

amfori BSCI Code of Conduct¹

The present **amfori BSCI Code of Conduct version 1/2014** aims at setting up the values and principles that the amfori BSCI Participants strive to implement in their supply chains. It was approved by the Foreign Trade Association (**amfori as from 1/1/2018**) and overrules the BSCI Code of Conduct version 2009 in all its translations. The present amfori BSCI Code of Conduct consists of three major sections of information: a) Preamble, Interpretation, Our Values and Implementation, which apply to all Business Enterprises; b) Principles, which address more specifically the amfori BSCI Participants' Business Partners and c) amfori BSCI Terms of Implementation, amfori BSCI Reference and amfori BSCI Glossary, which are integral parts of the Code and provide more detailed information on interpretation and implementation of the amfori BSCI.

The amfori BSCI Code of Conduct version 1/2014 enters into force on 1 January 2014. amfori BSCI monitoring against the principles of this Code will start in January 2015. Therefore, audits against the BSCI Code version 2009 will no longer be valid as of January 2015. The English version of this document is the legally binding one.

I. Preamble

The amfori BSCI (**amfori BSCI**) was launched by the Foreign Trade Association **amfori**, acknowledging that international trade is an essential vehicle for human prosperity and social economic growth.

This code of conduct (the **amfori BSCI Code of Conduct**) is a set of principles and values that reflect the beliefs of amfori BSCI Participants and the expectations they have towards their business partners.

The amfori BSCI Code of Conduct refers to international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact and International Labour Organization (ILO) Conventions and Recommendations relevant to improve working conditions in the supply chain.

Business enterprises that endorse the amfori BSCI Code of Conduct are committed to the principles set out in this document and to meeting, within their sphere of influence, their responsibility to respect human rights.

amfori BSCI and its participants (**amfori BSCI Participants**) pursue a constructive and open dialogue among business partners and stakeholders in order to reinforce the principles of socially

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responsible business. Furthermore, they see the building up of mature industrial relations between workers and management as being key for sustainable businesses.

II. Interpretation

In the amfori BSCI Code of Conduct, the terms “business enterprises” cover both amfori BSCI Participants and their Business Partners in the supply chain, particularly Producers.

The appendices referred to at the end of the amfori BSCI Code of Conduct (Terms of Implementation, amfori BSCI References and amfori BSCI Glossary) form an integral part of the amfori BSCI Code of Conduct. The amfori BSCI Code is to be read and interpreted in combination with them.

Every business enterprise has different Terms of Implementation to adhere to, depending on their role in the supply chain and on whether or not they are going to be monitored within the amfori BSCI.

III. Our Values

By endorsing the amfori BSCI Code of Conduct and communicating it to their supply chain, amfori BSCI Participants are guided by the following values:

- **Continuous improvement:** amfori BSCI Participants undertake to implement the amfori BSCI Code of Conduct in a step-by-step development approach. amfori BSCI Participants expect their business partners to ensure the continuous improvement of working conditions within their organisations.
- **Cooperation:** By working together and taking a common approach, amfori BSCI Participants will have a greater impact on, and better chance of improving working conditions in their supply chains. The value of cooperation is equally important in the relationship with the business partners in the supply chain, particularly those that need support in order to improve.
Likewise, the spirit of cooperation is also critical in the relationship between business and affected stakeholders at different levels.
- **Empowerment:** A central aim for the amfori BSCI is to empower amfori BSCI Participants and their business partners, particularly in the case of producers who will be monitored, to develop their supply chains in a way that respects human and labour rights as well as to provide business units in the supply chain with the tools needed to improve working conditions in a sustainable manner. The development of internal management systems plays a critical role in bringing amfori BSCI principles to the heart of business enterprises' culture.

IV. Implementation

The principles set out in the amfori BSCI Code of Conduct represent the **aspirational goals and minimum expectations** that amfori BSCI Participants have with regard to their supply chains' social conduct.

Even though the aspirations will remain unchanged, the minimum expectations of the amfori BSCI Code of Conduct, which are translated into verifiable social standards, may change in line with changes in society.

amfori BSCI Participants commit to use reasonable endeavors to achieve the goals set out in the amfori BSCI Code of Conduct. While they cannot guarantee full observance of all their business partners at all times, amfori BSCI Participants commit to take reasonable measures to abide by the principles of the amfori BSCI Code of Conduct, particularly in those regions and or sectors where higher risks of non-observance of the amfori BSCI Code of Conduct exist. Needless to say, full observance is a process that takes considerable time, resources and effort; and gaps, shortcomings, failures and unpredictable occurrences will always remain a possibility. Nonetheless, amfori BSCI Participants commit strongly to the early detection, monitoring and remediation of all such failures **in their supply chains** and remain open to constructive engagement with stakeholders who are genuinely concerned with social compliance.

Code Observance

Obeying domestic laws is the first obligation of business enterprises. In countries where domestic laws and regulations are in conflict with, or set a different standard of protection than the amfori BSCI Code of Conduct, business enterprises should seek ways to abide by the principles that provide the highest protection to the workers and environment.

Supply Chain Management and Cascade Effect

amfori BSCI Participants acknowledge their capacity to influence social changes in their supply chains through their purchasing activities. They manage their relationships with all business partners in a responsible way and expect the same in return.

This requires a co-operative approach where every business enterprise, (a) involves its respective business partners; (b) takes all reasonable and appropriate measures in its sphere of influence, needed to implement the amfori BSCI Code of Conduct and (c) exchanges information to timely identify any challenge that requires mitigation.

amfori BSCI Participants and their business partners strive to further detail the root causes of any such adverse impact in human rights, particularly when sourcing from high-risk regions or sectors. So as to embed this responsibility, business enterprises should act with due diligence and develop the necessary management systems, policies and processes to a reasonable extent as well as effectively prevent and address any adverse human rights impacts that may be detected in the supply chain.

For producers that will be monitored, internal management systems are particularly encouraged as an effective way to embed the amfori BSCI Code of Conduct in their business practices.

Terminating a business relationship or an individual contract with a business partner because of a struggle to implement the amfori BSCI Code of Conduct is considered a last resort. However, it may be necessary to terminate a business relationship or individual contract if the business partner fails to act in a manner consistent with the principles set out in the amfori BSCI Code of Conduct, and/or when the business partner is unwilling to undertake the measures needed to fulfill any of the obligations set out in and/or inherent to the amfori BSCI Code of Conduct.

Workers Involvement and Protection

Business enterprises should establish good management practices that involve workers and their representatives in sound information exchange on workplace issues, and allow for appropriate measures for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct. Business enterprises should take specific steps to make workers aware of their rights and responsibilities.

In addition, business enterprises are required to build sufficient competence among employers, managers, workers and workers representatives in order to embed these practices in the business operation successfully. Continuous education and training at each level of work is essential, particularly with regard to Occupational Health and Safety.

Business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted. Even where judicial systems are effective and well-resourced, grievance mechanisms may offer particular advantages such as speed of access and remediation, reduced costs and transnational reach.

V. Principles

amfori BSCI Participants expect all their business partners to observe the amfori BSCI Code of Conduct. Furthermore, any business partners that are monitored against the principles below are to show evidence that they take (a) all necessary measures to ensure their own observance of the amfori BSCI Code of Conduct and (b) reasonable measures to ensure that all of their business partners involved in the production process(es) observe the amfori BSCI Code of Conduct.

The rights of Freedom of Association and Collective Bargaining

Business partners shall: (a) respect the right of workers to form unions in a free and democratic way; (b) not discriminate against workers because of trade union membership and (c) respect workers' right to bargain collectively.

Business partners shall not prevent workers' representatives from having access to workers in the workplace or from interacting with them.

When operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, business partners shall respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

No Discrimination

Business partners shall not discriminate, exclude or have a certain preference for persons on the basis of gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases or any other condition that could give rise to discrimination. In particular, workers shall not be harassed or disciplined on any of the grounds listed above.

Fair Remuneration

Business partners observe this principle when they respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted, without prejudice to the specific expectations set out hereunder.

Business partners shall comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher.

Wages are to be paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance "in kind" is accepted in line with ILO specifications. The level of wages is to reflect the skills and education of workers and shall refer to regular working hours.

Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

Decent Working Hours

Business partners observe this principle when they ensure that workers are not required to work more than 48 regular hours per week, without prejudice to the specific expectations set out hereunder. However, the amfori BSCI recognizes the exceptions specified by the ILO.

Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO.

In exceptional cases defined by the ILO, the limit of hours of work prescribed above may be exceeded, in which case overtime is permitted.

The use of overtime is meant to be exceptional, voluntary, paid at a premium rate of not less than one and one-quarter times the regular rate and shall not represent a significantly higher likelihood of occupational hazards. Furthermore, Business Partners shall grant their workers with the right to

resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

Occupational Health and Safety

Business partners observe this principle when they respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection.

Business partners shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced.

The active co-operation between management and workers, and/or their representatives is essential in order to develop and implement systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees.

Business partners shall ensure that there are systems in place to detect, assess, avoid and respond to potential threats to the health and safety of workers. They shall take effective measures to prevent workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work. These measures should aim at minimizing so far as is reasonable the causes of hazards inherent within the workplace.

Business partners will seek improving workers protection in case of accident including through compulsory insurance schemes.

Business partners shall take all appropriate measures within their sphere of influence, to see to the stability and safety of the equipment and buildings they use, including residential facilities to workers when these are provided by the employer as well as to protect against any foreseeable emergency. Business partners shall respect the workers' right to exit the premises from imminent danger without seeking permission.

Business partners shall ensure adequate occupational medical assistance and related facilities.

Business partners shall ensure access to drinking water, safe and clean eating and resting areas as well as clean and safe cooking and food storage areas. Furthermore, business partners shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge.

No Child Labour

Business partners observe this principle when they do not employ directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO apply.

Business partners must establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker. This principle aims to protect children from any form of exploitation. Special care is to be taken on the occasion of the dismissal of children, as they can move into more hazardous employment, such as prostitution or drug trafficking. In removing children from the workplace, business partners should identify in a proactive manner, measures to ensure the protection of affected children. When appropriate, they shall pursue the possibility to provide decent work for adult household members of the affected children's family.

Special Protection for Young Workers

Business partners observe this principle when they ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals and development, without prejudice to the specific expectations set out in this principle.

Where young workers are employed, business partners should ensure that (a) the kind of work is not likely to be harmful to their health or development; (b) their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes.

No Precarious Employment

Business partners observe this principle when, without prejudice to the specific expectations set out in this chapter, (a) they ensure that their employment relationships do not cause insecurity and social or economic vulnerability for their workers; (b) work is performed on the basis of a recognised and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection.

Before entering into employment, business partners are to provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Business partners should aim at providing decent working conditions that also support workers, both women and men, in their roles as parents or caregivers, especially with regard to migrant and seasonal workers whose children may be left in the migrants' home towns.

Business partners shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, and (c) labour-only contracting. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

No Bonded Labour

Business partners shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour.

Business partners will risk allegations of complicity if they benefit from the use of such forms of labour by their business partners.

Business partners shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly.

Business partners shall allow their workers the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer.

Business partners shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse.

All disciplinary procedures must be established in writing, and are to be explained verbally to workers in clear and understandable terms.

Protection of the Environment

Business partners observe this principle when they take the necessary measures to avoid environmental degradation, without prejudice to the specific expectations set out in this chapter.

Business partners should assess significant environmental impact of operations, and establish effective policies and procedures that reflect their environmental responsibility. They will see to implement adequate measures to prevent or minimise adverse effects on the community, natural resources and the overall environment.

Ethical Business Behaviour

Business partners observe this principle when, and without prejudice to the goals and expectations set out in this chapter, they are not involved in **any act of corruption**, extortion or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive.

Business partners are expected to keep accurate information regarding their activities, **structure and performance**, and should disclose these in accordance with applicable regulations and industry benchmark practices.

Business partners should neither participate in falsifying such information, nor in any act of misrepresentation in the supply chain.

Furthermore, they should collect, use and otherwise process personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information is to comply with privacy and information security laws and regulatory requirements.

VI. Appendices

1. Terms of Implementation
2. amfori BSCI Reference: Compilation of International Standards relevant for the implementation of the Code such as ILO Conventions and Recommendations.
3. amfori BSCI Glossary

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Amfori is the leading global business association for open and sustainable trade. Our vision is of a world where all trade delivers social, environmental and economic benefits for everyone.

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Terms of Implementation for Business Partners to be involved in the amfori BSCI monitoring process ¹ (Producers)

I. Introduction

For the purpose of this document, "**Producers**" refers to the business partner in the supply chain of a amfori BSCI Participant that manufactures goods (food or non-food) or produces raw materials and that, as a result of the **amfori BSCI Participant or Business Partner's due diligence**, has been included in the amfori BSCI monitoring process.

This decision may come directly from the amfori BSCI Participant or indirectly through a amfori BSCI Participant's business partner.

amfori BSCI Participants reserve the right to include or exclude the producer in the monitoring process at any time, as a result of their own definitions of risks.

By signing these Terms of Implementation, **producers** endorse the values and principles of the amfori BSCI Code of Conduct and commit to take, the appropriate measures to observe the principles of the amfori BSCI Code of Conduct at their own facilities.

In addition, they will involve their significant business partner to act in a responsible way.

II. Commitment to socially responsible business

2.1. In undertaking the responsibilities set out in the amfori BSCI Code of Conduct, **producers** work together with amfori BSCI Participants and pursue a constructive and open dialogue with their stakeholders towards the application of the amfori BSCI Code of Conduct.

2.2. Producers **actively communicate** their endorsement of the amfori BSCI Code of Conduct through their company organization and to their business partners. Producers shall **display the amfori BSCI Code of Conduct** in the local language in an openly accessible location.

2.3. Producers confirm **having read and understood** the amfori BSCI Code of Conduct and relevant Terms of Implementation and they commit to work towards full observance thereof, within their sphere of influence.

2.4. Producers have **the procedures and sufficient resources in place** to meet their responsibilities related to the amfori BSCI Code of Conduct and ensure that there is continuous improvement in its implementation.

2.5. Producers require their significant business partners to work towards full observance of the amfori BSCI Code of Conduct and take, within their sphere of influence, the reasonable measures necessary to make the amfori BSCI Code of Conduct applicable to their own business partners.

2.6. Producers **acknowledge that neglecting the values and principles of the amfori BSCI Code of Conduct and/or violating any of these Terms of implementation** are sufficient grounds for amfori BSCI Participants or relevant business partners to terminate their business relations with a signatory producer. The burden of proof in this respect shall lie with amfori BSCI Participants or business partners as applicable.

III. Embedding social responsibility into the business enterprise culture

3.1. Producers should establish good management practices that **involve workers and their representatives** in sound information exchanges on the workplace issues.

3.2. Producers should set **policies and procedures in place** to ensure the observance of the principles of the amfori BSCI Code of Conduct and appropriate protection of workers.

3.3. Producers should take specific steps to make **workers aware of their rights** and responsibilities, in particular to the most disadvantaged groups (e.g. migrant workers).

3.4. Producers should **build sufficient competence** among the managers and workers in order to embed the amfori BSCI Code of Conduct in their business enterprise culture.

3.5. Production, Human Resources and other relevant departments (or individuals) should be **trained and incentivised** in a manner that allows them to contribute to the integration of the principles of responsible business in the business enterprise culture.

IV. Cooperation and empowerment of their own facilities and supply chain

4.1. Producers **engage in training and support their own staff** in order to build the necessary capacities to achieve and uphold the principles of the amfori BSCI Code of Conduct.

4.2. Producers **seek a constructive and open dialogue with their workers and workers representatives over their responsibility to observe the principles of the amfori BSCI Code of Conduct**

4.3. Producers **seek a constructive and open dialogue with significant business partners over their ability to observe the amfori BSCI Code of Conduct** and assist them in order to help them meet these expectations.

V. Due diligence in their own facilities and in their supply chain

5.1. Producers **commit to act diligently** in (a) assessing actual and potential adverse impacts of their business against the values and principles of the amfori BSCI Code of Conduct; (b) identifying in their own facilities and their supply chain where the most significant risks for these adverse impacts may occur and (c) acting upon them with the aim of preventing and/or addressing them in line with the amfori BSCI Code of Conduct.

5.2. Producers **gather and assess reliable information about their** own business and business partners' responsible behaviour and **keep the necessary documentary evidence that they have acted diligently**. They seek further detail on the **root causes** of any discrepancy with the principles of the amfori BSCI Code of Conduct and take the necessary corrective actions.

5.3. Producers require that **their business partners regularly report** to them on their progress in implementing and/or upholding the amfori BSCI Code of Conduct as well as the effectiveness of their responses to adverse impact to the values and principles of the amfori BSCI Code of Conduct in which they may have been involved.

5.4. Producers should set up or engage in -to the extent possible- an effective **operational level grievance mechanism** to respond to individuals (particularly their workers) and communities adversely impacted by their activities.

VI. Information management

6.1. Producers **report accurately to amfori BSCI Participants** on their implementation plan and continuous improvement of their own business, as well as the effectiveness of any response to adverse impact to values and principles of the amfori BSCI Code of Conduct in which they may have been involved.

6.2. Producers **seek to understand** the concerns of potentially affected stakeholders, from which they may need to seek advice, and consult externally with credible, independent experts. This includes governments, civil society and workers representatives to verify the effectiveness of their implementation process.

6.3. Producers commit **to immediately inform the amfori BSCI Participant** -to the extent possible- of any misconduct of themselves and/or their business partners, particularly subcontractors, of which they become aware and that may result in an adverse impact to the values and principles of the amfori BSCI Code of Conduct.

VII. Monitoring toward improvements

7.1. Producers **monitor** that the amfori BSCI Code of Conduct is observed by **them and their business partners** involved in the production process based on a development-oriented approach.

7.2. Producers acknowledge the **importance of having trustful relationships** and will not be involved in falsifying any information, particularly documentary evidence relevant for the monitoring of their performance towards observance of the amfori BSCI Code of Conduct.

7.3. Producers agree that the individual auditors working on behalf of or otherwise representing an Auditing Company conducting amfori BSCI audits may **gather the necessary documentary evidence**. This includes - but is not limited to - pictures of their production site(s) as well as copies of business documents **relevant for the audit**.

7.4. Producers agree that **confidential interviews** with workers representatives and workers freely chosen by the auditors are conducted, without any influence from the producer side.

7.5. Producers agree that **all audit information will be recorded in the amfori BSCI Platform**. This Platform allows sharing of the audit reports among amfori BSCI Participants.

7.6. Producers agree that the information gathered in their facilities during the amfori BSCI Audit **can be shared with third parties** (i) insofar as this occurs within the framework of the amfori BSCI; (ii) insofar as such transfer is necessary for the provisions by or on behalf of amfori/amfori BSCI related activities, and/or (iii) the third parties agree to treat the information provided with utmost respect and for the only purpose relevant for the case.

7.7. Producers agree that the amfori BSCI Auditors can be subject to a Witness Audit when conducting the amfori BSCI audit in their facility. Witness Audits aim at ensuring the quality of Auditors / Auditing Companies performing amfori BSCI audits. Therefore, they have no incidence on producers' performance or audit results and has no additional cost for the producer. Producers agree that if requested, their amfori BSCI social audit will include a Witness Audit and the additional Auditors will be allowed access to the facility.

7.8. Producers agree that their facility and production sites can be subjected to investigation measures in the frame of the **amfori BSCI Integrity Program**, - such as but not limited - to Witness Audits, Duplicate Audits and Random Unannounced Checks (RUC). Where RUC results will negatively differ from the previous audit result, the Producer will bear the full cost of the RUC.

Signature on behalf of the Company

Date of the signature

Name of the company

Name of the person

Terms of Implementation for Business Partners

I. Introduction

For the purpose of this document, “**Business Partner**” refers to the commercial entity, such as importers or agents, with which the amfori BSCI participant has a commercial relation, and through which the amfori BSCI Participants intend to cascade the principles of the amfori BSCI Code towards the producers that may be eventually monitored.

It may also mean the commercial entity, such as subcontractors or sub-suppliers, with which a producer has a commercial relation and through which the producer intends to cascade the principles of the amfori BSCI Code.

By signing these Terms of Implementation, **business partners** endorse the values and principles of the **amfori BSCI Code of Conduct or equivalent** and commit to take, within their sphere of influence, all reasonable and appropriate measures to observe them.

The reference this document makes to the amfori BSCI Code of Conduct includes any other equivalent code of conduct and respectively related system.

Third-party partners, as mentioned in this document, refer to Business partners of the one who signs these Terms of Implementation.

Business partners that have signed these Terms of Implementation **are not subjected to the amfori BSCI monitoring process**. However, the amfori BSCI Participant reserves the right to include them, when deemed relevant as result of the amfori BSCI participant's due diligence process, in which case the business partner will need to sign the Terms of Implementation for **Producers**.

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II. Commitment to socially responsible business

2.1. In undertaking the responsibilities set out in the amfori BSCI Code of Conduct, **business partners** work together with amfori BSCI Participants and their third party-partners and pursue a constructive and open dialogue with their stakeholders towards the application of the amfori BSCI Code of Conduct.

2.2. Business partners actively communicate their endorsement of the amfori BSCI Code of Conduct through their company organization and to their third-party partners.

2.3. Business partners require their third-party partners **to work toward full observance of the amfori BSCI Code of Conduct.**

2.4. Business partners have **the procedures and sufficient resources in place** to meet their responsibilities related to the amfori BSCI Code of Conduct.

2.5. Business partners require their **third party-partners** to work towards full observance of the amfori BSCI Code of Conduct and take, within their sphere of influence, the reasonable measures necessary to make the amfori BSCI Code of Conduct applicable to their third party partners.

2.6. Business partners **acknowledge that neglecting the values and principles of the amfori BSCI Code of Conduct and/or violating any of these Terms of implementation** are sufficient grounds for amfori BSCI Participants to terminate their business relations with signatory business partners. The burden of proof in this respect shall lie with amfori BSCI Participants or thirdparty partners as applicable.

III. Embedding social responsibility into the business enterprise culture

3.1. Business partners (e.g. through their buying practice such as price and/or delivering time) should not put their third party-partners in a position that prevents them from adhering to the amfori BSCI Code of Conduct.

3.2. Purchasing and other relevant departments (or individuals) should be **trained and incentivised** in a manner that allows them to contribute to the integration of the principles of responsible business in the company culture.

IV. Cooperation and empowerment in the supply chain

4.1. Business partners **engage in training and support their own staff** in order to build the necessary capacities to achieve and uphold the principles of the amfori BSCI Code of Conduct.

4.2. Business partners **seek a constructive and open dialogue with their respective third-party partners over their ability to observe the amfori BSCI Code of Conduct** and assist them in order to help them meet these expectations.

4.3. Business partners **encourage the active co-operation between management and workers, and/or their representatives**, in the development and implementation of systems and procedures that result in the successful implementation of the amfori BSCI Code of Conduct.

V. Due diligence in the supply chain

5.1. Business partners **commit to act diligently** in (a) assessing actual and potential adverse impacts of their business against the values and principles of the amfori BSCI Code of Conduct; (b) identifying in the supply chain where the most significant risks for these adverse impacts may occur and (c) acting upon them with the aim of preventing and/or addressing them in line with the amfori BSCI Code of Conduct.

5.2. Business partners gather and assess reliable information about their **own business and third-party partners'** responsible behaviour and keep the **necessary documentary evidence** that they have acted diligently.

5.3. Business partners require that **their third-party partners regularly report** to them on their progress in implementing and/or upholding the amfori BSCI Code of Conduct as well as the effectiveness of their responses to adverse impact to the values and principles of the amfori BSCI Code of Conduct in which they may have been involved.

5.4. Business partners should set up or engage in -to the extent possible- an effective **operational level grievance mechanism** to respond to individuals and communities adversely impacted by their activities.

VI. Information management

6.1. Business partners **report accurately to amfori BSCI Participants**, as per request, on their **implementation plan and continuous improvement** of their third-party partners, as well as the effectiveness of any response to adverse impact to values and principles of the amfori BSCI Code of Conduct, in which they may have been involved.

6.2. Business partners **seek to understand the concerns of potentially affected stakeholders**, from which they may need to seek advice, and consult externally with credible, independent experts. This includes governments, civil society and workers representatives to verify the effectiveness of their implementation process.

6.3. Business partners **commit to immediately inform the amfori BSCI Participant** on any misconduct of their third-party partners of which they may become aware and that may result in an adverse impact to the values and principles of the amfori BSCI Code of Conduct.

Signature on behalf of the Company

Date of the signature

Name of the company

Name of the person

amfori BSCI Reference

The United Nations Universal Declaration of Human Rights (1948); the International Labour Organisation's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977); The Global Compact (2000); the UN Guidelines for Business and Human Rights (2011) and the Guidelines for Multinational Enterprises developed by the Organisation for Economic Co-operation and Development (OECD) (2011) all define the most accepted frameworks for responsible business enterprises.

I. ILO Conventions

The International Labour Organisation (ILO), whose tripartite structure includes representatives of governments, employers and workers, holds the responsibility for setting international labour standards and it is the legitimate source for international labour standards and their interpretation.

ILO standards are set in Conventions, having the force of international law and binding for states that have ratified them. They also include Recommendations, which provide additional interpretation guidance.

With the adoption of the [Declaration on Fundamental Principles and Rights at Work](#) (1998) all ILO member states have an obligation, regardless of ratification, to respect, promote and realise the principles contained in the Fundamental ILO Conventions.

Fundamental conventions

- [Freedom of Association and Protection of the Right to Organise Convention, 1948 \(No. 87\)](#)
 - [Right to Organise and Collective Bargaining Convention, 1949 \(No. 98\)](#)
 - [Forced Labour Convention, 1930 \(No. 29\)](#)
 - [Abolition of Forced Labour Convention, 1957 \(No. 105\)](#)
 - [Minimum Age Convention, 1973 \(No. 138\)](#)
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- [Worst Forms of Child Labour Convention, 1999 \(No. 182\)](#)
- [Equal Remuneration Convention, 1951 \(No. 100\)](#)
- [Discrimination \(Employment and Occupation\) Convention, 1958 \(No. 111\)](#)

The ILO's Governing Body has also designated another four conventions as "priority" instruments, because of their importance to strengthen national institutions and capacities that serve to promote employment and ensure compliance with labour standards. These conventions were identified by the [ILO Declaration on Social Justice for a Fair Globalization](#) and presented as Governance Conventions in the ILO Action Plan 2010-2016.

Governance conventions

- [Labour Inspection Convention, 1947 \(No. 81\)](#)
- [Employment Policy Convention, 1964 \(No. 122\)](#)
- [Labour Inspection \(Agriculture\) Convention, 1969 \(No. 129\)](#)
- [Tripartite Consultation \(International Labour Standards\) Convention, 1976 \(No. 144\)](#)

In addition, other ILO Conventions and Standards are particularly relevant for the amfori BSCI and they are the best references for the Terms of Implementation.

Below you find them organized in relation to each amfori BSCI principle.

II. International references in the context of the amfori BSCI principles

The rights of Freedom of Association and Collective Bargaining

[C011 - Right of Association \(Agriculture\) Convention, 1921](#)

[C135 - Workers' Representatives Convention, 1971](#)

[C141 - Rural Workers' Organisations Convention, 1975](#)

[C154 - Collective Bargaining Convention, 1981](#)

[R091 - Collective Agreements Recommendation, 1951](#)

[R092 - Voluntary Conciliation and Arbitration Recommendation, 1951](#)

[R143 - Workers' Representatives Recommendation, 1971](#)

[R158 - Labour Administration Recommendation, 1978](#)

No discrimination

[C156 - Workers with Family Responsibilities Convention, 1981](#)

[C159 – Vocational Rehabilitation and Employment \(Disable Persons\)](#)

[R165 - Workers with Family Responsibilities Recommendation, 1981](#)

Fair Remuneration

[C095 - Protection of Wages Convention, 1949](#)

[C100 - Equal Remuneration Convention, 1951](#)

[C131- Minimum Wage Fixing Convention, 1970](#)

[R085 - Protection of Wages Recommendation, 1949](#)

[R135 - Minimum Wage Fixing Recommendation, 1970](#)

[R180 - Protection of Workers' Claims \(Employer's Insolvency\) Recommendation, 1992](#)

Decent Working Hours

[C001 - Hours of Work \(Industry\) Convention, 1919](#)

[C014 - Weekly Rest \(Industry\) Convention, 1921](#)

[C132 - Holidays with Pay Convention \(Revised\), 1970](#)

[C101 – Holidays with Pay \(Agriculture\) Convention, 1952](#)

[C171 - Night Work Convention, 1990](#)

[C110 – Plantation Convention, 1958](#)

[R116 - Reduction of Hours of Work Recommendation, 1962](#)

[R110 - Plantations Recommendation, 1958](#)

Occupational Health and Safety

[C148 - Working Environment \(Air Pollution, Noise and Vibration\) Convention, 1977](#)[C155 - Occupational Safety and Health Convention, 1981](#)

[C183 - Maternity Protection Convention, 2000](#)

[C184 - Safety and Health in Agriculture Convention, 2001](#)

[C187 - Promotional Framework for Occupational Safety and Health Convention, 2006](#)

[C188 - Work in Fishing Convention, 2007](#)

[R164 - Occupational Safety and Health Recommendation, 1981](#)

No Child labour

[C131 - Minimum Wage Fixing Convention](#)

[R014 - Night Work of Children and Young Persons \(Agriculture\), 1921](#)

[R190 - Worst Forms of Child Labour Recommendation, 1999](#)

Special Protection for Young Workers

[C010 - Minimum Age \(Agriculture\) Convention, 1921](#)

[C016 - Medical Examination of Young Persons \(Sea\) Convention, 1921](#)

[C077 - Medical Examination of Young Persons \(Industry\) Convention, 1946](#)

[R014 - Night Work of Children and Young Persons \(Agriculture\), 1921](#)

[R146 - Minimum Age Recommendation, 1973](#)

No Precarious Employment

[C024 - Sickness Insurance \(Industry\) Convention, 1927](#)

[C025 - Sickness Insurance \(Agriculture\) Convention, 1927](#)

[C095 - Protection of Wages Convention, 1949](#)

[C117 - Social Policy \(Basic Aims and Standards\) Convention, 1962](#)

[C158 - Termination of Employment Convention, 1982](#)

[C175 - Part-Time Work Convention, 1994](#)

[C177 - Home Work Convention, 1996](#)

[C181 - Private Employment Agencies Convention, 1997](#)

No Bounded Labour

(See Fundamental Conventions)

Protection of the Environment

Ethical Business Behaviour

III. Other relevant sources

- United Nations Universal Declaration of Human Rights (1948) :
<http://www.un.org/en/documents/udhr/>
- The International Labour Organisation's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977):
http://www.ilo.org/empent/Publications/WCMS_094386/lang-en/index.htm
- UN Global Compact :
http://www.unglobalcompact.org/AboutTheGC/tools_resources/index.html
- UN Children's Rights and Business Principles
http://www.unglobalcompact.org/issues/human_rights/childrens_principles.html
- OECD Guidelines for Multinational Enterprises (2011)
<http://www.oecd.org/daf/inv/mne/oecdguidelinesformultinationalenterprises.htm>
- UN Guiding Principles on Business and Human Rights (2011):
http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- Human Rights Translated: A reference Guide for Business (2008) http://human-rights.unglobalcompact.org/doc/human_rights_translated.pdf
- UN Convention against Corruption:
http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/0850026_E.pdf
- Fight against corruption e-learning tool:
<http://thefightagainstcorruption.org/certificate/>
- ILO safework:
<http://www.ilo.org/safework/cis/lang-en/index.htm#a2>
- ILO helpdesk:
<http://www.ilo.org/empent/areas/business-helpdesk/lang-en/index.htm>
- ILO Code of practice of safety and health in agriculture, 2010:
http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/--publ/documents/publication/wcms_159457.pdf
- ILO Plan of Action 2010- 2016: Towards widespread ratification and effective implementation of the governance Conventions:
http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@normes/documents/publication/wcms_156431.pdf

- Social Accountability International
<http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937>

amfori is the leading global business association for open and sustainable trade. Our vision is of a world where all trade delivers social, environmental and economic benefits for everyone.

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amfori BSCI Glossary

The glossary is to be understood in the context of the amfori BSCI and applies to the amfori BSCI Participants and their business partners, particularly producers. It overrules all previous versions of the amfori BSCI Glossary.

Item	Definition
Agent	An actor in the supply chain that makes the connection between the buying business enterprise and the business enterprise selling the goods. The agent does not own the goods or produce them. For amfori BSCI purposes, an Agent is a business partner.
Apprentice	Someone who undertakes a system of learning a craft or gains specific expertise within a business enterprise of that sector of knowledge.
Apprenticeship	Systematic, long-term training with alternating periods in a school or training centre and at the workplace; the apprentice is contractually linked to the employer and receives remuneration (wage or allowance). The terms of apprenticeship are usually regulated by law as well as by labour agreements. By means of these terms, the employer assumes responsibility for providing the apprentice with training leading to a specific occupation.
Aspirational goals	Goals which help organisations to achieve a greater purpose in their mission and are usually set through a series of long and short term goals designed to help the organisation reach a designated point.
Audit	A methodical examination or review of a condition or situation towards gathering satisfactory evidence. Audits must be objective, impartial and independent . The audit process must be both systematic and documented. For the purposes of the amfori BSCI, the audits will verify social performance in the supply chain of amfori BSCI Participants against the standards emanating from the amfori BSCI Code of Conduct and its Terms of Implementation. They shall use the appropriate methodology and auditing tools. The term audit includes all types regardless of the methodology used and/or the scope.
Audit Integrity Program	An ordered set of procedures designed to guarantee that amfori BSCI values and principles are consistently respected when conducting amfori BSCI audits. This includes but it is not limited to: a) Ensuring consistency and reliability of the monitoring process and associated activities; b) Ensuring consistency and reliability of Auditing Company performance.
Auditee	An organisation (or part of an organisation) that is being audited. Organisations can include one or several legal entities. For the purpose of the amfori BSCI, producers are meant to be audited only once identified by the amfori BSCI Participant as a result of its due diligence. Therefore, amfori BSCI Participants and business partners that don't have a production working environment are not eligible to be included in the amfori BSCI

	monitoring process.
Auditor	<p>A person appointed and authorised to deliver a qualified audit judgment on the social performance of the auditee. The auditor shall collect evidence by means of examination of documents, interviews and site inspection.</p> <p>For the purposes of the amfori BSCI, auditors shall be experts of SAAS (see definition below) accredited Auditing Companies. They must satisfy high quality criteria and meet the competence requirements of SAAS and amfori BSCI.</p>
Basic Needs Wage	<p>A wage that enables workers to cover their basic needs (housing, energy, nutrition, clothing, health care, education, potable water, child care, transportation and savings), includes additional discretionary income and takes into consideration dependents. Also referred to as Living Wage. Within the amfori BSCI system, auditors are required to calculate the basic needs wage at the auditee level using the method developed by Social Accountability International (SAI) and report that calculation under the master data of the audit report.</p>
amfori BSCI Commitment	<p>It refers to the public statement by which amfori BSCI Participants embed their social responsibility. amfori BSCI provides a commitment formula to support amfori BSCI Participants in their planning to include business partners in the continuous improvement process towards social compliance.</p>
amfori BSCI info seminar	<p>A formal presentation organised by the amfori BSCI to provide participating companies with the information needed for the successful implementation of the amfori BSCI. amfori members who endorse the amfori BSCI shall attend one amfori BSCI info seminar within 6 months after having joined the amfori.</p>
amfori BSCI Participant	<p>Ordinary member of the Foreign Trade Association (amfori) who endorses the amfori BSCI.</p>
amfori BSCI Platform	<p>A group of IT features and technologies set by the amfori BSCI to allow amfori BSCI Participants to exchange information on the implementation of the amfori BSCI in their supply chain. This includes, but is not limited to organisation of amfori BSCI audits and sharing of audit reports.</p>
amfori BSCI Stakeholder Council	<p>A governance body of the amfori. It may consist of maximum 20 representatives from stakeholder groups. It nominates one delegate to play an advisory role in the amfori BSCI Steering Committee.</p>
amfori BSCI Steering Committee	<p>Body of the amfori that decides on the amfori BSCI activities. It is composed of nine ordinary members that use services related to the amfori BSCI. The members of the amfori BSCI Steering Committee must represent the diversity of the ordinary members regarding their size expressed in turnover. It also includes one representative of the Stakeholder Council with consultative rights only.</p>
amfori BSCI Working Groups	<p>Bodies of the amfori established by the Steering Committee. They are made up of representatives from amfori BSCI Participants and have a supporting role to the amfori BSCI Steering Committee, which defines their mandate and specific tasks.</p>
Business Enterprise	<p>An organisation involved in the trade of goods, services, or both to consumers or clients, regardless of their form of ownership or the way they are organised (limit liability, tax advantage or compliance criteria...). For the purpose of the amfori BSCI, business enterprises are the amfori BSCI Participants and their business partners, particularly but not limited to producers whose social performance will be monitored.</p>
Business Partners	<p>Any external party from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. This relationship may be contractual, and may or may not require an exclusive bond. These are examples of business partners:</p> <p>A producer</p>

A supplier

A customer

A channel intermediary (such as an agent or reseller),

A vendor of complementary offerings (for example, one party sells the hardware, while the other sells the software)

For the purpose of the amfori BSCI, not all business partners are required to be included in the amfori BSCI process, but at least the significant business partners should be involved.

In this context, 'significant' refers to business partners (particularly producers) who are:

the primary providers of a given type of good or service, which represent a large share of the purchasing volume or reputational perception; or

they are identified as potentially related to significant risks of adverse human rights impacts (particularly those which are labour related).

For the more information on the targeted audience of the monitoring process see definition of "auditee".

Calibration meetings

Meetings organised by the amfori BSCI with the accredited Auditing Companies where auditors can discuss their interpretation of the audit procedures and criteria. These meetings ensure that auditors follow the correct interpretation of the amfori BSCI mission, vision and expectations, as well as develop a thorough understanding of the auditing tools and audit methodologies.

Capacity Building

The process of assisting an individual or group to identify and address issues and gain the insights, knowledge and experience needed to solve problems and implement changes.

The amfori BSCI organises capacity building activities to develop skills and capabilities for both amfori BSCI Participants and their business partners (particularly producers involved in the monitoring system) to integrate social compliance into their daily operations.

Cascade Effect

An unforeseen "chain of events" due to an act affecting a set of interacting or interdependent components, or relationships.

The cascade effect may lead to a chain of events which tends to proceed with increasing momentum, so that the further it progresses the more difficult it is to stop. For the purpose of the amfori BSCI, amfori BSCI Participants strive to **inspire a positive cascade effect** for their business partners to observe the amfori BSCI Code of Conduct.

Certification

The process through which a third party organisation grants recognition to an individual, organisation, process, service or product that meets certain established criteria.

The amfori BSCI is a multidisciplinary approach that helps amfori BSCI Participants and their business partners to improve social performance in the supply chain. amfori BSCI audits do not lead to a certificate but they act in combination with the other amfori BSCI components to strive for improvements.

Child

For the purpose of the **Convention of Rights of the Child**, a child means every human being below the age of eighteen years unless, under the law applicable to the child, majority is attained earlier. The Convention aims at providing coverage to all minors including "children" and "young workers".

For the purpose of the amfori BSCI, the term applies to all persons under the age of 15 years or under the age of completion of compulsory schooling (whichever is higher), except in certain countries where economies and educational facilities are insufficiently developed and a minimum age of less than 15 years might apply. These countries of exception are specified by the ILO in response to special application by the country concerned and consultation with representative organisations of employers and workers.

Child Labour

The term refers to work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that is

mentally, physically, socially or morally dangerous and harmful to children; and interferes with their schooling by:

depriving them of the opportunity to attend school;

obliging them to leave school prematurely; or

requiring them to attempt to combine school attendance with excessively long and heavy work.

Child Labour Remediation

A combination of preventive and corrective measures. The preventive measures apply to avoid that the Child Labour occurs. Corrective measures intend to rectify and improve the situation if Child Labour is found.

Business partners, particularly those that are going to be monitored, are required to have a Child Labour remediation procedure in place. This should at least include means to: a) robust verification of age; b) seek external support in promoting long-term solutions; c) strive to return the child to the school system and ensure that the child is removed from the production site.

Child Labour is a **violation** of fundamental **human rights**. As such, it may require compensation to the victim.

Code of Conduct

Formal statement of the values and principles that reflect the beliefs of amfori BSCI Participants and the expectations they have towards their business partners in their supply chain. The Code is publicly available and addressed to anyone with an interest in business enterprises' activities and the way they do business. The Code of Conduct is to be read and interpreted in combination with the appendices (Terms of Implementation, amfori BSCI Reference and amfori BSCI Glossary).

Complaint

It may have a non-legal and a legal meaning. As a non-legal matter, a complaint refers to an expression of dissatisfaction or allegation that the expectations raised by a system, a business organisation or an individual were not satisfactory or fulfilled.

As a legal term, complaint refers to a formal legal document that sets out the facts and legal reasons that the filing party believes are sufficient to support a claim against another party and that entitles the filing party to a remedy.

Complicity

It has both non-legal and legal meanings. As a non-legal matter, business enterprises may be perceived as being "complicit" in the acts of another party where, for example, they are seen to benefit from an abuse committed by that party.

As a legal matter, complicity means being implicated in abuse that another business enterprise, government, individual, group, etc., is causing. The risk of complicity in a human rights abuse may be particularly high in areas with weak governance and/or where human rights abuse is widespread.

Complicity is generally made up of 2 elements:

An act or omission (failure to act) by a business enterprise, or individual representing a business enterprise, that "helps" (facilitates, legitimizes, assists, encourages, etc.) another, in some way, to carry out a human rights abuse, and

The knowledge by the business enterprise that its act or omission could provide such help.

Compulsory Education

A period of education that is required of every person, and which extension varies from legislation to legislation. It is meant to ensure the right to education, which is a right in itself and an **enabling right**. Education provides individuals with the skills, capacity and confidence to secure their rights. Education gives people the ability to access information and analyse it freely.

Consumer

A person who purchases goods and services for personal use.

Corrective Action

In the context of the amfori BSCI, corrective action refers to the implementation of measures or systemic changes to eliminate or palliate the cause(s) of an existing deviation from the amfori BSCI Code of Conduct and to prevent re-occurrence.

Corrective Action Plan (CAP)	The plan of actions needed to fix the deviations found during the audit. It should include the responsible person and time frame limit within which the measures are to be implemented.
Countries risk classification	A tool developed by the amfori BSCI that aims at supporting amfori BSCI Participants to better identify potential social risks and implementation priorities related to their sourcing countries.
Crucial issues	<p>Those usually related to Fundamental ILO Conventions (Core Conventions) or to issues that are understood as crucial within the amfori BSCI system because:</p> <ul style="list-style-type: none"> • They present imminent risk to workers' safety or risk to life and limb or constitute a significant breach of workers' human rights, and/or, • They present an attempt to pervert the course of the audit through fraud, coercion, deception or interference.
Customer	A person who buys goods or services from a shop or business. Or a person of a specified kind with whom one has to deal.
Decent work	Sum of the aspirations of people in their working lives. It comprises opportunities of work which are productive and deliver a fair income, security in the workplace and social protection for families. This involves better prospects for personal development and social integration, freedom for people to express their concerns and equal opportunities and treatment for all women and men.
Dormitory	A structure that grants safe living accommodation to workers. It is provided by the employer and it can be either on or off-site. Also known as housing.
Due Diligence	<p>It refers to a number of preventive measures taken to adhere to a standard of reasonable care while performing any acts that could foreseeably harm others.</p> <p>A reasonable care relates to what a "reasonable person" might have done in the same or similar circumstances. A "reasonable person" is a composite of a relevant community's judgement as to how a typical member of a community (e.g. business enterprises) should behave in situations that might pose a threat of harm (through action or inaction) to the others.</p> <p>The duty of care includes implicitly the responsibilities held by individuals and business enterprises towards others within society. Therefore, it is expected regardless if it is required by law or not.</p>
Emissions	In the context of the amfori BSCI audit, it refers to flue gas or exhaust gas, which need to be managed adequately to avoid any potential damage to the environment.
Employee	Someone who works for an entity, under the terms of an employment contract . A contract of employment could be written, oral or implied. For the purpose of the amfori BSCI, both employees and workers (whether seasonal or permanent) are under the same term "worker".
Environmental Management System	A systematic approach to develop and deliver an organisation's environmental objectives and manage activities that have an environmental impact. An EMS will include the organisation's structure, activities and assessment of those activities with environmental impacts. Further relevant legislative and regulatory environmental responsibilities, objectives, training and assessments may be included.
Foreign Trade Association	The Foreign Trade Association (amfori) is the association of European and International commerce that represents and defends the value of free and sustainable trade. It brings together hundreds of retailers, importers, brand companies, and national associations to improve the political and legal framework for trade in a responsible way.

amfori Board of Directors

The body that administrates the Foreign Trade Association, which is composed of minimum two and maximum ten representatives of ordinary members.

amfori Financial Committee

Committee to focus on financial issues, composed of three members of the amfori Board of Directors (the treasurer + two other members, one of them must also serve on the amfori BSCI Steering Committee).

amfori General Assembly

Yearly Assembly which includes all associate and ordinary members. All votes are based on a weighted voting system, depending of the business enterprise or association's turnover.

Fundamental ILO Conventions (Core Conventions)

The International Labour Organization's Governing Body has identified **eight conventions** covering subjects that are considered as fundamental principles and rights at work: *freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.*

These principles are also covered in the ILO's Declaration on Fundamental Principles and Rights at Work (1998). Currently, the number of ratifications of these conventions represents 86% of the possible total.

Ratifying countries (see <http://www.ilo.org/ilolex/english/newratframeE.htm>) commit themselves to applying the convention in national law and practice and reporting on its application at regular intervals.

Grievance Mechanisms

A grievance mechanism is a **non-judicial procedure** that offers formalised means through which individuals or groups can raise concerns about the impact a business enterprise has on them – including, but not exclusively, on their human rights – and can seek remedy.

These mechanisms may use adjudicative, dialogue-based or other processes that are culturally appropriate and rights-compatible.

According to the United Nations, for a grievance mechanism to be effective, it should be **legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning.**

Home Worker

A person who carries out work for a business enterprise under direct or indirect contract, other than on a business enterprise's premises, for remuneration, which results in the provision of a product or service as specified by the employer, irrespective of who supplies the equipment, materials or other inputs used.

Human Rights

A set of principles defined in the Universal Declaration of Human Rights (1948), based on the recognition of the inherent dignity and the equal and inalienable rights of all members of the human family as the foundation of freedom, justice and peace in the world.

Human Rights Due diligence

The process that should be conducted by business enterprises in order to identify, prevent, mitigate and account for how they address their adverse human rights impacts. It should cover the adverse human rights impact that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships.

Importer

The business enterprise selling the goods. They have not produced the goods. The deliveries of the goods are made inside or outside the EU. For amfori BSCI purposes, an importer can be a amfori BSCI Participant or a business partner.

International Labour Organization (ILO)

An international organisation located in Geneva, Switzerland, whose goal is to promote decent work for all men and women. The ILO has a tripartite approach; therefore member countries are represented by workers, employers and governments.

ILO Conventions

The International Labour Organization (ILO) holds the responsibility for setting international labour standards and it is the **legitimate source for international labour standards and their interpretation**.

ILO standards are set in Conventions, having the force of international law and binding for states that have ratified them, and in Recommendations which provide additional interpretation guidance.

In particular, all ILO member states have an obligation, regardless of ratification, to **respect, promote and realise the principles contained in the Fundamental ILO Conventions**.

The amfori BSCI refers to the ILO Conventions, Recommendations and interpretations guidelines, as much as it is feasible.

ILO Recommendations

They are legal instruments drawn up by the ILO's constituents (governments, employers and workers) to address international labour standards and set out basic principles and rights at work. Contrary to ILO Conventions, which are legally binding international treaties that may be ratified by member states, ILO Recommendations serve as non-binding guidelines.

In many cases, a convention lays down the basic principles to be implemented by ratifying countries, while a related recommendation supplements the convention by providing more detailed guidelines on how it could be applied.

Recommendations can also be autonomous, i.e. not linked to any convention.

Internal Social Management System (ISMS)

A dynamic set of policies and procedures to be implemented by the main auditee to cascade the values and principles of the amfori BSCI Code of Conduct into the production layers below.

Labour-Only Contracting

A prohibited arrangement where the contractor or subcontractor merely recruits, supplies or places workers to perform a job, work or service for a principle. In labour-only contracting, the following elements are present: (a) The contractor or subcontractor does not have substantial capital or investment to actually perform the job, work or service under its own account and responsibility; and (b) The employees recruited, supplied or placed by such contractor or subcontractor are performing activities which are directly related to the main business of the principal.

Legal minimum wage

The lowest hourly, daily or monthly remuneration that employers are legally required to pay to workers and employees for **regular working hours**. Countries that do not have a minimum wage defined by law rely on employer groups and trade unions to set minimum earnings through collective bargaining.

Leverage

An advantageous position that gives **power to influence** others and/or the **ability to change** wrongful practices of the business partner that is causing or contributing to a negative impact.

Management

Co-ordinated activities to establish and achieve defined objectives. The term management can also refer to a person or group of persons with authority and responsibility to conduct and control a business enterprise or business entity.

Monitoring Process

Monitoring process is a systematic approach, which enables business enterprises to measure and analyse social performance to identify critical problems pro-actively and use data to make decisions that will improve the quality and efficiency of its Corporate Social Responsibility. For the purpose of the amfori BSCI, the monitoring process is mainly conducted by means of amfori BSCI audits.

Ordinary amfori members

These are companies with commercial and related trade activities worldwide and trade associations. Ordinary members have full membership rights.

Personal Protection

Personal protective equipment (PPE) refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury. Protective equipment may be worn for job-related occupational safety and health

Equipment (PPE)	reasons. The purpose of personal protective equipment is to reduce employee exposure to hazards when engineering and administrative controls are not feasible or effective to reduce these risks to acceptable levels.
Primary Production Audit Methodology	<p>A systematic audit approach developed by the amfori BSCI in order to assess social performance of an auditee, which may consist of several production units (regardless if they are legally separate entities or not). It monitors the effectiveness of the measures taken by the main auditee and cross verifies such measures on a random production units sample covered by the same audit.</p> <p>An audit using this methodology can take place only if (i) The auditee has taken the responsibility to engage and monitor its business partners prior to the amfori BSCI audit and (ii) the auditee has set up a functioning Internal Social Management System (ISMS) to ensure its business partners work towards observance of the values and principles in the amfori BSCI Code of Conduct.</p> <p>Typically, this methodology is used to monitor agricultural undertakings, which tend to be structured in a pyramidal way (e.g. several farms delivering vegetables to a packing house). However, the methodology can be used to monitor the amfori BSCI cascade effect from a certain business enterprise toward its different business partners (e.g. a factory monitoring a network of small production units). amfori BSCI audits that are conducted by using this methodology are to be reported under the Primary Production Commitment formula.</p>
Prisoner Labour	A form of unfree labour. The term may refer to two different notions : labour as a form of punishment and labour as a form of occupation of convicts.
Producer	For the purpose of the amfori BSCI, a producer is a business partner in the supply chain of a amfori BSCI Participant that manufactures a good (food or non-food) or produces raw material, using labour and machines, tools, chemical and biological processing, or formulation.
Responsibility	The active role assumed by amfori BSCI Participants that adhere to the amfori BSCI Code to take an active role in working together with their business partners (particularly producers) to lead them through the improvement process. It relies on the ability of amfori BSCI Participants to act or decide upon the spirit, values and principles set in the Code of Conduct, without need for supervision .
Risk	A measure of the probability that damage to life, health, property, and/or the environment will occur as a result of a given hazard. Risk is measured in terms of impact and likelihood.
Risk Assessment	A formal estimation of the likelihood of suffering damage as a result of identified hazards. A risk assessment is an integral part of the amfori BSCI implementation both for amfori BSCI Participants and their business partners. It allows them to manage and plan their activities within the amfori BSCI. They may study the probability, the impact, and the effect of every known risk on the project, as well as the corrective action to take should a risk occur.
Seasonal worker	A worker who works on a short-term basis or only works in certain seasons. In the context of a amfori BSCI audit, they are reported as temporary workers, odd-jobbers or casual workers.
Self-Assessment	<p>The process by which a person or organisation plans, organises, executes and evaluates its actions and determines the level of performance achieved.</p> <p>In the context of the amfori BSCI, it is the process of gathering information in order to prepare for the implementation. The amfori BSCI provides producers with self-assessment questionnaires to be used for this purpose. The information collected in these documents is a self-declaration and cannot be compared to an audit.</p>
Social Accountability	<p>Global standard-setting, not-for-profit human rights organisation, that aims at improving workplaces.</p> <p>SAI has developed the SA8000 certification standard for social accountability, which is</p>

International (SAI)	a amfori BSCI “best practice for the industry” benchmark.
Social Accountability 8000	SA8000 is a voluntary standard and can be applied to any size of organisation or business across all industries. The objective of SA8000 is to ensure ethical sourcing of goods and services. The standard can replace or augment business enterprise or industry specific social accountability codes. SA8000 sets basic standards for: child labour, forced labour, health and safety, freedom of association and the right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration and management systems.
Social Accountability Accreditation Services	Social Accountability Accreditation Services (SAAS) is an accreditation agency founded to accredit and monitor organisations as certifiers of compliance with social standards, including the Social Accountability 8000 standard for ethical working conditions. SAAS began work as a department within Social Accountability International (SAI) in 1997 and was formally established as its own not-for-profit organisation in 2007.
Social Benefit	A benefit payable under a social security system.
Social Dialogue	A process of exchange between social partners to promote consultation, dialogue and collective bargaining.
Social Policy	A written document that sets out the global intentions and business orientation of a company with respect to a social standard and its requirements. The amfori BSCI requests business enterprises to create such a document to develop the content of the amfori BSCI Code of Conduct and Terms of Implementation.
Sphere of Influence	For the purpose of the amfori BSCI, it refers to the influential power a business enterprise has towards its business partners to enforce the responsibilities embedded in the amfori BSCI Code of Conduct. The sphere and magnitude of influence results from the influential power (<i>coercive, institutional, inspirational</i>) and the position of the business enterprise in the different commercial networks (<i>crucial interest network; direct contacts network; active network; lost network; future network</i>).
Stakeholder	An individual, community or organisation that is affected by and may affect some aspect of an organisation’s products, operations, markets, industries, and outcomes. Stakeholders may be internal (for example, employees) or external (for example, customers, suppliers, shareholders, financiers, trade unions, NGOs, the media, the government or the local community).
Subcontractor	An individual or legal entity that signs a contract to perform part or all of the obligations of another's contract. For the purpose of the amfori BSCI, it refers to the business partner which is appointed by the producer, to take over - fully or partly - the final production of goods.
Sub-supplier	For the purpose of the amfori BSCI, sub-supplier refers to the business enterprise that contributes with goods to the producer or its subcontractors. However, sub-suppliers do not perform the contractual obligations of the producer.
Supplier	A vendor or a supplier is an individual or legal entity that contributes goods or services in a supply chain. They may or may not function as distributors of goods. They may or may not function as manufacturers of goods. They may not own the goods (e.g. agents, traders). They may own the goods (importers).
Supply chain	Coordinated system of organisations, people, activities, information and resources involved in moving a product or service in physical or virtual manner from supplier to customer. For the purpose of the amfori BSCI, the supply chain is made up of the amfori BSCI Participant’s significant business partners .
Terms of	For the purpose of the amfori BSCI, the Terms of Implementation (ToI) are annexed documents to the amfori BSCI Code of Conduct, which describe the specific commitments inherent to the implementation of the amfori BSCI Code of Conduct. There

**Implementation
(TOI)**

are three separate terms of implementation: a) for amfori BSCI Participants; b) for amfori BSCI Participants' business partners which are not included in the monitoring process; c) for amfori BSCI Participants' business partners which are included in the monitoring process. Once signed, these Terms of Implementation act as a unilateral contract entered by the business partner and/or producer. As such, any breach of the Terms of Implementation clauses may give rise to contractual liability.

Trade Union

An organisation of workers who have freely banded together to achieve common goals and better working conditions. The trade union, through its leadership, bargains with the employer on behalf of union members (rank and file members) and negotiates labour contracts (collective bargaining) with employers. The most common purpose of these associations or unions is "maintaining or improving the conditions of their employment." This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies.

**Third Party
Partner**

As per the amfori BSCI Terms of Implementation for business partners, "third party partner" is the business enterprise that has a business relationship with a business partner. It is the business partner of the signatory business partner. The term is only used in the amfori BSCI Terms of Implementation for business partners to make a clear distinction between the signatory business partner and the one addressed as a third party. However, third party partners are the same actors as defined under "business partner".

Wage earners

Workers of a business enterprise that do not receive a salary on a regular basis (according to the local law) but are paid on the basis of the number of units produced. They may not be considered regular workers, but they are part of the business enterprise structure from a factual perspective. They are reported in the amfori BSCI Audit Questionnaire as "production based workers".

Worker

A person working for a business enterprise independent of her/his function, whether directly employed, contracted or otherwise in terms of her/his relationship to the business enterprise.

Young Worker

Any working person who is older than a child (see definition), but less than 18 years of age who is no longer subject to compulsory full-time schooling under national law. The extension of this status can be defined by different political instruments aiming at expanding youth protection.

amfori is the leading global business association for open and sustainable trade. Our vision is of a world where all trade delivers social, environmental and economic benefits for everyone.

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