



Grupo Calvo[®]

Code of Conduct for the Grupo Calvo Supply Chain

*(This document contains a literal translation of the BSCI Code of Conduct,
Version 1/2014)*



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I. Introduction

Grupo Calvo maintains a firm commitment to responsible management throughout its area of operations. Ensuring a responsible supply actualises Grupo Calvo's effort to achieving greater consistency across its array of sustainability policies and commitments, thereby improving the company's overall competitiveness and spearheading the development of new guidelines for supplier relations.

The future of the business necessarily entails that everyone involved in the value chain engage in responsible business activity based on the pursuit of excellence and the reduction of negative impacts associated with said activity.

This Code of Conduct for Grupo Calvo suppliers (henceforth referred to as the Code) defines the minimum standards of ethical and responsible business conduct to be observed by all Grupo Calvo suppliers in line with the principles set forth in the company's own Code of Ethics. Grupo Calvo commits to providing the means necessary for manufacturers and suppliers to learn about and understand this code in order for them to undertake Code compliance.

Furthermore, as part of Grupo Calvo's compliance model, the company has whistleblower channels in place that are open to all stakeholders and accessible through the corporate website (www.grupocalvo.es). These channels are intended as an effective means to prevent, detect and rectify any conduct or action of the company's employees, executives and governing bodies that diverges from ethics and legality. Supplier conduct contravening the stipulations of this Code may also be reported through this channel.

The present Code is based on Version 1/2014 of the BSCI (Business Social Compliance Initiative) Code of Conduct prepared by Amfori, former FTA (Foreign Trade Association), an organisation of which Grupo Calvo is a member since December 2016.

II. Preamble

The BSCI Code of Conduct in its Version 1/2014 aims to set forth the values and principles which BSCI Participants strive to implement in their supply chains. It was approved by Amfori Board on 28 November 2013 and overrules the BSCI Code of Conduct, Version 2009, in all its translations.

The 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 BSCI Participants' Business Partners and c) BSCI Terms of Implementation, BSCI Reference and BSCI Glossary, which are integral parts of the Code and provide more detailed information on interpretation and implementation of the BSCI. The BSCI Code of Conduct, Version 1/2014 enters into force on 1 January 2014. 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.

The 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 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.

BSCI and its participants pursue a constructive and open dialogue among business partners and stakeholders in order to reinforce the principles of socially responsible business. Furthermore, they see the building up of mature industrial relations between workers and management as being key for sustainable businesses.

III. Interpretation

This Calvo Group Code is based on the BSCI Code of Conduct. The terms "business enterprises" cover both BSCI Participants and their Business Partners in the supply chain, particularly Producers.

The appendices referred to at the end of the text of the BSCI Code of Conduct, in conjunction with the Terms of Implementation, form an integral part of the BSCI Code of Conduct. The Grupo Calvo Code is to be read and interpreted in combination with said documents.

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 BSCI.

IV. Our Values

By endorsing the present Code of Conduct and communicating it to their supply chain, our suppliers are guided by the following values:

Continuous improvement: Our suppliers undertake to implement the Grupo Calvo Code of Conduct in a step-by-step development approach. Grupo Calvo expects their suppliers to ensure the continuous improvement of working conditions within their organisations.

Cooperation: By working together and taking a common approach, our suppliers 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 suppliers 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 Grupo Calvo is to empower our suppliers, 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 Code principles to the heart of business enterprises' culture.

V. Implementation

The principles set out in the Code of Conduct for the Grupo Calvo Supply Chain represent the aspirational goals and minimum expectations in regard to their supply chains' social conduct.

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

Grupo Calvo commits to use reasonable endeavors to achieve the goals set out in the present Code of Conduct. While it cannot guarantee full observance by all the suppliers at all times, Grupo Calvo commits to take reasonable measures to abide by the principles of the present Code of Conduct, particularly in those regions and or sectors where higher risks of non-observance of the 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, Grupo Calvo commits strongly to the early detection, monitoring and remediation of all such failures in their supply chains and remains open to constructive engagement with stakeholders who are genuinely concerned with social compliance.

Code Observance

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

Supply Chain Management and Cascade Effect

Grupo Calvo acknowledges its capacity to influence social changes in its supply chain through their purchasing activities. Grupo Calvo manages their relationships with all business partners in a responsible way and expects the same in return.

This requires a co-operative approach where every business enterprise, (a) involves its respective business partners; (b) adopts all reasonable and appropriate measures in its sphere of influence needed to implement the Code of Conduct and (c) exchanges information to timely identify any challenge that requires mitigation. Grupo Calvo and their business partners strive to further detail the root causes of any such adverse impact on human rights, particularly when sourcing from high-risk regions or sectors. So as to embed this responsibility, our suppliers 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 Grupo Calvo 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 Code of Conduct is considered a last resort. However, at all times fully subject to the terms of the contract itself and the laws applicable to the same, 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 Code of Conduct, and/or when the business partner is unwilling to undertake the measures needed to fulfil any of the obligations set out in and/or inherent to the Code of Conduct.

Workers' Involvement and Protection

Our suppliers 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 Code of Conduct. Our suppliers should take specific steps to make workers aware of their rights and responsibilities.

In addition, our suppliers 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.

Our suppliers 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.

VI. Principles

Grupo Calvo expects all suppliers to observe the 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 Code of Conduct and (b) reasonable measures to ensure that all of their business partners involved in the production process(es) observe the Code of Conduct.

The rights of Freedom of Association and Collective Bargaining

Our suppliers 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.

Our suppliers 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

Our suppliers 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

Our suppliers 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.

Our suppliers 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

Our suppliers 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 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, our suppliers shall grant their workers the right to resting breaks in every working day and the right to at least one day off every seven days, unless exceptions defined by collective agreements apply.

For work conducted involving fishing activities, applicable requirements shall be those specified under ILO Convention 188 concerning work in the fishing sector.

Occupational Health and Safety

Our suppliers 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.

Our suppliers 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.

Our suppliers 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.

Our suppliers will seek improving workers' protection in case of accident, including through compulsory insurance schemes.

Our suppliers 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.

Our suppliers shall ensure adequate occupational medical assistance and related facilities.

Our suppliers 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, our suppliers shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge.

No Child Labour

Our suppliers 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.

Our suppliers 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

Our suppliers 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, our suppliers 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 programmes.

Our suppliers shall deploy 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 training schemes and programmes.

No Precarious Employment

Our suppliers 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, our suppliers are to provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Our suppliers should aim to provide 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.

Our suppliers 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

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

Our suppliers will risk allegations of complicity if they benefit from the use of such forms of labour by their suppliers.

Our suppliers shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly.

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

Our suppliers 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

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

Our suppliers 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.

(*) Tuna providers must also adopt the measures relative to protecting biodiversity contained in the Section for tuna suppliers.

Ethical Business Behaviour

Our suppliers 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.

As a component of Grupo Calvo's Compliance program, the company has defined preventive measures pertaining to anti-corruption, to be applied in the supplier selection process.

Our suppliers 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.

Our suppliers 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.

VII. Appendices

- Appendix 1. Section for tuna suppliers
- Appendix 2.
- Appendix 3. BSCI Reference: Compilation of International Standards relevant for the implementation of the Code, such as ILO Conventions and Recommendations.
- Appendix 4. BSCI Glossary

For more information, you can contact your Grupo Calvo purchasing partner directly or send in an email to the Corporate Social Responsibility Department at the following address: rsc@calvo.es

Appendix 1. Section for tuna suppliers

In addition to the commitments included in the Grupo Calvo Supplier Code, based on the BSCI (Business Social Compliance Initiative) Code, suppliers of raw tuna material input must observe the following requirements:

1. Operate in accordance with national and international norms and resolutions for tuna fishing. Thus, all vessels supplying tuna to Grupo Calvo are to meet the following conditions:

- i. Be authorised in the registers of the Regional Fisheries Management Organisations (RFMOs) and bear a valid IMO (International Maritime Organization) number (or, otherwise, a UVI [Unique Vessel Identifier]).
- ii. Belong to a country that is either listed or has applied for listing as a contracting or cooperating party of the corresponding Regional Fisheries Management Organisation (RFMO).
- iii. Hold all pertinent fishing licenses in accordance with the zones where their fishing operations are conducted.
- iv. Respect closed seasons imposed, as well as any other obligation established by the RFMOs or coastal nations.
- v. Respect the conservation areas established by the RFMOs or coastal nations.
- vi. Employ legal fishing methods as stipulated under international and EU regulations.

2. Actively refrain from illegal fishing and product commercialisation.

- i. The supplying company shall not have any vessel on the official IUU (illegal, unreported and unregulated) lists and will make sure that none of its suppliers are included on these lists.

3. Prohibit practices such as shark finning that entail intentional harm to any species.

- i. There shall be no indications or evidence of shark finning (mutilation and retention of shark fins) or any other practice entailing intentional harm to any species.

4. Carry out continual recording of fishing-related data.

- i. Grupo Calvo's Tuna Purchase and Sales Department shall be provided with all information related to the origin of tuna batches (loin, whole fish and maquila). Namely: species, fishing method employed, period of time in which fish were caught, FAO Zone and oceanic region where fishing took place,

vessel name, IMO, flag and processing plant). The requested information is to be submitted in the manner specified by Grupo Calvo's Tuna Purchase and Sales team.

- ii. Merchandise shall be delivered with proper identification, making sure that batches are appropriately separated in accordance with the method required by the Grupo Calvo Tuna Purchase and Sales team.

5. Carry out exhaustive control over compliance with health requirements

- i. All raw material is to undergo stringent health and quality controls in accordance with Grupo Calvo requirements.

6. Refrain from discarding tuna on board

- i. The supplier is obligated to not perform catch selection and discarding in favour of better specimens on board vessels because this would entail an impact on tuna stock sustainability.

7. Refrain from carrying out transshipments at sea.

- i. The fish caught by the vessel cannot be transferred at sea, neither at high sea, nor within the EEZs (Exclusive Economic Zones), territorial waters or archipelago waters, barring exceptions described by the ISSF (International Seafood Sustainability Foundation).

8. Commit to returning non-target species and to reducing incidental capture.

- i. Fishing activities must be carried out with a firm commitment to returning non-target species and to reducing incidental capture as a way of minimizing the impact of fishing operations on biodiversity.

9. Periodically train crew members in good fishing practices and conservation measures.

- i. Compliance with the above specifications implies that the crew be fully informed of their rights and obligations on board, and are to receive suitable training in good fishing practices and conservation measures.

10. In the case of large-scale tuna seiners, vessels must be listed in the PVR (Proactive Vessel Register) of the ISSF (International Seafood Sustainability Foundation).

- i. All large-scale purse seine tuna fishing vessels that are providers to Grupo Calvo must be registered, with no exceptions, in the ISSF's PVR and uphold the principles, which include, among others, mandatory use of non-entangling FADs (Fish Aggregating Devices).

- ii. PVR principles can be consulted through the following link: [https:// iss-1foundation .org/knowledge-tools/databases/proactive-vessel-register/](https://iss-1foundation.org/knowledge-tools/databases/proactive-vessel-register/)

Appendix 2. Section for suppliers of sardines and other fish species differing from tuna

In addition to the commitments included in the Grupo Calvo Supplier Code, based on the BSCI (Business Social Compliance Initiative) Code, suppliers of raw sardine material input and input from other fish species differing from tuna must observe the following requirements:

1. Operate in accordance with national and international norms and resolutions pertaining to fishing of each species. Thus, all vessels providing fish supply to Grupo Calvo are to meet the following conditions:

- i. Be authorised to fish and meet pertinent legal requirements.
- ii. Hold all pertinent fishing licenses in accordance with the zones where their fishing operations are conducted.
- iii. Respect closed seasons imposed, as well as any other obligations established by the competent authorities.
- iv. Respect the conservation areas established by coastal nations and competent authorities.
- v. Employ legal fishing methods as stipulated under international and EU regulations.

2. Actively refrain from illegal fishing and product commercialisation

- i. The supplying company shall not have any vessel on the official IUU (illegal, unreported and unregulated) lists and will make sure that none of its suppliers are included on these lists.

3. Prohibit practices that entail intentional harm to any species.

- i. There shall be no indications or evidence of practices entailing intentional harm to any species.

¹ Note regarding validity: The "Code for Tuna Suppliers" previous to this document shall continue in force for suppliers signed up to it until the time they sign up to the present "Code of Conduct for Grupo Calvo Suppliers".

4. Carry out continual recording of fishing-related data.

- i. Grupo Calvo's Purchasing Department shall be provided with all information related to the origin of raw material. The requested information is to be submitted in the manner specified by Grupo Calvo's Purchasing team.
- ii. Merchandise shall be delivered with proper identification, making sure that batches are appropriately separated in accordance with the method required by the Grupo Calvo Purchasing team.

5. Carry out exhaustive control over compliance with health requirements.

- i. All raw material is to undergo stringent health and quality controls in accordance with Grupo Calvo requirements.

6. Commit to returning non-target species and to reducing incidental capture.

- i. Fishing activities must be carried out with a firm commitment to returning non-target species and to reducing incidental capture as a way of minimising the impact of fishing operations on biodiversity.

Appendix 3. 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 \(No. 138\)](#)
- [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 BSCI and they are the best references for the Terms of Implementation. Below you find them organized in relation to each BSCI principle.

II. International references in the context of the 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](#)
[R110 - Recomendación sobre las plantaciones, 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/08-50026_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>

Appendix 4. BSCI Glossary

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

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 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 BSCI, the audits will verify social performance in the supply chain of BSCI Participants against the standards emanating from the 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 BSCI values and principles are consistently respected when conducting BSCI audits. This includes but it is not limited to:

Ensuring consistency and reliability of the monitoring process and associated activities;

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 BSCI, **producers** are meant to be audited only once identified by the BSCI Participant as a result of its due diligence.

Therefore, BSCI Participants and business partners that don't have a **production working environment** are not eligible to be included in the BSCI monitoring process.

Auditor

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.

For the purposes of the 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 BSCI.

Basic Needs Wage

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 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.

BSCI Commitment

It refers to the public statement by which BSCI Participants embed their social responsibility. BSCI provides a **commitment formula** to support BSCI Participants in their planning to include business partners in the continuous improvement process towards social compliance.

BSCI info seminar

A formal presentation organised by the BSCI to provide participating companies with the information needed for the successful implementation of the BSCI. Amfori members who endorse the BSCI shall attend one BSCI info seminar within 6 months after having joined Amfori.

BSCI Participant

Ordinary member of the Foreign Trade Association (Amfori) who endorses the BSCI.

BSCI Platform

A group of IT features and technologies set by the BSCI to allow BSCI Participants to exchange information on the implementation of the BSCI in their supply chain. This includes, but is not limited to organisation of BSCI audits and sharing of audit reports.

BSCI Stakeholder Council

A governance body of Amfori. It may consist of maximum 20 representatives from stakeholder groups. It nominates one delegate to play an advisory role in the BSCI Steering Committee.

BSCI Steering Committee

Body of Amfori that decides on the BSCI activities. It is composed of nine ordinary members that use services related to the BSCI. The members of the 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.

BSCI Working Groups

Bodies of Amfori established by the Steering Committee. They are made up of representatives from BSCI Participants and have a supporting role to the BSCI Steering Committee, which defines their mandate and specific tasks.

Business Enterprise

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 BSCI, business enterprises are the BSCI Participants and their business partners, particularly but not limited to producers whose social performance will be monitored.

Business Partners

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:

A producer

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 BSCI, not all business partners are required to be included in the 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 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 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 BSCI organises capacity building activities to develop skills and capabilities for both 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 BSCI, BSCI Participants strive to **inspire a positive cascade effect** for their business partners to observe the 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 BSCI is a multidisciplinary approach that helps BSCI Participants and their business partners to improve social performance in the supply chain. BSCI audits do not lead to a certificate but they act in combination with the other 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 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 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, BSCI Reference and 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 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 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 BSCI that aims at supporting BSCI Participants to better identify potential social risks and implementation priorities related to their sourcing countries.

Crucial issues

Those usually related to Fundamental ILO Conventions (Core Conventions) or to issues that are understood as crucial within the BSCI system because:

- 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

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.

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.

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.

Emissions

In the context of the 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 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 Amfori Board of Directors (the treasurer + two other members, one of them must also serve on the 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 BSCI purposes, an importer can be a 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 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 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 BSCI, the monitoring process is mainly conducted by means of 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 Equipment (PPE)

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 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

A systematic audit approach developed by the 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.

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 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 BSCI Code of Conduct.

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 BSCI cascade effect from a certain business enterprise toward its different business partners (e.g. a factory monitoring a network of small production units). BSCI audits that are conducted by using this methodology are to be reported under the Primary Production Commitment formula.

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 BSCI, a producer is a business partner in the supply chain of a 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 BSCI Participants that adhere to the 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 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 BSCI implementation both for BSCI Participants and their business partners. It allows them to manage and plan their activities within the 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 BSCI audit, they are reported as temporary workers, odd-jobbers or casual workers.

Self- Assessment

The **process** by which a person or organisation plans, organises, executes and evaluates its actions and determines the level of performance achieved.

In the context of the BSCI, it is the process of gathering information in order to prepare for the implementation. The 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.

Social Accountability International (SAI)

Global standard-setting, not-for-profit human rights organisation, that aims at improving workplaces.

SAI has developed the **SA8000 certification standard** for social accountability, which is a 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 BSCI requests business enterprises to create such a document to develop the content of the BSCI Code of Conduct and Terms of Implementation.

Sphere of Influence

For the purpose of the BSCI, it refers to the influential power a business enterprise has towards its business partners to enforce the responsibilities embedded in the BSCI Code of Conduct. The sphere and magnitude of influence results from the **influential power** (*coercive, institutional, inspirational*) and the **position of the business enterprise** in the different commercial networks (*crucial interest network; direct contacts network; active network; lost network; future network*).

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 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 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 BSCI, the supply chain is made up of the **BSCI Participant's significant business partners**.

Terms of Implementation (TOI)

For the purpose of the BSCI, the Terms of Implementation (ToI) are annexed documents to the BSCI Code of Conduct, which describe the specific commitments inherent to the implementation of the BSCI Code of Conduct. There are three separate terms of implementation: a) for BSCI Participants; b) for BSCI Participants' business partners which are not included in the monitoring process; c) for 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 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 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 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.