



2015 ASTA  
Annual Meeting  
& Exhibits

Pre-Conference Workshop -  
Responsible Sourcing



# ASTA's Responsible Sourcing Guide

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Palmond Charleston Place Hotel

# Overview

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- This guide is structured in two parts:
  1. Key principles that may be considered in evaluating suppliers.
  2. Checklist matched to the principles to be used to evaluate suppliers performance.
    - Evaluation based on “fully meets”, “partially meets” and “does not meet” criteria.
    - Checklist written is qualitative, however, users can establish a quantitative system based on intended use.
    - Individual companies must determine how the information gathered through the Responsible Sourcing Checklist will meet their needs.
    - The checklist may also be customized to meet companies needs.

# Company Intent

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Establish company core values and expectations for vendors, suppliers and their representatives:

\_\_\_\_\_ 's (company name) approach to corporate responsibility is based on our core values: (insert company core values).

As an (international) business with vendors, suppliers and their representatives (the world over) (or insert locations), \_\_\_\_\_ (company name) has a responsibility to trade ethically and with integrity. The people with whom we deal and in particular our vendors, suppliers and their representatives are expected to share our core values and adopt practices that are consistent with this Responsible Sourcing Program.

Our vendors, suppliers and their representatives must comply with all applicable laws and regulations in the country where operations are undertaken. Our vendors, suppliers and their representatives should also seek to develop relationships with their own supply chains consistent with the values and principles set out in this Program.

# Voluntary Employment

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- Is there a policy in place against involuntary employment of any kind, including forced labor, debt bondage and slave labor?
- If migrant workers or foreign contracted laborers are used, are personal identification documents such as passports, visas or work permits, retained by the employer or employment agency, if used?

## Freedom of Association/Collective Bargaining

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- Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer must adopt an open attitude towards the activities of trade unions and their organizational activities. Workers' representatives must not be discriminated against and must have access to carry out their representative functions in the workplace.
- Where the rights to freedom of association and collective bargaining are restricted under law, the employer must not hinder the development of parallel means for independent and free association and bargaining.

# Working Conditions

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- Vendors, suppliers, and their representatives must provide a safe and healthy workplace for their workers, with attention paid to the need for working and accessible emergency exits.
- Steps must be taken to maintain a productive workplace by minimizing the risk of accidents, injury and exposure to health risks.
- Legally compliant safety and health training should be provided to their workers and appropriate personal protective equipment is required to ensure the safety of workers.
- If workers are required to pay for personal protective equipment and uniforms, those costs must be reasonable so as not to lead to debt bondage.
- Compliance with these health and safety requirements should be overseen by senior management.
- Physical or mental abuse, or the threat of such, is prohibited. Sexual or verbal harassment, as well as other forms of intimidation, are also prohibited.

# Child Labor

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- The use of child labor is prohibited, except in such cases of legal exemptions related to children performing work on a family farm or other family-owned business.
- Children or young persons (aged 15-18) are not to be employed at night or in hazardous conditions.
- Policies and procedures must comply with the provisions of relevant International Labor Organization standards.
- Audit focus: Observe the work force present – do any look underage? Inquire as to the age of the youngest worker. Ask to see the company's policy as regards age of employees. How is it verified?

# Wages/Working Hours/Housing

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- Wages and working hours need to, at a minimum, comply with all applicable wage and hour laws, rules, and regs, including minimum wage, overtime, and max hours per week in the country concerned.
- All workers must be provided with written and understandable information regarding such at time of hiring – in languages understood by that work force.
- Audit focus: Inquire if there is documentation describing the wages, benefits, overtime, and working hours that is provided to the workers at time of hire. Is this part of an employee manual? Who is responsible for assuring these policies are upheld? Are the workers informed and do they understand the policies? If asked, do they know where to go to find this information? Are you able to review the documentation?

# Wages/Working Hours/Housing

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- Audit focus: Ask what the minimum wage is for starting workers and compare it to the official government minimum wage for that country. What is the maximum number of hours an employee can work over regular time? Do they have a choice? How many hours are in a regular work day? In a regular week? What are overtime wages? Compare this information against official government regulations.
- Deductions from wages as a disciplinary measure are not permitted.
- If the company provides housing for their employees, information about the cost of housing (and meals, if provided) must be provided and must be reasonably priced. Garnishment of wages for housing or meals must not lead to indentured employment.

# Wages/Working Hours/Housing

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- Living conditions are subject to inspection and must comply with local regulations.
- Housing must be segregated by gender or by family unit as applicable. There must be sufficient toilet and washing facilities.
- Audit focus: If the company provides employee housing, ask to inspect and report on the conditions and facilities, as well as the number of employees lodging there. Are they appropriate and adequate? Is segregation occurring? Is it a safe and sanitary environment?

# No Discrimination

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- There must be no discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, color, gender, religion, caste, national origin, age, disability, marital status, sexual orientation, union membership, political affiliation, or any other legally protected class.
- Audit focus: Review the company's non-discrimination policy and what it includes – compare against official government policy for that country. Is it posted for employee access? It should be.

# Confidentiality

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- The confidentiality of information exchanged in the course of business must be respected and must not be used for illegal purposes or for individual gain by either party.
- Audit focus: Has your company made this known to the supplier company? If you have a Code of Ethics with the supplier, is this part of the document?

# Ethical Requirements

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- Business must be conducted with integrity.
- The offering, paying, soliciting or accepting of bribes or kick-backs, including facilitation payments, is strictly prohibited.
- A bribe may involve giving or offering any kind of reward in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit.
- Bribery can also take place where the offer or giving of a bribe is made by or through a third party, e.g., an agent, representative or intermediary.

# Environmental Management

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- Encourage operating practices, farming practices and agricultural production systems that are sustainable.
- Vendors, suppliers and their representatives should continually strive to improve the efficiency and sustainability of their operations.

# Quality

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- All goods supplied shall be merchantable and fit for any purpose held out by the supplier and its representatives or made known to the supplier and its representatives or for which they are commonly used. The goods shall conform in all respects with any order, specifications and/or patterns or samples supplied or advised by the supplier.
- It is understood that intentional economical adulteration is prohibited by U.S. law and action can be taken under the ASTA Member Self-Regulation Program.

# Audit/Termination of Agreements

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- Companies have the right to verify compliance to the Code of Conduct through audits.
- In the event an audit demonstrates shortcomings, remediation programs should be implemented that lead to conformance within an agreed upon timeline.
- Corrective action may be requested.
- Termination of agreements is possible for failure to comply with the Code of Conduct.

# Audit Checklist

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- iPad Demo
- Need for mobile app?
  - If yes, what platform?



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# Questions?



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