
American Spice Trade Association

Responsible Sourcing Guide



PREFACE

The American Spice Trade Association (ASTA) provides this Responsible Sourcing Guide to allow member companies to voluntarily structure a program that meets their needs. This guide is provided as a service to ASTA members to provide information relevant to a company's independent development of its own responsible sourcing requirements within its supply chain. ASTA provides this document without providing any warranties of any kind, either express or implied, including but not limited to warranties of merchantability, fitness for a particular purpose, accuracy, design, usage, quality, performance, compatibility, or title. ASTA is not responsible for the use or nonuse of any information presented or discussed in this document. It is the responsibility of each ASTA member to verify information presented in this document before acting on it, and to comply with all relevant federal, state, and local laws. ASTA urges users of this document to consult with appropriate experts before acting on any information contained in this document.

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Introduction

This guide is structured in two parts. The first provides an overview of key principles that may be considered in evaluating suppliers. The second provides a checklist matched to the principles that can be used to evaluate supplier performance in each area. The checklist has been set up to allow an evaluation based on “fully meets” the criteria, “partially meets” the criteria and “does not meet” the criteria. This provides auditors in the field with discretion to acknowledge progress that is being made. The checklist as written is qualitative, however, users can establish a quantitative system, based on their intended use. Each area also contains a notes/actions section which allows users to list deficiencies and actions required that can be used in discussions aimed at providing education and goals to work towards.

Individual companies must determine how the information gathered through the Responsible Sourcing Checklist will meet their needs. Some companies may wish to make compliance mandatory to be eligible as a supplier. Compliance may be written into contracts or purchasing agreements. The checklist may also be customized by companies to best meet their needs.

Company Intent

Companies using the ASTA Responsible Sourcing Guide are encouraged to clarify with individual suppliers the intended use of their Responsible Sourcing Program. The following language is provided as an example of how it can be used and should be customized by each company.

_____ '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

There can be no forced, bonded or involuntary prison labor. Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer. Other sections cover garnishment of employee wages for items such as uniforms, housing and food and the need to ensure these costs are reasonable and do not lead to debt bondage.

Freedom of Association and the Right to Collective Bargaining

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

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

The use of Child (defined below) labor is prohibited, except for legal exemptions related to children performing work on a family farm or other family owned business. Vendors, suppliers, and their representatives must adhere to minimum age provisions of applicable law and regulations.

Suppliers currently using Child labor shall immediately stop. Suppliers should develop policies and programs which will provide a transition of any such Child to enable him/ her to attend and remain in quality education until no longer a Child. There shall be no further recruitment of Child labor.

Children and Young Persons (defined below) under 18 shall not be employed at night or in hazardous conditions.

Policies and procedures shall conform to the provisions of the relevant International Labour Organization (ILO) standards.

A *Child* is defined as any person less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory education, in which case the higher age would apply. If, however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, the lower age will apply.

A *Young Person* or *Young Worker* is defined as any worker over the age of a Child as defined above and under the age of 18.

Wages and Working Hours / Acceptable Housing, if provided

Wages and working hours will, at a minimum, comply with all applicable wage and hour laws, rules and regulations, including, but not limited to, minimum wage, overtime, and maximum hours in the country concerned.

All workers should be provided with written and understandable information about their employment at hiring in easily accessible and understood documents written in languages understood by all workers. This should include terms of employment and wages. All workers should be provided with information about the particulars of their wages for the pay period concerned each time that they are paid.

Deductions from wages as a disciplinary measure are not permitted.

If workers live in company provided housing, information about the cost of housing and/or meals must be provided and must be reasonable. Garnishment of wages for housing and/or meals cannot lead to indentured employment. Living conditions are subject to inspection and must be locally appropriate. Segregation by gender or family unit is required and there must be sufficient toilet and washing facilities.

No Discrimination

There must be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, color, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation or any other legally protected class.

Confidentiality

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.

Ethical Requirements

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 form of gift, consideration, reward or advantage to someone in business or government 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.

Some examples of bribes are as follows. This is not an exhaustive list:

- lavish gifts
- meals
- entertainment or travel expenses, particularly when they are disproportionate, frequent or provided in the context of on-going business negotiations
- the uncompensated use of company services, facilities or property
- cash payments
- loans, loan guarantees or other credit
- the provision of a benefit, such as an educational scholarship or healthcare, to a member of the family of a potential customer/public or government official
- providing a sub-contract to a person connected to someone involved in awarding the main contract
- engaging a local company owned by a member of the family of a potential customer/public or government official

Facilitation payments are small payments or fees requested by government officials to speed up or facilitate the performance of routine government action (such as the provision of a visa or customs clearance). Such payments are strictly prohibited.

Suppliers, representatives and their employees must comply with all applicable anti-bribery and corruption laws. If no such anti-bribery or corruption laws apply or are of a lesser standard to that prescribed in the US Foreign Corrupt Practices Act of 1977 (FCPA) (15 U.S.C. § 78dd-1, et seq.), suppliers, representatives and their employees must adhere to the US Foreign Corrupt Practices Act of 1977.

Suppliers and their representatives should have in place anti-corruption and bribery procedures designed to prevent employees or persons associated with their business from committing offenses of bribery or corruption.

Environmental Management

We support and encourage operating practices, farming practices and agricultural production systems that are sustainable. Vendors, suppliers, and their representatives should continually strive towards improving the efficiency and sustainability of their operations. These efforts should include:

- Conducting regular environmental reviews as applicable to their products and services
- Appointment of a company environmental representative
- Demonstration of compliance with all current legislation that may affect their activities
- Documented water conservation programs
- Disclosure of any enforcement, improvement or prohibition notices served on the site within the last 24 months
- Documentation that hazardous materials and chemicals are disposed of in accordance with local law
- Documentation that solid waste removal and disposition is conducted in a way to minimize environmental pollution
- Documentation of a policy to minimize the use of Ozone Depleting Chemicals, if applicable

Quality

All goods supplied to us 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.

Any services supplied to us shall be provided by appropriately qualified and trained personnel, exercising with due care and diligence, to such high standard of quality as is reasonable for us to expect in all the circumstances and shall conform in all respects with any order.

Audit and Termination of Agreements

_____ (company name) reserves the right to verify the compliance of each of its brokers, distributors, vendors, suppliers, and/or its representatives with this Code of Conduct.

Where an audit of the brokers, distributors, vendors, suppliers and/or their representatives demonstrates shortcomings of this Code of Conduct, the brokers, distributors, vendors, suppliers and their representatives should strive to implement a program of improvement (remediation) leading to conformance within an agreed upon timeline.

In the event that _____ (company name) becomes aware of any actions or conditions not in compliance with this Code of Conduct, _____ (company name) reserves the right to request corrective actions. Additionally, an agreement with any broker, distributor, vendor, supplier or its representatives may be terminated for failure to comply with this Code of Conduct.

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