

SAFEGUARDS

CONSUMER GOODS AND RETAIL

LABOR STANDARDS

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BUSINESS SOCIAL COMPLIANCE INITIATIVE (BSCI) CODE OF CONDUCT UPDATES

In 2003, the Business Social Compliance Initiative (BSCI) was established by the Foreign Trade Association (FTA) in order to create consistency and harmonisation for companies wanting to improve their social compliance in the global supply chain. With 1328 member companies (January 2015 status), BSCI has launched a new version of their Code of Conduct and monitoring tools to incorporate learnings from the last 10 years' experience.

The BSCI Code of Conduct aims to set out the values and principles that BSCI participants seek to implement in their supply chains. Each BSCI participant endorses the Code of Conduct as well as the Terms of Implementation, the Glossary and the Reference when joining the initiative. In 2014, the BSCI organization issued a new version of the BSCI Code of Conduct taking account of the latest developments, which will be implemented on 1 May 2015.

The latest Code of Conduct sets the approach undertaken by BSCI participants to incorporate social responsibility at the core of their business. It emphasises the importance for businesses to develop the necessary systems to address any risk that may be detected in their supply chains as well as to cascade social responsibility to their business partners. Risk assessment places an obligation on participants to address and mitigate adverse effects in their supply chain. The cascade effect empowers them to demonstrate to the different actors in the supply chain the opportunities that exist to generate a positive impact through responsible behaviour. The new Code also places a greater emphasis on the engagement of workers and their representatives, as well as establishing grievance mechanisms as a key means to promote improvements in working conditions.

The 11 labour principles of the Code of Conduct have been revised to integrate the most advanced international approaches on labour rights. The principle of Prohibition of Child Labour has been separated into **the Interdiction of Child Labour** and **Special Protection for Young Workers** to reflect the diversity of situations that can exist. The principle of Compensation is covered under the more comprehensive concept of **Fair Remuneration** that includes not only quantitative, but also qualitative aspects of wages. In addition, two new principles have been added. **Ethical Behaviour** in the form of collecting and communicating accurate information about the company and



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countering corruption, is now requested of business partners. Commercial partners should also make sure that employees have documentary evidence of a working contract in compliance with national law and are aware of their rights as workers to make sure there is **No Precarious Employment**.

The implementation of the new Code of Conduct will have an effect on member's attitudes to factory audit, and it seeks to motivate factories to become active participants to the audit and improvement process instead of passive as before. In order to achieve this, BSCI will continue to support companies through a variety of training sessions, which help companies with capacity building.

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