



Global Social Compliance Programme

Reference Code

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The GSCP is facilitated by
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The Global Social Compliance Programme

The Global Social Compliance Programme is a business-driven programme for companies whose vision is to harmonise existing efforts in order to deliver a shared, global and sustainable approach for the continuous improvement of working and environmental conditions across categories and sectors in the global supply chain.

It offers a global platform to promote knowledge exchange and best practices in order to build comparability and transparency between existing systems.

To this effect, GSCP is developing a set of **reference tools** and processes that describe best practices and provide a common interpretation of working and environmental requirements and their implementation.

Introduction

Objective:

This reference code is a commitment by leading companies to facilitate the achievement of fair labour conditions throughout the supply chain in full compliance with international labour standards and the principles of Decent Work.

This initiative is aimed at mobilising retail, distribution and manufacturing industries worldwide. It is a company-led initiative, working transparently and in consultation with stakeholders.

This reference code is not a substitute for existing codes or existing systems but gathers the standards and best practices that shall be applied. It can be integrated into existing systems or used by companies or initiatives as a reference against which to benchmark and otherwise review their existing tools.

The Global Social Compliance Programme (GSCP) aims at harmonising existing efforts in delivering a shared, consistent and global approach for the continuous improvement of working conditions in the global supply chain.

To drive convergence, GSCP is building a set of reference tools (reference code, audit system and methodology, auditor competence) that describe best practice and provide a common interpretation of fair labour requirements and their implementation. It will enable retailers and brand manufacturers around the world, in whatever industry, to work towards mutual recognition of audit results.

The objective of this reference code is to provide a clear and common set of requirements for all suppliers of consumer goods in terms of fair labour conditions in the global supply chain.

Scope:

The GSCP reference code gathers, in a single framework, international standards for fair labour conditions and fundamental labour rights.

Requirements in this reference code apply to the whole supply chain, including sub-suppliers and sub-contractors. Standards comprised in the reference code equally apply to permanent, temporary, agency workers as well as piece rate, salaried, hourly paid, young workers, part time workers, night workers, migrant workers and homeworkers. GSCP recognises that improving labour conditions in the workplace may require a process of gap analysis, corrective action planning, training for management and workers, capacity building and other measures. Timelines for achieving compliance shall be reasonable and defined.

Structure and Annexes

The GSCP reference code relies on international conventions and guidelines, from which it gathered a set of generic requirements. These requirements are collected into 7 thematic chapters:

1. Forced, bonded, indentured and prison labour
2. Child labour
3. Freedom of association and the effective recognition of the right to collective bargaining
4. Discrimination, harassment and abuse
5. Health and safety
6. Wages and benefits
7. Working hours

Compliance with international labour standards and national legislation

- a. Suppliers are required to respect and implement all the requirements of this reference code, or its equivalent, and the principles which underpin them.
- b. Suppliers are required to comply with:
 - i) Fundamental international labour standards as defined by the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up:
 - C87, Freedom of Association and Protection of the Right to Organise Convention, 1948
 - C98, Right to Organise and Collective Bargaining Convention, 1949
 - C29, Forced Labour Convention, 1930
 - C105, Abolition of Forced Labour Convention, 1957
 - C138, Minimum Age Convention, 1973
 - C182, Worst Forms of Child Labour Convention, 1999
 - C100, Equal Remuneration Convention, 1951
 - C111, Discrimination (Employment and Occupation) Convention, 1958
 - ii) other applicable international labour standards, such as:
 - The ILO call for Decent Work
 - C1, Hours of Work (Industry) Convention, 1919
 - C14, Weekly Rest (Industry) Convention, 1921
 - C95, Protection of Wages Convention, 1949
 - C131, Minimum Wage Fixing Convention, 1970
 - C135, Workers' Representatives Convention, 1971
 - C155, Occupational Safety and Health Convention, 1981
 - C161, Occupational Health Services Convention, 1985

- R85, Protection of Wages Recommendation, 1949
- R116, Reduction of Hours of Work Recommendation, 1962
- R135, Minimum Wage Fixing Recommendation, 1970
- R164, Occupational Safety and Health Recommendation, 1981
- R184, Home Work Recommendation, 1996
- R190, Worst Forms of Child Labour Convention Recommendation, 1999

iii) applicable national and/ or local legislation.

In all instances, the international labour standard, national and/or local legislation or GSCP reference code requirement which affords the highest level of protection shall apply.

- c. The provisions of this reference code constitute minimum and not maximum standards.
- d. This reference code shall not be used to prevent international labour standards or national and/or local legislations from being exceeded.

1. Forced, bonded, indentured and prison labour

1.1 All work must be conducted on a voluntary basis, and not under threat of any penalty or sanctions.

1.2 The use of forced or compulsory labour in all its forms, including prison labour when not in accordance with Convention 29, is prohibited.

1.3 Suppliers shall not require workers to make deposits/financial guarantees and shall not retain identity documents (such as passports, identity cards, etc.) nor withhold wages outside a legal contractual agreement.

1.4 Bonded labour is prohibited. Suppliers shall not use any form of bonded labour nor permit or encourage workers to incur debt through recruitment fees, fines, or other means.

1.5 Indentured labour is prohibited. Suppliers shall respect the right of workers to terminate their employment after reasonable notice. Suppliers shall respect the right of workers to leave the workplace after their shift.

2. Child Labour

2.1 Suppliers shall comply with:

- i) the national minimum age for employment;
- ii) or the age of completion of compulsory education;
- iii) or any otherwise specified exceptions;

and shall not employ any person under the age of 15, whichever **of these** is higher. If however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.

2.2 Suppliers shall not recruit child labour nor exploit children in any way. If children are found to be working directly or indirectly for the supplier, the latter shall seek a sensitive and satisfactory solution that puts the best interests of the child first.

2.3 Suppliers shall not employ young workers under 18 years of age at night, or in conditions which compromise their health, their safety or their moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.

3. Freedom of association and effective recognition of the right to collective bargaining

3.1 Workers have the right to join or form trade unions of their own choosing and to bargain collectively, without prior authorization from suppliers' management. Suppliers shall not interfere with, obstruct or prevent such legitimate activities.

3.2 Where the right to freedom of association and collective bargaining is restricted or prohibited under law, suppliers shall not hinder alternative forms of independent and free workers representation and negotiation, in accordance with international labour standards.

3.3 Suppliers shall not discriminate against or otherwise penalise worker representatives or trade union members because of their membership in or affiliation with a trade union, or their legitimate trade union activity, in accordance with international labour standards.

3.4 Suppliers shall give worker representatives access to the workplace in order to carry out their representative functions, in accordance with international labour standards.

4. Discrimination, harassment and abuse

4.1 Suppliers shall respect equal opportunities in terms of recruitment, compensation, access to training, promotion, termination or retirement.

4.2 Suppliers shall not engage in, support or tolerate discrimination in employment including recruitment, hiring, training, working conditions, job assignments, pay, benefits, promotions, discipline, termination or retirement on the basis of gender, age, religion, marital status, race, caste, social background, diseases, disability, pregnancy, ethnic and national origin, nationality, membership in worker organizations including unions, political affiliation, sexual orientation, or any other personal characteristics.

- 4.3 Suppliers shall treat all workers with respect and dignity.
- 4.4 Suppliers shall base all terms and conditions of employment on an individual's ability to do the job, not on the basis of personal characteristics or beliefs.
- 4.5 Suppliers shall not engage in or tolerate bullying, harassment or abuse of any kind.
- 4.6 Suppliers shall establish written disciplinary procedures and shall explain them in clear and understandable terms to their workers. All disciplinary actions shall be recorded.

5. Health and safety

Provisions under Health and Safety shall be further defined to cater for specific conditions and related hazards pertaining to different industries, in accordance with the relevant applicable Health & Safety principles:

- 5.1 Suppliers shall provide safe and clean conditions in all work and residential facilities and shall establish and follow a clear set of procedures regulating occupational health and safety.
- 5.2 Suppliers must take adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Appropriate and effective personal protective equipment shall be provided as needed.
- 5.3 Suppliers shall provide access to adequate medical assistance and facilities.
- 5.4 Suppliers shall provide all workers with access to clean toilet facilities and to drinkable water and, if applicable, sanitary facilities for food preparation and storage.
- 5.5 Suppliers shall ensure that residential facilities for workers, where provided, are clean and safe.
- 5.6 Suppliers shall assign the responsibility for health and safety to a senior management representative.
- 5.7 Suppliers shall provide regular and recorded health and safety training to workers and management, and such training shall be repeated for all new or reassigned workers and management.

- 5.8 Suppliers shall provide adequate safeguards against fire, and shall ensure the strength, stability and safety of buildings and equipment, including residential facilities where provided.
- 5.9 Suppliers shall undertake sufficient training of workers and management in waste management, handling and disposal of chemicals and other dangerous materials.

6. Wages, benefits and terms of employment

- 6.1 Work performed must be on the basis of a recognised employment relationship established in compliance with national legislation and practice and international labour standards, whichever affords the greater protection.
- 6.2 Labour-only contracting, sub-contracting or home-working arrangements, apprenticeship schemes where there is no real intent to impart skills or provide regular employment, excessive use of fixed-term contracts of employment, or any comparable arrangements shall not be used to avoid obligations to workers under labour or social security laws and regulations arising from the regular employment relationship
- 6.3 Suppliers must compensate their workers by providing wages, overtime pay, benefits and paid leave which respectively meet or exceed legal minimum and/or industry benchmark standards and/or collective agreements, whichever is higher. **Wages and compensation for regular working hours** shall meet basic needs and provide some discretionary income for workers and their families.
- 6.4 Suppliers shall provide all workers with written and understandable information about their employment conditions, including wages, before they enter into employment; and about details of their wages for the pay period concerned each time that they are paid.
- 6.5 Suppliers shall not make any deductions from wages which are unauthorised or not provided for by national law. Suppliers shall not make any deduction from wages as a disciplinary measure.
- 6.6 The supplier shall provide all legally required benefits, including paid leave, to all workers.
- 6.7 Suppliers shall always compensate all workers for all overtime at a premium rate, as required by law and, where applicable, by contractual agreement.

7. Working Hours

- 7.1 Suppliers shall set working hours that comply with national laws or benchmark industry standards or relevant international standards, whichever affords greater protection to ensure the health, safety and welfare of workers.
- 7.2 Suppliers shall respect that the standard allowable working hours in a week are 48, excluding overtime. Workers shall not on a regular basis be required to work in excess of 48 hours per week.
- 7.3 Overtime shall be voluntary, shall not exceed twelve hours per week and shall not be requested on a regular basis.
- 7.4 Suppliers shall respect all workers right to breaks during work shifts and to at least one free day following six consecutive days worked as well as public and annual holidays.