensation and Benefits - Manufacturers of Sewn Products will pay at least the minimum total compensation required by local law, including all mandated wages, allowances and benefits.

Hours of Work - Manufacturers of Sewn Products will comply with hours worked each day, and days worked each week, shall not exceed the legal limitations of the countries in which sewn product is produced. Manufacturers of sewn product will provide at least one day off in every seven-day period, except as required to meet urgent business needs.

Prohibition of Discrimination - Manufacturers of Sewn Products will employ, pay, promote, and terminate workers on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.

Health and Safety - Manufacturers of Sewn Products will provide a safe and healthy work environment. Where residential housing is provided for workers, apparel manufacturers will provide safe and healthy housing.

Freedom of Association & Collective Bargaining - Manufacturers of Sewn Products

will recognize and respect the right of employees to exercise their lawful rights of free association and collective bargaining.

Environment - Manufacturers of Sewn Products will comply with environmental rules, regulations and standards applicable to their operations, and will observe environmentally conscious practices in all locations where they operate.

Customs Compliance - Manufacturers of Sewn Products will comply with applicable customs law and, in particular, will establish and maintain programs to comply with customs laws regarding illegal transshipment of apparel products.

Security - Manufacturers of Sewn Products will maintain facility security procedures to guard against the introduction of non-manifested cargo into outbound shipments (e.g. drugs, explosives, biohazards, and/or other contraband).

Checklist/handbook of WRAP can be downloaded from website: www.wrapapparel.org

16. Eco – Labeling

Different types of eco-labels can be distinguished, but what they all have in common is that eco-labels are logos that can be put on a product, or product label, in order to provide information on the environmental aspects of the production process or the environmental characteristics of the product.



Eco labeling should thus be seen as a voluntary communication tool that facilitates in comparing products within the same product category as far as it concerns their environmental characteristics. Types of eco-labels that provide the highest added value are generally those of which:

The criteria are developed by independent organizations. The verification of compliance with the criteria is taken care of by independent organizations.

Eco-labels are developed for a wide range of products from food to non food products, and within the category of non food products ranging from Textiles and footwear to electronic appliances and dishwashing liquid.

Eco Labels for Textile Industry

For Textile products many eco-labels exist. These labels differ in many aspects. Based on the product scope and the familiarity in the Textile sector, two labels are selected that could provide added value for the Pakistani industry.

- **Oeko-Tex 100**
- **EU Eco-label** For Textiles (sometimes referred to as the “European Flower”)

16.1 Oeko-Tex 100

Background

Oeko-Tex 100 is the most well known label for Textile products. Particularly in Europe more and more importers require the Oeko-Tex 100 label for the products supplied to them. Oeko-Tex 100 is a label that focuses on minimizing the presence of dangerous chemicals in Textile products. The reason why more and more European importers require Oeko-Tex 100 is on the one hand that consumers are becoming aware that they and their children are exposed to hazardous substances in Textiles when wearing their garments, on the other hand, there is a very complex situation in Europe as far as legislation is concerned. There for example exists harmonized legislation that is applicable in all 25 European Union Member States for the presence of hazardous amines from azo-dyes in Textile and leather articles in contact with skin.

What products can be certified?

In principle, all Textile and leather products can be certified as well as the accessories used in Textile and leather products. Examples of products that can be certified are:

- Fiber
- Yarn
- Grey fabric
- Finished fabric
- Buttons and zippers
- Finished garments
- Sheets
- Towels
- Labels

Oeko-Tex 100 sets different requirements for different types of products. For babies, who are most sensitive to exposure to chemicals, the limits are the strictest. For interior Textiles on the contrary, the limits are less strict since people are not directly and for a long time in contact with such fabrics.

16.2 EU Eco-Label for Textiles

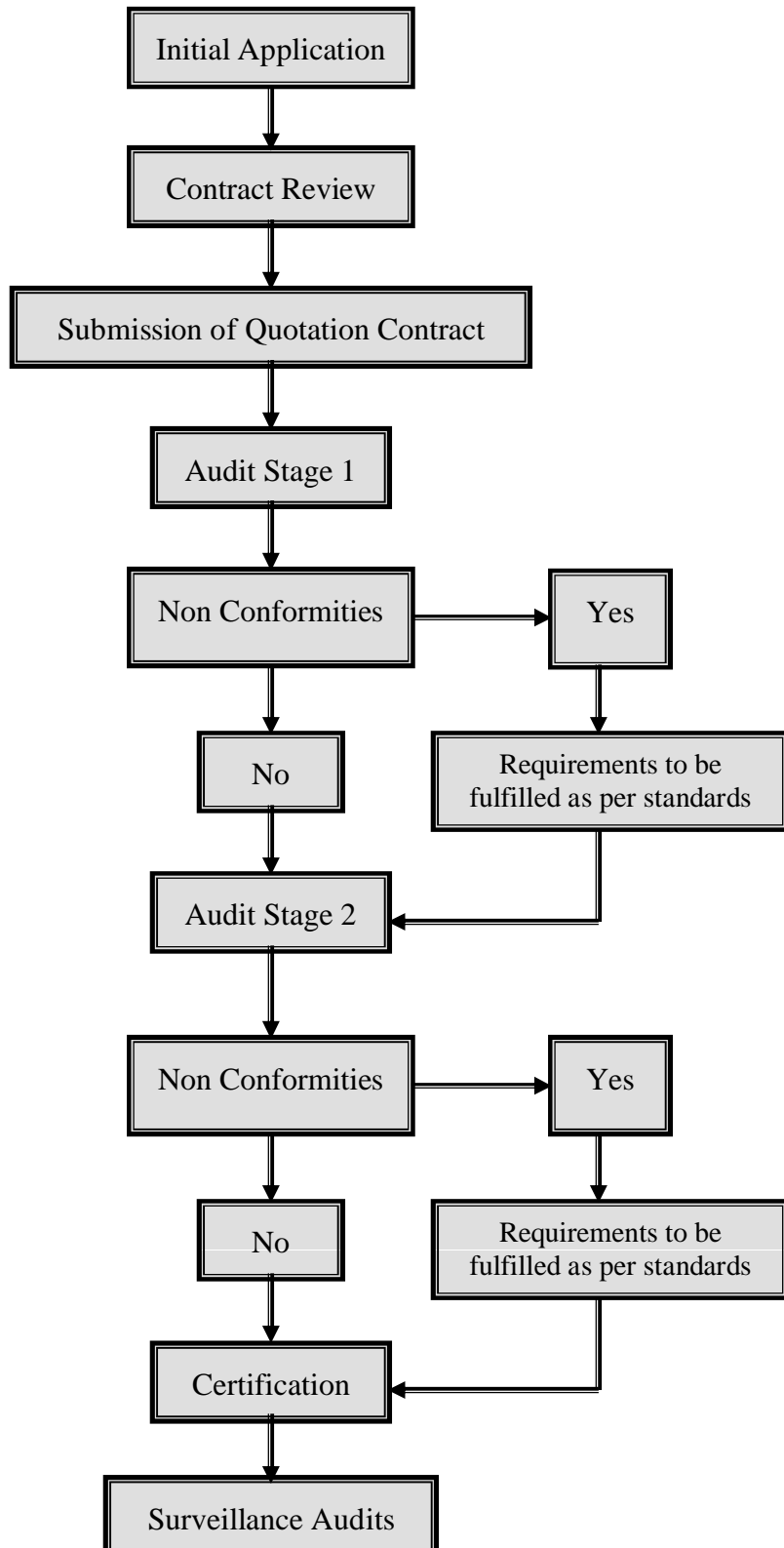
Background

The EU Eco-label for Textiles takes into account the complete life cycle of a Textile product. It accordingly sets requirements for the complete life cycle, from fiber production to use stage. The European Eco-Label is, compared to Oeko-Tex 100, less well known and less asked for in purchase requirements by European buyers.

But considering the rising awareness of environmental issues in the supply chain of Textiles will probably lead to increasing demands for the EU Eco-Label as far as the European buyers are concerned. One already sees that big buyers like H&M and Nike are requiring waste water treatment plants from their suppliers of fabrics.

17. Procedure of Obtaining Certification for International Standards

Figure 1: Process for Certification of International Standards



18. FAQs for Certification

18.1 How much time it takes to be certified?

It depends on certificate required and complexity of situation, generally 4 to 6 months needed to complete the process of obtaining certification.

18.2 How much a certification costs to a company?

The accredited firm gives you the quotation of their services in regard of any certification considering the following factories

- Size of the organization
- Number of employees
- Complexity of situation
- Complexity of site.

18.3 Who are the major accredited bodies working in Pakistan?

Following are the some major accredited bodies and their addresses:

- **SGS**

SGS Pakistan (Private) Limited
6-D, Upper Mall, Canal Bank,
Lahore, Pakistan.
Tel: 92-42-5872677
Fax: 92-42-5716837
Web: www.sgs.com



- **SGS Pakistan Textile Laboratory, Karachi**

22/D, Block 6, PECHS,
P.O. Box 12538,
Karachi-75400, Pakistan
Tele#: +92-21-4540260
Fax#: +92-21-4548824
[Accreditation Scope \(ISO/IEC-17025\)](#)

- **BVQI**

H.No. 43, Block 7/8
P.O. Box No. 3829, Karachi
Pakistan
UAN: 92-21-111-786031
Fax: 92-21-4392713
Web: www.bvqi.com



For the Benefit of
Business and People

131 – Ali Block
New Garden Town
Lahore
Ph: 042 5834550
Fax: 042 5834543

House # 233
Unit 4, Market Road, Model Town
Sialkot

- **DNV**

807, 8th Floor, Anum Estate
49, D.C.H.S. Block 7/8, P.E.C.H.S
Main Shara E-Faisal
75400 Karachi
Tel: 92-21- 4390026
Fax: 92-21-4390028
Web: www.dnv.com



Managing Risk

317 H, Johar Town
Lahore
Ph: 042 5304603-04

- **Moody International (Pvt.) Limited**

87 Central Commercial Area
Phase IV, DHA
Lahore-54000
Pakistan
Tel: [92] (42) 5724026
Fax: [92] (42) 5890664
moodylhe@moody-group.com.pk

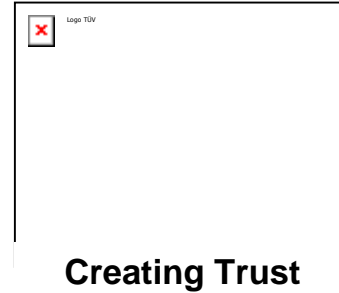


Karachi

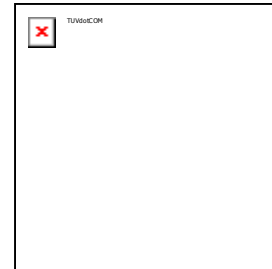
Suite No. 117, 1st Floor,
The Forum, G - 20, Block 9
Khayaban-e-Jami, Clifton
Karachi 75600
Tel: [92] (21) 5378637
Fax: [92] (21) 5378636
moodykhi@moody-group.com.pk

- **TUV
Rheinland/Berlin-Brandenburg Group**

Ahsan Chambers, 8-Syed
Mouj Darya (Edward) Road,
Lahore
Pakistan
UAN: 111-888-266
Tel: 042-7239612



Suit # 619
Annum Blessing, 7/8 KCHS
Shahrah-e-Faisal
Karachi
Ph: 021 4559392, 2012822
Fax: 021 4388346
Web: www.cert-int.com



Talwara Mughlan
Sialkot
Ph: 055 4588469
Fax: 055 4582327

- **AITEX**

Office No. 915, 9th Floor, Park Avenue
Shahra-e-Faisal
Block 6, P.E.C.H.S.
75400 Karachi
Tel: 92-21-4544475
Fax: 92-21-4551439
Web: www.aitex.es



Pakistani Institution Helping Industry in Compliance

- **Pakistan National Accreditation Council (PNAC)**

Ministry of Science & Technology,
4th Floor, Evacuee Trust Complex
Agha Khan Road, Sector F-5/1
Islamabad



Tele No: 051 9222310
051 9209509

FAX No: 051 9209510
051 9209507

URL: <http://www.pnac.org.pk>

▪ **Pakistan Institute of Quality Control (PIQC)**



Head Office

15-A-1 Peco Road, Township,
Lahore

Tel: +92-42-5140001-02

Fax: +92-42-5140003

URL: <http://www.piqc.com.pk>

E-mail: piqc@brain.net.pk

Karachi Office

D-63, Block 8,
Gulshan-e-Iqbal,
Karachi.

Tel: +92-21-4973784 -4822234

Fax: +92-21-4990775

E-mail: piqc@cyber.net.pk

▪ **Cleaner Technology Program (CTP) for Textile Industries
National/Regional Project Coordinator**



KARACHI

Plot # 39 & 41, C Mezzanine floor,
Principal House DHA Phase-II Ext,

Karachi

Phone: 589-3341-2

Fax: 589-3340

Web: www.ctpTextile.org

LAHORE

Plot # 16, Perfect site,
22 KMS OFF Ferozpur Road, Lahore

Phone: 042-5274527-30

Fax: 042-5274526

FAISALABAD

House 371-A, Gulistan Colony,
Near Millat Chowk, Faisalabad

Phone: 041-8581816

Fax: 041-8581295

Annexure – I

Useful Links

- **World Trade Organization:** <http://www.wto.org>
- **International Standardization Organization:** <http://www.iso.org>
- **Social Accountability:** <http://www.sa-intl.org>,
<http://www.cepaa.org>
<http://www.accountability.org.uk/>
- **WRAP:** <http://www.wrapapparel.org>
- **ISO 1400:** <http://www.iso14000.com>
- **Occupation Health and Safety Assessment Specifications:**
<http://www.osha.gov>
<http://www.orosha.org>
<http://www.standardsdirect.org/ohsas.htm>
<http://www.qualityone.com/services/isoohsas18000.cfm>
<http://www.eaglegroupusa.com/ohsas18000overview.htm>
- **ECO Labeling:** <http://www.eco-labels.org/>
http://europa.eu.int/comm/environment/ecolabel/index_en.htm
<http://www.eco-labels.org/greenconsumers/home.cfm>
www.oeko-tex.com/
- **Pakistan National Accreditation Council:** www.pnac.org.pk
- **Pakistan Institute of Quality Control:** www.piqc.com.pk
- **International Labor organization:** www.ilo.org
- **Organization for Economic Co-operation and Development:** www.oecd.org
- **United Nations:** www.un.org
- **GAP Incorporation:** www.gap.com, www.gapinc.com
- **Levi Strauss & Co:** www.levistrauss.com, www.levi.com

- **Wal-Mart Stores:** www.walmartstores.com
- **C & A:** www.c-and-a.com
- **C & A Code of Conduct:** www.socam.org
- **H & M:** www.hm.com
- **H & M Code of Conduct:** www.somo.nl/monitoring/reports/handm-coc.htm
- **Sara Lee Corporation:** www.saralee.com
- **JC Penny:** www.jcpenny.com
- **Marks & Spencer:** www.marksandspencer.com

Annexure – II

Brief on Pakistan Environmental Protection Act, 1997

Pakistan's Environmental Policy is based on participatory approach to achieving objectives of sustainable development through legally, administratively and technically sound institutions. The Federal Environment Ministry was established in Pakistan in 1975 as follow up a Stockholm declaration of 1972. The Ministry was responsible for promulgation of the environmental Protection Ordinance of Pakistan in 1983. It was the first comprehensive legislation prepared in the country. The main objective of Ordinance 1983 was to establish institutions i-e to establish Federal and Provincial Environmental Protection Agencies and Pakistan Environmental Protection Council (PEPC).

In 1992 Pakistan attended the Earth Summit in state of Brazil (Rio-De Janeiro) and thereafter became party to various international conventions and protocols. This political commitment augmented the environmental process in the country. Same year, Pakistan prepared National Conservation Strategy (NCS), provides a broad framework for addressing environmental concerns in the country. In 1993 Environmental Quality Standards (NEQS) were designed.

The Pakistan Environmental Protection Act was enacted on 6th December 1997, repealing the Pakistan Environmental Protection Ordinance, 1983. The PEPA' 1997 provides the framework for implementation of NCS, establishment of Provincial Sustainable development Funds, Protection and conservation of species, conservation of renewable resources, establishment of Environmental Tribunals and appointment of Environmental Magistrates, Initial Environmental Examination (IEE), and Environmental Impact Assessment (EIA).

Pakistan Environmental Protection Council

The apex body was first constituted in 1984 under section 3 of the Pakistan Environmental Protection Ordinance (PEPO), 1983, with President of Pakistan as its Chairman. In 1994, an amendment was made in the Ordinance to provide for the Prime Minister or his nominee to be the head of the Council. The Council was reconstituted after enactment of the new law i.e. Pakistan Environmental Protection Act, 1997. It is headed by the Prime Minister (Chief Executive) of Pakistan. The council is represented by trade and industry, leading NGOs, educational intuitions, expert's journalists and concerned ministries.

Establishment of Pakistan Environmental Protection Agency under section 5

In 1993, the Pakistan Environmental Protection Agency (Pak-EPA) was established under Section 6 (d) of the Pakistan Environmental Protection Ordinance, 1983. The Agency started with meager staff and resources. However, number of action were taken which included notification of NEQS in 1993 for municipal and liquid industrial effluents and industrial gaseous emissions, motor vehicle exhaust, and noise. The functions and responsibilities of the Agency enhanced and it was strengthened technically and logistically to met the environmental challenges. Pak-EPA also provides technical support to the Ministry of Environment. Salient feature of various Sections of PEPA' 1997:

Functions of Pak-EPA under Section 6 (2)

The Federal Agency may

“Undertake inquiries of investigation into environmental issues, either of its own accord or upon complaint of any person or organization”.

Powers of Federal Agency under Section 7

The Federal Agency may

g) Summon & enforce the attendance of any person and require him to supply any information or document need for the conduct of any enquiry or investigation into any environmental issue;

h) Enter and inspect and under the authority of a search warrant issued by the environmental magistrate, search at any reasonable time, any land, building, premises, vehicle, vessel, or other place where or in which, there are reasonable ground to believe that an offence under this act has been or being committed;

Provincial Environmental Protection Agencies

In all four provinces, Environmental Protection Agencies were created under the provision of Pakistan Environmental Protection Act, 1997. Federal Government has delegated its powers to the provincial governments and they have further delegated powers to the provincial Environmental Protection Agencies.

Initial Environmental Examination and Environmental Impact Assessment under Section 12

Environmental Assessment (EA) is a process to examine the environmental risks and benefits associated with the developmental projects. IEE and EIA process has begun in the country in an organized manner. Section 12 explains that no proponent of a project shall commence construction or operation unless he has filed with the Federal Agency an Initial Environmental Examination or, where the projects is likely to cause an adverse environmental effect, an Environmental Impact assessment, and has obtain from Federal Agency Approval. An IEE/EIA Regulations, 2000 has been notified under this section.

Prohibition of Import of Hazardous Waste under Section 13

The Pakistan Environmental Protection Act, 1997 requires that no person may import hazardous substances of which chemical activity is toxic, explosive, flammable, corrosive, radioactive, cause directly or in combination with other matters, an adverse environmental effect.

Regulation of Motor Vehicle under section 15

Operation of a motor vehicle from which gaseous emission or noise exceeds the NEQS, or other standards established by Pak-EPA where ambient conditions so require, have been prohibited. To ensure compliance with the NEQS, the Pak-EPA has been empowered to direct that pollution control devices be installed in motor vehicles or fuels

specified by Pak-EPA be used in them or specified maintenance or testing be carried out on them.

Establishment of Environmental Tribunals under section 20

The Government is empowered to constitute Environmental Tribunals to hear cases relating to Pakistan Environmental Protection Act, 1997. The Federal Government has established four Environmental Tribunal one in each province.

Designation of Environmental Magistrates under section 24

The Federal and Provincial governments have designated senior civil judges as Environmental Magistrates to take all contraventions punishable in respect of handling of hazardous substances and pollution caused by motor vehicles.

Penalties of Environmental Magistrate

The Environmental Magistrate has been authorized to award compensation for losses or damage under Section 17(5).

- Endorse a copy of the order of conviction to concerned trade or industrial association;
- Sentence him to imprisonment for a term which may extend up to two years;
- Order the closure of the factory;
- Order confiscation of the factory, machinery and equipment, vehicle, material or substance, record or document, or other objects used or involved in contravention of the provision of the Act;

Delegation of Powers to Provincial Governments under section 26

Ministry of Environment, Local Government and Rural Development had delegated functions and powers of it and the Federal Environmental Protection Agency under section 26 of the Act to the Provincial governments. The Provincial Governments have further delegated these powers and functions to Environmental Protection Agencies and also planning to sub-delegate selected powers to the local government.

Annexure – III

Range of Textile Tests

Code #	Description	Test Standards			
		AATCC	BS	ISO	ASTM
Color Fastness Tests					
CF1	Color Fastness to Washing (Temp. 40°C - 60°C) (Temp. 70°C - 95°C)	61 - 1996	C01 - C03, C04 - C06 - 1990	C01 - C03, C04 - C06 - 1990	-
CF2	Color Fastness to Perspiration	15 - 1997	E04 - 1990	E04 - 1994	-
CF3	Color Fastness to Rubbing	8 - 1996	X12 - 1990	X12 - 1993	-
CF4	Color Fastness to Light *	16E - 1998	BO2 - 1990	BO2 - 1994	-
CF5	Color Fastness to Water	107 - 1997	EO1 - 1990	EO1 - 1994	-
CF6	Color Fastness to Sea Water	106 - 1997	EO2 - 1990	EO2 - 1994	-
CF7	Color Fastness to Chlorinated Water	162 - 1997	EO3 - 1990	EO3 - 1994	-
CF8	Color Fastness to Dry Cleaning	132 - 1998	DO1 - 1990	DO1 - 1993	-
CF9	Color Fastness to Heat - Dry (Excluding Pressure)	117 - 1999	PO1	PO1 - 1993	-
CF10	Color Fastness to Heat (Hot Pressing)	113 - 1999	X11 - 1990	X11 - 1994	-
CF11	Color Fastness to Bleaching - Chlorine	3 - 1989	-	-	-
CF12	Color Fastness to Bleaching - Hypochlorite	188 - 2000	NO1 - 1990	NO1 - 1993	-
CF13	Color Fastness to Bleaching - Peroxide	101 - 1999	NO2 - 1990	NO2 - 1993	-
CF14	Color Fastness to Organic Solvents	-	X05 - 1990	X05 - 1994	-
CF15	Color Fastness to Nitrogen Oxide	164 - 1997	GO1 - 1990	GO1 - 1993	-

CF16	Color Fastness to Saliva & Perspiration (DIN 53160)	-	-	-	-
Dimensional Stability (Shrinkage) Tests					
	<i>Dimensional Stability to</i>				
DS1	Washing (Flat / Line Dry)	135 - 2000	EN 25077 - 1994	5077 - 1984	-
	(Garments)	150 - 2000			
DS2	Washing & Tumble Dry	135 - 2000	EN 26330 - 1993	6330 - 2000	-
	(Garments)	150 - 2000			
DS3	Relaxation	-	4736 - 1985	7771 - 1985	-
DS4	Dry Cleaning	158 - 2000	-	3175 - 1998	-
DS5	Steaming	-	-	3005 - 1978	-
DS6	Spiraled (<i>After Home Laundering</i>)	179 - 1996	-	-	-
DS7	Smoothness of Seams - Flat Dry	88B - 1996	-	7770 - 1985	-
	- Tumble Dry	88B - 1996	-	7770 - 1985	-
DS8	Retention of Creases - Flat Dry	88C - 1996	-	7769 - 1992	-
	- Tumble Dry	88C - 1996	-	7769 - 1992	-
DS9	Appearance of Fabric - Flat Dry	124 - 1996	-	7768 - 1992	-
	- Tumble Dry	124 - 1996	-	7768 - 1992	-
Water Resistant Tests					
WT1	Water Resistance	127 - 1998	-	811 - 1981	-
WT2	Water Repellency - (Spray Test)	22 - 1996	-	4920 - 1981	-
WT3	Water Absorbency	79 - 2000	-	-	-
-	3 Cycles	-	-	-	-
-	5 Cycles	-	-	-	-
Safety Tests					
S1	pH Value of the Textiles	81 - 1996	-	3071 - 1980	-
S2	Determination of Formaldehyde in Textiles	112 - 1998	BS6806 - 1987 (Part 1 , Part 2)	-	-

S3	Flammability - Inclined - Commercial Laundering Procedure	-	-	10528 - 1995	1230 - 1994
	- Domestic Laundering Procedure	-	-	12138 - 1996	-
S4	Flammability - Vertical	-	-	12138 - 1996	-
Fabric Construction Tests					
FC1	Wave - Simple	-	-	7211/1 - 1984	-
	- Complicated	-	-	-	-
FC2	Fabric Yarn Count (Linear Density)	-	2865 - 1984	7211/5 - 1984	1059 - 1997
FC3	Mass Per Unit Area - Woven	-	2471 - 1978	3801 - 1984	3776 - 1996
	- Non woven	-	-	9073 - 1989	6242 - 1998
FC4	Threads Per Unit Length - Woven	-	-	7211/1 - 1984	3775 - 1996
FC5	Stitch Density - Knitted	-	5441 - 1981	-	-
FC6	Fabric Width	-	1930 - 1990	3932 - 1976	3774 - 1996
FC7	Selvedge Width	-	-	-	-
FC8	No. of Ends in Selvedge	-	-	-	-
FC10	Crimp of Yarn in Fabric	-	2863 - 1984	7211/3 - 1984	3883 - 1990
FC11	Composition Analysis - Qualitative	20 - 2000	-	-	-
	- Quantitative (2 Fibers)	20A - 2000	4407 - 1988	1833 - 1977	629 - 1995
	(3 Fibers)	-	-	-	-
	(4 Fibers)	-	-	-	-
FC12	Color Attributes	-	-	-	-

FC13	Measurement of Garments (Per Piece)	-	-	-	-
Performance Tests					
P1	Tensile Strength - Strip Method	-	BSEN 2576 - 1986	BSEN 13934- Part 1 - 1999	5035 - 1995
	Grap Method	-	BSEN 13934- Part 1 - 1999	BSEN 13934- Part 2 - 1999	5034 - 1995
P2	Tearing Strength	-	-	13937- Part 1	1424 - 1996
P3	Bursting Strength	-	4768 - 1972	-	3786 - 1987
P4	Seam Slippage	-	3320 - 1988	-	434 - 1987
P5	Seam Strength	-	BSEN 13935	13935 - 1	1683 90a
P6	Air Permeability	-	5636 - 1990	9237 - 1995	737 - 1996
P7	Bond Strength	136 - 2000	-	-	-
P8	Blocking	-	BSEN 25978	-	-
P9	Rot Proofness	30 - 1999	-	-	-
P10	Types of Stitches	-	-	-	-
Wear Resistance Tests					
WR1	Pilling Resistance	-	5811 - 1986	12945-1- 2000	-
WR2	Random Tumble Pilling	-	-	-	3512 - 1996
WR3	Abrasion Resistance	-	5690 - 1991	12947-1-4	4966 - 1998
WR4	Snagging Resistance	-	-	1998	5363
WR5	Rust Proofness	-	-	-	-
Fabric Handling Tests					
FH1	Drape Coefficient		5058		
FH2	Wrinkles Recovery	128 - 1999		9867 - 1991	
FH3	Crease Recovery	66 - 1998		2313 - 1972	
FH4	Bow & Skew ness - Woven & Knitted		2819 - 1990		3882 - 1990
FH5	Fabric Thickness - Woven		2544 - 1987	5084 - 1996	1777 - 1990
	- Non woven			9073/2 - 1995	5736 - 1995
Yarn Tests					

YT	Yarn Number (Count) - Skein Method	-	20 - 1996	2060	1907
Y1	Yarn Number (Count) - Short Length Method	-	-	-	1050
Y2	Lea Strength	-	24 - 1968	6939	1578
Y3	Single Yarn Strength	-	22 - 1995	2062	2256
Y4	Yarn Twist	-	-	2061	1423
Y5	Yarn Evenness + Yarn Hairiness	-	674 - 1984	-	1425
Y6	Yarn Friction	-	-	-	3108
Y7	Yarn Diameter	-	-	-	2255
Y8	Yarn Type	-	-	-	-
Y9	No. of Filaments	-	-	-	-
Y10	Total Yarn Length (Sewing Thread)	-	-	-	-
Y11	Yarn Shrinkage	-	-	-	2259
Y12	Yarn Snarling	-	-	-	-
Y13	Mercerizing Microscope	-	-	-	-
	Analytical	-	-	-	-
Y14	Wax / Oil Content	-	-	-	-
Y15	Classimat Test	-	-	-	-

Annexure – IV

ISO 9001:2000 Auditor Guidance/Checklist

Purpose of Auditor Guidance/Checklist

- To provide a reference document by which auditors can check (and if appropriate use as a means to record) that relevant clauses of the ISO 9001:2000 standard have been addressed during a Stage 1 or Stage 2/Surveillance audit;
- In addition, to assist the auditor in the identification of any issues that needs to be addressed at Stage 2 or subsequent Surveillance.

Scope of Checklist

- The checklist is designed to be used as a guidance document for Stage 1, Stage 2 and Surveillance audits against ISO9001:2000 undertaken by Certification International;
- The checklist, itself, identifies which requirements should be checked during which stage, i.e. Stage 1, Stage 2/Surveillance – or in some cases Stages 1 and 2/Surveillance.

Suggested Use of the Checklist

- Both Stage 1 and Stage 2/Surveillance audits should be planned and carried out in line with the outline CI audit agendas and associated detailed plans agreed with the client;
- As each of the Stage 1 or Stage 2/Surveillance audits progress, then the checklist may be consulted on an ongoing basis to identify the requirements which should be addressed. The auditor should provide evidence to indicate the manner in which a specific requirement has been addressed;
- The document may be used by the auditor to record where a requirement has been satisfactorily addressed by the organization by ticking the appropriate column. Where the requirement has been unsatisfactorily addressed, needs improvement or does not apply, then the column may be marked with NC, Obs or N/A as appropriate;
- As an example of use, in the case of ‘stated exclusions’ from clause 7 of the standard, then ‘N/A’ may be added in the Stage 1 and Stage 2/Surveillance columns, as a reminder that these were confirmed as not applicable;
- Before completing the Stage 1 or Stage 2/Surveillance audit, the auditor may use this document to check that relevant clauses have been considered, and to assist in the preparation of the report summary and recommendations.

Auditor Checklist – (ISO9001:2000)

CLIENT NO: CLIENT NAME:	Stage 1, 2 or 1 & 2	Checked at Stage 1	Checked at Stage 2 and Surveilla nce	RP3/ PAR Referen ce
4. Quality Management System				
4.1 General Requirements				
Is the Quality Management System established, documented, implemented, maintained and continually improved in line with this standard?	1 & 2			
Has the organisation:				
a) identified the processes needed?	1		XXXXXXXXXX	
b) determined the sequence and interaction of these processes?	1		XXXXXXXXXX	
c) determined criteria and methods to ensure effective operation and control of these processes?	1		XXXXXXXXXX	
d) ensured the availability of information necessary to support the operation / monitoring of these processes?	1 & 2 2	XXXXXXXXXX		
e) measure, monitor and analyse these processes?	2	XXXXXXXXXX		
f) implemented actions necessary to achieve planned results and continual improvement of these processes.				
Does the organization manage these processes in line with this standard?	2	XXXXXXXXXX		
If the organization outsourcers any process that affects product conformity with requirements, is control over such processes ensured and identified within the Quality Management System?	1 & 2			
4.2 Documentation requirements				
4.2.1 General				

Does the Quality Management System documentation include:	1		XXXXXXXXXX	
a) documented statements of a quality policy and quality objectives?	1		XXXXXXX	
b) a quality manual?	1		XXXXXXX	
c) documented procedures required in this standard?	1 & 2			
d) documents required by the organization to ensure effective operation and control of its processes?	2	XXXXXXXXXXXX		
e) quality records required by the International Standard?				
Is the extent of Quality Management System documentation required in 4.2.1 a) – e) appropriate to the size and type of organization, complexity and interaction of its processes; and competence of its people?	1 & 2			
4.2.2 Quality Manual				
Is a Quality Manual established and maintained that includes:	1		XXXXXXXXXX	
a) the scope of the Quality Management System (including details and justification for any exclusions)?	1		XXXXXXX	
b) documented procedures, or reference to them?	1		XXXXXXX	
c) a description of the interaction between the processes included in the Quality Management System?				
4.2.3 Control of Documents				
Are documents for the Quality Management System controlled?	2	XXXXXXXXXXXX		
Are documents defined as records controlled?	2	XXXXXXXXXXXX		

Is a document established to:				
a) approve documents for adequacy prior to issue?	1		XXXXXXXXXX	
	1		XXXXXXXXXX	
b) review, update and re-approve documents?	1		XXXXXXXXXX	
c) identify changes and the current revision status of documents?	1 & 2			
d) ensure relevant versions are available at point of use?	1 & 2			
e) ensure that documents remain legible and identifiable?	1 & 2			
f) ensure that documents of external origin are identified and their distribution controlled?	1 & 2			
g) prevent the use of obsolete documents and apply suitable identification if retained?				
4.2.4 Control of Quality Records				
Are Quality records established and maintained to provide evidence of conformity to requirements and effective operation of the Quality Management System?	1 & 2			
Are Quality records legible, readily identifiable and retrievable?	2	XXXXXXXXXXXXXX		
Is a procedure established to define the controls needed for the identification, storage, protection, retrieval, retention time and disposition of quality records?	1		XXXXXXXXXX	
5. Management Responsibility				
5.1 Management commitment				
Is there evidence to demonstrate top management commitment to the development and improvement of the Quality Management System, by:	1		XXXXXXXXXX	
a) communicating to the organization the importance of meeting customer as well as regulatory requirements?	1		XXXXXXXXXX	
	1		XXXXXXXXXX	
	1 & 2			
b) establishing the quality policy?	1 & 2			
c) ensuring the quality objectives are established?				
d) conducting management reviews?				
e) ensuring the availability of necessary resources?				
5.2 Customer Focus				

Has top management ensured that customer requirements are determined, and fulfilled – with the aim of enhancing Customer Satisfaction?	1 & 2				
5.3 Quality Policy					
Has top management ensured that the Quality Policy:	1		XXXXXXXXXX		
a) is appropriate to the purpose of the organization?	1		XXXXXXXXXX		
b) includes a commitment to comply with requirements and continually improve the Quality Management System?	1		XXXXXXXXXX		
c) provides a framework for establishing and reviewing quality objectives?	1 & 2	XXXXXXXXXXXX			
d) is communicated and understood within the organization?	2				
e) is reviewed for continuing suitability?					
Is the Quality Policy controlled?	2		XXXXXXXXXXXX		
5.4 Planning					
5.4.1 Quality objectives					
Are Quality objectives established at all relevant functions and levels within the organization?	1 & 2				
Are the Quality objectives:					
a) measurable?	1		XXXXXXXXXX		
b) consistent with the Quality Policy?	1		XXXXXXXXXX		
5.4.2 Quality Planning					
Does top management ensure that:					
a) the planning of the Quality Management System is carried out in order to meet the requirements of 4.1, as well as the quality objectives?	1		XXXXXXXXXX		
b) the integrity of the Quality Management System is maintained when changes to the Quality Management System are planned and implemented?	2	XXXXXXXXXXXX			
5.5 Responsibility, authority and communication					
5.5.1 Responsibility and Authority					
Are functions and interrelations within the organization, including responsibilities etc, defined and communicated?	1 & 2				
5.5.2 Management Representative					

Are appointed member(s) of management responsible for:	1 & 2			
a) ensuring that Quality Management System processes are established, implemented and maintained?	1 & 2			
b) reporting to top management on the performance of the Quality Management System, including needs for improvement?	1 & 2			
c) ensuring the promotion of customer requirements throughout the organization?				
5.5.3 Internal Communication				
Are there communication processes established within the organization? Does communication take place in respect of the effectiveness of the Quality Management System?	1 & 2			
5.6 Management Review				
5.6.1 General				
Is the Quality Management System reviewed by top management, at planned intervals, to ensure ongoing suitability and effectiveness?	2	XXXXXXXXXX		
Does the Management Review include assessing opportunities for improvement and the need for changes to the Quality Management System – including quality policy and objectives?	2	XXXXXXXXXX		
5.6.2 Review Input				
Do inputs to Management Review include information on:	2	XXXXXXXXXX		
a) results of audits?	2	XXXXXXXXXX		
b) customer feedback?	2	XXXXXXXXXX		
c) process performance and product conformance?	2	XXXXXXXXXX		
d) status of corrective and preventive actions?	2	XXXXXXXXXX		
e) follow-up actions from earlier management reviews?	2	XXXXXXXXXX		
f) changes that could affect the Quality Management System?				
g) recommendations for improvement?				
5.6.3 Review Output				

Do outputs from Management Review include decisions and actions related to: a) improvement of the effectiveness of the Quality Management System audit processes? b) improvement of product related to customer requirements? c) resource needs?	2 2 2	xxxxxxx xxxxxxx xxxxxxx		
Are records of management reviews maintained?	2	xxxxxxxxx		
6. Resource Management				
6.1 Provision of Resources				
Does the organization determine, and provide the resources needed to: a) implement and continually improve the Quality Management System processes? b) to enhance customer satisfaction by meeting customer requirements?	1 & 2 1 & 2			
6.2 Human Resources				
6.2.1 General				
Are personnel who are assigned responsibilities in the Quality Management System competent on the basis of education, training, skills and experience?	2	Xxxxxxxxxx		
6.2.2 Training, Awareness and Competency				
Does the organization: a) determine the necessary competence for personnel performing activities affecting quality? b) provide training or take other action to satisfy these needs? c) evaluate the effectiveness of the actions taken? d) ensure that its employees are aware of the relevance and importance of their activities – and how they contribute to the achievement of quality objectives? e) maintain records of education, training, skills and experience?	1 & 2 2 2 2 2	 xxxxxxxxx xxxxxxx xxxxxxx xxxxxxx		
6.3 Infrastructure				

Does the organization determine, provide and maintain the facilities it needs to achieve conformity of product and/or service, including:				
a) buildings, workspace and associated utilities	2	XXXXXXXXXX		
b) process equipment, both hardware and software, and	2	XXXXXXX		
c) supporting services such as transport, communications, etc.	2	XXXXXXX		
6.4 Work Environment				
Does the organization determine and manage the work environment needed to achieve conformity to product requirements?	2	XXXXXXXX		
7. Product Realization				
7.1 Planning of Product Realization				
Has the organization planned and implemented the process needed for product realization?	1 & 2			
Is planning of product realization consistent with the requirements of other processes of the Quality Management System?	1 & 2			
In planning product realization, are the following determined, as appropriate:				
a) quality objectives and requirements for the product?	1		XXXXXXXX	
b) the need to establish processes, documents and provide resources specific to the product?	1		XXXXXXX	
c) verification, validation monitoring, inspection and test activities specific to the product and criteria for product acceptance?	1		XXXXXXX	
d) records needed to provide evidence that the realization processes and resulting product fulfill requirements?	1 & 2			
Is the output of this planning in a form suitable for the organization's method of operations?	2	XXXXXXXX		
7.2 Customer-related processes				
7.2.1 Determination of requirements related to the product				

Does the organization determine:				
a) requirements specified by the customer, including requirements for delivery and post-delivery activity?	1 & 2			
b) requirements not stated by the customer, but necessary for intended or specified use?	1 & 2			
c) statutory and regulatory requirements related to the product?	1 & 2			
d) any additional requirements determined by the organization?	1 & 2			
7.2.2 Review of requirements related to product				
Are product-related requirements reviewed prior to commitment to supply of a product to a customer?	2	Xxxxxxxxxx		
Does such a review ensure that:				
a) product requirements are defined?	2	xxxxxxxxxx		
b) contract or order requirements differing from those previously expressed (e.g. tender/quote) are resolved?	2	xxxxxxx		
c) the organization has the ability to meet the defined requirements?	2	xxxxxxxx		
Are review results and follow-up actions recorded?	2	Xxxxxxxxxx		
Where the customer provides no documented statement of requirement, are the customer requirements confirmed before acceptance?	2	Xxxxxxxxxx		
If requirements are changed, is relevant documentation amended and relevant personnel made aware ?	2	Xxxxxxxxxx		
7.2.3 Customer Communication				
Are effective arrangements determined and implemented for communication with customers in relation to:				
a) product information	1 & 2			
b) enquiries, contracts or order handling (including changes)?	1 & 2			
c) customer feedback, including complaints?	1 & 2			
7.3 Design and Development				
7.3.1 Design and Development planning				
Is design and development of product planned and controlled?	1 & 2			

Does design and development planning determine:	2	XXXXXXXXXX		
a) stages of design and development?	2	XXXXXXXXXX		
b) review, verification and validation appropriate to each design and development stage?	2	XXXXXXXXXX		
c) responsibilities and authorities for design and development?				
Are interfaces between groups involved in design and development managed to ensure effective communication & clarity of responsibility ?	2	XXXXXXXXXX		
Is planning output updated as design & development progresses?	2	XXXXXXXXXX		
7.3.2 Design and Development Inputs				
Are inputs relating to product requirements determined and records maintained? Do these include:	2	XXXXXXXXXX		
a) functional and performance requirements?	2	XXXXXXXXXX		
b) applicable regulatory and legal requirements?	2	XXXXXXXXXX		
c) applicable information from previous similar designs?	2	XXXXXXXXXX		
d) any other requirements essential for design / development?				
Are inputs reviewed for adequacy?	2	XXXXXXXXXX		
Are requirements complete, unambiguous and not in conflict with each other?	2	XXXXXXXXXX		
7.3.3 Design and Development Outputs				
Are the outputs of the design/development process provided in a manner that enables verification against design inputs?	2	XXXXXXXXXX		
Are outputs approved prior to release?	2	XXXXXXXXXX		
Does design / development output:				
a) meet the design/development input requirements?	2	XXXXXXXXXX		
b) provide appropriate information for purchasing, production and service?	2	XXXXXXXXXX		
c) contain or reference product acceptance criteria?	2	XXXXXXXXXX		
d) specify product characteristics essential to proper use?	2	XXXXXXXXXX		
7.3.4 Design and Development review				

Are systematic reviews of design/development conducted at suitable stages to:	2	XXXXXXXXXX		
a) evaluate the ability of the design / development results to fulfill requirements?	2	XXXXXXXXXX		
b) identify problems and propose necessary actions?				
Do participants include representatives concerned with the design/development stage(s) being reviewed?	2	XXXXXXXXXX		
Are records of reviews and actions maintained?	2	XXXXXXXXXX		
7.3.5 Design and Development verification				
Is design/development verification performed to ensure design/development output meets design/development input requirements?	2	XXXXXXXXXX		
Are records of verification / follow-up action maintained?	2	XXXXXXXXXX		
7.3.6 Design and Development validation				
Is design/development validation performed in line with planned arrangements (see 7.3.1) to confirm that product is capable of meeting requirements for the intended use?	2	XXXXXXXXXX		
Is full validation completed prior to delivery / implementation wherever practical?	2	XXXXXXXXXX		
Are records of validation / follow-up action maintained?	2	XXXXXXXXXX		
7.3.7 Control of design and development changes				
Are design/development changes identified and records maintained?	2	XXXXXXXXXX		
Are changes reviewed, verified, validated and approved, as appropriate, before implementation?	2	XXXXXXXXXX		
Does the review of design and development changes include evaluation of the effect of the changes on constituent parts and delivered product?	2	XXXXXXXXXX		

Are records of the results of review of changes, and any necessary actions, maintained ?	2	Xxxxxxxxxxxx		
7.4 Purchasing				
7.4.1 Purchasing Process				
Does the organization ensure that purchased product conforms to specified purchase requirement?	2	Xxxxxxxxxxxx		
Is the type and extent of control applied to supplier / purchased product dependent on the effect of the purchased product on subsequent product realization?	2	Xxxxxxxxxxxx		
Are suppliers evaluated and selected on the basis of their ability to supply product in line with requirements?	2	Xxxxxxxxxxxx		
Are criteria for selection and evaluation established?	1 & 2			
Are records of evaluations / follow-up actions maintained?	2	Xxxxxxxxxxxx		
7.4.2 Purchasing Information				
Does purchasing information describe the product to be purchased, including, where appropriate: a) requirements for approval or qualification of product, procedures, processes and equipment? b) requirements for qualification of personnel? c) quality management system requirements?	2 2 2	xxxxxxxxxxx xxxxxxxxxxx xxxxxxxxxxx		
Are steps taken to ensure the adequacy of specified purchase requirements prior to communication to supplier?	2	Xxxxxxxxxxxx		
7.4.3 Verification of purchased product				
Are inspection or other activities necessary for ensuring product meets specified purchase requirements established and implemented?	1 & 2			
Where verification at the supplier's premises is proposed, are verification/release details included in purchasing info?	2	Xxxxxxxxxxxx		
7.5 Production and service provision				
7.5.1 Control of production and service provision				

Are production and service provision carried out under controlled conditions? – including, as applicable:	2	XXXXXXXXXX		
a) availability of information that describes product characteristics?	2	XXXXXXXXXX		
b) the availability of work instructions?	2	XXXXXXXXXX		
c) use of suitable equipment	2	XXXXXXXXXX		
d) availability and use of monitoring/measuring devices?	2	XXXXXXXXXX		
e) implementation of monitoring/measurement activities?				
f) implementation of release, delivery and post-delivery activities?				
7.5.2 Validation of processes				
Are production and service processes validated where the resulting output cannot be verified by subsequent measurement and/or monitoring?	2	XXXXXXXXXX		
Is validation undertaken to demonstrate the ability of the processes to achieve planned results?	2	XXXXXXXXXX		
Are validation arrangements established, as applicable:	2	XXXXXXXXXX		
a) defined criteria for review and approval of processes?	2	XXXXXXXXXX		
b) approval of equipment and qualification of personnel?	2	XXXXXXXXXX		
c) use of specific methods and procedures?	2	XXXXXXXXXX		
d) requirements for records?				
e) re-validation?				
7.5.3 Identification and traceability				
Is the product/service identified by suitable means throughout product realization?	2	XXXXXXXXXX		
Is the status of product identified with respect to measurement and monitoring requirements?	2	XXXXXXXXXX		
Where traceability is a requirement, is the unique identification of product controlled and recorded?	2	XXXXXXXXXX		
7.5.4 Customer property				
Is care exercised with customer property?	2	XXXXXXXXXX		
Is such property, provided for use or incorporation into the product, identified, verified, protected and safeguarded?	2	XXXXXXXXXX		

Are details of such property recorded and reported to the customer if lost, damaged or otherwise found unsuitable?	2	XXXXXXXXXX		
7.5.5 Preservation of product				
Is conformity of product with customer requirements preserved during internal processing and delivery?	2	XXXXXXXXXX		
Does this include identification, handling, packaging, storage and protection?	2	XXXXXXXXXX		
Does this apply to all constituent parts of a product?	2	XXXXXXXXXX		
7.6 Control of monitoring and measuring devices				
Does the organization determine the monitoring & measurement to be undertaken, and the monitoring & measuring devices needed, to provide evidence of conformity to determined requirements?	1 & 2			
Are processes established to ensure monitoring & measurement can be carried out? Are these carried out in a manner consistent with requirements?	1 & 2			
To ensure valid results, is measuring equipment:	2	XXXXXXXX		
a) calibrated or verified at specified intervals, or prior to use against measurement standards traceable to international or national standards? – If no such standards exist is the basis for calibration recorded?	2	XXXXXXX		
b) adjusted or re-adjusted, as necessary?	2	XXXXXXX		
c) identified to enable calibration status to be determined?	2	XXXXXXX		
d) safeguarded from adjustments which would invalidate the measurement result?				
e) protected from damage and deterioration during handling, maintenance and storage?				
When equipment is found not to conform to requirements, are the validity of previous measuring results assessed and recorded? Is appropriate action undertaken in such cases?	2	XXXXXXXX		
Are records of calibration and verification maintained?	2	XXXXXXXX		

Is the ability of software used for measuring and monitoring of specified requirements, confirmed prior to use? – and reconfirmed as necessary?	2	XXXXXXXXXX		
8. Measurement, analysis and improvement				
8.1 General				
Does the organization plan and implement the monitoring, measurement, analysis and improvement activities needed to: a) demonstrate conformity of product? b) ensure conformity of the Quality Management System? c) to continually improve the effectiveness of the Quality Management System?	1 & 2			
Do these include the determination of the need for applicable methods, including statistical techniques?	1 & 2			
8.2 Measurement and monitoring				
8.2.1 Customer Satisfaction				
Is information on customer satisfaction / dissatisfaction monitored as a measure of performance of the Quality Management System?	2	XXXXXXXXXXXX		
Are methodologies for obtaining and using this defined?	1 & 2			
8.2.2 Internal Audit				
Are internal audits conducted at planned intervals to confirm that: a) the Quality Management System conforms to planned arrangements, the requirements of ISO9001 and the organization's own requirements? b) it has been effectively implemented and maintained?	2 2	XXXXXXXXXXXX XXXXXXXXXX		
Is the audit program planned taking into consideration: a) status and importance of processes and areas to be audited? b) results of previous audits?	1 & 2 1 & 2			
Is audit criteria, scope, frequency and methods defined?	1 & 2			
Does selection of auditors and conduct of audits ensure objectivity and impartiality?	2	XXXXXXXXXXXX		
Is there a documented procedure for planning and conducting audits, and reporting / maintaining records	1 & 2			

Do management take timely action on audit findings?	2	Xxxxxxxxxx		
Do follow-up actions include verification of actions and reporting of verification results?	2	Xxxxxxxxxx		
8.2.3 Measurement and monitoring of processes				
Are suitable methods applied for measurement and monitoring of the QMS processes?	2	Xxxxxxxxxx		
Do these methods demonstrate the ability of the process to satisfy its intended need?	2	Xxxxxxxxxx		
Where planned results are not achieved, is action taken to ensure conformity of product?	2	Xxxxxxxxxxxx		
8.2.4 Measurement and Monitoring of product				
Are the characteristics of product measured and monitored to verify that product requirements are fulfilled?	2	Xxxxxxxxxxxx		
Is this carried out at appropriate stages of realization?	2	Xxxxxxxxxxxx		
Is conformity with acceptance criteria maintained?	2	Xxxxxxxxxxxx		
Do records indicate the authority responsible for release?	2	Xxxxxxxxxxxx		
Does product release and service delivery not proceed until all specified activities have been satisfactorily completed (unless approved by the relevant authority or customer)?	2	Xxxxxxxxxxxx		
8.3 Control of non-conforming product				
Is product which does not conform, identified and controlled to prevent unintended use/delivery?	2	Xxxxxxxxxxxx		
Are these controls and related responsibilities / authorities defined in a documented procedure?	1		xxxxxxxxxx	

Does the organization deal with non-conforming product by one or more of the following ways: a) by taking action to eliminate the non-conformity? b) by authorizing its use, release or accept under concession by a relevant authority or the customer? c) by taking action to preclude the original intended use or application?	2 2 2	XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX		
Are records of the nature of non-conformities, actions and concessions maintained?	2	XXXXXXXXXX		
When non-conforming product is corrected is it subjected to re-verification to demonstrate conformity to requirements?	2	XXXXXXXXXX		
If non-conforming product is detected after delivery, or use has started, is action taken, appropriate to the effects?	2	XXXXXXXXXX		
8.4 Analysis of data				
Is appropriate data collected and analyzed to demonstrate the suitability and effectiveness of the Quality Management System and to identify improvements that can be made?	2	XXXXXXXXXX		
Is this data analyzed to provide information on: a) customer satisfaction? b) conformance to product requirements? c) characteristics and trends of processes and products, including opportunities for preventive action? d) suppliers?	2 2 2 2	XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX		
8.5 Improvement				
8.5.1 Planning for continual improvement				
Is the effectiveness of the Quality Management System continually improved through the use of the quality policy, objectives, audit results, analysis of data, corrective and preventive action, and management review?	1 & 2			
8.5.2 Corrective action				
Is corrective action taken to eliminate the cause of non-conformities, in order to prevent recurrence?	2	XXXXXXXXXX		

Is corrective action taken appropriate to the impact of the problems encountered?	2	XXXXXXXXXXXX		
Does the documented procedure for corrective action define requirements for:				
a) reviewing non-conformities (including complaints)?	1		XXXXXXXXXX	
	1		XXXXXXXXXX	
b) determining the causes of non-conformity?	1		XXXXXXXXXX	
c) evaluating the need for actions to ensure that non-conformities do not recur?	1		XXXXXXXXXX	
	1		XXXXXXXXXX	
	1		XXXXXXXXXX	
d) determining and implementing action needed?				
e) records of results of actions taken?				
f) reviewing corrective action taken?				
8.5.3 Preventive action				
Is preventive action taken to eliminate the cause of potential non-conformities, in order to prevent occurrence?	2	XXXXXXXXXXXX		
Is preventive action taken appropriate to the effects of the potential problems?	2	XXXXXXXXXXXX		
Is a documented procedure established to define requirements for:				
a) determining potential non-conformities and their causes?	1		XXXXXXXXXX	
b) evaluating the need for action to prevent occurrence of non-conformities?	1		XXXXXXXXXX	
	1		XXXXXXXXXX	
c) determining and implementing action needed?	1		XXXXXXXXXX	
	1		XXXXXXXXXX	
d) records of results of action taken?				
e) reviewing preventive action taken?				

Annexure – V

ISO 14001:2004 Auditor Guidance/Checklist

Purpose of Auditor Guidance/Checklist

- To provide a reference document by which auditors can check (and use as a means to record) that relevant clauses of the ISO 14001:2004 standard have been addressed during a Stage 1 or Stage 2/Surveillance audit;
- To assist the auditor in the identification of any issues that needs to be addressed at Stage 2 or subsequent Surveillance.

Scope of Checklist

- The checklist identifies which requirements should be checked during which stage, i.e. Stage 1, Stage 2/Surveillance – or in some cases Stages 1 and 2/Surveillance.
- Cautionary guidance on the use of the checklist is provided as Notes 1 – 4.

Suggested Use of the Checklist:

- Stage 1 and Stage 2/Surveillance audits should be planned and carried out in line with the audit plans agreed with the client;
- As each of the Stage 1 or Stage 2/Surveillance audits progress, then the checklist may be consulted on an ongoing basis to identify the requirements which should be addressed. The auditor should provide separate evidence to indicate the manner in which a specific requirement has been addressed;
- The document may be used by the auditor to record where a requirement has been satisfactorily addressed by the organization by ticking the appropriate column. Where the requirement has been unsatisfactorily addressed, needs improvement or does not apply, then the column may be marked with NC, Obs or N/A as appropriate;
- Before completing the Stage 1 or Stage 2/Surveillance audit report, the auditor may use this document to check that relevant clauses have been considered, and to assist in the preparation of the report summary and recommendations.

CLIENT NO: CLIENT NAME:	Stage 1, 2 or 1 & 2	Checked at Stage 1	Checked at Stage 2 and Surveillance	RP3/ PAR Reference
4. Environmental Management System				
4.1 General Requirements				
EMS is:				
- established and documented	1		xxxxxxx	
- maintained	2	xxxxxxx		
- continually improved	2	xxxxxxx		
The scope is defined and documented	1		xxxxxxx	
4.2 Environmental policy				
Environmental policy is:				
- defined by top management	1		xxxxxxx xxxxxxx	
- appropriate to activities, products, services and impacts	1			
- includes commitment to			xxxxxxx	
- continual improvement	1		xxxxxxx	
- prevention of pollution	1		xxxxxxx	
- comply with legal and other requirements	1		xxxxxxx	
- provides a framework for setting and reviewing objectives and targets	1			
- documented	2	xxxxxxx		
- implemented	2	xxxxxxx		
- maintained	2	xxxxxxx		
- communicated to persons working for and on behalf of the organization	2	xxxxxxx		
- available to the public				
4.3 Planning				
4.3.1 Environmental aspects				
A procedure is established to identify environmental aspects that can be controlled and that can be influenced associated with the activities products and services	1		xxxxxxx	
The procedure is implemented and maintained	2	xxxxxxx		
The procedure takes account of planned or new developments, or new or modified activities	1&2			
The procedure determines significant environmental aspects	1		xxxxxxx	

The information required by the procedure is documented and maintained in an up to date condition	2	xxxxxxx		
The significant environmental aspects are taken into account in:				
- establishing the EMS	1		xxxxxxx	
- implementing the EMS	2	xxxxxxx		
- maintaining the EMS	2	xxxxxxx		
4.3.2 Legal and other requirements				
A procedure is established:				
- to identify applicable legal and other requirements related to the environmental aspects	1		xxxxxxx	
- to determine how the legal and other requirements apply to the environmental aspects	1		xxxxxxx	
The procedure is implemented and maintained	2	xxxxxxx		
The applicable legal and other requirements are taken into account in:				
- establishing the EMS	1		xxxxxxx	
- implementing and maintaining the EMS	2	xxxxxxx		
4.3.3 Objectives targets and programs				
Documented environmental objectives and targets are:				
- established at relevant functions and levels	1		xxxxxxx	
- implemented and maintained at relevant functions and levels and reviewed	2	xxxxxxx		
Objectives and targets are measurable and consistent with environmental policy including prevention of pollution and the applicable legal and other requirements.	1&2			
Objectives and targets include continual improvement	2	xxxxxxx		
Objectives and targets consider technological options, financial, operational and business requirements and the views of interested parties	1&2			

There is a program with a time frame for achieving the objectives and targets, including designated roles, responsibility and authority at each function and level and for reporting performance to top management for review including recommendations for improvement	1&2			
4.4 Implementation and operation				
4.4.1 Resources, roles, responsibility and authority				
Resources (see standard) are available to establish, implement, maintain and improve the EMS	1&2			
Roles, responsibilities and authorities are: - defined and documented - communicated	1 2	xxxxxxx	xxxxxxx	
Top management has appointed a management representative with responsibility for the EMS and to report on performance	1		xxxxxxx	
4.4.2 Competence, training and awareness				
Top management ensures that persons performing tasks for or on behalf of the organization are competent on the basis of education, training or experience	1&2			
The organization identifies training needs related to environmental aspects and the EMS	1&2			
The organization provides training	2	xxxxxxx		
Training records are retained	2	xxxxxxx		
A procedure is available to make persons working for or on behalf of the organization aware of: - the importance of conformity to policy, procedures and EMS, - significant environmental aspects and related or potential aspects, - environmental benefits of improved personal performance, - roles and responsibilities in achieving conformity with the EMS and - potential consequences of departure from specified procedures.	1 1 1 1 1		xxxxxxx xxxxxxx xxxxxxx xxxxxxx xxxxxxx	

The procedure is implemented and maintained	2	xxxxxxx		
4.4.3 Communication				
A procedure is:				
- established for communication among the levels and functions regarding environmental aspects and the EMS,	1		xxxxxxx	
- the procedure includes receiving, documenting and responding to relevant communication from external parties	1		xxxxxxx	
The procedure is implemented and maintained	2	xxxxxxx		
The organization has documented its decision regarding external communication	1		xxxxxxx	
Where external communication is decided:				
- the method is established, and	1		xxxxxxx	
- the method is implemented	2	xxxxxxx		
4.4.4 Documentation				
The EMS documentation includes:				
- environmental policy, objectives and targets	1		xxxxxxx	
- a description of the scope of the EMS	1		xxxxxxx	
- a description of the main EMS elements, their interaction and related documents	1		xxxxxxx	
- documents and records required by this standard, and	1&2			
- documents and records required to ensure effective planning, operation and control of processes that relate to significant environmental aspects.				
4.4.5 Control of documents				
Documents required by the EMS are controlled, including records	2	xxxxxxx		

A procedure is established to:				
- approve documents prior to issue	1		XXXXXXX	
- review, update and re-approve documents	1		XXXXXXX	
- identify changes and current revision status	1		XXXXXXX	
- ensure relevant versions are available at points of use	1		XXXXXXX	
- ensure documents remain legible and readily identifiable	1		XXXXXXX	
- ensure external documents are identified and controlled to prevent the unintended use of obsolete documents				
The procedure is implemented and maintained	2	XXXXXXX		
4.4.6 Operational control				
Operations associated with significant environmental aspects that are consistent with the policy, objectives and targets are identified	1		XXXXXXX	
A procedure is established to:				
- control situations leading to deviations from policy, objectives and targets	1		XXXXXXX	
- stipulate operating criteria	1		XXXXXXX	
- communicate applicable procedures to suppliers and contractors concerning goods and services	1		XXXXXXX	
The procedure is implemented and maintained	2	XXXXXXX		
4.4.7 Emergency preparedness and response				
A procedure is established to identify potential emergency situations and potential accidents and how response will be made	1		XXXXXXX	
The procedure is implemented and maintained, periodically reviewed and tested where practicable	2	XXXXXXX		
In response to actual emergencies and accidents the organization prevents or mitigates associated adverse environmental impacts	2	XXXXXXX		

The emergency preparedness and response procedure is reviewed after an emergency or accident	2	xxxxxxx		
4.5 Checking				
4.5.1 Monitoring and measurement				
A procedure is established to monitor and measure key characteristics of the operations that have a significant environmental impact	1		xxxxxxx	
The procedure includes documenting of information to:				
- monitor performance	1		xxxxxxx	
- provide operational controls	1		xxxxxxx	
- determine conformity with objectives and targets	1		xxxxxxx	
The procedure is implemented and maintained	2	xxxxxxx		
Calibrated or verified monitoring and measurement equipment is used and maintained and associated records are available	2	xxxxxxx		
4.5.2 Evaluation of compliance				
4.5.2.1 A procedure is established for periodically evaluating compliance with legal requirements	1		xxxxxxx	
The procedure is implemented and maintained	2	xxxxxxx		
Records of the results of periodic evaluations are available	2	xxxxxxx		
4.5.2.2 Compliance with other requirements to which the organization subscribes is evaluated	2	xxxxxxx		
Records of the results of periodic evaluations are available	2	xxxxxxx		
4.5.3 Nonconformity, corrective action and preventive action				
A procedure is established for dealing with actual and potential nonconformity and for taking corrective and preventive action	1		xxxxxxx	
The procedure is implemented and maintained	2	xxxxxxx		

The procedure defines requirements for:				
- identifying and correcting nonconformity and taking action	1		XXXXXXX	
- investigating nonconformity and causes and taking action to avoid recurrence	1		XXXXXXX	
- evaluating need for action to prevent nonconformity and implementing action to avoid occurrence	1		XXXXXXX	
- recording the results of corrective and preventive action	1		XXXXXXX	
- reviewing the effectiveness of corrective and preventive action taken	1		XXXXXXX	
Actions taken are appropriate to the magnitude of the problems and environmental impacts encountered	2	XXXXXXX		
Necessary changes to the EMS are implemented	2	XXXXXXX		
4.5.4 Control of records.				
The records required are identified to demonstrate conformity of the EMS to the requirements of ISO14001	1		XXXXXXX	
The records identified as required are generated and maintained	2	XXXXXXX		
A procedure is established for the identification, storage, protection, retrieval and disposal of records	1		XXXXXXX	
The procedure is implemented and maintained	1		XXXXXXX	
Records are legible, identifiable and traceable	2	XXXXXXX		
4.5.5 Internal audit				
Internal audits are conducted at planned intervals to:	1&2			
- determine whether the EMS conforms to planned arrangements	2	XXXXXXX		
- whether the EMS has been properly implemented	1&2			
- provide results of audit to management	1&2			
Audit programs take account of the importance of operations and results of previous audits	1&2			

Audit procedures are established to: <ul style="list-style-type: none"> - identify responsibilities for planning and conducting audits, reporting results and retaining associated records - determine audit criteria, scope, frequency and methods 	1		xxxxxxx	
	1		xxxxxxx	
The procedures are implemented and maintained	2	xxxxxxx		
The selection of auditors and conduct of audits ensures impartiality	1&2			
4.6 Management review				
The EMS is reviewed by top management at planned intervals to: <ul style="list-style-type: none"> - ensure continuing suitability, adequacy and effectiveness - assess opportunities for improvement - assess need for changes to the EMS including to the policy, objectives and targets 	2	xxxxxxx		
	2	xxxxxxx		
	2	xxxxxxx		
Records of management reviews are retained	2	xxxxxxx		
Inputs to management reviews include: <ul style="list-style-type: none"> - results of internal audits - evaluations of compliance with legal and other requirements to which the organization subscribes - communications from external interested parties - complaints - environmental performance - the extent to which objectives and targets have been met - follow-up actions from previous management reviews - changing circumstances including developments in legal and other requirements concerning environmental aspects - recommendations for improvement 	2	xxxxxxx		
	2	xxxxxxx		
	2	xxxxxxx		
	2	xxxxxxx		
	2	xxxxxxx		
	2	xxxxxxx		
	2	xxxxxxx		
	2	xxxxxxx		
	2	xxxxxxx		
Outputs from management review include decisions and actions related to policy, objectives, targets and other elements consistent with the commitment to continual improvement	2	xxxxxxx		

<p>Note 1: Use of the Stage 2/Surveillance column in a Surveillance audit should be made with caution. Any changes to the EMS may require consideration of the applicable requirements for Stage 1 audits.</p>				
<p>Note 2: This checklist is not intended to provide a program for the audit, or to replace an Audit Plan</p>				
<p>Note 3: The checklist, particularly the comments or reference column, does not replace the need to collect and report traceable objective evidence, both positive and negative, during the audit.</p>				
<p>Note 4: The same document should be used for both Stage 1 and Stage 2 audits. A fresh document should be used for each Surveillance audit.</p>				

Annexure – VI

OHSAS 18001 Stage 1 Audit Checklist

Certification International (UK) Limited	
OHSAS 18001 STAGE 1 AUDIT	CHECKLIST
Name of Organization: - _____	EAC Code No. :- _____
Date of Stage 1 Audit: - _____	Auditor Name: - _____

Please tick YES or NO to confirm that each question has been addressed. For AFH&S PROGRAMME ONLY use checklist against outputs provided for relevant AFH&S Activities listed. Please note Activity 5 is assessed on-site. The Checklist is provided as an 'aide memoir'. It is not exhaustive or a substitute for your knowledge and experience of auditing against OHSAS 18001.

Clause	AFH&S Activity	Requirements	Yes	No
4.2		OH&S POLICY		
	2	Has an OH&S Policy been prepared and documented?		
	2	Has top management authorized the Organization's OH&S Policy?		
	2	Does the OH&S Policy clearly state overall health and safety objectives and a commitment to improving health and safety performance?		
4.2(a)	2	Is the OH&S Policy appropriate to the nature and scale of the organizations hazards and risks?		
4.2(b)	2	Does the OH&S Policy include a commitment to continual improvement?		
4.2(c)	2	Does the OH&S Policy include a commitment to comply with current applicable OH&S legislation and other requirements to which the organization subscribes?		
4.2(d)	2	Does the OH&S Policy provide a realistic framework for setting, achieving and reviewing OH&S Objectives?		
4.2 (e)	2	Is the policy sufficiently clear to be capable of being understood by employees to enable them to measure their own OH&S performance?		
4.2 (f)	2	Is there a commitment to make the OH&S policy available to interested parties?		
4.2 (g)	2	Is there a commitment for review of the policy to ensure it remains relevant?		
		Additional Notes		

4.3		PLANNING		
4.3.1		OH&S Hazards and Risks		
	On site	Is there a procedure for the ongoing identification of hazards, the assessment of risks and the implementation of control measures?		
	On site	Is the procedure defined with respect to its scope, nature and timing?		
	On site	Does the procedure classify risks and identify those that are to be eliminated or controlled by setting of objectives and management program?		
	On site	Is the procedure consistent with the size, complexity, operational nature and capabilities of the organization, taking account of time and cost for the preparation of reliable data?		
	On site	Does the procedure provide an input for the determination of facility requirements, the identification of training needs and/or the development of operational controls?		
	On site	Does the procedure provide for the monitoring of required actions to ensure both the effectiveness and timeliness of their implementation?		
		Additional Notes		
4.3.2		Legal and Other Requirements		
	On-site	Is there a procedure to systematically identify all legal requirements that apply to the hazards and risks of the organization's activities, products or services?		
	On-site	Does the procedure ensure access to all existing, new and modified legal requirements?		
	On site	Does the procedure also ensure identification, access and updating of other (non-regulatory) requirements to which the organization subscribes? (e.g. Codes of Practice etc.)		
	2, On site	Has a register of relevant OH&S legislation, regulations and other requirements been established?		
	On site	Is there a commitment for these requirements to be communicated to employees and to other relevant interested parties?		
		Additional Notes		
4.3.3		Objectives		
	2	Have OH&S objectives been established?		
	2	Have the objectives been developed at each relevant function and level within the organization?		
	2	Are objectives specific and measurable wherever practicable?		
	2	Are the objectives consistent with the OH&S Policy and reflect a commitment to continual improvement?		

	2, On site	Has the organization taken into consideration when establishing (and reviewing) its objectives: legal and other requirements, technological options, financial, operational and business requirements and the views of interested parties?		
		Additional Notes		
4.3.4		OH&S Management Programs		
	2	Has an OH&S Management Program for achieving and maintaining the objectives been established?		
	2, On site	Does the program identify the personnel responsible for achieving the objectives at each relevant function and level within the organization?		
	2, On site	Does the program include the means (e.g. financial, physical or human resources) by which the organization shall achieve its objectives?		
	2	Does the program have a clear timeframe which identifies what will be done or achieved and by when?		
		Additional Notes		
4.4		IMPLEMENTATION AND OPERATION		
4.4.1		Structure and Responsibility		
	1, On site	Have roles, responsibilities and authorities for personnel whose activities have an effect on OH&S risks been defined and documented?		
	1	Have top management appointed a specific OH&S Management Representative from amongst their number to oversee the implementation and performance?		
	1	Has the representative a defined role, responsibility and authority for ensuring that the requirements of the OH&S Management System are established, implemented and maintained in accordance with the OHSAS 18001 Specification and for reporting performance of the OH&S Management System to top management?		
	4	Have the roles, responsibilities and authorities of other operational management and staff functions for implementing the various elements of the OH&S Management System been identified and documented?		
		Additional Notes		
4.4.2		Training, Awareness and Competence		
	On site	Has competence been defined for tasks that may impact on OH&S in terms of education training and/or experience?		
	On site	Do procedures exist to ensure that all employees at each relevant function and level are aware of the importance of conformance with the OH&S policy and procedures and the		

		OH&S Management System?		
	On site	Do procedures exist to ensure that all employees are made aware of significant risks, actual or potential, of their work activities and the OH&S benefits of improved personal performance?		
	On site	Do procedures exist to ensure that all employees are made aware of their roles and responsibilities in achieving conformance with the OH&S Policy and Procedures and with the requirements of the OH&S Management System, including emergency preparedness and response requirements?		
	On site	Do procedures exist to ensure that all employees are made aware of the potential consequences of departure from specified operating procedures?		
		Additional Notes		
4.4.3		Consultation and Communication		
	On site	Have appropriate procedures been established for communicating pertinent OH&S information to and from employees and other interested parties?		
	On site	Have procedures been established for internal communications between the various levels and functions of the organization?		
	On site	Are employees planned to be represented on health and safety matters?		
	On site	Are employees to be informed as to who are their employee OH&S representatives and specified management appointee?		
		Additional Notes		
4.4.4		Documentation		
4.4.4(a)	3, 4	Have the core elements of the OH&S Management System been identified, described and recorded in a paper or electronic form?		
	3, 4	Have the interactions between the core elements of the OH&S Management System been described and recorded in a paper or electronic form?		
4.4.4(b)	3, 4	Does this information provide direction on where to find or classify related OH&S Management Documentation?		
		Additional Notes		
4.4.5		Document and Data Control		
4.4.5(a)	3, On site	Are Document and Data Control Procedures established for controlling all documents required by OHSAS 18001 in order to ensure that they can be located?		
4.4.5(b)	3, On site	Do procedures exist to ensure that all documentation is periodically reviewed and revised as necessary, and approved		

		for adequacy by authorized personnel?		
4.4.5(c)	3, On site	Do procedures exist to ensure that current legible versions of relevant documents are available at all locations where operations essential to the effective functioning of the system are performed?		
4.4.5(d)	3, On site	Do procedures exist to ensure that obsolete documents are promptly removed from all points of issue and all points of use, or otherwise assured against unintended use?		
4.4.5(e)	3, On site	Do procedures exist to ensure that documents retained for legal or knowledge preservation purposes are suitably identified?		
		Additional Notes		
4.4.6		Operational Control		
4.4.6(a)	2, On site	Have the operations and activities that are associated with the significant OH&S risks of the organization been identified and documented?		
4.4.6(b)	On site	Have documented procedures been established for the operations and activities associated with the significant OH&S risks, including maintenance, stipulating operating criteria?		
4.4.6(c)	On site	Have documented procedures been established for the communication to suppliers and contractors concerning goods and services purchased and/or used by the organization that are associated with the significant OH&S risks?		
4.4.6(d)	On site	Have documented procedures been established for the design of workplace, process installations, machinery, operating procedures and work organization including their adaptation to human capabilities to eliminate or reduce OH&S risks at their source?		
4.4.7		Emergency Preparedness and Response		
	On site	Have procedures been established to identify the potential for and to respond to accidents/incidents and emergency situations and for preventing or mitigating the likely illness and injury that may be associated with them?		
		Additional Notes		
4.5		CHECKING & CORRECTIVE ACTION		
4.5.1		Performance Measurement and Monitoring		
	On site	Have procedures been established for monitoring and measuring on a regular basis to measure OH&S performance?		
	On site	Do the procedures provide for both qualitative and quantitative measures appropriate to the needs of the organization?		

	On site	Do the procedures provide for monitoring of the extent to which the organization's OH&S objectives are met?		
	On site	Do the procedures provide for proactive measures of performance that monitor compliance with the OH&S management program, operational criteria and applicable legislation and regulatory requirements?		
	On site	Do the procedures provide for reactive measures of performance to monitor accidents, ill health, incident (including near-misses) and other historical evidence of deficient OH&S performance?		
	On site	Do the procedures provide for recording of data and results of monitoring and measurement sufficient to facilitate subsequent corrective and preventive action analysis?		
	On site	Where equipment is required for performance measurement and monitoring, have procedures been established for its calibration and maintenance.		
		Additional Notes		
4.5.2		Accidents, Incidents, non-conformances and Corrective and Preventive action		
4.5.2(b)	On-site	Are procedures established for defining responsibility and authority for taking action to mitigate any consequences caused by accidents/incidents and non-conformances?		
4.5.2(c)	On site	Are procedures established for the initiation and completion of corrective and preventive action?		
4.5.2(d)	On site	Do the procedures require that all proposed corrective and preventive actions are reviewed through the risk assessment process prior to implementation?		
		Additional Notes		
4.5.3		Records and Records Management		
	On site	Have procedures for the identification, maintenance and disposition of OH&S Records been established?		
		Additional Notes		
4.5.4		Audit		
4.5.4(a)	On site	Has the organization established an audit program and procedures to determine whether the OH&S management system conforms to planned arrangements including this specification, has been properly implemented and maintained, and is effective in meeting the organization's policy and objectives?		
4.5.4(b)	On site	Has the organization established an audit program and procedures in order to review the OH&S management system including previous audit results?		
4.5.4(c)	On site	Has the organization established an audit program and		

		procedures in order to provide information on the results of audits to management?		
	On site	Is the audit program and any schedule based on the results of risk assessments?		
	On site	Do the audit procedures cover the scope, frequency, methodologies, competencies, responsibilities and requirements for conducting and reporting audits?		
		Additional Notes		
4.6		MANAGEMENT REVIEW		
	On site	Is it planned to hold Management Reviews of the OH&S Management System at planned intervals to ensure its continuing suitability and effectiveness?		
		Does the Management Review process ensure that the necessary information is collected to allow evaluation by management?		
		Additional Notes		

References

- *Websites mentioned in useful links as Annexure – I.*
- *Training workshop material “Environmental Management Systems and ECO Labeling with focus on Better Environmental Practices for Textile Industry” arranged by World Wild Federation in Collaboration with All Pakistan Textile Processing Mills Association (APTMA), Cleaner Technology Production (CTP) for Textile Industry and CPI.*
- *Pakistan Environmental Protection Act 1997*
- *Brouchers and information materials of SGS Pakistan, PIQC, PNAC, CTP, BVQI, DNV Pakistan and Moody International (Pvt.) Ltd*
- *Textile Sector Profile Expert Advisory Cell Pakistan*
- *Textile Vision 2005*
- *Articles from DAWN, The News and Business Recorder*
- *Economic Survey of Pakistan 2004-05*
- *Pakistan Textile Journal*
- *Textile Today Publication of Pakistan Cloths Merchant Association*
- *SDL Atlas Textile Testing Solutions Catalogue*