Customs Trade Partnership Against Terrorism Audits with UL

UL's Responsible Sourcing Group conducts Customs Trade Partnership Against Terrorism (CTPAT) audits at different steps in the supply chain from the manufacturer to the distribution center, and intermediaries in between.

UL has CTPAT audit experience in a variety of industries including:

- Hardlines
- Softlines
- Toys
- Electronics
- Jewelry
- Food and beverages

UL's CTPAT audit customers includes retailers, discounters, wholesalers, as well as vendors and agents, with representation from both Tier 2 and Tier 3 CTPAT members.

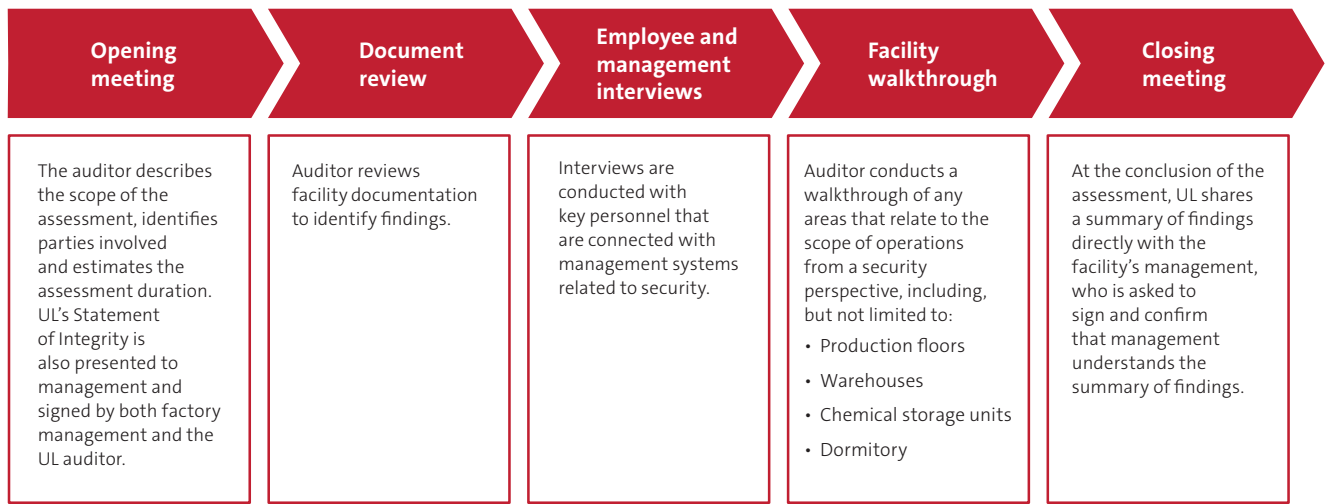| Tier type	Meaning
Tier 1	Companies that have passed the initial CTPAT application phase and have had their security profile approved.
Tier 2	Companies that have met the CTPAT minimum security criteria and have successfully completed a validation by U.S. Customs.
Tier 3	Companies that exceed the minimum-security criteria, have successfully completed a validation by U.S. Customs, and operate using a pre-defined series of best practices that have overlapping, interlocking layers of defense that are actively monitored by the management personnel.

CTPAT audits assessment areas

Physical areas covered under the scope of the UL CTPAT audits include:

- Production areas
- Storage areas
- Living and eating areas for non management employees - if included within one perimeter that also houses production and/or storage of goods

CTPAT audits assessment process

Opening meeting	Document review	Employee and management interviews	Facility walkthrough	Closing meeting
The auditor describes the scope of the assessment, identifies parties involved and estimates the assessment duration. UL's Statement of Integrity is also presented to management and signed by both factory management and the UL auditor.	Auditor reviews facility documentation to identify findings.	Interviews are conducted with key personnel that are connected with management systems related to security.	Auditor conducts a walkthrough of any areas that relate to the scope of operations from a security perspective, including, but not limited to: • Production floors • Warehouses • Chemical storage units • Dormitory	At the conclusion of the assessment, UL shares a summary of findings directly with the facility's management, who is asked to sign and confirm that management understands the summary of findings.

CTPAT audits assessment reporting

The assessment reporting documents provided as part of UL's CTPAT audits are:

Tier type	Notes
Recap	• Provided to the facility management during closing meeting • Summarizes findings of assessment • Facility management signs to confirm understanding of findings
Audit report	• Captures the findings identified during the assessment • Contains photo evidence from assessment • Undergoes thorough review; typically issued within five (5) business days of the assessment

CTPAT audits assessment scoring

UL's CTPAT audits grading standard is a valuable tool to evaluate the criticality of assessment results by examining the severity of findings and uniformly measuring progress over time.

Non-compliances are divided into primary and secondary concerns.

Primary concerns focus on the requirements that are outlined in the "must" criteria in the CTPAT minimum criteria for foreign manufacturers.

Secondary concerns are any other recommendations found in that document, with language that includes "should" or "shall".

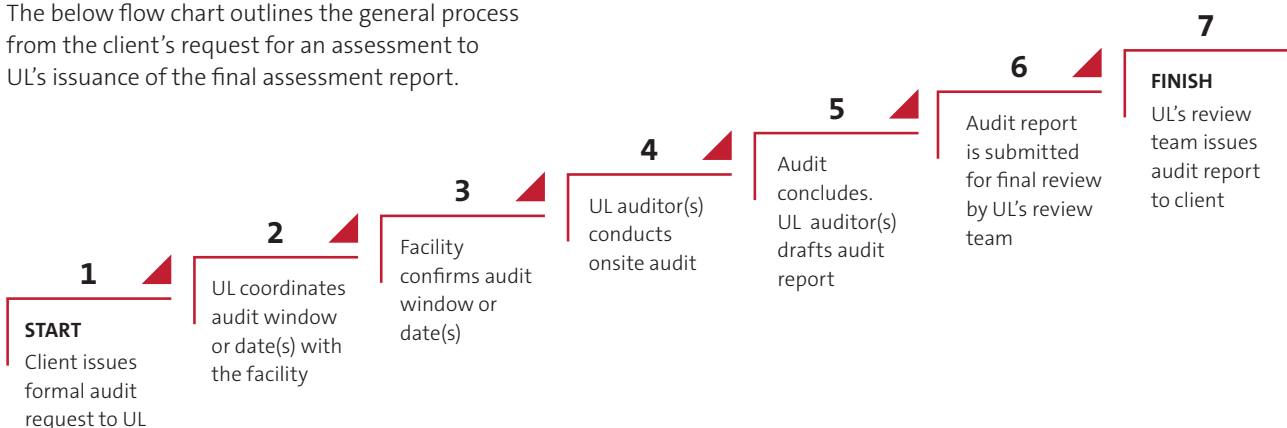Scoring for the two types of non-compliances are:
• Primary Concerns — value of four points
• Secondary Concerns — value of one point
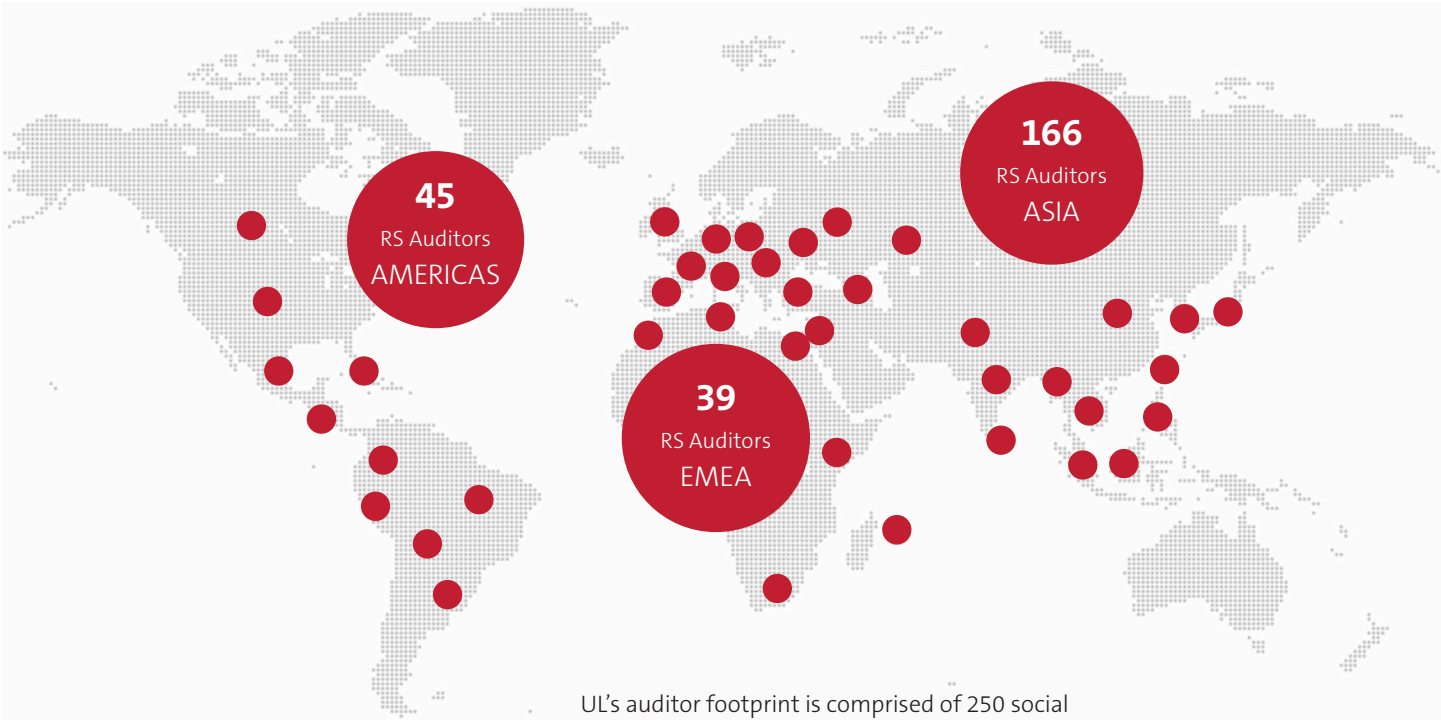
Overall audit grading is classified as:
• Under 70% in compliance — needs improvement
• 71%-85% in compliance — subject to improvement
• 86%-100% - preferred

CTPAT audits assessment scheduling

The below flow chart outlines the general process from the client's request for an assessment to UL's issuance of the final assessment report.

1

START
Client issues formal audit request to UL

2
UL coordinates audit window or date(s) with the facility

3
Facility confirms audit window or date(s)

4
UL auditor(s) conducts onsite audit

5
Audit concludes. UL auditor(s) drafts audit report

6
Audit report is submitted for final review by UL's review team

7

FINISH
UL's review team issues audit report to client

Auditing footprint and capacity

45
RS Auditors
AMERICAS

166
RS Auditors
ASIA

39
RS Auditors
EMEA

UL's auditor footprint is comprised of 250 social compliance auditors, based in 43 countries around the world, striving to use full-time auditors wherever possible.

Empowering Trust®