

# amfori BSCI Code of Conduct

## I. Introduction

The amfori BSCI Code of Conduct is a commitment document for amfori members and their business partners to exercise human rights due diligence and environmental protection in their global supply chains in line with internationally recognized principles. This document gives a direction to the amfori members and their business partners in order to conduct responsible business, and to identify, prevent, mitigate, account for and remediate adverse human rights, as well as environmental, impacts in their supply chains. It is supported and supplemented by the amfori BSCI System Manual, amfori Member Commitment Programme, and the amfori Sustainability Platform. This document, and all the supporting and supplementary material, integrates the characteristics of due diligence as listed by the Organisation for Economic Co-operation and Development (OECD).

amfori members and their business partners, including upstream and downstream producers, intermediaries and those involved in worker recruitment processes, can become signatories of the amfori BSCI Code of Conduct. Throughout this document, the term “signatories” will be used synonymously to refer to amfori members and their business partners.

This version of the amfori BSCI Code of Conduct has been approved by amfori, and overrules all previous versions of the amfori BSCI Code of Conduct in all its translations. The English version of this document is the legally binding one.

The amfori BSCI Code of Conduct v.2021 enters into force on Q3 2023 (date to be confirmed in Q1 2023). The responsibility to embed this Code of Conduct into their operations, and implement due diligence, lies with the signatories.

## Social Management System and Cascade Effect

The signatories commit to:

- Adopt and publicly communicate a written human rights policy statement, in line with the complexity and size of operations, approved at the most senior level,
- Implement a process- and risk-based due diligence management system in their business practices in line with the UNGPs, and adjusted to the business model of the company. The expectations set in this Code of Conduct should be embedded in the system,
- Actively communicate their endorsement of the amfori BSCI Code of Conduct through all the functions in their company, as well as to their business partners and relevant stakeholders,
- Train and incentivize all relevant departments and individuals in a manner that allows them to integrate the principles of responsible and gender-responsive business and purchasing practices in the company culture, and cascade it to their business partners,
- Require their business partners to cascade the information to the relevant business partners and stakeholders in the supply chain,
- Require and follow-up with their business partners to work towards full observance of the amfori BSCI Code of Conduct within the sphere of their influence, including intermediaries that are involved in the worker recruitment process, such as brokers, recruiters and recruitment agencies,
- Include all workers in their due diligence, especially the vulnerable parts in their supply chain such as home-based workers, smallholders, as well as temporary and migrant workers; identify the challenges at these levels, and partner with amfori and other relevant stakeholders for improvements,
- Have the strategy, processes, and sufficient resources in place to meet the responsibilities related to the amfori BSCI Code of Conduct and ensure that there is continuous improvement in its implementation,
- Exercise responsible and gender-responsive purchasing practices, and avoid putting their business partners in a position that prevents them from adhering to the amfori BSCI Code of Conduct.

## Workers Involvement and Protection

The signatories commit to:

- Establish responsible and gender-responsive management practices that involve all workers and their representatives in sound information exchange on the due diligence process,
- Define long-term goals to protect workers in line with the aspirations of the amfori BSCI Code of Conduct,
- Take specific steps, such as trainings, to make workers aware of their rights and responsibilities, with special attention to vulnerable persons. When relevant, intermediaries such as brokers, recruiters, and recruitment agencies should play an active role in achieving these steps,
- Build sufficient competence among the managers, workers, and worker representatives within their company, as well as in the supply chain, in order to embed the amfori BSCI Code of Conduct in their company culture, and promote continuous education and training at each level of work,
- Establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted, and maintain accurate records. The operational-level grievance mechanism must be in line with UNGP Article 31. Where relevant (e.g. when a migrant worker population is present), the operational-level grievance mechanism should be accessible in relevant local languages, and should allow to address and remedy the issues effectively across jurisdictions through partnerships and coordination.

## The Rights of Freedom of Association and Collective Bargaining

The signatories commit to:

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- Ensure that workers are not required to work more than 48 standard hours per week, without prejudice to the specific expectations set out hereunder. Exceptions specified by the ILO are recognized,
- Interpret applicable national legislation, industry benchmark standards or collective agreements within the international framework set out by the ILO, and promote working hour practices that enable a healthy work-life balance for the workers,
- Only exceed the limit of hours described above in line with exceptional cases defined by the ILO, in which case overtime is permitted,
- Use overtime as an exceptional and voluntary practice, paid at a premium rate of minimum 125% of the standard rate. Overtime shall not represent a significantly higher likelihood of occupational hazards, and in no circumstance go the limits defined under national legislation,
- Grant their workers 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

The signatories commit to:

- Respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable persons, such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection,
- Comply with national occupational health and safety legislation, or with international standards where national legislation is weak or poorly enforced,
- Ensure that there are systems in place to assess, identify, prevent, and mitigate potential and actual threats to the health and safety of workers,
- Train all departments and individuals on occupational health and safety regularly throughout all stages of employment, and provide information on potential occupational health and safety risks to workers and public, including affected communities,
- Take effective measures to prevent workers from having accidents, injuries, or illnesses, arising from, associated with, or occurring during work. These measures aim at minimizing, so far as is reasonable, the causes of hazards inherent within the workplace,
- Seek improving workers' protection in case of accident, including through compulsory insurance schemes,
- Maintain records of all health and safety incidents in the workplace and all other facilities that are provided or mandated,
- Take all appropriate measures, and obtain all relevant licenses and documentation required by national legislation, to see to the stability and safety of the equipment and buildings they use, as well as to protect against and prepare for any foreseeable emergency. This includes residential facilities for workers when these are provided or mandated by the employer or a recruitment partner,
- Establish relevant committees, such as an Occupational Health and Safety Committee, to ensure active co-operation between management and workers, and/or their representatives for the development and effective implementation of systems that ensure a safe and healthy work environment. These committees aim to represent the diversity of the workers,
- Provide awareness to workers, and respect their right and responsibility to exit the premises and/or stop working without seeking permission in dangerous situations and uncontrolled hazards,
- Provide adequate occupational medical assistance and related facilities and provide equal access to all workers for these services. Health services (including insurance) should serve the distinctive concerns and needs of all genders and ages,
- Provide access to safe and clean drinking water, and eating and resting areas free of charge, and where applicable, provide access to cooking and food storage areas,
- Provide an adequate number of safe, separate toilets with adequate level of privacy for all genders, and paper towels and washbasins with hand soap in all work areas,
- Ensure that when residential facilities are provided or mandated, they are clean and safe, and they meet all the basic

This includes - but is not limited to - (a) apprenticeship or training schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, (c) labour-only contracting, and d) contract substitution.

- Not use subcontracting in a way that undermines the rights of workers.

## No Bonded, Forced Labour or Human Trafficking

The signatories commit to:

- Not engage in, or through business partners, be complicit to, any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour, including state-imposed forced labour,
- Adhere to international principles of responsible recruitment, including the Employer Pays Principle, and require the same from their recruitment partners, when engaging and recruiting all workers, either directly or indirectly, especially members of vulnerable groups such as temporary and migrant workers. As a minimum, this includes:
  - No recruitment fees and costs are charged to workers
  - Clear and transparent employment contracts
  - Workers' freedom from deception and coercion
  - Freedom of movement and no retention of identity documents
  - Access to free, comprehensive, and accurate information
  - Freedom to terminate contract, change employer, and safely return
  - Access to free dispute resolution and effective remedies
- Progressively compensate the damages incurred to the workers within a reasonable timeframe, and within the framework of the same international principles, if historical or actual failure of adherence to principles is identified.

## Protection of the Environment

The signatories commit to:

- Implement a process- and risk-based environmental due diligence management system in their business practices, adjusted to the business model of the company. This can also be integrated into the overall due diligence management system,
- Comply with national environmental legislation, or with international standards where national legislation is weak or poorly enforced,
- Identify the environmental impacts of their operations, and implement adequate measures to prevent, mitigate and remediate adverse impacts on the surrounding communities, natural resources, climate, and the overall environment.

## Ethical Business Behaviour

The signatories commit to:

- Not take part 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,
- Develop and adopt adequate internal controls, programmes or measures for preventing and detecting corruption, extortion, embezzlement or any form of bribery, developed on the basis of a company-specific risk assessment,
- Keep accurate information regarding their activities, structure and performance, and disclose these in accordance with applicable regulations and industry benchmark practices to enhance transparency of their activities,
- Not falsify, or participate in falsifying any information or in any act of misrepresentation in the supply chain,
- Provide awareness to the workers about the policies, controls, programmes and measures against unethical behaviour, and promote compliance within the company through trainings and communication,

# III. Terms of Implementation

The signatories of this Code of Conduct agree to implement the values and principles set out in this document throughout the life cycle of their business relationships, and in close liaison with relevant stakeholders:<sup>4</sup>

- **Before starting a business relationship**, to map and understand potential and actual human rights risks.
- **During a business relationship**, to conduct responsible business, and to coach and support their business partners in continuous improvement.
- **At the end of a business relationship**, to ensure a responsible transition for the business partner.

## Information Management

- The signatories shall maintain the amfori Sustainability Platform with up-to-date and accurate information and will instruct their employees and representatives to use such information in compliance with the Regulation (EU) 2016/679 (General Data Protection Regulation), which is also referred to as EU GDPR.
- The signatories understand that all personal information collected, used, and otherwise processed within the amfori tools and platforms must comply with the EU GDPR, regardless of the geographical location the data is collected.
- The signatories agree that the information gathered through a monitoring activity, including a grievance mechanism, can be shared with third parties (i) insofar as this occurs within the framework of amfori; (ii) insofar as such transfer is necessary for the provisions by or on behalf of amfori-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.

## Monitoring in the Supply Chain

- Business partners monitor that the amfori BSCI Code of Conduct is observed internally and by their upstream business partners involved in the production process, based on a continuous improvement approach.
- Business partners acknowledge that amfori members may choose to include them in monitoring activities. They agree to be monitored on-site and off-site, announced or unannounced, by amfori, or third parties qualified by amfori (e.g. auditing companies, quality partners) for this purpose. These activities may be conducted within the scope of amfori monitoring tools, or amfori Audit Quality Programme. Within the course of a monitoring activity, business partners agree to:
  - Give full access to the facilities as requested by the individuals conducting the activity, including parts that may not have been initially indicated in the activity scope.
  - Give access to personal data on their workers, and let the individuals gather relevant data for reporting purposes as long as in line with the national legislation and EU GDPR.
  - Allow the individuals to gather the necessary document evidence relevant to the activity, including but not limited to business documents, licenses, certifications, and pictures.
  - Allow the individuals to conduct on-site and off-site interviews with workers in full confidentiality, without any influence or retaliation from the management.

## IV. References



For public consultation purposes, please refer to the separate document in the package.

## V. Glossary



For public consultation purposes, please refer to the separate document in the package.

Date

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Name of company

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Name

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Address

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Signature

Company Stamp/Seal