

# CHARTER OF PRINCIPLES OF THE BCSD PORTUGAL



The Charter of Principles of the BCSD Portugal (the Charter) sets out the principles that provide guidelines for good business management.

It enables any signatory company to be recognized by its customers, suppliers and society in general, as one which has made serious commitments to sustainability<sup>1</sup>.

The Charter encourages signatories to go beyond legal compliance, adopting standards and practices recognized and in line with the highest management, ethical, social, environmental and quality standards, in whatever context in the global economy.

Signatories:

- Recognize the importance of sharing information about sustainability with their stakeholders, giving

answers and clarifying any doubts or concerns in the area of sustainability, thus contributing towards stressing the importance and relevance of adopting sustainable practices;

- Consider the Charter as an initiative that is applicable throughout the value chain<sup>2</sup> and will seek to open a dialogue with its direct and relevant suppliers in order to encourage them to sign up to this Charter;
- Commit themselves to the ambition set out in the United Nation's Sustainable Development Objectives.

The BCSD Portugal invites all companies, whether they are members or not, to sign up<sup>3</sup> to this charter.

# SCOPE

The BCSD Portugal's Charter of Principles sets out the basic principles of sustainability that signatory companies voluntarily adopt themselves and which they seek to extend to their value chain within the sphere of their influence<sup>4</sup>.

Signatories commit to:

## PRINCIPLE 1

LEGAL COMPLIANCE  
AND ETHICAL CONDUCT

**1.1** RESPECT in their business dealings the 10 Principles of the United Nations Global Compact<sup>5</sup>, the Universal Declaration of Human Rights<sup>6</sup> and the Fundamental Principles and Rights at Work of the International Labour Organization<sup>7</sup>.

**1.2** DO BUSINESS respecting the laws and standards that regulate their activity nationally and internationally, adopting the principle of implementing the most demanding practices where there is a choice between national legislation and international standards.

**1.3** COMPLY WITH and encourage compliance with best practices in relation to ethical conduct.

**1.4** REFUSE TO TOLERATE any direct or indirect involvement in any form of corruption, fraud, money laundering, bribery or extortion.

**1.5** RESPECT the rules of fair competition, and supply reliable and transparent information to all partners.

**1.6** DEFINE procedures to identify and tackle conflicts of interest that might adversely affect business relationships.

**1.7** RESPECT AND ENFORCE RESPECT for intellectual property rights.

**1.8** PROTECT, do not use and do not make available unauthorized data belonging to third parties.

## PRINCIPLE 2

### HUMAN RIGHTS

**2.1** RESPECT and foster Human Rights.

**2.2** REFUSE TO TOLERATE any violations of human rights, refusing any form of harassment, discrimination, coercion, abuse, violence or exploitation in their sphere of influence.

**2.3** MAKE THE EFFORT NECESSARY to avoid that raw materials are used in their products which directly or indirectly finance practices that violate human rights.

## PRINCIPLE 3

### WORKING RIGHTS

**3.1** RESPECT working rights and reject any form of forced or child labor.

**3.2** SUPPORT freedom of association and recognition of the right to collective bargaining.

**3.3** OFFER remuneration that is fair and equitable, ensuring payment of a fair wage and a healthy balance between business, family and personal life.

**3.4** ENCOURAGE equal opportunities and equal treatment in relation to employment and job positions.

**3.5** ENSURE that conditions exist for a work environment that is free from discrimination, moral or sexual harassment, threats and psychological or physical aggression.

**3.6** PROVIDE opportunities for staff to acquire knowledge and training, and recognize and value the qualifications they have earned to carry out their duties.

## PRINCIPLE 4

PREVENTION, HEALTH AND SAFETY

**4.1** IDENTIFY, CONTROL AND ANTICIPATE risks and take the preventive measures needed to avoid accidents and occupational illnesses.

**4.2** ENCOURAGE behavior that promotes physical and psychological well-being, and the safety of their direct and indirect workers.

**4.3** ENSURE that protective measures are taken and training given for the prevention of accidents, and the health and safety of workers.

## PRINCIPLE 5

ENVIRONMENT

**5.1** PROMOTE continuous improvement in processes, product and services, by identifying, monitoring and mitigating the environmental risks connected with their activities, aiming to reduce negative impacts on the climate, the air, water, soil, biodiversity, land and on communities.

**5.2** REDUCE the consumption of natural resources and the generation of waste, maximizing the efficiency of processes, reuse and recycling.

**5.3** PROMOTE environmental responsibility, the use of clean and innovative technologies, and the involvement of stakeholders, in order to adapt to global challenges.

# PRINCIPLE 6

## MANAGEMENT

**6.1** IMPROVE continuously management practices and processes, adopting measures to comply with the principles set out herein.

**6.2** ENCOURAGE the value chain to respect and promote principles that are the same or equivalent to those in this Charter.

**6.3** COMMUNICATE on a regular and transparent basis their sustainability performance, in particular relevant information about economic, environmental, social, ethical and management performance<sup>7</sup>.

**6.4** ENCOURAGE the involvement of stakeholders by listening and through discussion.

## NOTES

<sup>1</sup> Signing up to the Charter is compatible with adopting other codes of conduct.

<sup>2</sup> Any company that is part of the value chain of a signatory is free to sign up to the Charter, as its content and commitments are suitable for any company.

<sup>3</sup> Signing up to the Charter is done by the company concerned sending an e mail to the BCSD Portugal at [info@bcspdportugal.org](mailto:info@bcspdportugal.org), which does not mean that the company is obliged to join the BCSD Portugal. The BCSD Portugal will disclose the list of signatory companies on its website.

<sup>4</sup> The principles set out in the Charter are adopted by signatory companies in relation to their direct actions, while at the same time defining operating principles for their direct suppliers.

<sup>5</sup> The 10 principles of the United Nations' Global Compact are:

### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2: Make sure that they are not complicit in human rights abuses.

### Working Practices

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: Abolition of all forms of forced or compulsory labor;
- Principle 5: Effective abolition of child labor;
- Principle 6: Elimination of discrimination in respect of employment and occupation.

### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: Undertake initiatives to promote greater environmental responsibility;
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

### Anticorruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

For more information, go to:

- Portuguese Network of the Global Compact: <http://globalcompact.pt/about/un-global-compact/os-10-principios>
- Global Compact of the United Nations: <https://www.unglobalcompact.org/>

<sup>6</sup> Universal Declaration of Human Rights

- Original version: <http://www.un.org/en/universal-declaration-human-rights/>
- Version in Portuguese: <http://www.ohchr.org/EN/UDHR/Pages/Language.aspx?LangID=por>

<sup>7</sup> Fundamental Principles and Rights at Work of the International Labor Organization

- Original version: <http://www.ilo.org/declaration/lang--en/index.htm>
- Version in Portuguese: [http://www.ilo.org/public/english/standards/declaration/declaration\\_portuguese.pdf](http://www.ilo.org/public/english/standards/declaration/declaration_portuguese.pdf)

<sup>8</sup> This communication should follow the guidelines set out in Decree-Law number 89/2017 of the 28th of July 2017.

# INFORMATION



The Charter of Principles of the BCSD Portugal comprises a set of principles that constitute guidelines for good business management. Despite emphasizing in the preface that these are fundamental principles of sustainability, it was decided to refer in the title to the “Charter of Principles”, omitting the word “sustainability”, since, in fact, they are principles of good business management. As the BCSD is a business association, this charter is a charter of principles about good business management practices.

## **1. RELATIONSHIP BETWEEN THE BCSD PORTUGAL’S CHARTER OF PRINCIPLES AND COMPANY CODES**

Many companies have already implemented ethical codes and codes of conduct for suppliers. The BCSD Portugal’s Charter of Principles does not invalidate charters that any company has specifically written for its business.

The BCSD Portugal’s Charter of Principles is a charter that explains the principles of sustainable management and can be signed up to by companies of any size.

## **2. LEVEL OF AMBITION**

The BCSD Portugal’s Charter of Principles is inspired by the Universal Declaration of Human Rights, the Principles and Fundamental Rights at Work of the International Labor Organization, and the Global Compact of the United Nations. It also encourages the reporting of non-financial information by some major companies to disclose on an annual basis non-financial and diversity information.

## **3. RELATIONSHIP BETWEEN THE CHARTER AND LEGAL REPORTING OBLIGATIONS ON SUSTAINABILITY**

In July 2017, the European Directive number 2014/95/EU of the European Parliament and Council dated 22 October 2014 was transposed into Portuguese legislation via Decree Law number 89/2017 of the 28th of July. This decree law relates to the disclosure of non-financial information and diversity information by certain major companies.

The decree law applies to:

- a) major companies and holding companies of a major group, which have the legal status of entities of public interest and which have an average of more than 500 workers in each financial year; and
- b) major companies quoted on the stock exchange.

As from January 2017, these companies will have to prepare a non-financial statement, included in the management report and presented in a separate report, prepared by their statutory management entities, containing sufficient non-financial information for an understanding of the trends, performance, position and impact of its activities, in relation to, at a minimum, issues of an environmental and social nature, and in relation to workers, equality between men and women, non-discrimination, respect for human rights, the fight against corruption and attempts at bribery. Major companies quoted on the stock exchange also have to present a description of their diversity policies that they apply concerning their statutory management and auditing entities, in particular in terms of age, gender, educational qualifications and professional background.

Despite the fact that the decree law does not apply directly to SMEs and micro-companies, given that the company must report information on *“The main risks associated with these issues, linked to the company’s activities, including, if relevant and proportionate, its business relationships, its products and services that may have negative impacts in these areas and the way in which these risks are managed by the company”*, it is therefore possible that the major companies covered by this law may begin to request non-financial information from its suppliers, including SMEs and micro-companies.

For more information about the decree law, go to: <https://dre.pt/application/file/a/107773551>.

#### 4. COMPLYING WITH THE PRINCIPLES SIGNED UP TO BY SIGNATORY COMPANIES

All companies that are signatories to the Charter of Principles of the BCSD Portugal are invited to take part in the process of identifying indicators which will provide evidence of effective compliance with the principles by the signatory companies.

At present, the BCSD Portugal Work Group “Sustainability in the Value Chain” is beginning the process of identifying a range of indicators that will serve for reporting and monitoring signatory companies. These indicators, inspired by the Global Reporting Initiative, will be simple ones, which will allow a performance trend to be established over the long term, and will enable SMEs and micro-companies to begin this process in a practical but serious manner. Identifying indicators for each company will be based on an analysis of materiality.

Specific training will also be prepared in relation to the content of this charter, as well as how it should be applied in the day to day work of companies, in order to give the tools to organizations of all sizes to be able to subscribe to and implement the principles of the Charter.

It is anticipated that in 2020 reporting for the indicators concerning the year 2019 will be requested and will allow the monitoring of the effective implementation of the commitments made.

#### 5. THE CHARTER OF PRINCIPLES OF THE BCSD PORTUGAL AND MEMBERS OF THE BCSD

Signing up to the Charter of Principles of the BCSD Portugal is voluntary, and it is expected that all members will sign up.

## 6. WHY SIGN UP TO THE CHARTER OF PRINCIPLES OF THE BCSD PORTUGAL

For SMEs and micro-companies, signing up to the Charter means:

- Making and communicating an explicit commitment to management practices associated with sustainability, and being part of a process of co-development of indicators to monitor it.
- Having access to training and information that allows for the gradual implementation of the procedures necessary to succeed in disclosing information about how they are complying with the Charter of Principles of the BCSD.
- Preparing themselves to be in a position to respond to requests for non-financial information from the major companies covered by Decree Law number 89/2017 of the 28th of July.
- Being part of a network of companies that want to be recognized for their good management practices.

For major companies, signing up to the Charter means:

- Strengthening leverage power over their value chain through promoting sustainable management principles.
- Communicating the implementation of actions towards further applying sustainable management practices.
- Reporting in a simple and clear manner about compliance with the Charter of Principles of the BCSD.

All signatories can use the Charter signatory seal in its media communications. The BCSD Portugal encourages its signatories to disclose its adherence to this charter through its communication channels.

## 7. HOW THE CHARTER OF PRINCIPLES OF THE BCSD PORTUGAL WAS DRAWN UP

The Charter of Principles of the BCSD Portugal was an initiative of the Work Group “Sustainability in the Value Chain”, which was made up of representatives from 17 companies. During 2017 all members of the BCSD were asked on two occasions to send their comments concerning working versions of the charter.

Comments were received from 35 companies of various sizes (38% of BCSD members), which were then analyzed by members of the Working Group.

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**For more information, contact:**  
[info@bcspdportugal.org](mailto:info@bcspdportugal.org)





**BCSD**  
RESPONSIBLE EQUILIBRIUM

Business Council  
for Sustainable  
Development

**The BCSD Portugal – Business Council for Sustainable Development** brings together and represents companies that actively commit to sustainability, and is one of the facilitators in Portugal in the transition towards a low carbon economy, which puts value on eco-systems and generates well-being in society. By developing projects across companies that stimulate sustainable development, the BCSD is an influential and inspiring player in building new business models that are competitive, innovative, responsible, sustainable and inclusive. By intervening in the development of public policy, the BCSD stimulates collaboration between the business community, political decision makers and civil society. With wide representation among industry sectors, the BCSD has more than 90 companies as members, which employ directly more than 270,000 people. The sales turnover of non-financial members of the BCSD make up 38% of Portugal's GDP, equal to more than 65 thousand million Euros of turnover and a GVA (Gross Value Added) of between 6 and 8% of GDP.

[www.bcsdportugal.org](http://www.bcsdportugal.org)