

Supplier Ethical Standards Manual and Procedures

John Readings

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Preface

Our Supplier Code of Conduct sets forth the commitment of John Readings to do business with suppliers who share our commitment to fair and safe labour practices and ethical workplaces. Our Ethical Standards Manual and associated processes are in place to allow our partnership with suppliers to be one of fairness and trust both between our company and our suppliers and between our company and the customers that we serve around the globe.

With the above in mind, the general principles of our program are set forth in John Readings' Code of Conduct and Ethics and our Supplier Code of Conduct, which incorporates the flow down requirements of our customer's Ethical Standards. John Readings' Supplier Code of Conduct is located in Appendix A.

Compliance with these standards is verified through our supplier assessment program covered in greater detail later in this manual.

Collectively, our Supplier Code of Conduct and the assessment process defined in our Ethical Standards Manual are intended to set standards designed to improve the quality of life of the workers that make the merchandise we supply, comply with legal requirements wherever we operate in the world, identify our global ethical business practices, and insure business processes are in place that comply with the intent of our Supplier Code of Conduct.

Definitions

John Readings: John Readings, Pty. Ltd. and its divisions.

Customer: A customer of John Readings.

Customs -Trade Partnership against Terrorism (C-TPAT): A voluntary US Government and business initiative that builds cooperative relationships to create a more secure supply chain. Incentives, such as fewer cargo examinations, a lower level of random compliance measurement examinations, expedited cargo processing at the border, 'front of line' inspection privileges at ports of entry if examination is required, risk score reductions, and penalty mitigation, are offered to businesses as they meet requirements of a tiered structure of criteria.

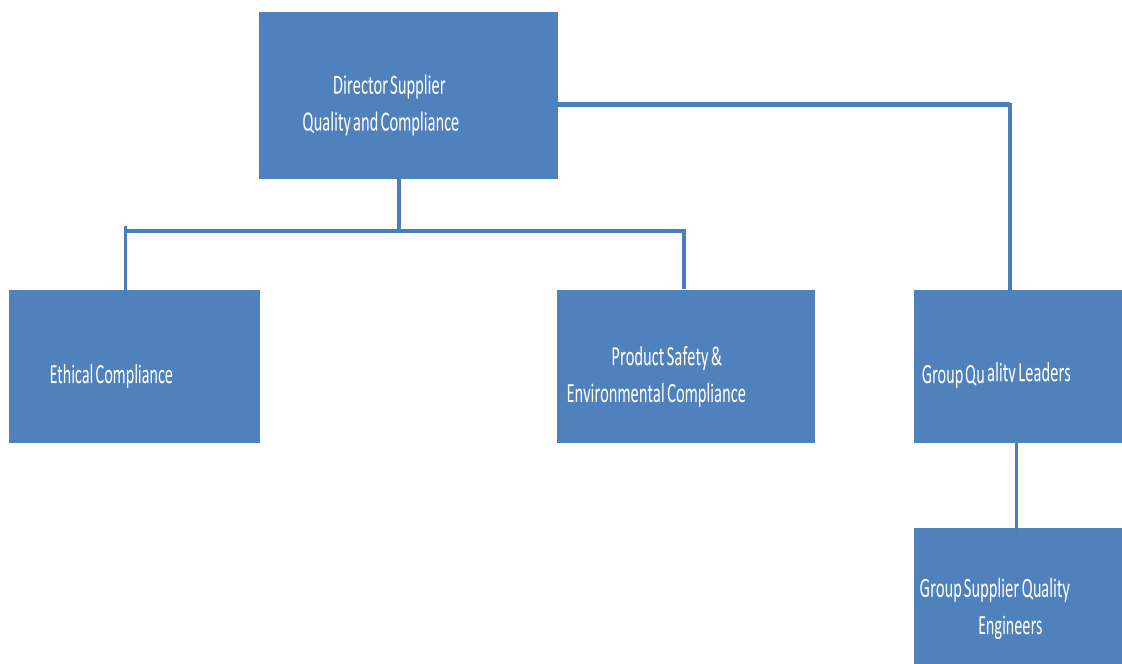
Follow-up Assessment or Re-Assessment: An assessment needed because of failure of a John Readings assessment.

Follow-on Assessment: An assessment needed because of failure of a customer assessment.

1. John Readings Supplier Ethic Standard Team (Global Sourcing)

1.1 Resources

Our Global Sourcing team is comprised of professionals who are dedicated to ensuring that the standards set forth in our Supplier Code of Conduct are adhered to by our suppliers. Additionally, this team leads and coordinates our internal programs focused on John Readings' efforts to comply with supplier standards imposed upon us by our customers such as WAL-MART, Costco, Lowe's and others.



GSA Resources for Supplier Compliance

Supplier Obligations :

1.1.1 Suppliers are responsible for their compliance with our Supplier Code of Conduct.

Suppliers are also expected to abide by all of the laws, regulations and other standards applicable to their particular industry.

1.1.2 Supplier management is responsible for informing all employees of our Supplier Code of Conduct and their obligations thereunder. Suppliers are responsible for ensuring that all records and documentation requested by John Readings is made available shall be available to submit to John Readings or its designated representatives and auditors.

1.1.3 Suppliers agree to perform periodic internal assessment to ensure compliance with John Readings' Supplier Code of Conduct.

1.1.4 Suppliers authorise John Readings or its designated representatives and auditors to conduct periodic assessments, as requested, to ensure the supplier is in compliance with the John Readings Supplier Code of Conduct.

1.2 Responsibilities of John Readings Global Sourcing

1.2.1 John Readings Global Sourcing is committed to executing its Supplier Code of Conduct (SCOC) and Ethical Standards in all areas of its business and will only engage business partners who share our commitment to the SCOC and Ethical Standards. John Readings expects all of its suppliers to adhere to the SCOC and our Ethical Standards, and will assist them in meeting their requirements.

1.2.2 John Readings Global Sourcing will not tolerate any vendors or suppliers who violate the laws of the country where they operate or who knowingly violates the standards

set forth in our Supplier Code of Conduct. John Readings is prepared to terminate partnerships with those suppliers who do not comply or take other appropriate action in accordance with these Ethical Standards.

1.2.3 The Global Sourcing assessment team is responsible for performing assessments before new suppliers are selected. An official assessment report is required and should be sent to John Readings Global Sourcing, the appropriate division of the company and other individuals within the company who have a legitimate reason to know of the results as confirmation of final qualification of the supplier.

1.2.4 For Direct Import (DI) suppliers, the Global Sourcing assessment team is responsible for performing a pre-assessment before the customer's assessment. A gap analysis and corrective action plan from the pre-assessment should be prepared by the supplier with the assistance and oversight of the John Readings Global Sourcing assessment team. The sourcing team will then follow the progress of the corrective actions outlined by the supplier to ensure all actions are completed before the customer's final assessment.

2. Ethical Standards Assessment

An Ethical standards assessment may be required as part of supplier qualification, a periodic assessment, a random assessment, or a follow-up assessment due to failure of a John Readings or a John Readings' customer ethical standards assessment.

The following steps make up the assessment process:

1. Pre-Assessment Questionnaire,
2. Opening Meeting,

3. Factory Tour Guidance,
4. Workers Interview,
5. Document Review,
6. On-site Report Preparation,
7. Closing Meeting,
8. Publication of Assessment Results,
9. Supplier Ethical Standard Corrective Action Report,
10. Follow-up assessment.

2.1 Visit Agenda for Ethical Standard Supplier

Visit Agenda for ES Supplier	
1. Pre-Audit Preparation	
1. Bring Pre- Audit Questionnaire	
2. Bring Location Map of Factory	
3. Bring Previous Report (If needed)	
4. Bring Factory's CAR	
2. Opening Meeting	
1. Mutual Team Introduction.	
2. Explain Gift & Gratuity Policy	
3. Explain Audit Purpose, Scope & Procedure.	
4. Explain Audit Guidelines Used	
5. Make Statement of Confidentiality	
6. ES checklist overview	
7. Verify Business License	
8. Review Factory Layout Map	
9. Review Process Flow Chart	
3. Factory Tour (Refer to factory tour guidance for details)	
1. Check Production Facilities (Workplace, W/H etc.)	
2. Check Dormitory	
4. Worker's Interview	
1. Select Appropriate Workers for Interview	
2. Select Proper Interview Locations	
3. Hold Combination Interviews (Group/Individual)	
4. Use Interview Tactics	
5. Document / Record Review	
1. Review document list (eg: Employee Manual, SOP documents, Work instructions etc)	
2. Review other Supportive records.	
6. On-site Report Preparation :	
1. Include all findings observed during the audit	
2. Describe the Findings Adequately	
3. Collect all the related evidence (documents & photos)	
7. Closing Meeting	
1. Closing courtesy for mutual discussion	
2. Brief Good Practices of the Factory	
3. Explain Audit Findings / Share Examples	
4. Interpret Labor Laws Adequately	
8. Overall	
1. Labor Law Understanding	
2. Effective Communication Skills	
3. Time Management	
4. Overall Approaches utilized	

2.2 Pre-assessment questionnaire

This is a set of questions (Appendix D) completed by the supplier that is used to familiarise assessors and our company with the ethical standards practices and policies of the supplier. It may be requested as part of the initial qualification of the supplier, as part of a periodic update because the previous questionnaire is more than two years old, or because the assessment team feels enough has changed at the supplier since the last questionnaire to warrant a new one.

Typically, the pre-assessment questionnaire will be requested and sent by the assessment team that will be conducting an assessment or by the sourcing team/member completing the supplier qualification. The pre-assessment questionnaire should be returned to the requestor by the required date.

2.3 Opening Meeting

Opening meetings are conducted with the supplier's management and will entail introductions, a discussion on the pre-assessment questionnaire, where applicable, and verification of the factory/manufacturing business license.

2.4 Factory Tour Guidance

During the factory tour, John Readings' internal auditor should be provided access and will visit, all parts of facility, including but not limited to production area, warehouse area, fire control area, chemical/hazardous substance placement area, waste storage area, dormitory and canteen.

During the factory tour visit, John Readings internal auditor will do the following:

- Check whether the markings in production/warehouse are clear and reasonable; (eg: fire extinguisher location and label, PPE location, material placement and label, forklift access etc.),

- Check whether exit routes or exits for fire evacuation are safe and compliant with fire control regulations and check all facilities for fire alarms, emergency lighting, sprinkler system, fire extinguishers, smoke detector whether it is effectively maintained and recorded,
- Check the area of chemical/hazardous storage whether it has clear area setting, segregation, marking and storage condition,
- Check the area of waste storage and observe whether it has clear marking, segregation and disposal scheme,
- Check the dormitory and canteen including all facilities (washbasins and water taps, shower and toilet equipment, lights etc) and review security measures and emergency evacuation plans are appropriately set up to meet fire control requirements.

2.5 Worker Interview

Employee interviews are an integral part of the process used to assess the effectiveness of the ethical standards processes in place. All employee interviews will take place in a private area away from the production floor. Approximately 15 to 25 employees will be interviewed. No management or their representatives will be present. Employees to be interviewed will be selected by the assessment team, not management for the supplier. This is normally done during the walk-through but may be done at any time.

2.6 Document Review

The John Readings auditor will also review documents to assess the facility's compliance with John Readings' Ethical Standards and Supplier Code of Conduct. Documentation to be reviewed includes, but is not limited to, the following:

- a) Business license,

- b) Personnel files,
- c) Workers' contracts,
- d) Time cards,
- e) Payroll records,
- f) Production records,
- g) Security records,
- h) Accident and injury records,
- i) Other related documents or records.

2.7 On-Site Report Preparation

The auditor will collect information during factory tour, document review and worker interviews sufficient to identify, discuss and document the audit result during closing meeting. The supplier will be required to submit a Corrective Action Plan (CAP) for any nonconformity identified.

2.8 Closing Meeting

A member of the manufacturing site management must attend the closing meeting. At the closing meeting, the assessment team leader will summarise the assessment results, make recommendations for changes/improvements that may be needed and discuss any questions the supplier may have. A member of supplier management must sign the assessment results on the assessment template and agree to develop and take corrective action for any findings.

2.9 Publication of Assessment Results

Assessment results will be published on the Assessment Results Summary as part of the NR Checklist. Results will be formally provided to the supplier, John Readings' Global Sourcing management and the appropriate Division's Vice President of Sourcing along with the regional management team shortly after completion of the assessment.

2.10 Supplier Ethical Standard Corrective Action Report

Any individual item receiving a score of Critical (CRI 0 point) or Major (MAJ 0 point) will require a corrective action. Any audit findings with score >0 may also require corrective action as deemed necessary by the lead auditor. A brief summary of corrective actions to be completed will be filled in by the supplier on the Assessment Results Summary and Supplier Ethical Standard Corrective Action Report and provided to the assessment team or designee for monitoring and distribution within five working days of receipt of the assessment results. A Supplier Ethical Standard Corrective Action Report for each item should be provided within 10 working days of the assessment results using Appendix D. All corrective actions are expected to be completed within 30 days of the Supplier submitting Appendix D (45 days total from initial assessment results) unless the lead assessor or designee agrees to a longer time period. Requests for an extension must be in writing by individual assessment finding needing correction and an extension. Updates on progress for corrective actions should be provided to the assessment team leader or designee weekly, during the extension period or at other designated time frames, determined by the lead assessor or designee until the corrective action is completed and closed.

2.11 Follow-up Assessment

If deemed necessary, a follow-up assessment will be done to validate that corrective actions have been successfully implemented and are providing the desired result(s). A

follow-on assessment may also be conducted as a result of failing a customer assessment and should take place before the customer's re-assessment.

3. Customs-Trade Partnership Against Terrorism (C-TPAT)

John Readings has chosen to participate in the U.S. government's C-TPAT initiative to create a more secure supply chain. Thus, for suppliers that are Direct Import Suppliers it is necessary to fill-out and return a questionnaire concerning C-TPAT before the assessment. This questionnaire will be validated during the assessment and becomes part of the assessment results upon validation. See Appendix C for C-TPAT Questionnaire and Assessment Checklist.

4. Assessment Scoring Criteria

Audit findings should be based on on-site observation, document verification, employee interviews and information provided by the factory management.

Scoring System Judgment Criteria

Based on the on-site observation, document verification, employee interview and information provided by the factory management, the auditor is required to complete each question listed in sections one to 10 highlighted in the ES checklist.

- a. Each question is graded as 'Critical', 'Major' or 'Minor'. If the factory violates any 'Critical' issue, the overall result will be 'Unsatisfactory' regardless of what the total computed score is,

b. The detailed scoring approach and principle is set forth below:

Where the maximum possible score is three, the auditor should enter '3' if the factory complies with legal requirement or the client's expectation. Otherwise, the auditor should enter '0' if the factory does not comply with the legal requirement or NR's expectation.

Where the maximum possible score is two, the auditor should enter '2' if the factory fully complies with legal requirement or NR's expectations.

- If a factory partially complies with its legal requirement or NR's expectations, the auditor should enter '1' as the score,
- If factory does not comply with the legal requirement or NR's expectations at all, the auditor should enter '0'.

Where the maximum possible score is one, the auditor should enter '1' if the factory fully complies with legal requirement or NR's expectation.

- If factory does not fully comply with the legal requirement or NR's expectation at all, auditor should enter '0'.

For questions involving 'Critical' grading, the only scoring options are auditor '3' for full compliance or '0' for non-compliance. Partial compliance is not applicable for critical grading questions.

5. Pass/Fail Criteria

We desire to have all of our suppliers achieve a perfect score but realize that this may not always be possible. With that in mind, the following are the overall pass/fail criteria for the assessment:

Approval: Total score is not less than 75% and no 0 score has been given for any individual major or critical item

Conditional Approval: Total score is between 60% and 75% and no 0 score has been given for any individual critical item

Unsatisfactory: Total score is lower than 60% and no 0 score has been given for any individual critical item

Denial: Regardless of the total score, if a supplier or potential supplier has been given a 0 for any critical issue, the result shall be "Denial".

Assessment Failure: Critical Finding

An assessment may be failed (unsatisfactory or denial) by critical findings in certain areas:

- Child labour,
- Forced labour,
- Harassment,
- Discrimination,
- Illegal transshipments,
- Bribery,
- Denial of access to documentation, factory tour or employee interview,
- Unsafe working conditions/dormitory resulting in an immediate threat to the employees' life, limbs and functions.

Assessment failure for a critical finding in one of these areas for current suppliers may result in cancellation of current purchase orders, disqualification as a supplier, and denial of future business.

Assessment Failure: Access Denied, Document Review, Employee Interview

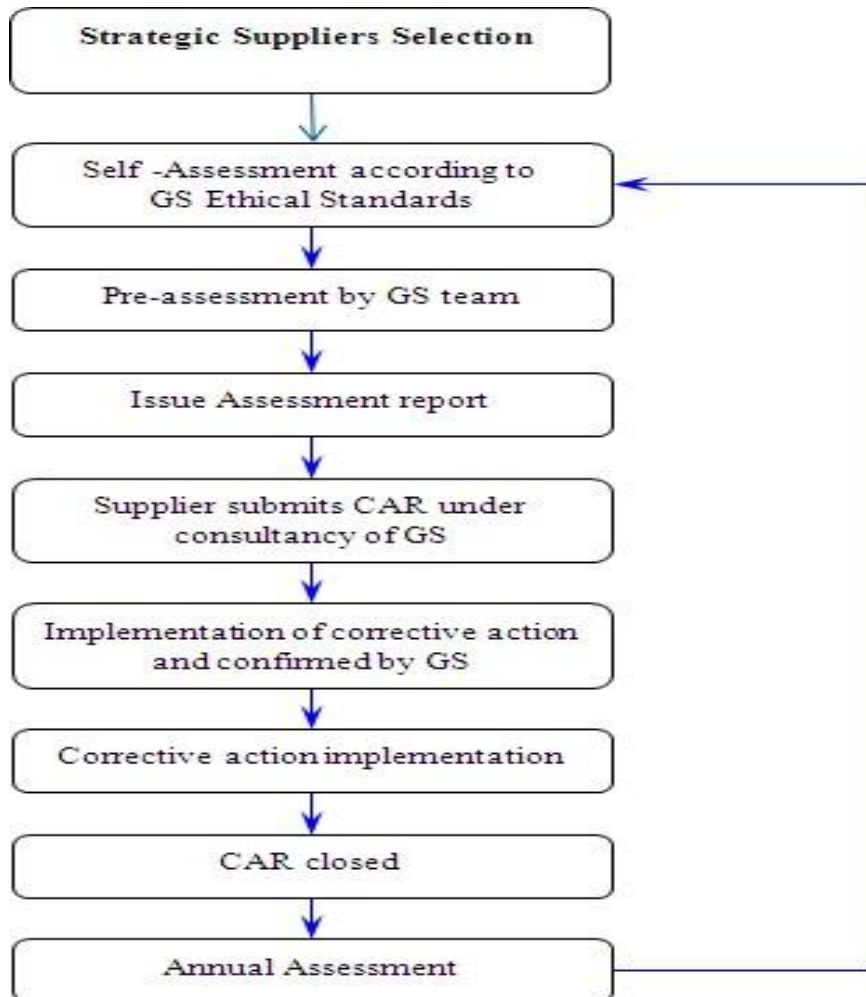
Access to supplier facilities and subcontractor facilities that produce John Reading products must be allowed as part of doing business and meeting our assessment requirements. This includes access to: (1) required documentation, licenses, and other paperwork required to validate assessment area, (2) employee dormitories and canteens, and (3) employees themselves. Failure to provide access to any of these will result in the failure of the assessment (denial) and potentially loss of business with John Readings, including cancellation of current purchase orders, disqualification as a supplier, and denial of future business.

6. Cost of Re-assessment

The cost of a re-assessment, because of failure (unsatisfactory or denial), of a John Readings assessment will be borne by the supplier. A John Readings re-assessment may be conducted by a third party designated by John Readings at their discretion. The supplier will also bear the cost of any re-assessment by any John Readings customer, when the supplier fails the customer's assessment. In this instance, the supplier will also bear the cost of any John Readings follow-on assessment.

It is in the supplier's best interest to fully understand the ethical standards requirements of John Readings and its customers and to have policies, procedures, and processes in place to comply with them.

7. Ethical Standards Assessment Flow Chart



Appendix A

Supplier Code of Conduct

John Readings Pty. Ltd. SUPPLIER CODE OF CONDUCT

Introduction

John Readings is committed to conducting its worldwide business in an ethical, legal and socially responsible manner. This commitment extends to the suppliers with whom we chose to do business. John Readings expects the same level of honesty and integrity of its supplier partners that it expects of its own employees. To clarify the exact nature of these expectations, John Readings has prepared this Supplier Code of Conduct which applies globally to all suppliers and the associated sub-suppliers who are part of the supply chain. Compliance with this Code is expected for all suppliers and their sub-suppliers as the actions of those with whom we do business may be attributed to John Readings and potentially adversely affects John Readings' reputation or that of a particular brand within the John Readings family.

All suppliers are expected to take all appropriate steps necessary to ensure compliance with this Code. Suppliers are also expected to be familiar with the business practices of their suppliers and any sub-contractors to ensure that they operate within the guidelines of this Code.

Compliance with Laws and Regulations

A supplier is required to abide by all applicable laws, regulations and standards applicable to its particular industry under the national laws of the countries where the supplier is doing business. Suppliers are also expected to comply with the standards set forth in this Supplier Code of Conduct. Should the legal requirements and the standards of the industry or the provisions of this code conflict, the supplier must comply with the laws of

the country in which the products are being manufactured. Suppliers should, however, strive to meet industry standards and the standards set forth in this code whenever possible. If state or local legal requirements apply to the supplier's manufacturing activities, the supplier must comply with the state and local requirements. Suppliers shall actively assess and monitor the day-to-day management processes to ensure compliance with applicable laws and this Code of Conduct. Supplier shall also assure that employees are advised of the requirements of this code.

Employment Practices

John Readings expects suppliers to respect its employees and to strive to improve conditions whenever possible and to be in compliance with the specific requirements relating to employment conditions contained herein.

- **Compensation and Benefits:** Suppliers shall provide wages, overtime compensation and benefits at not less than the minimum levels required by applicable laws and regulations or which are consistent with the prevailing local industry levels, whichever is higher. If local laws do not provide for overtime pay, suppliers will pay at least regular wages for overtime work,
- **Working Hours:** Suppliers shall maintain employee work hours in compliance with the local standards and applicable laws of the jurisdictions in which the suppliers are doing business. If local and/or national regulations regarding the number of maximum overtime hours that may be worked by individual workers do not exist, then the working hours should not regularly exceed 60 hours per week consisting of a maximum of 48 hours of regular hours and 12 hours of overtime. One day off in every seven days should be given. John Readings will not use suppliers who regularly require workers to work hours in excess of the statutory requirements,
- **Child Labour:** John Readings respects the right of children to development and education. Exploitation of child labour is totally unacceptable. No person shall be

employed at an age younger than the legal minimum age for working in any specific country or in absence of law, 15 years of age. If local law allows the minimum age of employment to be 14 years of age or younger, the minimum age of employment shall be 14 years of age. Employment of any individual below 14 years of age is strictly prohibited. In general, all employees under the age of 18 must: not be employed in hazardous work, must not work night shifts, and are entitled to more breaks than adults,

- **Forced Labour:** The use of forced or involuntary labour will not be tolerated by John Readings. Suppliers shall maintain employment on a voluntary basis. John Readings will not work with suppliers who directly or indirectly use in any manner forced labour, indentured labour, bonded labour or prison labour,
- **Human Trafficking:** Supplier shall maintain and commit to maintaining a work environment that is free from human trafficking. John Readings will not tolerate employment practices that include the recruitment, transportation, transfer, harbouring or receipt of persons or through the use of force or the threat of force or, through other forms of coercion, abduction, fraud, deception, abuse of power or by giving or receiving payments or benefits to achieve the consent of a person having control over another person for the purpose of exploitation,
- **Non-discrimination, Harassment and Disciplinary Practice:** John Readings recognises that cultural differences exist and different practices apply in various jurisdictions, however, the terms and conditions of employment should be based on an individual's ability to do the job, not on the basis of race, colour, religion, sex, age, physical ability, national origin, or any other protected characteristic. Workers should be treated with respect and dignity. In terms of disciplinary practices, they should be fair, arbitrary and effective. Employees of our suppliers must not be exposed to

physical punishment, threats of violence or physical, sexual, psychological or verbal harassment or maltreatment,

- **Freedom of Association:** Suppliers should respect the rights of their employees to choose to associate with or not associate with or to establish any lawful organisation including labour organisations,
- **Health and Safety:** Suppliers must provide their employees with safe and healthy working environment, and where provided, a safe and healthy living environment. Suppliers shall comply with all applicable worker safety laws and regulations which includes:
 - Building Integrity,
 - Occupational Safety,
 - Occupational Injury and Illness,
 - Emergency Preparedness,
 - Machine Safeguarding,
 - Chemical Safety,
 - Sanitation, Food and Dormitory.

Environmental

Suppliers shall comply with all applicable environmental laws and regulations. This shall include having processes in place to ensure compliance with those regulations relating to the handling, recycling, and disposal of dangerous or hazardous materials. John Readings favours suppliers that share its commitment to sustainable business practices.

Security

Suppliers will maintain adequate security at all production and warehousing facilities and implement supply chain security procedures designed to prevent the introduction of non-manifested cargo into outbound shipments. Each Supplier facility must have written security procedures to document proof of adequate security controls.

John Readings has made a voluntary application to the United States Customs and Border Protection authorities under the Customs and Trade Partnership Against Terrorism (C-TPAT). C-TPAT is a joint initiative between the American government and business community for the purpose of maximising security in connection with the import of goods into the United States. John Readings has been approved as a C-TPAT partner. Approval applies to John Readings' entire supply chain. Approval includes assessment of John Readings divisions by U.S. Customs authorities. John Readings participation as a C-TPAT partner mandates that our suppliers also observe the C-TPAT requirements for assuring that our product supply chain is secure from terrorist threats. Direct import suppliers must respond to supplier self-assessment questionnaires if requested.

Gift and Gratuity Policy

John Readings employees are prohibited from soliciting or accepting any gifts, gratuities or other monetary incentives that are designed to improperly influence business decisions or as a condition of doing business. The supplier has an affirmative duty to report any such request or demand immediately to John Readings. Certain business courtesies are not prohibited. Employees may accept gifts that are infrequent and nominal in value; occasional and reasonably-priced meals with a business contact or which are otherwise reasonable and customary, in countries where custom requires such courtesies so long as the receipt of these gifts does not suggest a conflict of interest or give the appearance of an improper attempt to influence business decisions. We expect our suppliers to adhere to these gift-giving guidelines.

Conflict Minerals

Supplier shall implement procedures to assure that no products or materials supplied to John Readings contain conflict minerals (columbite-tantalite (also known as coltan (tantalum, niobium)), cassiterite (tin), wolframite (tungsten), gold or their derivatives) that directly or indirectly finance armed groups through mining or mineral trading in the Democratic Republic of Congo or an adjoining country. Upon John Readings' request, the supplier will fully cooperate in responding to any country of origin inquiries regarding conflict minerals (including requesting information from its own suppliers); provide requested documentation; and/or certify its compliance with this provision by providing a sworn declaration of one of its officers, directors, or managing agents.

Monitoring of the Supplier Code of Conduct

John Readings will review this Supplier Code of Conduct on a regular basis and will revise it to incorporate additional parameters when necessary. Suppliers are invited to contribute towards the further development of the Supplier Code of Conduct.

John Readings shall have the right to periodically inspect suppliers and their facilities to verify compliance with this code either directly or through a third-party. Such inspections may be conducted without notice to the supplier. Suppliers are also required to disclose all material facts relating to production of products for John Readings upon request.

This code is a general statement of John Readings' expectations with respect to its suppliers. The code should be read conjunction with the supplier's obligations set forth in any agreements between John Readings (or any of its operating divisions) and the supplier. In the event of a conflict between this code and any such agreement, the agreement shall control.

Appendix B

Letter to Suppliers

Jan 2012

Dear Valued Supplier,

John Readings Pty. Ltd. values the strong relationship we have with our customers and suppliers. We believe that by establishing and maintaining a balanced set of ethical standards, we will continue to build these relationships.

John Readings first developed and implemented its Supplier Ethical Standards and Procedures Manual beginning in January 2007. We regularly update this manual and will send out a copy of the document once a year to make sure all existing and new suppliers have the latest version of the policy and are familiar with its requirements and procedures.

This program primarily consists of three parts:

1. Suppliers will be required to schedule assessments and pre-assessments for supplier qualification as a requirement of doing business with us,
2. Periodic, and at times unannounced, assessments of our suppliers to be conducted and required by John Readings and its customers,
3. Adherence to our Supplier Code of Conduct.

John Readings requests that you complete and forward your supplier assessment reports to the Vice President Global Sourcing and Vice President of the relevant division(s) with whom you're doing business on the form contained in the manual.

The supplier assessment status report should contain all assessments requested by and scheduled with customers, assessment findings, assessment ratings, and corrective actions requested and made. These reports should be updated as changes occur or at a minimum on a monthly basis.

A dedicated e-mail address, ES-Audit@pty.co.com, is available to collect supplier assessment reports and corrective action plans. Suppliers may communicate with John Readings regarding ethics and compliance issues or questions through this same e-mail address.

Best Regards,

Carolyn Walker

Vice President of Global Sourcing,

John Readings Pty. Ltd.

Appendix C

C-TPAT Questionnaire and Assessment Checklist

C-TPAT Security – Suppliers Assessment

SUPPLIER Name:			
Factory Name and Address:			
Assess-mentor Name:			
Assess-mentor Title:			
Date of Assessment:			
1. Physical Security			
	Question	Yes	No
1.1	Are buildings constructed of materials that resist unlawful entry?	☐	☐
1.2	Are entrances and exits to the warehouse/distribution centre monitored?	☐	☐
1.3	Are external and internal doors, windows and fences protected by appropriate means?	☐	☐

1.4	Are intrusion alarms used to detect unauthorised entry after hours?	☐	☐
1.5	Are external doors and windows linked to the alarm system?	☐	☐
1.6	Are windows sealed or secured with protective/bars?	☐	☐
1.7	Are exit doors reinforced?	☐	☐
1.8	Are dock doors constructed of materials that prevent unlawful entry?	☐	☐
1.9	Are dock doors closed and locked unless a shipment is being received or dispatched?	☐	☐
1.10	Is parking for employees and visitors separate from the dock and cargo areas?	☐	☐
1.11	Is lighting both inside and outside the facility adequate to eliminate dark corners?	☐	☐
1.12	Is flood lighting used on loading and unloading areas?	☐	☐
1.13	Are dock doors illuminated at night?	☐	☐
1.14	Are clear zones maintained around the facility (i.e., are brush and growth cleared from the perimeter barrier)?	☐	☐

1.15	Are communication systems in place to contact internal security personnel or local law enforcement officers in the event of an emergency?	☐	☐
1.16	Is international and domestic cargo segregated and marked?	☐	☐
1.17	Is dangerous goods cargo segregated and stored in a safe area?	☐	☐
1.18	Is high-value cargo segregated and stored in a safe, caged or fenced-in area?	☐	☐
Comments:			
2. Access Controls			
	Question	Yes	No
Facility Access			
2.1	Does the facility have a formal ID system for permanent and temporary employees?	☐	☐
2.2	Do the ID badges display both the employee's name and a photo?	☐	☐
2.3	Must employees show their badges upon entering the facility?	☐	☐

2.4	Are badges colour-coded to help distinguish workers' assigned areas?	☐	☐
2.5	Are employees required to wear uniforms?	☐	☐
2.6	Is there a controlled access gate to monitor activity coming in and out of the facility?	☐	☐
2.7	Is there a formal registration process to document visitors to the facility?	☐	☐
2.8	Is access to loading docks limited to those employees approved or scheduled to work on the loading docks?	☐	☐
2.9	Do employees escort visitors while in a loading facility or warehouse?	☐	☐
2.10	Do employees or security personnel challenge unknown or unauthorised persons in the facility?	☐	☐
2.11	Are truck drivers granted limited access to the facility and supervised at all times?	☐	☐
Data Access			
2.12	Are networks containing sensitive data secured to prevent unauthorised access to such data?	☐	☐

2.13	Are individual computer workstations password-protected?	☐	☐
2.14	If information is available in the public domain (e.g., the Internet), is it protected by a firewall?	☐	☐
2.15	Is access to sensitive information and/or systems limited?	☐	☐
2.16	Is a log of computer/building access rights maintained?	☐	☐
2.17	If an employee separates from the company are the access rights revoked?	☐	☐
2.18	Is there a documented procedure in place to ensure that all access rights are revoked?	☐	☐
Comments:			
3. Procedural Security			
	Question	Yes	No
Shipping and Receiving			
3.1	Is the introduction and removal of cargo and packages supervised by a designated security officer?	☐	☐

3.2	Do you ensure that all merchandise is properly marked?	☐	☐
3.3	Do you ensure that all merchandise is properly counted?	☐	☐
3.4	Do you ensure that all merchandise is properly weighed?	☐	☐
3.5	Do you ensure that all merchandise is properly documented?	☐	☐
3.6	Do you have a procedure to detect and report shortages and overages?	☐	☐
Container Security			
3.7	Are containers/trailers/railcars stored overnight?	☐	☐
	Are those containers loaded?	☐	☐
	How are the containers secured?	☐	☐
3.8	Are all containers or trailers entering or leaving the facility recorded with the name of the driver?	☐	☐
3.9	Are containers stored in a monitored area to protect them from unauthorised access?	☐	☐

3.10	Do you utilise the seven-point inspection process to ensure the integrity of containers prior to loading?	☐	☐
3.11	Do you utilise high security seals on outbound containers/trailers/railcars?	☐	☐
3.12	Do you have a procedure for storing, recording, tracking, and affixing seals?	☐	☐
Comments:			
4. Personnel Security			
<i>NOTE: We recognise that many of the standards listed below are the common practice in the U.S., though this might not be the case in your country. We also recognise that some data or information that is available in the U.S. may not be available in other countries.</i>			
	Question	Yes	No
4.1	Are prospective employees pre-screened before employment?	☐	☐
4.2	Do you also pre-screen temporary and contract employees with the same diligence?	☐	☐
4.3	Which of the following areas does the pre-screening process include?		

	Application verification	☐	☐
	Prior employment	☐	☐
	Address verification	☐	☐
	Criminal convictions	☐	☐
	Drug testing	☐	☐
	Other (describe)	☐	☐
4.4	Are photographs of employees held on file?	☐	☐
Comments:			
5. Education and Training and Threat Awareness			
	Question	Yes	No
5.1	Does your facility have a formal training program?	☐	☐
5.2	What is the schedule for training program to employees?	☐	☐
5.3	Does the training program address the following areas?		

	Recognising internal conspiracies	☐	☐
	Maintaining product integrity	☐	☐
	Discovering and addressing unauthorized access of the facility or information	☐	☐
5.4	Is the training documented, with proof that an employee has completed the training maintained in the employee's file?	☐	☐
5.5	Do you offer incentives for employees to participate in security controls (e.g., rewards for reporting wrongdoing)?	☐	☐
5.6	Does training addresses potential threats in the supply chain?	☐	☐
5.7	Do employees routinely receive briefings or other communication illustrating smuggling trends, seizures and information on terrorist threats along routes or areas in the supply chain?	☐	☐
Comments:			

Appendix D

Supplier Ethical Standard Corrective Action Report

Newell Rubbermaid Supplier Ethical Standard Corrective Action Report							
Findings Items	Findings Description	Recommended Corrective Action	Agreed by Supplier Responsible Person	Verification Evidence Comments (only to be completed at Follow Up)	NWL Responsible Person	Closed/Opened Date	Comments