# Terms of Implementation for Business Partners

## I. Introduction

For the purpose of this document, **"Business Partner"** refers to the commercial entity, such as importers or agents, with which the BSCI participant has a commercial relation, and through which the BSCI Participants intend to cascade the principles of the 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 BSCI Code.

By signing these Terms of Implementation, **business partners** endorse the values and principles of the **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 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 BSCI monitoring process**. However, the BSCI Participant reserves the right to include them, when deemed relevant as result of the BSCI participant's due diligence process, in which case the business partner will need to sign the Terms of Implementation for **Producers**.

## II. Commitment to socially responsible business

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

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constructive and open dialogue with their stakeholders towards the application of the BSCI Code of Conduct.

**2.2.** Business partners actively communicate their endorsement of the 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 BSCI Code of Conduct.**

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

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

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

# III. 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 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.

# IV. 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 BSCI Code of Conduct.

**4.2.** Business partners **seek a constructive and open dialogue with their respective third-party partners over their ability to observe the 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 BSCI Code of Conduct.

# V. 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 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 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 BSCI Code of Conduct as well as the effectiveness of their responses to adverse impact to the values and principles of the 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.

# VI. Information management

**6.1.** Business partners **report accurately to 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 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 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 BSCI Code of Conduct.

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*Signature on behalf of the Company* *Date of the signature*

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*Name of the company*

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*Name of the person*