



RBA VAP DEFINITIONS

AFA – Audit Finding Acknowledgement: A document/ preliminary record of any findings, including priority or Major audit findings (can include other findings if auditor details them). The auditee is required to sign the AFA at the end of the closing meeting.

APM – Audit Program Manager: The role assigned to RBA internal staff team which manage the RBA VAP program including contracting, scoping, costing, scheduling and appointment of audit firms and auditors

Apprentice: A worker in a training program that combines vocational education with work-based learning for an intermediate occupational skill (i.e., more than routine job training), and that are subject to externally imposed training standards, particularly for their workplace component.

Attachment B: Document which details auditee’s authorized recipients (RBA members only).

Attachment B Company: Member Companies who have been approved by the Auditee to view and or receive the auditee’s final VAR.

Auditee Agreement: Auditee signed agreement to allow the audit to occur.

Audit: An Audit is an evidence gathering process. Audit evidence is used to evaluate how well audit criteria are being met. Audits are objective, impartial, and independent, and the Audit process is systematic and documented. In this document Audit shall mean any audit carried out within the requirements of the VAP, i.e., VA, CMA and AMA

Audit Criteria (AC): Policies, procedures, and requirements of the audit.

Audit Evidence: Records, visual observations, factual statements, and other verifiable information that is related to the Audit criteria being used.

Audit Findings or Finding: Results from the audit that evaluates audit evidence and compares it against Audit criteria. Audit findings can show that Audit criteria are being met (conformity) or that

Audit Firms: The firms that provide auditors who conduct RBA audits and ensure that audits are conducted in accordance with the expectations defined within the RBA VAP Operations Manual.

Auditee: A company whose facility site is the subject of the on-site audit.

Auditee Feedback Survey: A survey provided to the auditee after the audit has been completed in order to get their feedback on the auditors and the general audit process.

Auditee Managed Audit (AMA): An audit that is paid for and overseen by the auditee on their own facility. RBA does not endorse reports from CMA or AMA.



Auditor: RBA approved auditors. Individuals qualified to perform RBA VAP audits. In the context of RBA, an Auditor is a person who collects evidence in order to evaluate how well an Auditee's CSR management systems meets RBA requirements.

Auditor Quality: The auditors are providing accurate information and are consistently interpreting and applying the RBA Code and Interpretation Guidance during the audit.

Audit Protocol (AP): An Audit Protocol assist the Auditors in executing the Audit at the Auditee facilities to evaluate their conformance to the requirements of the RBA code or AC.

Audit Report: The report issued resulting from an Audit in the VAP. This shall mean a VAR or report resulting from a CMA or AMA. RBA does not endorse reports from CMA or AMA.

Availability: Auditors available during the time and in the location the audit is requested.

Average Month: A month which is considered 'typical', in terms of hours worked by factory employees.

Basic wage: Total gross remuneration, excluding regular bonuses, received by employees during a specified period of time for time worked as well as time not worked, such as paid annual leave and paid sick leave. Essentially, it corresponds to the concept of "base cash remuneration". It excludes employers' social insurance contributions, and benefits bonuses of any kind. See definition of regular bonus and wage (ILO, Resolution concerning the International Classification of Status in Employment (ISCE) 1993)

Bonded Labor: Another form of debt bondage, it often starts with the worker agreeing to provide labor in exchange for a loan, but quickly develops into bondage as the employer adds more and more "debt" to the bargain. (Source ILO Jurisprudence)

Bonus (Regular bonus): A monetary payment made to an employee over and above their regular wage or compensation package Bonuses immediately reward outstanding achievement. (Source ILO Jurisprudence)

Boycott: A collective refusal by an employer or their management to express the disapproval with force of a workers' or worker representatives' request or action, putting direct pressure on the workers or their representatives to intimidate or coerce in order to force the withdrawal of the request or the end of the action.

CAP – Corrective Action Plan: Plan approved by the APM to close non-conformances identified during the Initial Audit.

Closure Audits: Audits conducted after the Initial Audit to close findings identified during the Initial Audit. For the purposes of this document, Closure Audits are 'Validated Closure Audits', which is part of and follows the RBA VAP.

Coercion:

(A) Threats of serious harm to or physical restraint against any person.



(B) Any scheme, plan, or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or

(C) The abuse or threatened abuse of the legal process. (Source: US code – title 22: foreign relations and intercourse – chapter 78: trafficking victims' protection)

Communications: Delivery of information. It can take many different forms such as an announcement, a quick meeting, blog, e-mail, poster at the employee entrances, and a notice in a break room on a bulletin board or a presentation.

Conformance: Rating assignment used when the Audit team determines that a facility is in conformance with a question/provision of the RBA Audit criteria.

Containment: The act, process, or means of immediately reducing a threat or lowering a risk of the situation identified in the priority non-conformance(s). Containment is kept in place until more permanent corrective actions are implemented.

Contractor: Also, Labor contractor see Labor Agent

Contract extension: When both employer and worker mutually agree to extend the employment contract beyond the term of the original contract where there is no break in between the employment period.

Core Business: the business activity that is the main source of a company's enterprise, revenue and profit. A core business for manufacturing, transport, janitorial and security services are all different from one another. The Core Business is NOT referring to making products only, it could be in the form of services, knowledge etc.

Correction: Any action that is taken to eliminate a non-conformance. However, corrections do not address causes.

Corrective action: Steps that are taken to remove the causes of an existing non-conformity or undesirable situation. The corrective action process is designed to prevent the recurrence of non-conformities or undesirable situations. It tries to make sure that existing non-conformities and situations don't happen again. It tries to prevent recurrence by eliminating causes. Corrective actions address actual problems. Because of this, the corrective action process can be thought of as a problem-solving process.

CSR – Corporate Social Responsibility: A business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. The way it is understood and implemented differs greatly for each company and country. Moreover, CSR is a very broad concept that addresses many and various topics such as human rights, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development.



Customer: Anyone or any organization who receives products or services from a supplier organization. Customers can be people or organizations and can be either external or internal to the supplier organization. For example, a factory may supply products or services to another factory (customer) within the same organization. According to RBA, examples of customers include clients, consumers, end-users, purchasers, retailers, and beneficiaries.

Customer Managed Audit (CMA): An audit paid for and overseen by a customer of an Auditee. RBA does not endorse reports from CMA or AMA

Customer requirements: Those requirements agreed between the Auditee and their customer(s) in writing either through contract, addendum to a contract, purchase order or other type of official trading relationship agreement document.

Day off: When employees are scheduled not to work. This does not include medical leave and vacation days.

Debt bondage: The status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined. (Source: US code – title 22: foreign relations and intercourse – chapter 78: trafficking victims' protection)

Defined worker group: A type of worker defined by the type of contract the worker has with the employer. Local labor law limits some worker groups in contract duration, or percent total workforce. Examples of worker groups are temporary workers, student workers, apprentices, dispatch workers, permanent workers or workers with definite or fixed contract duration.

Desktop Closure Audit. Corrective actions are reviewed remotely by an approved audit firm lead auditor for audit questions specifically approved in VAP Operations Manual. If approved by the lead auditor an on-site review is not required.

Discrimination: Different treatment of people based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status. This includes actions for hiring and employment practices such as wages, promotions, rewards, and access to training.

Directly Employed Workers (i.e., Direct Workers): Those employees working for the auditee without any labor agent, contractor or intermediary.

Draft Validated Audit Report (Draft VAR): The Excel document provided to auditee's in order to receive their feedback before the final report is released to them.

Effectiveness: The degree to which a planned result is achieved. Planned activities are effective if these activities are realized. Similarly, planned results are effective if these results are actually achieved.



Efficiency: A relationship between results achieved (outputs) and resources used (inputs). Achieving more with the same or fewer resources can enhance efficiency. The efficiency of a process or system can be enhanced by achieving more or getting better results (outputs) with the same or fewer resources (inputs).

Element: For the purposes of this ops manual and as it pertains to ratings, an element is anything on the list of minimum requirements

Emergency or Unusual Situations: Situations that are unpredictable events that require overtime in excess of legal or RBA limits. Such events cannot be planned for or foreseen.

Examples of such situations include:

- Equipment breakdown, power failure or other emergency resulting in prolonged shutdown of a production line.
- Unforeseen raw material or component shortages or quality issues that shut down production. Excessive overtime is then needed in both situations to recoup lost production time and meet customer commitments.

In all of these cases evidence of FEWER hours worked before a period of excessive production in Emergency or Unusual Situation is present and documented. The site has a documented plan to recover from the emergency situation and bring working hours back into conformance. During the implementation period of the documented recovery plan the site will be deemed in conformance.

Situations that are NOT “Emergency” or “Unusual” include, but are not limited to:

- Peak season production demands and new product ramps.
- Contract change orders that significantly increase order volumes or shorten delivery timelines.

Exit: The portion of an *exit route* that is generally separated from other areas to provide a protected way of travel to the *exit discharge*. An example of an exit is a two-hour fire resistance-rated enclosed stairway that leads from the fifth floor of an office building to the outside of the building.

Exit Access: Portion of an exit route that leads from any occupied portion of a building or structure to an exit. An example of an exit access is a corridor on the fifth floor of an office building that leads to a two-hour fire resistance-rated enclosed stairway (the *exit*).

Exit Access Door: A door along the exit route such as where the *exit route* enters another intervening room, corridor, stairway or ramp.

Exit Discharge: The part of the *exit route* that leads directly outside or to a street, walkway, refuge area, public way, or open space with access to the outside. An example of an exit discharge is a door at the bottom of a two-hour fire resistance-rated enclosed stairway that discharges to a place of safety outside the building.



Exit Discharge Door: A door that is at the end of an exit route that discharges to a place of safety outside the building. In other words, a door that serves as the exit discharge.

Exit Route (or Means of Egress): A continuous and unobstructed path of exit travel from any point within a workplace to a place of safety (including refuge areas). An exit route consists of three parts: The *exit access*, the *exit*, and the *exit discharge*.

Exploitative Prison Labor: Exploitative means taking advantage unfairly of a situation to gain benefit, Exploitative Prison Labor means working conditions which prisoners have to accept even though they do not meet acceptable standards. In the context of RBA exploitative prison labor shall mean any working condition which does not meet the minimum RBA code provisions and which a prisoner has to accept given his or her condition.

External Observer: An individual from a customer or HQ/regional office of the auditee who is present during the audit

Feedback Surveys: Surveys provided to a specific party to gain their feedback on the audit.

First Response Equipment: First response equipment is those tools and equipment used to respond to serious work accident or incident. These include eye wash stations, emergency showers, fire blankets, defibrillators,

Forced or Compulsory Labor: All work or service that is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

The term forced or compulsory labor shall not include (a) any work or service exacted in virtue of compulsory military service laws for work of a purely military character; (b) any work or service which forms part of the normal civic obligations of the citizens of a fully self-governing country; (c) any work or service exacted from any person as a consequence of a conviction in a court of law, provided that the said work or service is carried out under the supervision and control of a public authority and that the said person is not hired to or placed at the disposal of private individuals, companies or associations; (d) any work or service exacted in cases of emergency, that is to say, in the event of war or of a calamity or threatened calamity, such as fire, flood, famine, earthquake, violent epidemic or epizootic diseases, invasion by animal, insect or vegetable pests, and in general any circumstance that would endanger the existence or the well-being of the whole or part of the population; (e) minor communal services of a kind which, being performed by the members of the community in the direct interest of the said community, can therefore be considered as normal civic obligations incumbent upon the members of the community, provided that the members of the community or their direct representatives shall have the right to be consulted in regard to the need for such services. (Source: ILO Convention (No. 29) concerning Forced or Compulsory Labor)



Follow up audits: Audits in which the APM or RBA has one of their own team members conduct an audit after an RBA VAP audit is completed, reviewing the work conducted by the auditor.

Foreign Migrant Worker: An individual that is recruited and migrates from his or her sending country to another country for specific purposes of employment with the auditee.

Formal interaction: When the auditors select and interview certain individuals, typically in a conference room.

General Data Protection Regulation: A regulation in EU law on data protection and privacy for all individuals within the European Union and European Economic Area. It also addresses the export of personal data outside the EU and the EEA areas.

GHG – Greenhouse Gas: A gas in an atmosphere that absorbs and emits radiation within the thermal infrared range. This process is the fundamental cause of the greenhouse effect.

GWP – Global Warming Potential: GWP is expressed as a factor of carbon dioxide (whose GWP is standardized to 1). For example, the 20-year GWP of methane is 86, which means that if the same mass of methane and carbon dioxide were introduced into the atmosphere, that methane will trap 86 times more heat than the carbon dioxide over the next 20 years.

Hazardous Chemical: Generally, this would be any chemical agent or substance which has the potential to cause harm to humans, animals, or the environment, either by itself or through interaction with other factors.

Host Country: Country in which the auditee is located.

HVAC – Heating, Ventilation, and Air Conditioning: The technology of indoor and vehicular environmental comfort. Its goal is to provide thermal comfort and acceptable indoor air quality.

Illness: For the purpose of RBA audits, illness shall mean occupational illness, which is a disease resulting from exposure during employment to conditions or substances that are detrimental to health.

Immediate containment actions: Immediate steps taken to ensure control and safety in situations where findings have been deemed dangerous.

Indirectly Employed Workers (i.e., Indirect Workers): Employees working for a labor agent, contractor or intermediary at the auditee.

Industrial Relations: Relationships and processes between a worker and/or their representative and the employer and/or management related to the organization of work, employment contracts, human resource management, employment relations, conflict management and attitudes and behaviors at work.



Informal interaction: When the auditors have brief interactions with individuals at their place of work or in other areas of the factory, typically during the factory walk through.

Initial Audits: RBA VAP audits that are conducted either as a first audit, when their audit expires, or as required by companies, as opposed to Closure Audits.

Injury: Injury means damage caused to the body of a worker/employee.

Inspection: Observation, measurement, testing and judgment to evaluate conformity.

Interested party: A person or group that has a stake in the success or performance of an organization. Interested parties may be directly affected by the organization or actively concerned about its performance. Interested parties can come from inside or outside of the organization. Examples of interested parties include customers, suppliers, owners, partners, employees, NGOs, unions, bankers, or members of the general public. Interested parties are also referred to as stakeholders.

Intern: Learner in short duration (with a maximum of 12 months), structured program undergoing supervised practical training to explore job options, learn and/or gain skills or competencies not occurring while they are attending school (to satisfy legal or other requirements for being licensed or accepted professionally).

Internal Audit: A process by which an organization demonstrates independent assurance that their own organization's risk management, governance and internal control processes are operating effectively.

Internal Observer: An individual from the auditee site who is present during the audit.

Interviews: When the auditors speak to auditee workers in an attempt to gather information about the factory, the working conditions, worker treatment, etc.

Involuntary servitude: A condition of servitude induced by means of (A) Any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such condition, that person or another person would suffer serious harm or physical restraint; or (B) the abuse or threatened abuse of the legal process. (Source: US code – title 22: foreign relations and intercourse – chapter 78: trafficking victims' protection)

Irrelevant Sensitive Information: Confidential information that is not necessary to answer an audit question. This may include Names or other identifying information of company or brands with whom the facility currently does, has done, or may do business with, brand/company specific product information, product designs, research and development projects, third-party confidential information, business plans, or Business opportunities.

Juvenile Worker: See Young Worker



Key people: Individuals of the auditee management team that may be interviewed during the audit and may be present during the opening and closing meeting. These may include HR Staff, ESH Staff, GM, Operations Lead, etc.

KPI - Key performance indicator: A metric or measure. KPIs are used to quantify and evaluate organizational success. They measure how much success has occurred and how much progress has been made relative to the objectives. KPIs are also used to set measurable objectives, evaluate progress, monitor trends, make improvements, and support decision-making. KPIs should be quantifiable and appropriate and should collect information that is useful to the organization and relevant to the needs and expectations of interested parties. Examples of KPIs include the following: employee turnover rate, average hours worked per week, average time to closure of non-conformities, lost workday case rate, employee satisfaction survey score, and energy costs per unit of production.

Labor agent: Also, Labor Contractor: a business that is paid to find suitable workers for other companies and organizations. These businesses can be a service provider only or in some cases be the employer of the workers of the requesting company.

Labor Agent/Contractor and Service Provider Audits: Audits conducted at Labor Agents or Service Providers. These audits may have a different scope and may utilize a different audit protocol.

Lead Auditor: Auditors who have the qualifications/meet the requirements defined in the RBA VAP Operations Manual that supervise all auditors and the audit process while the audit is being conducted.

Listed Panic Hardware, or Panic Hardware: Devices used on exit route doors (i.e., exit access doors, exit discharge doors) that are designed to provide building occupants fast and easy egress in an emergency. An example would be a door-locking assembly that can be released quickly by pressure on a horizontal bar. These devices must be 'listed' which means they are certified to conform to an international and / or the local standard which at least, requires all exit discharge doors to be a single motion exit, or have Listed Panic Hardware installed which is pushed open in a single motion standard such as UL 305 – a Standard for Panic Hardware or equivalent. Panic hardware that is installed on fire rated doors (aka Fire Exit Hardware) must also be listed in accordance with an international and / or the local standard, such as UL 10C - a Standard for Positive Pressure Fire Tests of Door Assemblies or equivalent.

Live Audit is the period between the opening meeting of the on-site audit and the release of the final audit report in the RBA-Online system.

Major Change: A change to the auditee which invalidates the audit due to the fact that there is a high probability that impact that workers may be different that the previous audit indicated.

Examples of a 'major change' may include, but are not limited to:



- Significant change in machinery, operation or product
- Change of management
- Change of ownership
- Change of management system
- Change of site/location

Major Non-conformance: A significant failure in the management system – one that affects the ability of the system to produce the desired results.

Management: All the activities that are used to coordinate, direct, and control an organization. In this context, the term management does not refer to people, it refers to activities (the term top management refers to people).

Management review: The overall purpose of a management review is to evaluate the suitability, adequacy, and effectiveness of an organization's CSR management system, and to look for improvement opportunities. Management reviews are also used to identify and assess opportunities to change an organization's Labor, Ethics, or EHS policies and objectives, to address resource needs, and to look for opportunities to improve its CSR performance.

Management system: A set of interrelated or interacting elements that organizations use to implement policy and achieve objectives.

Management System Manual: Documents an organization's management system.

Membership Compliance Program: The requirements and duties that companies must adhere to as members of the RBA.

Minor Non-conformance: Is an isolated or random incident that doesn't typically indicate a systemic problem with the management system.

Member Companies: Organizations that are a member of RBA. These companies are held accountable to a common Code of Conduct and utilize a range of RBA training and assessment tools to support continuous improvement in the social, environmental and ethical responsibility of their supply chains.

Muster Point (or Emergency Assembly Point or Assembly Point): A designated, safe place or area where all building occupants assemble in case of an emergency such as a fire.

Night Work: All work which is performed during a period of not less than seven consecutive hours, including the interval from midnight to 5 a.m. (ILO Convention 171)



Night Work for Young Workers: In the case of young persons under sixteen (16) years of age, this period shall include the interval between ten o'clock in the evening and six o'clock in the morning. (ILO Convention 90). In the case of young persons who have attained the age of sixteen years but are under the age of eighteen years, this period shall include an interval prescribed by the competent authority of at least seven consecutive hours falling between ten o'clock in the evening and seven o'clock in the morning.

Non-conformance: Findings related to the RBA Audit Criteria.

Non-compliance: Findings related to legal requirements.

Objective evidence: Data that shows or proves that something exists or is true. Objective evidence can be collected by performing observations, measurements, tests, or by using any other suitable method.

Observer Feedback Survey: A survey provided to the observer of an audit in order to get their feedback on the auditors and the general audit process.

Off limits: Areas of the factory/site that have been pre-approved to be excluded during the audit

Opportunity for Improvement: A situation which is not fully in conformance or can be improved but where a Corrective Action Plan is not mandatory but recommended. It is sometimes referred to as an “observation”

Outsourced Process: Any process that is part an organization’s CSR management system but is performed by a party that is external to the organization.

Overtime Hours: Paid work hours that are in addition to the standard number of work hours per day or week specified by local or country law. Some laws define overtime as any time beyond the standard number of work hours per day, while others consider overtime to be only the number of work hours that exceed the standard number of work hours per week. Workers must be paid at a rate defined by local law.

Peak Month: The month in which the most hours are worked by employees of the factory. Typically, this is the month in which the most product is produced.

Person Days: The number of days required for the auditor to conduct the audit.

Policy: An organization’s policy defines top management’s commitment to Labor, Ethics or EHS. A policy statement should describe an organization’s general Labor, Ethics and EHS orientation and clarify its basic intentions. Policies should be used to generate objectives and should serve as a general framework for action. Policies can be based on the RBA Code of Conduct and should be consistent with the organization’s other policies.



Preventive action: Steps that are taken to remove the causes of potential non-conformities or potential situations that are undesirable. The preventive action process is designed to prevent the occurrence of non-conformities or situations that do not yet exist. It tries to prevent occurrence by eliminating causes. While corrective actions prevent recurrence, preventive actions prevent occurrence. Both types of actions are intended to prevent non-conformities. Preventive actions address potential problems, ones that haven't yet occurred.

Priority Closure Audits: Closure audits for Priority findings. These are part of and follow the RBA VAP.

Priority Non-conformance: A Priority non-conformance is a grievous breach of ethical standards; significant risk of immediate harm to workers or communities; exploitative violations of worker rights.

Prison labor: The contracting out of prison labor or forcing of prisoners to work for profit-making enterprises. (Source ILO Jurisprudence)

Procedure: A way of carrying out a process or activity. Procedures may or may not be documented. However, in most cases, RBA expects documented procedures.

Process: A set of activities that are interrelated or that interact with one another. Processes use resources to transform inputs into outputs. Processes are interconnected because the output from one process becomes the input for another process. In effect, processes are “glued” together by means of such input output relationships. For example, the output from a risk assessment process is the input to an organization’s objective setting process. Organizational processes should be planned and carried out under controlled conditions. An effective process is one that realizes planned activities and achieves planned results.

Process approach: The process approach is a management strategy. When managers use a process approach, it means that they manage the processes that make up their organization, the interaction between these processes, and the inputs and outputs that tie these processes together.

Process-based management system: Uses a process approach to manage and control how its Labor, Ethics, or EHS policy is implemented and how its improvement objectives are achieved. A process-based management system is a network of interrelated and interconnected processes.

Program: A program is a collection of organizational resources that is geared to accomplish a certain major goal or set of goals. A program is also defined as an ongoing set of activities, processes and procedures internal to the organization, for example, a Personal Protective Equipment (PPE) Program.

Professionalism: The auditors are following the audit protocols and are using the correct tools, are treating the auditee with respect, and are responsive to all pertinent requests.

Quality Management (QM): A process which includes 2nd party and 4th party monitoring, of the integrity of the VAP and the VAR, as well as the quality and consistency of the VAR issued.

RBA – Responsible Business Alliance: A nonprofit coalition of companies committed to supporting the rights and wellbeing of workers and communities worldwide affected by the global supply chain.

RBA Code: A set of standards defined by the RBA on social, environmental and ethical issues.

Record: A type of document. Records provide evidence that activities have been performed or results have been achieved. They always document the past. Records can, for example, be used to show that traceability requirements are being met, that verification is being performed, and that preventive and corrective actions are being carried out.

Re-hiring: When a worker's contract ends but is then re-hired by the same company after a break in employment.

Relevant Sensitive Information: Confidential information necessary to answer an audit question. This may include production processes and equipment, descriptions of raw materials and components, or financial information.

Remote VAP Audit: Audit activities conducted remotely by an approved audit firm Lead Auditor using real-time electronic audio-visual link(s) to the auditee's facility.

Remote Closure Audit: Audits where the findings have been classified by the RBA as those that can be closed remotely and do not require an onsite visit from an auditor.

Requirement: A need, expectation, or obligation. It can be stated or implied by an organization, its customers, or other interested parties. A specified requirement is one that has been stated (in a document for example), whereas an implied requirement is a need, expectation, or obligation that is common practice or customary.

There are many types of requirements. Some of these include RBA requirements, customer requirements, management requirements, product requirements, and legal requirements.

Responsible Minerals Initiative (RMI): Responsible Business Alliance sponsored Responsible Minerals Initiative

Retaliation: To repay like for like. There are three essential elements of retaliation: 1) Protected activity (e.g., opposition to discrimination, opposition to non-ethical behavior, or participation in a grievance process), 2) Adverse action taken by Auditee or its agents, 3) Causal connection between the protected activity and the adverse action.



Risk of Non-conformance: Rating assignment use when evaluating working hours, an insufficient number of workers in a sample are found to exceed the RBA 60-hour working hours limit or the applicable legal limit; when there is conflicting evidence; if the condition or practice meets minimal conformance with the requirement but would likely deteriorate to a Non-conformance without some additional action or effort on the part of facility management.

Root Cause Analysis: A method used to identify underlying cause(s) of a non-conformance. It is used to correct or eliminate the cause and prevent the problem from recurring. If a root cause analysis is not conducted, or conducted poorly, there is a risk that time and resources will be wasted addressing the symptoms of a problem, rather than addressing the real issue.

SAQ – Self-Assessment Questionnaire: A tool used to determine a company's potential corporate responsibility risk.

Semi-announced audit: Audits that are completed within 90 days after initial communication to the auditee, exact audit dates are not disclosed.

Sending Country: A country from which a Foreign Migrant Worker migrates for specific purposes of employment with the auditee.

Shadow audits: Audits in which the APM or RBA has one of their own team members to observe the RBA VAP audit conducted by the 3PA auditors.

Significant Change: Term applied in risk assessment. A significant change is a major change of conditions, management, management system or implementation within the Auditee and/or any change/deviation/modification from the current/previous scope of past risk assessments

A few examples of major changes

- Change in process chemical concentrations or mixtures
- Change/modification in the facility waste storage and/or treatment systems.
- Changes in an environmental permit condition
- Changes in chemicals used, hazardousness of chemicals used
- Changes in type of machinery that modify worker's risk exposure
- Changes in site lay-out (e.g., internal moves, construction, expansion...)
- Changes in the senior management team of the Auditee as the result of merger, acquisition, take-over, ...
- Changes in organization (e.g., significant managerial re-organizations, ...)

Slavery: A physical abduction followed by forced labor. (Source: ILO Jurisprudence)

Social insurance: a system of compulsory contribution to enable the provision of state



assistance in sickness, unemployment, retirement, ...

Student Worker: A worker, regardless of age, who is enrolled in a program at an educational institution and employed by an Auditee for a work placement to support learning that is arranged by the educational institution.

Suppliers: A person or an organization that provides products or services. Suppliers can be either internal or external to the organization. Internal suppliers provide products to people within their own organization while external suppliers provide products to other organizations. Examples of suppliers include organizations and people who produce, distribute, or sell products, provide services, or publish information.

Sustained success: An organization achieves sustained success when it meets its objectives and continues to do so over the long term. Objectives can only be achieved if the organization consistently meets the needs and expectations of interested parties (stakeholders).

Systems approach: When managers use a systems approach, it means that they treat the interrelated processes that make up an organization as an integrated system and then they use this system to achieve its objectives. A system is a set of elements that are interrelated or interact with one another

Time Off: Days on which workers are not required to work. Time off may be paid or unpaid, depending on the type of time off, local law and company policy.

Time Recording Device: A mechanism or system that tracks employees' time. Generally, this is this an electronic system in which employees note when they start and end work. Examples include, but are not limited to, time clocks, software system (i.e., SAP), biometric scans, etc. This system must be accurate and reflect that number of hours worked by employees.

Timeliness: The auditors are meeting all required deadlines.

Training: Organized class or instruction on a subject such as expectations, operating machinery, policy, processes, rights, skills or safety. To be considered training there must be a record of those workers who have attended the training.

Unannounced Audit: Audits that are completed within 180 days after initial communication to the auditee, exact audit dates are not disclosed.

Trafficking: The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery. (Source: US code – title 22: foreign relations and intercourse – chapter 78: trafficking victims' protection)

Validation: A process that uses objective evidence to confirm that the requirements that define an intended outcome have been met. Whenever all requirements have been met, a validated status is achieved.

Values: The general principles and beliefs that are important to an organization.

Valley Month: The month in which the fewest hours are worked by employees of the



factory. Typically, this is the month in which the least amount of product is produced.

VAP – Validated Assessment Program: The audit program used by the RBA that results in a Validated Audit Report.

VAP Operations Manual (VAP OM): The document which defines all elements of the VAP.

VAR – Validated Audit Report: The final PDF document detailing the findings determined during the VA.

Verification: A process that uses objective evidence to confirm that specified requirements have been met. Whenever specified requirements have been met, a verified status is achieved. There are many ways to verify that requirements have been met.

Wage: Total gross remuneration, including regular bonuses, received by employees during a specified period of time for time worked as well as time not worked, such as paid annual leave and paid sick leave. Essentially, it corresponds to the concept of “total cash remuneration”, which is the major component of income related to paid employment. It excludes employers’ social insurance contributions. See definition of regular bonus and basic wage (ILO, Resolution concerning the International Classification of Status in Employment (ISCE) 1993).

Wage is defined as compensation for actual work performed, including piece rate and productivity allocations. Bonus is defined as an extra compensation in addition of wages for special above normal expectation performance. Adhering to company rules or performing duties as expected cannot constitute being rewarded through a bonus. A payment that applies equally to all workers such as “annual bonus” will be considered as part of wage, not bonus.

Waiver: A written relinquishment of a national authority for a legal entity to comply with a specific requirement of applicable law, for more detail please see Section C: Audit sub section 10 of this manual.

Whistleblower: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

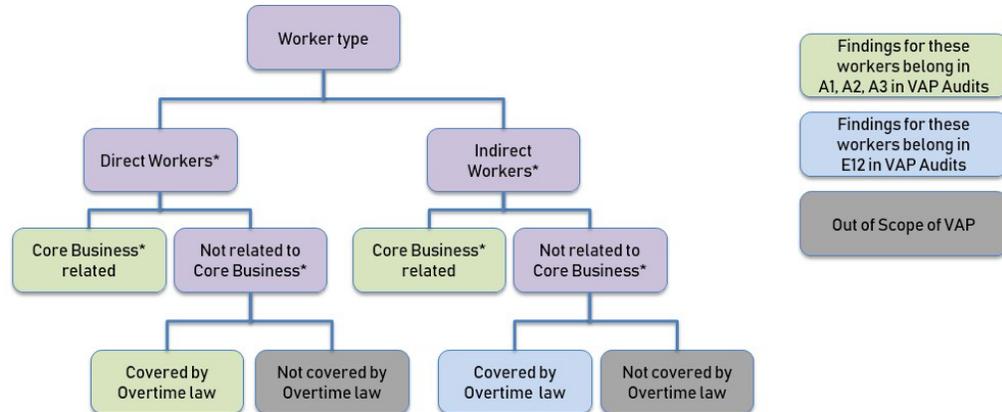
Work environment: Working conditions. It refers to all of the conditions and factors that influence work. In general, these include physical, social, psychological, and environmental conditions and factors. Work environment includes lighting, temperature, and noise factors, as well as the whole range of ergonomic influences. It also includes things like supervisory practices as well as reward and recognition programs. All of these things influence work.

Workers (including local workers) (for other definitions, see also Foreign Migrant Workers and Professional Employee)

Direct or indirect worker dedicated to the production of a good or delivery of a service

- Any worker subject to an hourly increase or decrease due to volume production

- Any worker covered by local laws governing overtime



* - As defined in RBA VAP Operations Manual v6.0.1 Feb 2019

Worker accommodation: 1.) Purpose Built Dorms need to meet dorm requirements. 2.) Rented Apartments must be permitted by the local government.

Working Hours or Hours of Work: Period of time that an individual spends performing paid occupational labor. This means the actual hours of paid “work” by an employee. What is included in Working Hours is defined in national labor law. If what is included in Working Hours is not defined in the national labor legislation then RBA accepts that breaks where workers are free (to have lunch/dinner, refreshment, rest,) and do not involve company-imposed activities such as training, or admin duties are non-working time.

Working Hours Template: Document filled out by the auditee detailing the factory employees working hours which is then verified by the auditor on the day of the audit.

Young Worker: Worker aged 16 (inclusive) to 18 (exclusive) not in a work arrangement to support learning (and no arrangements with any educational institution.)



Document Control.

Document Title	RBA VAP definitions		Rev. Number	Doc. Code
			1.0	*****
Responsible	Juan C. Martinez	Executive Owner	Deborah Albers	
Review History				
Rev. Number	Date	Summary of Changes		
1.0	08/10/22	Added definitions for Semi-announced and unannounced audit, Remote VAP audit and Desktop Closure audit. Updated Definition of significant change.		
2.0	11/21/2022	Modified definition for Announced audit timeframe from 90 days to 180 days.		