

Socially responsible business

Dear supplier and/or producer of products for **Colruyt, OKay, BIO-planet, Solucious & Spar**, members of **Colruyt Group**.

Colruyt Group wants to offer Private Label/Imported Products that are manufactured or processed in units which comply with correct working conditions, where the rights of the employees are respected and where no children are employed.

We can only achieve this if the required steps to live up these commitments are taken together with our supply chain partners. This is why we ask for your involvement today.

To start, we want you to carefully read below **Colruyt Group Accompanying Letter (CAL)**, to acknowledge attached Amfori BSCI Code of Conduct and to fill in and sign the following documents:

DOCUMENT A: Colruyt Group Letter of Commitment (LOC) (to be filled in and signed by the supplier/agent/importer)

DOCUMENT B: Colruyt Group Code of Conduct Agreement Form (to be filled in and signed by supplier and the producer(s)).

DOCUMENT C: Amfori BSCI terms of implementation Business Partners (to be filled in and signed by supplier/agent/importer)

DOCUMENT D: Amfori BSCI terms of implementation Producers (to be filled and signed by supplier's producer(s))

Notes:

- If the products are produced by several of your business partners, please complete separate documents B and D for each of them.
- Document C and D are only relevant in case the Amfori BSCI audit methodology is (going to be) implemented.
- If you both supply and produce the delivered goods, you don't have to fill in document D.

Please complete these documents within 2 weeks after request.

Monitoring and improving working conditions in factories located in risk countries within our global supply chain is a major concern for Colruytgroup.

We therefore need the completed documents before confirming orders.

To learn more about Amfori BSCI, please check their website www.amfori.org Here you can also find the Amfori BSCI Code of Conduct in different languages.

COLRUYT GROUP ACCOMPANYING LETTER

Colruyt Group considers human rights, and contributing to a sustainable development in society, to be an integrated part of our business.

Colruyt Group values and respects different cultural background and traditions, without compromising on the basic needs for working environment and working conditions. As a member of Amfori BSCI, we require from our producers to comply with the principles contained in the enclosed Amfori BSCI Code of Conduct.

To check whether the principles contained in the Amfori BSCI Code of Conduct and/or Alternative Standards are actually observed in the factories situated in risk countries where products for **Colruyt Group** are manufactured, a specialised independent auditing company may carry out audits based on BSCI standards in the concerned factory(ies), if **Colruyt Group** considers this necessary.

If we find that the Amfori BSCI Code of Conduct is not respected, the auditing company will elaborate a Corrective Action Plan together with a representative of the factory, to be implemented between 3 and 12 months. Depending on the gravity and the frequency of the infringements, **Colruyt Group** can stop co-operation in case of unacceptable infringements such as: child labour, forced labour, physical mistreatment, denying of worker's rights, systematic working time exceeding 72 hours/week, non-payment of legally required minimum wage, hazardous working conditions endangering worker's health or life, unauthorized use of subcontractors or homeworkers without written agreement from **Colruyt Group**. Refusal to be audited will lead to immediate collaboration stop.

Colruyt Group will pay the initial audit cost. The fees for follow-up audits (within 3 to 12 months after initial audit) and re-audits (within 24 months after initial audit) will be invoiced to the concerned producer. But if the follow-up and re-audits show the Corrective Action Plan was implemented significantly, **Colruyt Group** will refund the audit costs.

Colruyt Group accepts also valid audit reports issued from following standards: SA8000, ICS, ICTI, Rainforest Alliance, Fair For Life, Fairtrade, SIZA, WIETA SMETA 4 pillar, if the audit report shows compliance to these standards. If non-compliance is highlighted, an Amfori BSCI audit will be conducted and the audit fee shall be invoiced to the producer.

Colruyt Group expects to raise the awareness of our suppliers and their producers about the importance of acceptable working conditions for their employees. We expect full transparency of our supply chain and suppliers are required, in a spirit of collaboration, to disclose their production units where our orders are produced. This aims to clarify our expectations of sustainability practices and how these are applied in business operations. In addition, it will give us valuable information about how our suppliers and their producers work with these issues today.

With best regards,

Ikopo Bentoto

Sustainable Sourcing Expert
Colruyt Group

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Declaration of Supplier of private label products and imports

Letter of Commitment (LOC)

Company Name: _____

Address: _____

VAT: _____

Represented by: _____

Commits itself to comply with the Amfori BSCI Code of Conduct, and/or alternative standards containing at a minimum the basic requirements set out in the Amfori BSCI Code of Conduct ("Alternative Standards") for its own manufacturing units and its entire "Supply Chain" of private label products and imports to Colruyt Group.

Colruyt Group will decide, at its own discretion, whether the Alternative Standards of the Supplier are sufficiently similar to the Amfori BSCI Code of Conduct to comply with all essential commitments.

In order to comply with the Amfori BSCI Code of Conduct, the following commitments of Supplier are of the essence:

- (1) Supplier will at all times, fully and spontaneously collaborate with Colruyt Group in order to implement and monitor the implementation of the Amfori BSCI Code of Conduct and/or Alternative Standards throughout its entire Supply Chain of private label products and imports on behalf of Colruyt Group.

This engagement includes a) providing Colruyt Group with the necessary information regarding its Supply Chain (producers and locations of production); b) if Colruyt Group considers this necessary, authorize Colruyt Group to organize social audits at their producers located in risk countries ; c) support of any producer that is compelled to take corrective actions as a result of deficiencies identified during any audit performed by Colruyt Group; d) inform its Supply Chain of these engagements and ensure their assent and cooperation e) keep Colruyt group informed of any changes in its supply chain.

- (2) In order to support the audits mentioned, Supplier will disclose all its producers located in risk-countries, manufacturing private label or imported products for Colruyt Group. At special request of Colruyt Group, Supplier will also disclose all other producers located in risk-countries manufacturing any part or component used in such private label or imported products ("Supply Chain").
- (3) Supplier will require its own Supplier(s) to monitor Amfori BSCI Code of Conduct and/or Alternative Standards throughout its entire Supply Chain as described in (1).
- (4) In the event that Colruyt Group requests an audit, Supplier will observe all engagements regarding the payment of the audit entered in Colruyt Group Accompanying Letter.
- (5) Supplier is aware and accepts that any failure on Supplier's part to the critical noncompliance listed in the Amfori BSCI Code of Conduct and Colruyt Group Accompanying Letter or any failure to comply with its commitments mentioned above may result in effective measures by Colruyt Group, that range from cancellation of any pending purchase orders of products manufactured in non-compliant locations and the refusal of any shipped product to termination of Supplier's business relationship with Colruyt Group.

Dated: _____, 20____

By (signature):

Amfori BSCI Code of Conduct

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

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

I. Preamble

The Amfori BSCI (Amfori BSCI) was launched by the Foreign Trade Association Amfori, acknowledging that international trade is an essential vehicle for human prosperity and social economic growth. This code of conduct (the Amfori BSCI Code of Conduct) is a set of principles and values that reflect the beliefs of BSCI Participants and the expectations they have towards their business partners. The Amfori BSCI Code of Conduct refers to international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact and International Labour Organization (ILO) Conventions and Recommendations relevant to improve working conditions in the supply chain. Business enterprises that endorse the Amfori BSCI Code of Conduct are committed to the principles set out in this document and to meeting, within their sphere of influence, their responsibility to respect human rights. Amfori BSCI and its participants (Amfori BSCI Participants) pursue a constructive and open dialogue among business partners and stakeholders in order to reinforce the principles of socially responsible business. Furthermore, they see the building up of mature industrial relations between workers and management as being key for sustainable businesses.

II. Interpretation

In the Amfori BSCI Code of Conduct, the terms "business enterprises" cover both BSCI Participants and their Business Partners in the supply chain, particularly Producers. The appendices referred to at the end of the Amfori BSCI Code of Conduct (Terms of Implementation, Amfori BSCI References and Amfori BSCI Glossary) form an integral part of the BSCI Code of Conduct. The Amfori BSCI Code is to be read and interpreted in combination with them. Every business enterprise has different Terms of Implementation to adhere to, depending on their role in the supply chain and on whether or not they are going to be monitored within the BSCI.

III. Our Values

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

- **Continuous improvement:** Amfori BSCI Participants undertake to implement the Amfori BSCI Code of Conduct in a step-by-step development approach. Amfori BSCI Participants expect their business partners to ensure the continuous improvement of working conditions within their organisations.

▪ **Cooperation:** By working together and taking a common approach, BSCI Participants will have a greater impact on, and better chance of improving working conditions in their supply chains. The value of cooperation is equally important in the relationship with the business partners in the supply chain, particularly those that need support in order to improve.

Likewise, the spirit of cooperation is also critical in the relationship between business and affected stakeholders at different levels.

▪ **Empowerment:** A central aim for the Amfori BSCI is to empower Amfori BSCI Participants and their business partners, particularly in the case of producers who will be monitored, to develop their supply chains in a way that respects human and labour rights as well as to provide business units in the supply chain with the tools needed to improve working conditions in a sustainable manner. The development of internal management systems plays a critical role in bringing Amfori BSCI principles to the heart of business enterprises' culture.

IV. Implementation

The principles set out in the Amfori BSCI Code of Conduct represent the aspirational goals and minimum expectations that Amfori BSCI Participants have with regard to their supply chains' social conduct. Even though the aspirations will remain unchanged, the minimum expectations of the Amfori BSCI Code of Conduct, which are translated into verifiable social standards, may change in line with changes in society.

Amfori BSCI Participants commit to use reasonable endeavors to achieve the goals set out in the Amfori BSCI Code of Conduct. While they cannot guarantee full observance of all their business partners at all times, Amfori BSCI Participants commit to take reasonable measures to abide by the principles of the Amfori BSCI Code of Conduct, particularly in those regions and or sectors where higher risks of non-observance of the Amfori BSCI Code of Conduct exist. Needless to say, full observance is a process that takes considerable time, resources and effort; and gaps, shortcomings, failures and unpredictable occurrences will always remain a possibility.

Nonetheless, Amfori BSCI Participants commit strongly to the early detection, monitoring and remediation of all such failures in their supply chains and remain open to constructive engagement with stakeholders who are genuinely concerned with social compliance.

Code Observance

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

Supply Chain Management and Cascade Effect

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

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

Amfori BSCI Participants and their business partners strive to further detail the root causes of any such adverse impact in human rights, particularly when sourcing from high-risk regions or sectors. So as to embed this responsibility, business enterprises should act with due diligence and develop the necessary management

systems, policies and processes to a reasonable extent as well as effectively prevent and address any adverse human rights impacts that may be detected in the supply chain.

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

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

Workers Involvement and Protection

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

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

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

V. Principles

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

The rights of Freedom of Association and Collective Bargaining

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

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

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

No Discrimination

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

Fair Remuneration

Business partners observe this principle when they respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted, without prejudice to the specific expectations set out hereunder. Business partners shall comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher. Wages are to be paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance "in kind" is accepted in line with ILO specifications. The level of wages is to reflect the skills and education of workers and shall refer to regular working hours. Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

Decent Working Hours

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

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

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

The use of overtime is meant to be exceptional, voluntary, paid at a premium rate of not less than one and one-quarter times the regular rate and shall not represent a significantly higher likelihood of occupational hazards. Furthermore, Business Partners shall grant their workers with the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

Occupational Health and Safety

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

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

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

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

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

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

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

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

No Child Labour

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

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

Special Protection for Young Workers

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

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

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

No Precarious Employment

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

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

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

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

No Bonded Labour

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

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

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

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

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

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

Protection of the Environment

Business partners observe this principle when they take the necessary measures to avoid environmental degradation, without prejudice to the specific expectations set out in this chapter. Business partners should assess significant environmental impact of operations, and establish effective policies and procedures that reflect their environmental responsibility. They will see to implement adequate measures to prevent or minimise adverse effects on the community, natural resources and the overall environment.

Ethical Business Behaviour

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

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

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

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

* * * * *

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

Amfori

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Code of Conduct Agreement Form

Original Form to be returned by the supplier completed with producer's factory information and signed by the producer. Please complete one form per concerned manufacturing unit.

NAME OF INVOICED SUPPLIER:

BUSINESS ACTIVITY OF INVOICED SUPPLIER:

IMPORTER/TRADER/AGENT (only EU) OFFICE (only non-EU) PRODUCER (EU/non-EU)

Contact details:

- Address:
- City, ZIP Code, Country:
- Tel /Fax:
- Email:
- Contact Name / Title:

Producer:

PRODUCTION ENVIRONMENT: FACTORY COOPERATIVE FARM

NATURE OF OPERATIONS: CULTIVATION MANUFACTURING OR PROCESSING PACKING

(* More than 1 option is possible.

- Business Licence number (compulsory):
- Factory name:
- Name Contact Person (First & last):
- Position:
- E-mail:
- Address:
- Country:
- State/Province:
- City:
- ZIP Code:
- Phone Number:
- Fax Number:
- Product type:
- Number of workers:

I, the undersigned, declare that I have read the Amfori BSCI Code of Conduct enclosed very carefully and

that the factory meets all the requirements set forth in the Amfori BSCI Code of Conduct, through implementation of the Amfori BSCI Code of Conduct and/or alternative standards containing at a minimum the basic requirements set out in the Amfori BSCI Code of Conduct (hereafter: "Alternative Standards").

that the factory does not meet all the requirements set forth yet. However, the factory management will take

the necessary measures by... /... /.....

Signature producer

Signature invoiced supplier

This Code of Conduct was signed on... /... /..... in

(* REMINDER: If you produce products with several factories, cooperatives or farms please complete 1 form for each of these.

CODE OF CONDUCT COMPLIANCE INFORMATION FORM		
Basic manufacturing facility information		
Has your manufacturing facility been monitored for Code of Conduct compliance on behalf of other customers within the last 2 years?	Yes <input type="checkbox"/>	If yes, when? What was the result of this monitoring ?
	No <input type="checkbox"/>	If applicable, have corrective action plans been followed up ? What was the name of the brand auditing ? Name of auditing organization/company? Please provide a copy of this report
Alternative Standards:		
OHSAS18001	<input type="checkbox"/>	Date of Certification : Certification # :
SA8000	<input type="checkbox"/>	Date of Certification : Certification # :
Fair for life	<input type="checkbox"/>	Date of Certification : Certification # :
Rainforest Alliance	<input type="checkbox"/>	Date of Certification : Certification # :
WRAP	<input type="checkbox"/>	Date of Certification : Certification # :
ICTI	<input type="checkbox"/>	Date of Certification : Certification # :
Fairtrade	<input type="checkbox"/>	Date of Certification : Certification # :
ICS	<input type="checkbox"/>	Date of Certification : Certification # :
Smeta 4 pillar	<input type="checkbox"/>	Date of Certification : ZC # : ZS # :
BSCI	<input type="checkbox"/>	Date of Certification : DBID # :
Other, please specify:	<input type="checkbox"/>	Date of Certification : Certification # :

Terms of Implementation for Business Partners

Introduction

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

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

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

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

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

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

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Commitment to socially responsible business

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

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

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

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

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

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

Embedding social responsibility into the business enterprise culture

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

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

Cooperation and empowerment in the supply chain

- 4.1.** Business partners **engage in training and support their own staff** in order to build the necessary capacities to achieve and uphold the principles of the Amfori BSCI Code of Conduct.
- 4.2.** Business partners **seek a constructive and open dialogue with their respective thirdparty partners over their ability to observe the Amfori BSCI Code of Conduct** and assist them in order to help them meet these expectations.
- 4.3.** Business partners **encourage the active co-operation between management and workers, and/or their representatives**, in the development and implementation of systems and procedures that result in the successful implementation of the Amfori BSCI Code of Conduct.

Due diligence in the supply chain

- 5.1.** Business partners **commit to act diligently** in (a) assessing actual and potential adverse impacts of their business against the values and principles of the Amfori BSCI Code of Conduct; (b) identifying in the supply chain where the most significant risks for these adverse impacts may occur and (c) acting upon them with the aim of preventing and/or addressing them in line with the Amfori BSCI Code of Conduct.
- 5.2.** Business partners gather and assess reliable information about their **own business and third-party partners'** responsible behaviour and keep the **necessary documentary evidence** that they have acted diligently.
- 5.3.** Business partners require that **their third-party partners regularly report** to them on their progress in implementing and/or upholding the Amfori BSCI Code of Conduct as well as the effectiveness of their responses to adverse impact to the values and principles of the Amfori BSCI Code of Conduct in which they may have been involved.
- 5.4.** Business partners should set up or engage in -to the extent possible- an effective **operational level grievance mechanism** to respond to individuals and communities adversely impacted by their activities.

Information management

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

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

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

Signature on behalf of the Company

Date of the signature

Name of the company

Name of the person

Terms of Implementation for Business Partners to be involved in the Amfori BSCI monitoring process¹ (Producers)

Introduction

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

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

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

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

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

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Commitment to socially responsible business

- 2.1. In undertaking the responsibilities set out in the Amfori BSCI Code of Conduct, **producers** work together with Amfori BSCI Participants and pursue a constructive and open dialogue with their stakeholders towards the application of the Amfori BSCI Code of Conduct.
- 2.2. Producers **actively communicate** their endorsement of the Amfori BSCI Code of Conduct through their company organization and to their business partners. Producers shall **display the Amfori BSCI Code of Conduct** in the local language in an openly accessible location.
- 2.3. Producers confirm **having read and understood** the Amfori BSCI Code of Conduct and relevant Terms of Implementation and they commit to work towards full observance thereof, within their sphere of influence.
- 2.4. Producers have **the procedures and sufficient resources in place** to meet their responsibilities related to the Amfori BSCI Code of Conduct and ensure that there is continuous improvement in its implementation.
- 2.5. Producers require their significant business partners to work towards full observance of the Amfori BSCI Code of Conduct and take, within their sphere of influence, the reasonable measures necessary to make the Amfori BSCI Code of Conduct applicable to their own business partners.
- 2.6. Producers **acknowledge that neglecting the values and principles of the Amfori BSCI Code of Conduct and/or violating any of these Terms of implementation** are sufficient grounds for Amfori BSCI Participants or relevant business partners to terminate their business relations with a signatory producer. The burden of proof in this respect shall lie with Amfori BSCI Participants or business partners as applicable.

Embedding social responsibility into the business enterprise culture

- 3.1. Producers should establish good management practices that **involve workers and their representatives** in sound information exchanges on the workplace issues.
- 3.2. Producers should **set policies and procedures in place** to ensure the observance of the principles of the Amfori BSCI Code of Conduct and appropriate protection of workers.
- 3.3. Producers should take specific steps to make **workers aware of their rights** and responsibilities, in particular to the most disadvantaged groups (e.g. migrant workers).
- 3.4. Producers should **build sufficient competence** among the managers and workers in order to embed the Amfori BSCI Code of Conduct in their business enterprise culture.

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

Cooperation and empowerment of their own facilities and supply chain

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

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

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

Due diligence in their own facilities and in their supply chain

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

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

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

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

Information management

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

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

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

Monitoring toward improvements

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

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

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

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

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

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

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

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

Signature on behalf of the Company

Date of the signature

Name of the company

Name of the person