



Public Consultation Report BSCI draft Code of Conduct

September 2013



Acknowledgements.

We wish to thank all individuals and organisations who have provided us with their comments and suggestions for the revision of the BSCI Code of Conduct.

The constructive ideas and recommendations, collected in face to face meetings and on-line consultation, have been of invaluable help to make the document more coherent and user friendly.

Thank you!

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I. Background

The revision process of the BSCI Code of Conduct version 2009 started in 2012. However, the different developments in the international landscape highlighted the need for taking more time to analyse the impact of several instruments that were developed to guide enterprises in meeting their Social Responsibility, notably the implications they could have on BSCI and its participants:

- UN Global Compact
- OECD guidelines
- ISO26000
- UN Guiding Principles on Business and Human Rights (Ruggie framework)

They have set a widely recognized set of soft law which social compliance initiatives need to take into consideration – so does BSCI. BSCI is also looked at by how we react and adopt such developments into our system.

II. Revision process

In 2012 another BSCI Code revision cycle has become due and the revision process started under the lead of the **BSCI Steering Committee**, seeking input from the **BSCI System Working Group** and the **BSCI Stakeholder Council**. For some months, the revision process was put out on hold waiting for the outcomes of the GSCP Equivalence Process, which were received in December 2012 with overall positive feedback.

In January 2013, the revision of the BSCI Code of Conduct continued, with one overarching aim in focus: After ten years of BSCI, it was time to take a step further in the Code revision – make it fit to last for another decade.

BSCI should move away from revising its foundation every three years towards setting lasting set of principles.

The first draft of the revised Code was presented to all BSCI participants to give their feedback by **13 May 2013**.

These were the first conclusions of that revision phase:

- The Code should be a lasting document that would be a reference for all business (Big retailers, SMEs) in all sectors (Food and Non-food)
- The Code should show a clear distinction between policy level and implementation level. (The implementation aspects should be compiled in separate documents).
- The Code should show the BSCI vision and values; the cascade effect and development approach should be better reflected.
- The Code should cover all pillars of implementation (Auditing, Capacity Building, Stakeholder Relations), instead of being a reference only for auditing.
- Reference and terms of implementation should be stand-alone documents so they can be adapted to changes without requiring a Code revision process.

The second consultation phase was made in the format of an on-line consultation open to the public as much as to those Participants unable to provide their input in the previous consultation round or interested in following up on the new version.

They were all invited to provide feedback from **1st July until 13th September 2013**.

In addition, many companies (particularly those active in the BSCI Governance's working groups: System Working Group; Food and Primary Production Working Group; Auditing Working Group...) and key stakeholders such as auditing companies, trade unions and NGOs, were consulted in the drafting of a new version of the BSCI Code of Conduct.

The feedback received from this second consultation was integrated in the draft Code and presented for discussion to the BSCI System WG, the BSCI Steering Committee, which made the necessary amendments and pre-approved the draft to be presented to the FTA Board in October 2013.

The FTA Board welcomed the content of the draft Code but asked the BSCI Secretariat to seek for further simplification in the wording.

A final version will be presented for approval in November 2013 together with a detailed communication and implementation strategy for 2014.

III. Online consultation

From 1st July until 13th September 2013, the draft BSCI Code of Conduct was posted on the BSCI website for public consultation. <http://www.bsci-intl.org/consultations>

Over **100 feedbacks** were received by means of on-line public consultation and face to face meetings on the draft Code of Conduct between July to September 2013.

As in previous public consultations, BSCI required commenters to provide a rating for each individual chapter as well as for the overall document, from 0 to 10 points, 10 being the highest.

They were asked to provide specific comments whenever they rated the content or the structure below 6 points.

BSCI received very constructive comments even when the commenters rated the content (or the structure) above 8 points.

The stakeholders commenting on the on-line consultation were auditing companies, NGOs, but also BSCI participants, producers, potential participants from Australia, Belgium, China, Denmark, Egypt, Germany, Hong Kong, India, Iran, Peru, Sweden, Switzerland, The Netherlands, Vietnam.

Overall result of the public consultation per chapters:

	Overall rating	Most popular rating (not the highest)	Lowest rating
Introduction	6,0	8	2
Values	5,7	8	0
Interpretation	6,4	7	1
Principle of application	6,0	7	0
Principles	6,4	8	2

If we split the commenters into external stakeholders and BSCI participants, we see that the overall rating of the document was lower from the stakeholders perspective (5,5 out of 10) than the rating from the BSCI Participant's perspective, who rated the document 7,12 out of 10.

One main concern pointed out by several BSCI Participants was related to the structure and the content of the new Code. They felt the Code should be simplified in a way that can **easily be integrated into the purchasing terms**.

Both BSCI Participants and stakeholders pointed out the **need to make a clearer distinction between minimum criteria and aspirational goals**.

The new Code of Conduct will be made public as of January 2014. However, extensive efforts will be made in the course of 2014 to ensure the Code of Conduct can enter successfully into force in 2015.

Some written feedback:

Stakeholder from Sweden: *"Some of the formulations in the new BSCI Code of Conduct are vague. It is not always clear whether the companies shall or should do something. BSCI Reference and Terms of Implementation document is not available for commenting. This makes commenting a lot harder as it is unclear how new, very aspirational goals will be implemented in practise. The new Code of Conduct doesn't include a chapter about the buying practises. Buying practises have a significant role to play in sustainability. Suppliers in risk countries should have a possibility to make long term investments in their sustainability practises. Short term business relations, rapid changes in orders and unhealthy pricing practises are seriously hindering these efforts. BSCI members should commit themselves in sustainable buying practises. In many parts of the Code of Conduct there's an unfortunate "top-down" approach. Responsible supply chain management demands actions also from buyers."*

European retailer: *"The targeted audience for the Code needs to be clarified. This will help the reading of the entire Code as the different terminologies will certainly be confusing for a supplier/ or a stakeholder not used to BSCI terminologies. The Code should be clear to suppliers at the 1st reading (would be good to test it with suppliers/ importers that are already active in BSCI for their views). So suggestion will be to use that introduction to mention the following: - This Code is addressed to 1. BSCI participants (add definition = companies members of BSCI, retailer/ importer); 2. BSCI participants supply chain (companies delivering products to BSCI members/ participants, being importers/ producers). The terminology 'business partners or business enterprises' used along the Code refers to both: BSCI participants and BSCI participants supply chain actors."*

Trade Union: *The overall section is good, but it should be possibly clarified in part 2 of Code Conformance, what is the 'sphere of influence' of Business partners. Does it include the contractor only, or the supplier and its sub-contractors, too? If left as it is, this may create confusion and different interpretations.*