



BSCI

An initiative of the Foreign
Trade Association (FTA)

Business Social Compliance Initiative

Free Trade. Sustainable Trade.

The Business Social Compliance Initiative

Annual Report 2013



FTA

Foreign Trade Association

Table of Contents

Editorial	3
About the Business Social Compliance Initiative (BSCI)	4
BSCI's Vision and Values	
BSCI's Governance and Network	
BSCI's Code of Conduct	6
A New Code for a New Decade	
A Powerful Reference Point	
BSCI's 10-Year Anniversary	8
BSCI Celebrates a Decade of Efforts	
Special Anniversary Activities	
BSCI Monitors	10
How BSCI Measures Social Compliance	
Focus on Reliability of Audit Results	
BSCI Empowers	12
BSCI Capacity Building	
Highlights in 2013	
BSCI Engages	14
BSCI Stakeholder Relations	
Highlights in 2013	
BSCI Key Performance Indicators	16
BSCI Monitoring, Empowering and Engaging: BSCI Activities in 2013	
BSCI Monitoring Activities in Sourcing Countries	
BSCI in Sourcing Countries	19
Bangladesh: A Year in Review	
China and India: Trends in Social Compliance	



BSCI is an initiative of the Foreign Trade Association (FTA). FTA is Europe's premier association for free trade and sustainable supply chains. FTA represents retailers, importers and brand manufacturers in the political arena and in public to promote and defend free trade and supports their international business by

providing information and practical solutions. The association supports its members to improve sustainability in the international supply chain, through BSCI and will launch the Business Environmental Performance Initiative (BEPI) in 2014.

www.fta-intl.org

Editorial

Dear readers,

2013 was the 10-year anniversary since the launch of BSCI, representing a significant milestone for the initiative. To acknowledge this, we organised a range of activities throughout 2013. In recognition of the contribution of our participants in growing the initiative to over 1,200 members over the decade, we gathered more than 200 attendees for our BSCI Annual Conference to reflect on major achievements and reinforce our commitment to continued improvement in global supply chains.

On this occasion we presented the 'Achievement Study' conducted by the University of St. Gallen (Switzerland) which assessed successes, challenges and future priorities. Additionally, we published the 'BSCI Footprint', a special newsletter featuring case studies from our participants to demonstrate the improvements their work around the BSCI Code of Conduct has brought. One highlight was also a visit to Shanghai, China, in December by FTA Director General Jan Eggert to reinforce our ongoing commitment to building on social compliance work in this major sourcing country of our participants.

We also completed an ambitious revision of the BSCI Code of Conduct. Informed by an extensive consultation period, the new Code was published in January 2014. The BSCI Code now formally emphasises the importance of empowering every actor in the supply chain to take responsibility for improving working conditions. The revised Code of Conduct provides a firm foundation for the continued growth of capacity building through our BSCI Academy and e-learning offerings.

Through the BSCI Integrity Programme, we will ensure the continuing high quality of auditing. This programme will include Random Unannounced Checks (RUCs) in

factories and extra checks on auditors, which help participants and producers to reinforce audit quality.

2013 was a remarkably difficult year in the international supply chain, which was rocked by the unfolding tragedies in the South-East Asian garment manufacturing industry, and particularly by the collapse of the Rana Plaza factory complex in Bangladesh. Work to increase respect for labour rights therefore continues to remain high on the agenda for our participants. BSCI strives to support our participants in their efforts to tackle complex labour challenges, such as working time, fair remuneration and occupational health and safety.

In 2013, fire safety in Bangladesh was a key topic. BSCI therefore organised training for producers and purchasers, as well as webcasts, underlining the importance of this specific domain. Our presentation at the European Living Wage conference marked our commitment to fairer wages, backed up by the BSCI 'Position Paper on the Living Wage'. We will continue to monitor the situation in international supply chains, with specific attention to actively supporting our participants' commitment to improving labour conditions for the future.

Meanwhile, 2014 promises to be an exciting year in which all BSCI participants can take the opportunity presented by the new Code of Conduct to reinvigorate their ongoing commitment to improving working conditions in their supply chains worldwide. We are also looking forward to working with the new Steering Committee to continue improving our support to BSCI participants. We would like to thank the previous Steering Committee, particularly its Chair Sibyl Anwander, for their high dedication and commitment, which has helped to shape BSCI into a strong initiative.

Wishing you an enjoyable read,



Ferry den Hoed
FTA President



Bernardo Cruza
Chair, BSCI Steering Committee
(Acting Chair as of 1/01/2014 - Chair as of 26/05/2014)

About the Business Social Compliance Initiative

BSCI'S VISION AND VALUES

A POWERFUL FRAMEWORK FOR BETTER WORKING CONDITIONS IN SUPPLY CHAINS

BSCI is a business-driven initiative for companies committed to improving working conditions in factories and farms worldwide. BSCI offers companies, from multinationals to SMEs, one common Code of Conduct and a holistic system towards social compliance in the supply chain applicable to all sectors and sourcing countries. At the end of 2013, BSCI included 1,252 participating companies representing over 578 billion euro turnover.

BSCI'S VISION

BSCI's vision of the global supply chain is that compliance with the legal requirements defined by national legislation and the ILO is not only an obligation but also an opportunity for commercial companies to strengthen their business long term. Improving working conditions is an important way for companies to mitigate risks and protect their reputation. Additionally, it maximises efficiency by reducing costs, improving productivity and enhancing strategic management within supply chains.

BSCI'S VALUES

BSCI participants are supported in their commitment to improving working conditions in their supply chains by three core values.

- **Continuous Improvement:** BSCI participants implement the BSCI Code of Conduct in a step-by-step development approach and ask their business partners to ensure the continuous improvement of working conditions within their organisations.
- **Cooperation:** By working together, BSCI participants have a greater impact on working conditions in the supply chain. The spirit of cooperation is equally important in the relationship with business partners in the supply chain and in the relationship between business and stakeholders.
- **Empowerment:** BSCI empowers participants and their business partners to develop their supply chains in a way that respects human and labour rights as well as to provide them with the tools needed to improve working conditions in a sustainable manner. The development of internal management systems plays a critical role in bringing BSCI principles to the heart of business enterprises' culture.

Three Fundamental Pillars for Action

BSCI's vision is carried out through its three pillars: monitoring, empowering and engaging. These are designed to drive greater social compliance and improved working conditions in international supply chains. This is reinforced by the commitment of BSCI participants to develop these activities further.

Monitoring to measure the level of social compliance

BSCI provides its participants with practical auditing tools and guidelines to measure producers' compliance with BSCI's Code of Conduct and to evaluate improvements. Two sets of tools exist for monitoring, depending on whether the process will take place at a factory or farm. Monitoring starts with a full audit performed by an external, independent auditing company, which may result in a Corrective Action Plan (CAP) for areas where specific improvements are required. The producer's progress is then re-evaluated in a re-audit within a maximum of one year. All audit results are stored and shared among BSCI participants through a dedicated database.

Empowering to provide the knowledge to support improvements

BSCI capacity building provides both participating companies and their producers, in Europe and in sourcing countries, with initial awareness-raising sessions, e-learning tools, in-house trainings and advanced issue-specific workshops. These build the knowledge, skills and ownership required to achieve sustainable improvements in social compliance.

Engaging to influence the framework in which businesses operate

BSCI manages active dialogue with a wide range of stakeholders such as governments, business associations, buyers, suppliers, trade unions and NGOs, based on the fact that non-compliance with labour rights often has its roots in systemic issues deriving from political, economic or cultural challenges in risk countries. BSCI employs various channels to address these, such as Round Table dialogues, specific issue-related projects and partnerships, and joint capacity building efforts.



BSCI'S GOVERNANCE AND NETWORK

INCLUDING PARTICIPANTS' VOICES

BSCI is a business-driven initiative – its 1,252 participants include international retailers, importers and brand companies operating in a diverse range of sectors from textiles to food, footwear and electronics, representing all sizes and types of organisations.

• BSCI Steering Committee

The BSCI Steering Committee guides BSCI's activities and is composed of company representatives, nominated by the participants themselves and including representatives from each turnover bracket, from multinationals to SMEs. In this way, BSCI's governance and structure is set up to reflect the needs and experiences of its participants.

BSCI Steering Committee

The BSCI Steering Committee is composed of eight company representatives, plus one representative from the BSCI Stakeholder Council. This provides stakeholders with an active voice. The BSCI Steering Committee serves on a three-year basis and in 2013 was mainly working on the revision of BSCI's Code of Conduct, the central steering tool for the activities of the initiative.

BSCI Steering Committee Members in 2013

Chair: Dr. Sibyl Anwander (COOP – Switzerland)
 Mr. Bernardo Cruza (El Corte Inglés – Spain)
 Ms. Anita Falkenek (Axstores, Ahléns – Sweden)
 Ms. Anja Grote Westrick (Aldi Süd – Germany)
 Ms. Pirjo Heiskanen (Tuko Logistics – Finland)
 Mr. Hans Jürgen Matern (Metro Group – Germany)
 Mr. Herman Poelmann (Pole Group – The Netherlands)
 Ms. Lea Rankinen (SOK – Finland)
 Ms. Marieke Weerdesteijn (Solidaridad – The Netherlands)*

* Representative from the BSCI Stakeholder Council

• BSCI Working Groups

Participants shape BSCI's development through their membership of the BSCI Working Groups. Their contributions and expertise inform and support the decision-making of BSCI's Steering Committee. Five working groups focus on themes around Auditing, System Issues and the BSCI Database, Capacity Building, Food and Primary Production and Communication. In addition, temporary working groups focus on specific projects.

A POWERFUL NETWORK

Over the last few years, participation in BSCI has grown exponentially, meaning that its ability to leverage collective actions is reinforced. To serve participants' diverse and growing needs, BSCI offers a powerful local, national and international network.

• BSCI National Contact Groups: Tackling Local Issues

Through National Contact Groups (NCGs), BSCI ensures both that developments in BSCI are discussed nationally, and that issues of national and local importance can be discussed in the countries where they specifically apply. BSCI supports these NCGs, which in 2013 exist in Denmark, Finland, France, Germany, The Netherlands, Sweden and Switzerland.

• BSCI Country Representatives: Taking Action in Sourcing Countries

Through its country representatives, BSCI facilitates implementation of its system in important producing countries. They also act as interlocutors for BSCI's Brussels-based secretariat to share local information on relevant developments in their country. BSCI's country representatives are:

China: Ms. Joyce Chau (www.bsci-cn.org)

Bangladesh: Mr. Daniel Seidl (since March 2014)

India: Dr. Dietrich Kebschull

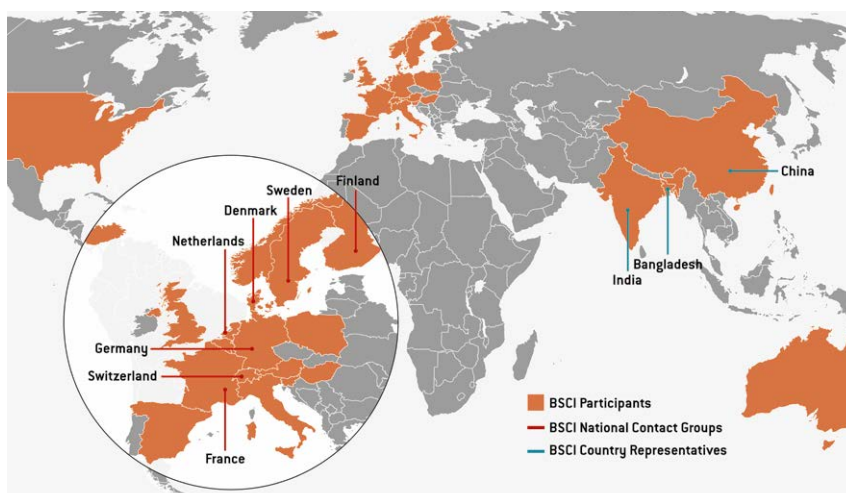


Fig.1 BSCI's Country Network

Number of participants in BSCI countries where there is a National Contact Group

Germany	523	Sweden	57
Netherlands	261	Finland	17
Denmark	97	France	41
Switzerland	65		

BSCI's Code of Conduct

A NEW CODE FOR A NEW DECADE

FROM COMPLIANCE TO RESPONSIBLE ENTREPRENEURSHIP

The BSCI Code of Conduct is a set of values and principles that all BSCI participating companies commit to implementing with their business partners along the supply chain. A major exercise of 2013 was the revision and adoption on 28 November of the new BSCI Code of Conduct.

What is the BSCI Code of Conduct?

The BSCI Code of Conduct reflects the beliefs of BSCI participants and the expectations they have towards their business partners. Business enterprises that endorse the Code of Conduct are committed to reinforcing the principles of socially responsible business and to pursuing a constructive and open dialogue among business partners and stakeholders.

INCORPORATING INTERNATIONAL HUMAN AND LABOUR RIGHTS

The BSCI Code of Conduct is built on leading international labour standards protecting workers' rights such as ILO Conventions and important declarations of the United Nations (UN), as well as the Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises and the UN Global Compact. The UN Guiding Principles on Business and Human Rights, or Ruggie principles as they are informally known, triggered profound transformations in the business mindset regarding government obligations and enterprises' responsibilities towards society which were fully embedded in the new BSCI Code. Feedback from the Global Social Compliance Programme (GSCP) Equivalence Process was equally an important element introduced in the new Code.

DEVELOPMENT OF THE NEW CODE

The development of the Code of Conduct was the joint effort of several bodies within BSCI's governance led by the System Working Group (see page 5 for more information on BSCI governance). In this way participants had the opportunity to integrate their experience in managing supply chains during the process, ensuring the applicability of the Code.



"The revision of the new Code gave us the opportunity to assess how BSCI participants have been working within BSCI until now and how we needed to adapt the system and approach to cope with the new expectations and challenges society has on our commercial activities. It was a very intense but rewarding exercise."

Reidar Magnus, Chair of the BSCI System Working Group, Senior Manager Corporate Social Responsibility / Supply Chain, Intersport International

The BSCI Code was revised through an extensive internal process as well as inclusive public consultation. The overall process lasted for more than a year and involved hundreds of stakeholders from all over the world: BSCI participants, NGOs, trade unions and auditing companies contributed to the final version. The engagement of the BSCI Stakeholder Council was particularly relevant in refining new principles such as 'special protection of young workers', 'no precarious employment' and 'ethical behaviour'.



"The new BSCI Code of Conduct brings the development approach that the organisation and its participants strive towards to the next level. With the implementation tools, the scope of these principles will be elaborated on. The Code also incorporates various new elements that reflect recent developments in the field of corporate responsibility, including the dialogue around fair and living wages and the UN Guiding Principles on Business and Human Rights. Through discussions in the BSCI Stakeholder Council, as well as through an open consultation process, stakeholder input was taken into account during the revision process."

Marieke Weerdesteijn, Chair, BSCI Stakeholder Council, Solidaridad

A POWERFUL REFERENCE POINT

The new Code of Conduct sets a powerful reference for business enterprises to develop a holistic CSR strategy based on monitoring, empowering and engaging. By embedding the BSCI philosophy at the core of business culture, BSCI participants realise their commitment to social compliance. The new BSCI Code of Conduct emphasises the fact that obeying domestic laws is the first obligation of business enterprises and whenever those may be in conflict with the Code, businesses seek ways to provide the highest protection for workers and the environment.



Fig.2 Revised BSCI Code of Conduct, Version 2014. The BSCI Glossary, Terms of Implementation and Reference are integral parts of the BSCI Code of Conduct, supporting BSCI participants and their business partners to put its values and principles into practice.

HIGHLIGHTS OF THE NEW CODE OF CONDUCT

The new version of the BSCI Code of Conduct includes the following new or reinforced principles.

Fair Remuneration: This principle now reflects the evolving discussion in the CSR arena surrounding remuneration and fair wages. It reflects a new holistic approach incorporating varied elements that make up fair remuneration.

Special Protection for Young Workers: This principle aims at making a distinction between child labour and special consideration for young workers.

No Precarious Employment: This principle emphasises that employers should engage in employment practices that promote the security and stability of workers.

Ethical Business Behaviour: This principle expands on the importance of protecting workers' privacy, ensuring the integrity of company information and tackling corruption.

NEW UNDERLYING CONCEPTS

New concepts support BSCI participants to integrate social responsibility at the core of their business and cascade the opportunities that lie in responsible behaviour through the different actors in the supply chain.

Due Diligence: The BSCI Code emphasises the importance of using risk assessment, an approach based on proactive enterprise risk management systems, policies and processes, to prevent and address adverse human rights impacts detected in the supply chain.

Cascade Effect: Purchasing activities present possibilities for influencing social change in supply chains. The BSCI Code acknowledges the capacity of businesses at each level of the supply chain to leverage that opportunity.

Grievance Mechanisms: The BSCI Code also emphasises the necessity of grievance mechanisms. A grievance mechanism is a non-judicial procedure that offers formalised means through which individuals or groups can raise concerns about the impact a business enterprise has on them – including on their human rights – and can seek remedy.

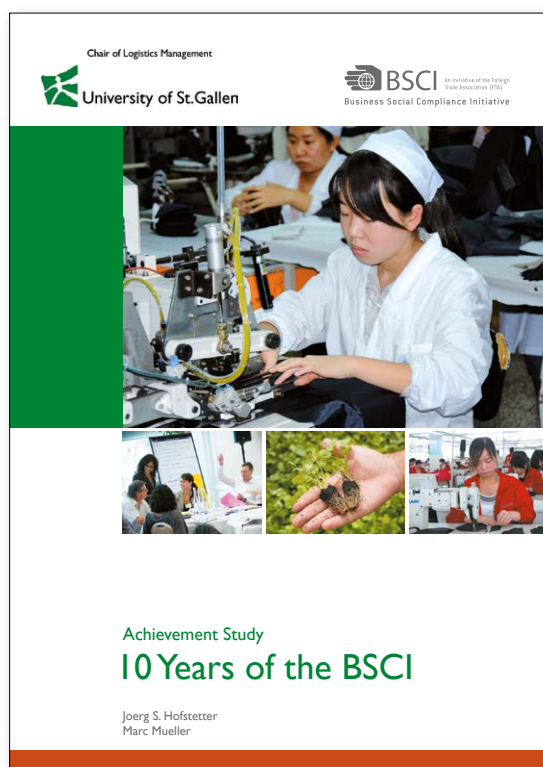
Greater Engagement of Workers: The BSCI Code recognises that the building up of mature industrial relations between workers and management is key for sustainable business.

BSCI's 10-Year Anniversary

BSCI CELEBRATES A DECADE OF EFFORTS

BSCI REPORTS ON 10 YEARS OF PROGRESS

In 2013, BSCI celebrated 10 years of working towards improved social compliance in international supply chains. With this in mind, BSCI published an 'Achievement Study' conducted by the University of St. Gallen (Switzerland), which highlighted the substantial progress made by BSCI in a decade. Researchers reviewed BSCI's history, identified its current activities, explored its challenges and conducted large-scale data analyses of BSCI's audit and participant databases amongst other research work, to assess the main achievements.



MAIN FINDINGS

The 'Achievement Study' shows that over 10 years, BSCI has attracted a wide diversity of participating companies, supporting them to generate labour improvements in sourcing countries and improve control over their supply chains. It found that over the past 10 years BSCI generated producer audits in 61 countries and in 18 product categories. The study found that the share of producers rated 'good' based on audits has steadily grown and compliance levels gradually increased for almost all of participants' main sourcing markets.

Highlights From the Achievement Study

- At the end of 2011, around 60% of non-food factories reached compliance while farms are behind as they face more comprehensive coverage of their supply chains.
- Over the nine years, the average share of producers rated 'good' is 42.36% with a standard deviation of 16% across five sourcing markets.
- In the last few years, India has shown the highest level of compliant producers with three out of four businesses living up to requirements in 2011.
- Chinese factories and farms reveal the highest growth from a compliance level of 18% in 2008 to 62% in 2011. BSCI recognises parallel means as a valid way of creating dialogue between workers and management, therefore producers can be rated good even when the state does not allow for entirely independent trade unions.
- Since the mid-2000s, the share of Turkish producers achieving a 'good' rating has fluctuated between 40 - 60%.

Through its web-based platform, BSCI enables participants to share audit results and unite their efforts to improve working conditions in global supply chains, which simultaneously reduces the number of audits at producer level. The 'Achievement Study' estimates that the overall saving from avoided duplicate audits totals over 65 million USD.

FTA VISITS CHINA TO STRENGTHEN STRATEGIC ALLIANCES

One highlight of the anniversary year was a visit in December to Shanghai, China by Foreign Trade Association (FTA) Director General Mr. Jan Eggert, to share accomplishments and raise awareness of the importance of promoting social compliance in China, the most significant sourcing market for BSCI participants. At a dedicated press event, BSCI announced its plan to increase resources in 2014 to provide Chinese producers with more professional training on labour rights.



"Through capacity building activities as well as best-practice sharing, over many years BSCI and the China National Textile and Apparel Council (CNTAC) have developed a close collaboration as we work together to improve social compliance in China. As China remains the most important sourcing country for BSCI participants, in 2014 we plan to strengthen our collaboration, going beyond capacity building through our joint Multi-Stakeholder Advisory Committee for standard cooperation and the annual Sino-European Corporate Social Responsibility (CSR) Round Table Forum."

Ms. Yan Yan, Deputy Director, China National Textile and Apparel Council (CNTAC)

SPECIAL ANNIVERSARY ACTIVITIES

A YEAR TO REMEMBER: BSCI CELEBRATES 10-YEAR ANNIVERSARY IN 2013

BSCI marked this special year with a range of initiatives, including the BSCI 10th Anniversary Conference (26 June 2013, Brussels), gathering over 200 attendees to review a decade of achievements and look towards future priorities.



The BSCI Anniversary Conference covered a number of key topics, including the growing link between sustainability and trade and the role of a liberal economic framework in tackling poverty and encouraging social development. It examined how BSCI and its participants can work jointly to tackle the challenges of the next decade by going beyond the first tiers of the supply chain. It also explored how BSCI can increase its leverage through innovative partnerships with multiple stakeholders. This strongly reflects BSCI's belief that all actors should collaborate for improved working conditions.

The conference's sessions, which shared best practices and insights, were well received. For example, the session on improving collaboration between the buyer, importer and producer was well attended. The conference provided attendees the opportunity to witness the role BSCI plays in encouraging businesses to source responsibly-produced goods.



"Commitment drives performance; BSCI's holistic system is a key component that can only be strengthened by the extra efforts all actors in the supply chain can make to work together for improved social compliance. By being proactive and working not only with the already compliant factories, the entire supply chain will grow stronger. This call for greater collaboration was underlined at the Anniversary Conference."

Fleur Meerman, CSR Advisor, Hema,
The Netherlands

BSCI Monitors

HOW BSCI MEASURES SOCIAL COMPLIANCE

EVALUATING SOCIAL COMPLIANCE AT THE LEVEL OF FACTORIES AND FARMS

BSCI participants use social audits to evaluate their producers' performance against the BSCI Code of Conduct. The audit includes an inspection of the site, a thorough examination of company records and private interviews of a sample of employees to better understand the daily situation in the factory. Audit results serve as a basis for Corrective Action Plans (CAPs), prepared by the auditor to formalise corrective measures and set a deadline for all requirements to be completed. BSCI offers capacity building support during this entire process.

SA8000

SA8000 is an international social management standard for improving working conditions developed by Social Accountability International (SAI). SAI is an NGO that promotes human rights for workers. BSCI considers SA8000 to be best practice and recognises the SA8000 certificate. If producers of BSCI participants are compliant with the BSCI Code of Conduct, they are encouraged to apply for the SA8000 certificate.

BSCI audits are carried out by external and independent social auditors working for companies accredited by Social Accountability Accreditation Services (SAAS), an organisation that controls the quality of auditing services. As of the end of 2013, BSCI works with 19 SAAS-accredited auditing companies.



BSCI'S AUDIT SYSTEM

There are three possible audit ratings:

- **Rated 'Good'**
A 'good' rating means the factory audit shows no or only minor deviations from the requirements of the BSCI Code of Conduct, which do not constitute a hazard for workers' health and safety. In addition, full protection of employees is given in regards to implementation of the ILO Core Conventions. An audit result is 'good' if there are no more than two deviations in non-crucial points per chapter. If a factory is rated as 'good', it does not require a re-audit.
- **Rated 'Improvement Needed'**
'Improvement needed' means that the audit shows that at least half of the requirements are fulfilled with no deviation on crucial points. Producers with an 'improvement needed' result will be required to go through a re-audit within 12 months.
- **Rated 'Non-Compliant'**
'Non-compliant' means that the producer is in non-compliance with half of the requirements and/or in crucial points. In these cases, a Corrective Action Plan (CAP) is put in place, following which a re-audit is carried out to evaluate progress. In order to check that all corrective actions have been implemented, a re-audit will be organised within a maximum of 12 months.
- **Next Steps**
BSCI encourages participants to provide close follow up and support to producers, to use their ongoing business relationships as an incentive for generating improvements and to offer BSCI capacity building trainings, supporting producers to make changes. If after several re-audits, no measurable improvement is visible, BSCI recommends that participants reconsider their relationship with that producer. An overview of the Key Performance Indicators (KPIs) for monitoring during 2013, as well as analysis of these results, is provided on page 16.
- **A Holistic Platform Supports Synergistic Efforts**
Through the BSCI platform, participants get an overview of the social compliance status of all their producers. They can check the status of their producers' social compliance, initiate audits and re-audits and invite producers to join capacity building activities. In addition, they are immediately alerted in case of forced or child labour, or breaches to fire safety.

Risk Countries

BSCI focuses on working relations in defined risk countries. BSCI's country risk classification list (updated during 2013, published 2 January, 2014) is based on governance indicators set by the World Bank which determine the strength of each country's governance in six areas: voice and accountability; political stability and absence of violence or terrorism; government effectiveness; regulatory quality and respect of law. Each area impacts the success of BSCI participants in carrying out their business activities in a socially compliant way. (www.bsci-intl.org/risk-countries)

FOCUS ON RELIABILITY OF AUDIT RESULTS

SUPPORTING AUDITORS IN THE BSCI SYSTEM

BSCI works with 19 SAAS-accredited auditing companies, from which over 900 independent auditors inspect factories and farms in risk countries. BSCI holds regular meetings and trainings to ensure BSCI auditing representatives from accredited companies are fully up-to-date with BSCI's methodology and current practices. During 2013, BSCI held two calibration meetings in Brussels at which 43 attendees took part representing accredited auditing companies. In addition, one calibration meeting was held in China, at which 40 auditors took part.

BSCI'S INTEGRITY PROGRAMME

The BSCI Integrity Programme responds to calls for greater transparency and credibility by putting in place a programme to systematically verify both audit results and auditors, via internal and external measures.

The Integrity Programme will take a more comprehensive role in 2014 with an increase in the number of internal report checks, improved dialogue with auditing companies, implementation of RUCs and maintaining SAAS surveillance activities.

Internal Measures

Through the Integrity Programme, BSCI reviews audit samples internally to ensure that data is complete and correctly filled out. BSCI also monitors auditing companies' performance to check that they act in line with BSCI auditing values and principles.

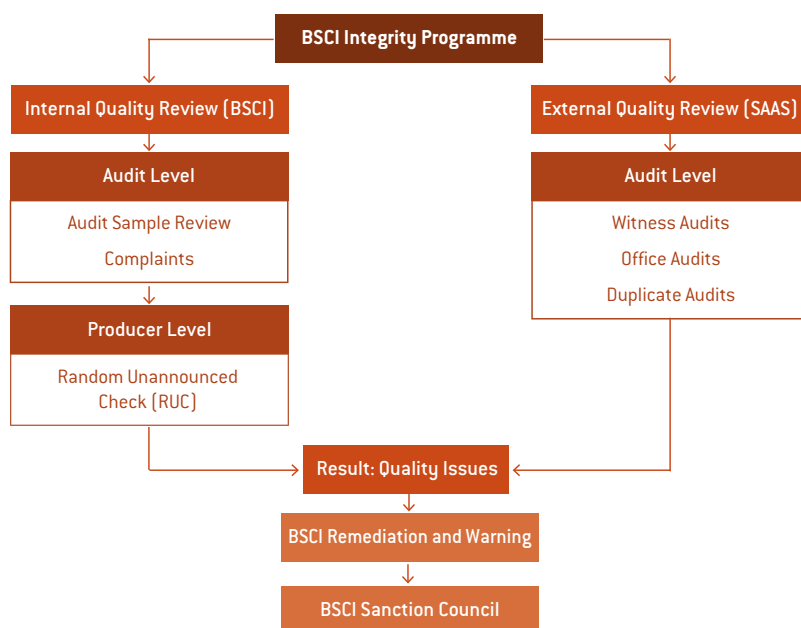


Fig. 3 How Does the BSCI Integrity Programme Work?

RUCs were launched during 2013 to strengthen the programme in order to incentivise producers, particularly those rated 'good', to maintain reliability, comparability and transparency once the auditor leaves the factory or farm. This is a full BSCI audit carried out on 10% of the full audits done every year.

External Measures

SAAS conducts three types of audits to verify the work of auditors:

- **Witness Audits:** A one- or two-day assessment of the auditors conducting a BSCI audit.
- **Office Audits:** A visit to the offices of an auditing company to check the management system in place, auditor qualifications, quality of reports and data storage systems.
- **Duplicate Audits:** Duplicate audits are conducted shortly after the (mainly) full audit takes place to ensure that the first audit has been correctly conducted.

Cases Investigated by BSCI Secretariat	924
Reports internally selected and checked	65
Cases opened (via external sources)	447
Cases opened (via internal review)	386
Hotline complaints	26
SAAS Activities	64
Duplicate audits	18
Witness audits	25
Office audits	21
RUC Pilot Phase (end of 2013)	15 assigned, 8 conducted within 2013
TOTAL	996

Fig. 4 Activities in the Framework of the BSCI Integrity Programme

BSCI Empowers

BSCI CAPACITY BUILDING

INCREASING KNOWLEDGE, SKILLS AND OWNERSHIP

Through its capacity building activities, BSCI empowers participants and producers to build the knowledge, skills and ownership required to achieve lasting improvements in social compliance at factories and farms worldwide. It therefore forms a crucial third pillar alongside monitoring and engaging. BSCI offers face-to-face awareness-raising training, in-house participant workshops, advanced issue-specific workshops and coming e-learning tools. During 2013, BSCI dedicated increased resources to capacity building activities and reinforced its strategy to empower participants and their producers through new projects to help them tackle ongoing labour issues.

TRAINING FOR PARTICIPANTS

BSCI's information seminars introduce the BSCI Code of Conduct and its implementation methodology to new BSCI participants via face-to-face workshops, translating the principles of the BSCI Code into concrete practices for new participants. In 2013, BSCI conducted 36 of these information seminars in eight countries, catering to 382 attendees.



"BSCI's seminar helped me to get a solid footing in managing my suppliers and producers. It gave me a practical insight in how factories think and what drives their behaviour, especially in regard to the BSCI Code. It also gave me best practice tips on how to manage Dansk Supermarked's social compliance programme and supply chain with particular emphasis on using a continuous improvement approach. It was definitely worthwhile to attend."

Gry Oexenholt, Commercial Support, Dansk Supermarked, Denmark

Advanced training builds on the beginners' training to offer in-depth insight into specific challenges that arise.

Buyer trainings are an example of advanced trainings for participants, through which they can learn how to integrate BSCI methodology into their daily business and decision-making. In 2013, there were five buyer trainings, three covering "The Audit as a Tool in Social Compliance in the Supply Chain" held in Shanghai, Rotterdam and Hong Kong, one on "Fire Safety: An Overview of What to Look For" held in Düsseldorf and one on "Implementing the BSCI Process" held in Rotterdam.

TRAINING FOR PRODUCERS

Training for producers includes both awareness-raising workshops for beginners and advanced workshops. These trainings aim at supporting factory management to understand their role in the BSCI compliance programme, helping them to implement BSCI on the factory floor and in the food supply chain. It also aims at assisting them to gain a better understanding of the necessity of CSR and improve their social compliance performance. During 2013 BSCI held 12 advanced food workshops: eight were on "Understanding Social Management Systems" and four on Occupational Health and Safety, reaching out to 211 attendees. In addition, BSCI held eight advanced fire safety trainings in collaboration with Worldwide Responsible Accredited Production (WRAP) in Bangladesh. For non-food, BSCI held 20 advanced workshops, catering to 520 attendees in the garment sector on Human Resources Management, Fire Safety, Compensation and Working Time, Health and Safety Management, Retrenchment and Termination.

"I found BSCI's awareness-raising workshop very valuable to share best practice tips with other producers and to do case studies. As a next step, I aim to learn more about common findings or violations in audits and how to react to them."

Attendee at BSCI Awareness Raising Workshop,
Shanghai, China, 9 October 2013.

BSCI Academy: Accessible Training Material

To ensure the accessibility of its training for participants, a new virtual BSCI Academy was developed in 2013, which will offer e-learning courses that introduce the BSCI Code of Conduct and give an accessible overview of the BSCI implementation process. It will contain all participant and producer courses, providing an easy-to-access solution for a worldwide audience. This will be further developed in 2014 in line with the newly revised BSCI Code of Conduct.

HIGHLIGHTS IN 2013

WORKING IN PARTNERSHIP FOR INCREASED IMPACT

Key activities for BSCI's capacity building during 2013 were the implementation of dedicated training in partnership with local organisations in risk countries. Through such local collaboration, BSCI believes that working conditions can be more effectively tackled drawing on the specific expertise of its partners.



Addressing Fire Safety in Bangladesh

BSCI strives to provide topical trainings in regions where they are most needed, often in partnership with other local organisations, to avoid duplicating efforts and increase impact.

In response to a string of tragic industrial incidents in Bangladesh during 2012 and 2013 in the area of fire safety, BSCI used synergies with stakeholders to directly tackle non-compliances at producer level. For example, BSCI provided eight targeted trainings in 2013 in partnership with Worldwide Responsible Accredited Production (WRAP), a social compliance scheme. Training was designed to be practically-oriented – for example, one joint workshop for factory managers taught key lessons such as how to diminish risk of fire and how to respond in case of outbreaks. Over 250 factory managers participated throughout 2013, clearly underlining the relevance of fire safety in Bangladesh.

"I found the course content of the fire safety training excellent. It was very practically useful to me and I will take what I learned back to the workplace."

Factory Manager, attending an Advanced Producer Workshop on Fire Safety, Dhaka, Bangladesh, July 2013.

To further leverage its efforts, BSCI organised trainings for participating companies on responsible sourcing in the context of fire safety. The trainings informed participants on methods for identifying factories with good safety practices when making purchasing decisions. BSCI and WRAP thus jointly held this follow-up training in Düsseldorf, Germany for participants to use with their buyers to help them systematically include fire and safety issues and to support informed decision-making in their sourcing activities.



Cooperating for Socially Responsible SMEs in China

In 2013, BSCI reinforced its commitment to its ongoing project with ILO's Sustaining Competitive and Responsible Enterprises (SCORE) programme. This promotes improved working conditions and socially responsible business practices among SMEs that participate in the supply chains of BSCI participating companies. A SCORE pilot project was carried out by a BSCI participant, with successful outcomes. BSCI aims to build on this jointly throughout 2014.

"The launch of the BSCI ILO-SCORE project in South China sets an innovative buyer-supplier partnership model for enhancing the business competitiveness of SMEs. Labour conditions in China remain a strong focus for BSCI. By the introduction of the revised Code of Conduct as well as supporting activities like the Multi-Stakeholder Advisory Committee and Round Table dialogues, BSCI continues to step up strategic alliances with key stakeholders. This will support our participants and their business partners to cascade the benefits of building decent workplaces."

Joyce Chau, BSCI Representative China



BSCI Engages

BSCI STAKEHOLDER RELATIONS

INVOLVING ALL STAKEHOLDERS TO ADDRESS ROOT CAUSES

Often, non-compliance with labour rights is linked to complex and interconnected political, economic or cultural issues that affect not only individual workplaces but also entire sectors and countries. To leverage sustainable progress in addressing those issues, BSCI works closely with a wide range of stakeholders such as governments, business associations, trade unions, NGOs, buyers and suppliers using various methods such as dialogues, partnerships and joint capacity building efforts.

STRENGTH THROUGH INCLUSIVITY AND DIVERSITY

The BSCI Stakeholder Council is a group of high-level experts drawn from NGOs, labour standards organisations and business associations, amongst others, joining efforts to increase the inclusivity and diversity of voices identifying the root causes of labour issues and informing the development of the initiative. In 2013, the Stakeholder Council was closely involved in the revision of the new BSCI Code of Conduct (see page 6). For example, the principles of freedom of association, precarious employment and ethical behaviour were given more prominence thanks to Council recommendations to the BSCI Steering Committee. Through this valuable knowledge-sharing, BSCI ensures that stakeholder views are taken into account.

During 2013, BSCI's Stakeholder Council members were:

- Marieke Weerdesteijn (Chair) (Solidaridad)
- Elisabeth Åberg (Unionen)
- Sue Bird (observer) (European Commission)
- Daria Cibrario (ECLT (Eliminating Child Labour in Tobacco Growing) Foundation)
- Tom Dodd (observer) (European Commission)
- Mattias Forsberg (Save the Children)
- Stefan Hoejmose (School of Management, University of Bath)
- Simon Pickard (EABIS)
- Christian Rousseau (Test-Achats)
- Alice Tepper Marlin (Social Accountability International)
- Luc van Liedekerke (EBEN)
- Fabrice Warneck (UNI Europa)

BSCI ROUND TABLES

BSCI facilitates local stakeholder Round Tables to respond to specific labour issues that may hinder good working conditions in sourcing countries, bringing together relevant and interested actors and stakeholders to share experience and knowledge as well as explore common partnerships and actions.

Date	Country	City	Focus Issue
14 March	Bangladesh	Dhaka	Strategies to Reduce Fire Risk in the Bangladesh Garment Industry
22 & 24 April	India	Agra & Chennai	Sustainable Business in the Indian Shoe and Leather Industry
5 June & 9 December	China	Beijing & Shanghai	Promote Social Responsibility for a Bright Future/Bridging the Gap Between Rural and Urban Areas for Sustainable Development
1 July	Thailand	Bangkok	Improving Working Conditions for the Migrant Workforce in Thailand's Food Export Industry
21 November	Morocco	Agadir	Best Practice in Managing Professional Relationships: Productivity, Social Promotion and Morocco's Brand Image
28 November	Thailand	Bangkok	Challenges and Effectiveness of Thai Food Industry Schemes on Social and Labour Compliance - A Joint ILO-BSCI Meeting

Fig. 5 BSCI Round Tables Held in 2013

Synergies With Other Systems and Initiatives

During 2013, BSCI further developed its collaboration with other systems and initiatives, to reduce audit duplication and ensure coherency of complementary social compliance schemes. As part of this, BSCI built on its existing Memorandum of Understanding with GLOBALGAP, a leading organisation in agricultural certification, to enhance the recognition of commonality, excluding independent farms from the first BSCI audit cycle if they can provide evidence of having another audit system in place. The decision allows producers to rely on GRASP, the GLOBALGAP Risk Assessment on Social Practice, which assesses social practices on the farm, addressing specific aspects of workers' health, safety and welfare.

In addition, BSCI initiated an Ad Hoc Working Group (WG) on Cooperation With Other Systems to streamline recognition of other systems as equivalent or partly equivalent and identify ways of cooperation. The WG aims to address how participants can work with producers already involved in other social compliance systems. During 2014, this new WG will focus on classifying existing social compliance schemes, identifying the terms for potential cooperation and determining the kind of data to exchange.

HIGHLIGHTS IN 2013

BSCI REACHES OUT FOR INCREASED IMPACT

BSCI reinforced its efforts to influence changes at local, national and international level during 2013 to tackle specific labour challenges non-compliant with the BSCI Code of Conduct, such as child labour, 'Sumangali' and forced labour, to name a few. Here are some examples of this work in 2013.



Social Dialogue in Morocco

On 21 November 2013, BSCI initiated a Round Table entitled "Best Practice in Managing Working Relations: Social Accountability, Brand Image and Competitiveness" in Agadir, Morocco, gathering representatives from the agriculture sector as well as government officials, trade union representatives and BSCI delegates. This was held to promote social dialogue in Morocco's food and agricultural sector, which can be a challenge both to productivity and good working conditions. An outcome of the Round Table is the decision to collaborate with the Moroccan employers' association and to support training activities. Through workshops together with workers' representatives as well as employers, BSCI aims to contribute to a longer term improvement of worker-management dialogue and industrial relations in the sector.

Prison Labour in China

BSCI published a position paper raising awareness and informing participants about the risk of prison labour in the supply chain in China. In this country, prisoners are sometimes forced to work in conditions that are non-compliant with international labour and human rights standards, and in violation of the BSCI Code of Conduct as working conditions can't be independently checked. The labour reform system in China has meanwhile become an essential part of China's GNP and the Chinese government allows commercial parties to outsource to prison labour, including orders from overseas buyers. The position paper informs and guides BSCI participants should an incident of prison labour arise in their business relationships in this country.

Better Labour Practices for Indian Women

In 2013, BSCI reinforced its commitment to tackling labour abuses in the Indian textile industry. Of particular concern is 'Sumangali', which refers to exploitative worker employment practices in which young women work in Indian textile mills for a number of years to earn a dowry, sometimes in restrictive and unfair labour conditions. To reinforce its stance and take into account its revised Code of Conduct, BSCI has, after consultation with the BSCI Stakeholder Council, updated its 'Position Paper on Sumangali'. The revised position paper emphasises that BSCI does not accept the exploitation of workers under any guise, in particular the practice of Sumangali. It also emphasises that cooperation with relevant local actors and stakeholders is indispensable for sustainable improvements on the ground.

Supporting Migrant Workers in Thailand

In January 2013, a report by Finnwatch - a Finnish research organisation working on CSR issues - highlighted labour abuses in the food supply chain in Thailand, focusing on working conditions of migrant workers, mainly from Myanmar. As the issue required aligning efforts among NGOs, companies and the government, BSCI took combined action, holding a workshop for factory managers on labour rights of migrant workers in March 2013 in Bangkok, and a stakeholder Round Table with NGOs, processing facilities, industry associations and universities in July 2013. This will drive efforts throughout the coming year to stimulate joint action between BSCI and active organisations such as ILO.

BSCI Key Performance Indicators

MONITORING, EMPOWERING AND ENGAGING: BSCI ACTIVITIES IN 2013

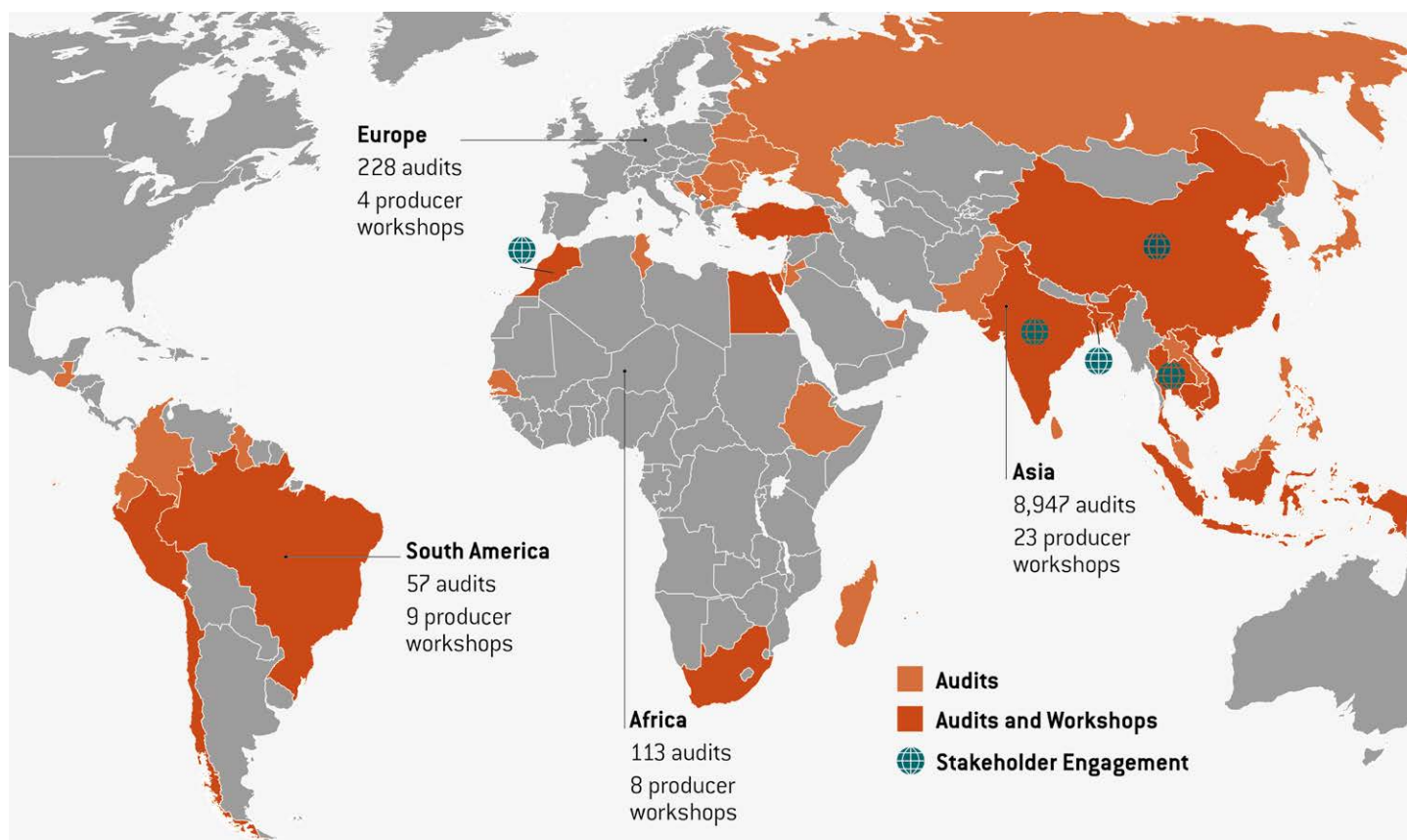


Fig. 6 BSCI Activities in Producing Countries in 2013

INTRODUCTION

BSCI uses on-site audits to evaluate the social compliance level of producers in factories and farms across the globe. In 2013, there were 9,345 total audits conducted, out of which 6,177 were full audits and 3,168 were re-audits, which can include multiple re-audits of individual producers during the same year.

AUDIT NUMBERS SHOW GROWING COMMUNITY

This year there was an increase in the number of audits, mainly due to the increased number of full audits that were conducted: 6,177 in 2013 compared to 3,566 in 2012, linked to the 21.4% increase of new producers in the system during 2013, from 21,900 to 26,583 by the end of the twelve month period. Another reason for such fluctuations is that 2012 saw the end of a three-year audit cycle for a large number of producers in the system, meaning that a new audit cycle started in 2013.

INCREASE IN LABOUR RIGHTS AWARENESS LEADS TO GREATER COMPLIANCE

BSCI audit data shows the number of factories and farms that were non-compliant on their first full audit is decreasing over the years (56% in 2010 to 36% in 2012). This can be due to a general increase in the awareness and implementation of labour rights. The latest increase in 2013 (45%) is related to modifications in the audit system related to health and safety topics, which were implemented and enforced to follow up on the types of non-compliances that led to tragic industrial incidents in Bangladesh during 2012. However, BSCI data from 2013 underscores the difficulty of improving the compliance of producers to a 'good' level (decreasing from 54% in 2011 to 33% in 2013) or maintain their 'good' status. Many issues can indeed only be solved on a much broader scale than the factory level and therefore require shared responsibility from all actors, especially at the political level, as highlighted in the revision of BSCI's Code of Conduct.

EVOLUTION OF SOCIAL COMPLIANCE IN 2013

In order to assess the impact of BSCI on producers audited during the year, we took a sample of the factories that were fully audited and re-audited within 2013. This also includes the factories that got a good result from the full audit. The sample of producers taken represents 1,759 producers that underwent a full audit. Out of this group, 734 producers got good results and 1,025 producers were re-audited in 2013. The graphs below show the change in audit results achieved after the re-audits.

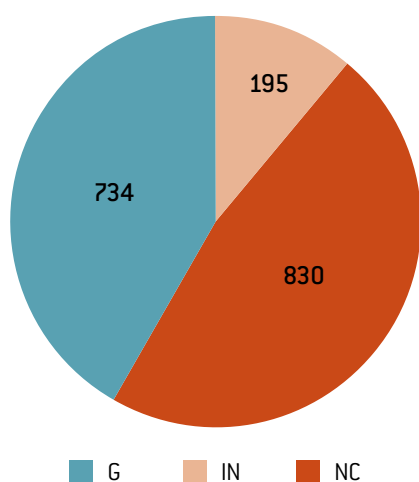


Fig. 7.i Results for Sample of Producers Audited in 2013 With a Re-Audit Within the Same Year or That Got a 'Good' Result After the Full Audit

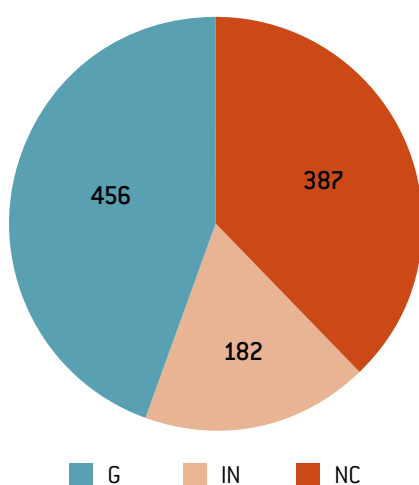


Fig 7.ii Results of Producers With a Re-Audit Within 2013. As shown in Fig 7.i, 1,025 scored Improvement Needed or Non-Compliant and got at least one re-audit

Key: G = 'Good'; IN = 'Improvement Needed'; NC = 'Non-Compliant'

EVOLUTION OF AUDIT RESULTS OVER FOUR YEARS

The first graph represents the results of producers that had full audits in all countries where BSCI auditing was carried out over the last four years. It displays the results of the full audits based on the three possible ratings (good, improvement needed or non-compliant – see page 10 for more information). In 2013 there was a considerable increase in the number of new producers in the BSCI process and many existing producers began a new audit cycle in 2013. This, and the more stringent requirements regarding fire safety, explains the increase in improvement needed or non-compliant results for both full audits and re-audits.

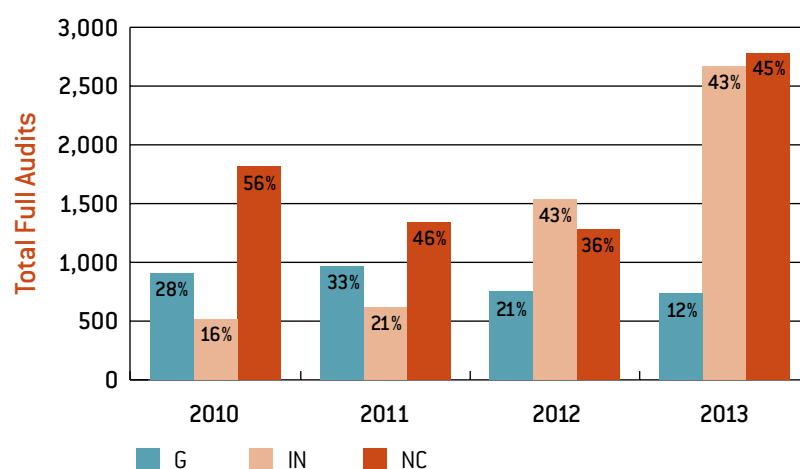


Fig.8.i Results of Full Audits Over Four Years

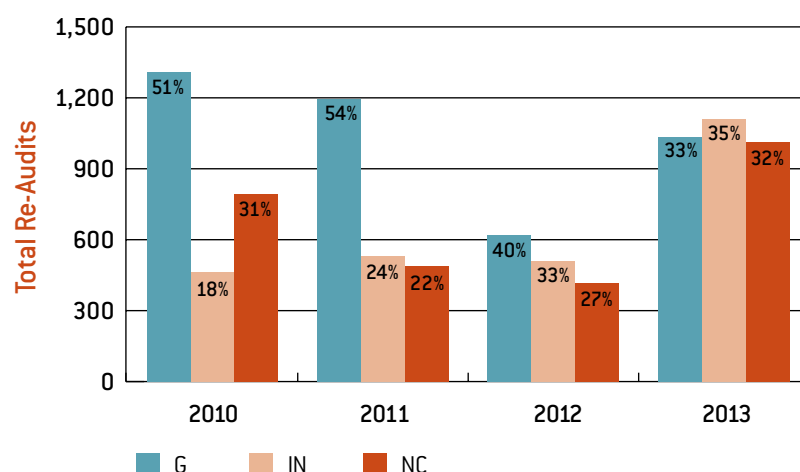
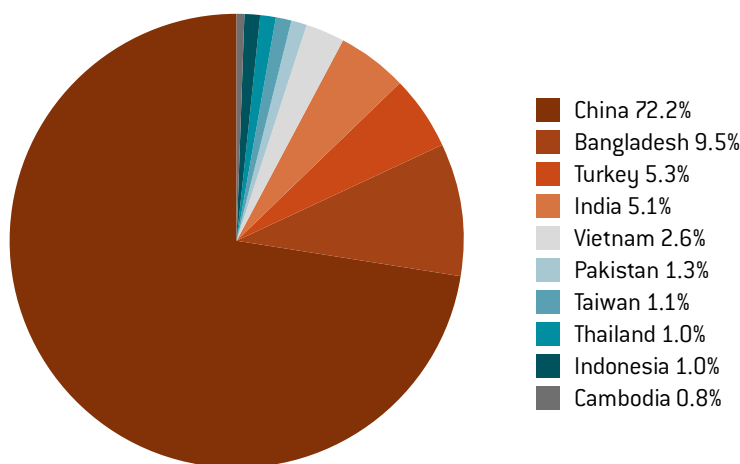


Fig.8.ii Results of Re-Audits Over Four Years

BSCI MONITORING ACTIVITIES IN SOURCING COUNTRIES



TOP COUNTRIES WHERE BSCI MONITORS

During 2013 China remained the top country for BSCI's monitoring activities, reflecting its significance as a sourcing country for participants, followed by Bangladesh, Turkey and India.

Fig. 9 Distribution of Full and Re-Audits in 2013 by Country

LABOUR CHALLENGES IN MAIN SOURCING COUNTRIES

This graph shows the percentage of non-compliances in each of the five main sourcing countries per chapter of the audit report. This shows the labour challenges that occurred most frequently per sourcing country, according to BSCI auditing data of 2013.

Challenges are related to a combination of political, cultural and economic factors which are specific to each country. This highlights the need for BSCI to reinforce its monitoring pillar and address these challenges at the local level through stakeholder engagement and training activities.

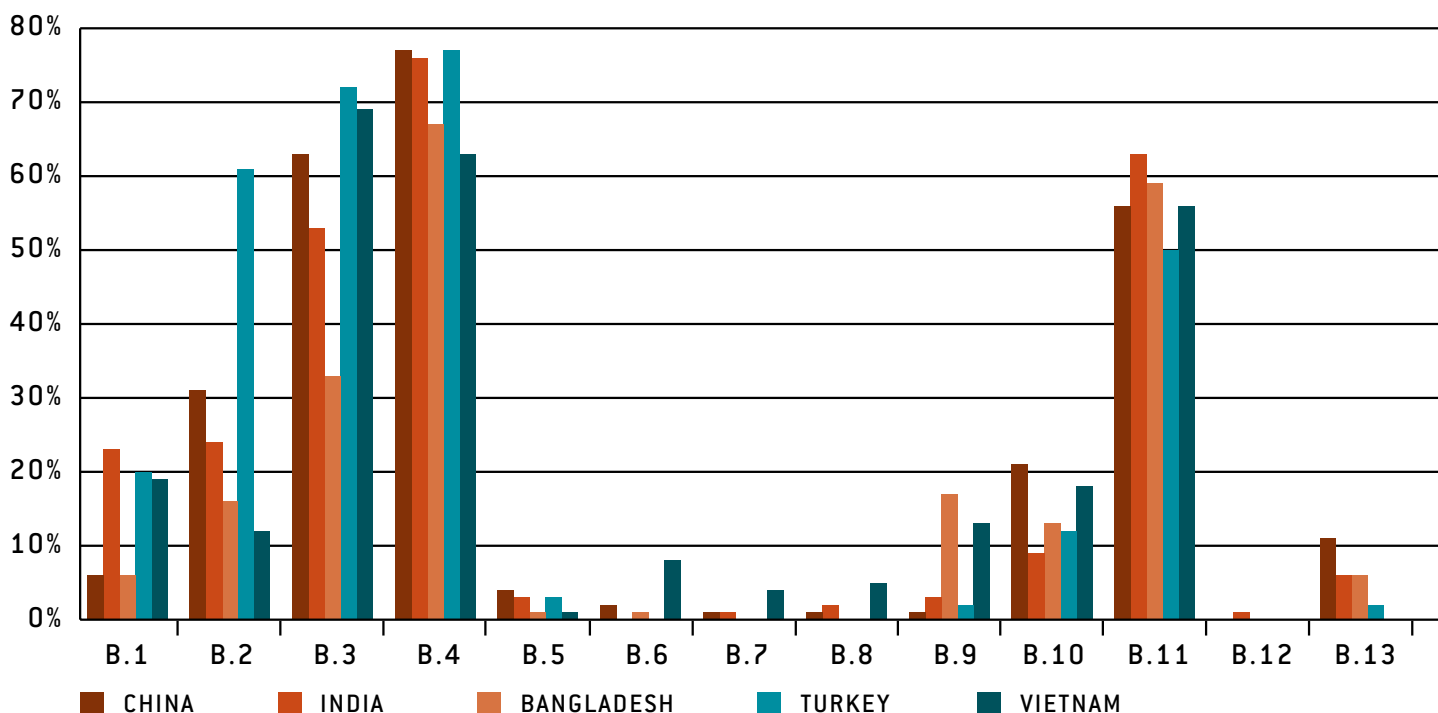


Fig. 10 Percentage of Major Deviations Per Chapter in BSCI Audits With a Non-Compliant Result in 2013

B.1 Management Practice; B.2 Documentation; B.3 Working Time; B.4 Compensation; B.5 Child Labour
B.6 Forced, Prison Labour/ Disciplinary Measures; B.7 Freedom of Association/ Collective Bargaining
B.8 Discrimination; B.9 Working Conditions; B.10 Health and Social Facilities;
B.11 Occupational Health and Safety; B.12 Dormitories; B.13 Environment

BSCI in Sourcing Countries

BANGLADESH: A YEAR IN REVIEW

In Bangladesh, the tragic fire at the Tazreen factory in November 2012 demonstrated the difficulties faced by the country to ensure fire safety. In response to this, BSCI adopted operational measures to reinforce its monitoring and training activities to reduce health and safety risks. Moreover, the tragic collapse of the Rana Plaza factory complex on 24 April 2013 due to structural defects, which housed garment manufacturers supplying Western brands, killed over a thousand workers. These tragedies clearly highlighted the need to adopt additional measures towards reinforcing building safety in the framework of a high-level partnership among all involved stakeholders, including the government, NGOs, trade unions and the business sector.

REINFORCING BSCI'S SUPPORT ON FIRE SAFETY

In response to this tragedy, BSCI provided targeted fire safety trainings in 2013 in a local partnership at which over 250 factory managers participated. BSCI also organised trainings for participating companies on responsible sourcing in the context of fire safety, to inform them on methods to recognise factories where good fire safety is in practice when making purchasing decisions. Four questions in the audit questionnaire related to fire safety and emergency routes were set as crucial and generated alerts in the platform for all linked participants.

SUPPORTING EFFICIENT INFRASTRUCTURE INSPECTIONS

BSCI takes an active role in the dialogue to tackle infrastructure challenges. Although BSCI social audits can reveal labour non-compliances, they do not cover building construction or integrity, which are the domain of specially-qualified building inspectors. BSCI therefore relies on local authorities to implement and control national building regulations. In the case of Bangladesh this was clearly not done, with tragic consequences.

In response, BSCI urged the Bangladeshi government to enforce the regulatory framework to fulfil its obligation to protect workers' rights. BSCI supported the Bangladesh National Action Plan on fire safety, established in cooperation with ILO to increase inspection resources and minimise the threat of fire and building collapse in the garment industry. This supports implementation of the Accord on Fire and Building Safety, a collaboration between trade union federations IndustriALL and UNI Global and companies, chaired by the ILO. BSCI welcomes the Accord as an initiative that

complements those of BSCI participants. Currently, 40% of Accord signatories are BSCI participants. BSCI also welcomed the adoption of a new labour law in June 2013 and an increase to the legal minimum wage in the sector.

In 2013, the dialogue with local representatives of BSCI participants was enhanced in Dhaka to promote local information and best practice sharing as well as combined action. In March 2014, BSCI appointed a new Bangladesh representative to play an ongoing role in participating in, facilitating and guiding discussions on local topics among stakeholders and participants sourcing from Bangladesh. In Bangladesh in 2013, 485 full audits and 357 re-audits were conducted. Out of these two groups, we took producers that underwent a full audit and at least one re-audit within 2013, which numbers 171. Below you see the results of these per chapter.

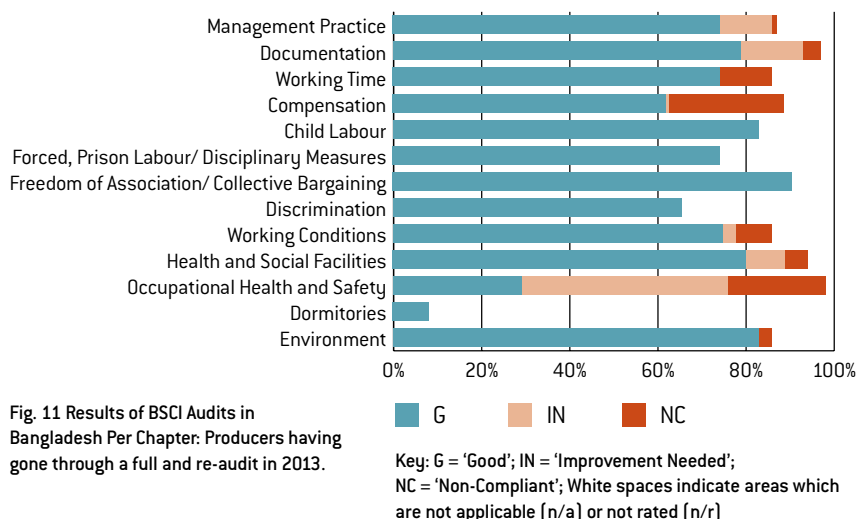


Fig. 11 Results of BSCI Audits in Bangladesh Per Chapter: Producers having gone through a full and re-audit in 2013.

ENGAGING IN POLICY DIALOGUE AT EUROPEAN AND LOCAL LEVEL

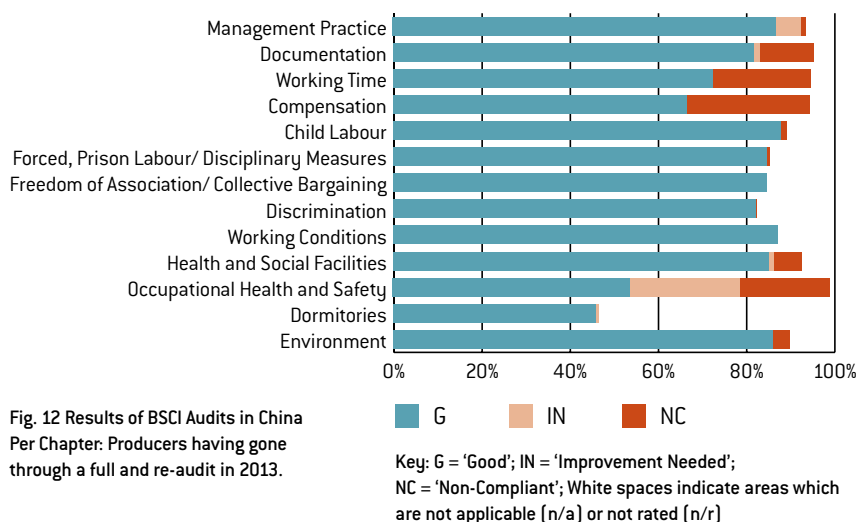
Under the umbrella of the Foreign Trade Association (FTA), BSCI took part in intense discussions at the political level, engaging in a dialogue with representatives of European institutions such as the European Parliament and the European Commission to encourage the Bangladesh Government to implement national legislations protecting workers' rights. Discussions of national relevance were held, for example at the March 2013 Stakeholder Round Table, where the Bangladesh National Action Plan on fire safety was a critical topic.



CHINA AND INDIA: TRENDS IN SOCIAL COMPLIANCE

CHINA IN 2013

BSCI continued to strengthen ties with China during 2013. The graph below demonstrates that, the most significant and frequently occurring non-compliances revealed by audits included Occupational Health and Safety, Compensation and Working Time. Accordingly, BSCI developed its capacity building activities around these key local labour issues (see page 13 for more information on this and the ILO-SCORE project). Additionally, BSCI is supported in China by its local representative, Ms. Joyce Chau (www.bsci-cn.org). In China in 2013, 4,195 full audits and 2,188 re-audits were conducted. Out of these two groups, we took producers that underwent a full audit and at least one re-audit within 2013, which numbers 704. Below you see the results of these per chapter.



ENCOURAGING DIALOGUE TO STRENGTHEN WORKING CONDITIONS IN CHINA

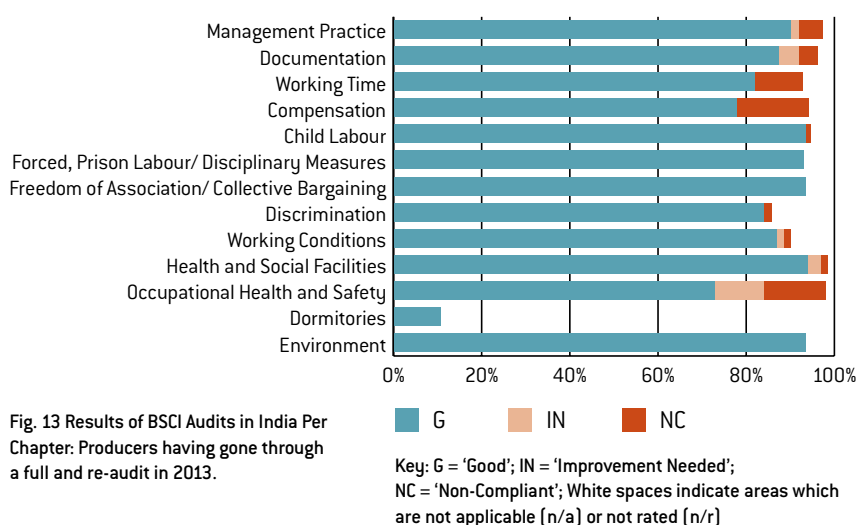
Over the decade since BSCI began working to improve social compliance and working conditions in China, new economic and demographic challenges have arisen. This was the topic of a Round Table facilitated by BSCI on 9 December 2013 in Shanghai at which BSCI gave a presentation about contemporary obstacles to free trade and a socially responsible supply chain. During 2013, BSCI continued to build this dialogue through the Multi-Stakeholder Advisory Committee (MAC), established in 2012 by BSCI, the China National Textile and Apparel Council (CNTAC), Social Accountability International (SAI), Solidaridad and Worldwide Responsible Accredited Production (WRAP) and later joined by SEDEX, to address cross-cutting labour issues in China.

In 2013, the MAC focused on challenges of national relevance, for example due to the heightened awareness of fire and health and safety issues in supply chains, including in China, the partners agreed to discuss these issues and the importance of improved audit oversight and management systems. This also included an examination of the root causes of factory fires and a consideration of potential strategies that can be embedded into various social standards and applied by the factories. BSCI will continue to take an active role in supporting better working conditions in China in 2014.



INDIA IN 2013

India is the fourth largest sourcing market for BSCI participants, coming after China, Bangladesh and Turkey (see page 18). Consistent with main non-compliances in other sourcing countries, the most frequent labour issues are in the areas of Occupational Health and Safety, Compensation and Working Time. However, there are distinct local characteristics to how these non-compliances are manifested, reflected in the actions taken by BSCI to mitigate them on the ground. In India in 2013, 339 full audits and 113 re-audits were conducted. Out of these two groups, we took producers that underwent a full audit and at least one re-audit within 2013, which numbers 180. Below you see the results of these per chapter



SOCIAL COMPLIANCE IN THE LOWER TIERS: A COOPERATIVE RESEARCH PROJECT IN INDIA

On April 22 and 24 2013, BSCI facilitated Round Tables in Agra and Chennai in cooperation with Stop Child Labour, to address sustainable business and the issue of home working and child labour in the Indian leather and footwear industry. As a result, BSCI is coordinating a joint research project between its participants and other European brands, to generate in-depth understanding of the extent and root causes of homeworking and child labour in the Indian footwear industry in the Vellore district of Tamil Nadu, India. This research project will allow participating companies to gain deeper insight into sub-contracting in local supply chains and the associated risk of child labour.

SUPPORTING GREATER INVESTMENT IN CSR ACTIVITIES

BSCI welcomed the approval of a bill mandating companies to spend 2% of their net profit on CSR for businesses in certain conditions. CSR spending will be tax-free, creating opportunities for Indian businesses to highlight their CSR activities and to create a culture of social responsibility in the private sector. BSCI's representative in India, Dr. Dietrich Keschull, is working with the relevant ministries and members of Parliament, so that CSR expenditures can also be allocated to social compliance projects at work.



BSCI Finances

INCOME

The total income in 2013 was 6,786,000 Euro coming from two sources: participating companies (90%) and audit fees (10%).

EXPENDITURE

In 2013, the majority of BSCI expenses were support for BSCI participants, the BSCI platform, capacity building, communications and stakeholder relations. A key share of the expenditures was attributed to the BSCI platform and other management tools.

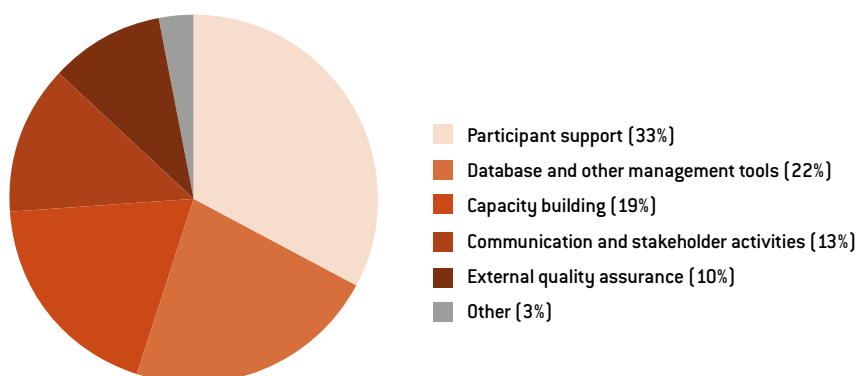


Fig. 14 BSCI Expenditures in 2013

Join Us!

JOIN BSCI – A POWERFUL NETWORK FOR IMPROVING WORKING CONDITIONS IN INTERNATIONAL SUPPLY CHAINS

For over a decade, BSCI has united its participants under one central social compliance framework to monitor and continuously enhance working conditions in international supply chains. By committing to the BSCI Code of Conduct, our participants are well positioned to integrate social responsibility at the core of their business and to respond to the demanding requirements of a globalised and rapidly transforming supply chain.

WHAT ARE THE BENEFITS OF JOINING?

As a BSCI participant, you have the opportunity to:

- Use an effective and well-established system to improve working conditions in your supply chain
- Access comprehensive auditing tools available in many languages to ensure consistent monitoring of your supply chain
- Ensure the quality of your audits through BSCI's network of accredited auditing companies and a comprehensive Integrity Programme
- Benefit from the BSCI platform, saving time and money by avoiding multiple audits at the same factory
- Access training activities organised for BSCI participants and their producers

- Dialogue and cooperate with stakeholders at European country and sourcing-country level
- Engage with a broad network of experts to share best practices in social compliance
- Receive regular information updates on news and events in the social compliance field

WHO CAN JOIN BSCI?

BSCI is an initiative of the Foreign Trade Association (FTA). Thus, companies (and associations) wishing to join as participants are required to become FTA members. There are two types of FTA membership:

- **Ordinary members** are (I) companies with commercial and related trade activities worldwide and (II) trade associations. Ordinary members have full membership rights and can vote in the FTA General Assembly.
- **Associate members** are any other organisation or natural persons who do not meet the criteria of ordinary members but support the goals of FTA. Associate members have limited membership rights and cannot vote in the FTA General Assembly.

For more information on becoming a BSCI participant, visit: www.bsci-intl.org/join-us.

FIGURES APPEARING IN THIS REPORT

Figure	Title	Page
Fig. 1	BSCI's Country Network	5
Fig. 2	Revised BSCI Code of Conduct	7
Fig. 3	How Does the BSCI Integrity Programme Work?	11
Fig. 4	Activities in the Framework of the BSCI Integrity Programme	11
Fig. 5	BSCI Round Tables Held in 2013	14
Fig. 6	BSCI Activities in Producing Countries in 2013	16
Fig. 7.i	Results for Sample of Producers Audited in 2013 With a Re-Audit Within the Same Year or That Got a 'Good' Result After the Full Audit	17
Fig. 7.ii	Results of Producers with a Re-Audit Within 2013	17
Fig. 8.i	Results of Full Audits Over Four Years	17
Fig. 8.ii	Results of Re-Audits Over Four Years	17
Fig. 9	Distribution of Full and Re-Audits in 2013 by Country	18
Fig. 10	Percentage of Major Deviations Per Chapter in BSCI Audits With a Non-Compliant Result in 2013	18
Fig. 11	Results of BSCI Audits in Bangladesh Per Chapter	19
Fig. 12	Results of BSCI Audits in China Per Chapter	20
Fig. 13	Results of BSCI Audits in India Per Chapter	21
Fig. 14	BSCI Expenditures in 2013	22

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Some parts may refer to 2014 where relevant.

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