



TRACEABILITY GLOSSARY

APRIL 2022

ABOUT THIS GLOSSARY

This glossary provides definitions for traceability efforts related to labor rights and social responsibility in global supply chains. In some cases, the definitions have evolved over time because their application has grown or changed. In other cases, there may be alternative definitions, particularly when applied in other fields and different contexts. In a few cases, there are differences of opinion on what is the most accurate definition. As a result of potentially evolving definitions, this glossary is subject to an ongoing process of review and revision.

The glossary was produced by the Global Trace Protocol project, directed by ELEVATE Limited, with support from the Global Fund to End Modern Slavery.

We would like to acknowledge the team at Verité for their assistance and review of this glossary.

ELEVATE

GLOBAL
FUND
TO
END
MODERN
SLAVERY





AUDIT¹

A systematic, independent, and documented process for obtaining relevant and verifiable evidence, such as records and factual statements, and objectively evaluating it to determine whether and to what extent the audit criteria are fulfilled. To be credible and objective, audit professionals accredited by appropriate institutions conduct these audits and ensure that the auditor has not had any inappropriate financial transactions with the audited organization.

CERTIFICATION BODY (CB)²

An organization accredited by an authorized body to certify or verify another entity's compliance with a specified standard or set of standards.



CERTIFICATE TRADING³

A chain of custody model in which certified upstream producers generate and sell claims to downstream operators. This administrative accounting model allows for the downstream actor to make sustainability claims, without physical traceability to the upstream actors in their supply chain.

CHAIN OF CUSTODY⁴

Documentation showing the transfer of ownership of a product every time that product changes ownership and/or is altered or repacked. Certifiers often require partners to adhere to a specific chain of custody protocol in order to move labeled, certified product through the supply chain.

between the verified unit of production and the sustainability claim about the final product.

CHILD⁶

A person under 18 years of age.

CHAIN OF CUSTODY MODEL⁵

An approach taken to demonstrate the link (physical or administrative)

CHILD LABOR⁷

Work that deprives children of their childhood, their potential, and their dignity, and is harmful to their physical and mental development. National law establishes the minimum age for types and hours of work, in conformance to international standards. ILO Convention 138 requires that the minimum age for work be no less than the age of compulsory schooling, and no less than 15 years. Less-developed countries may initially establish a minimum age of 14. "Child labor" includes work that is mentally, physically, socially, or morally dangerous and harmful to children; and/or interferes with their schooling by depriving them of the opportunity to attend school; obliges them to leave school prematurely; and/or requires them to attempt to combine school attendance with excessive work.



CHOKE POINTS⁸

Stages or key points of transformation in the supply chain with visibility and control over the circumstances of production and trade upstream. Also known as “control points.”

They generally include relatively few actors that process a majority of the commodity.

CODE OF CONDUCT⁹

The foundation of a social compliance program, a code of conduct is a document that sets out the social (and often, environmental) standards and policies with which a company and its suppliers are expected to comply.

COMMUNITY¹⁰

For purposes of this project, a community is comprised of the people in a geographic area (neighborhood, village, town, region) located at some point along a company’s supply chain. The communities in a company’s supply chain are among its stakeholders.

CORRECTIVE ACTION PLAN (CAP)¹¹

A plan of action for remediation of violations found in a particular audit.

CRITICAL TRACKING EVENTS (CTE)¹²

The specific and actual points, locations, or processes along a supply chain where data elements need to be captured. These events include receiving, processing, packing, shipping, or transporting.

DATA

Types of information collected in supply/value chains.

DATA CAPTURE¹³

Supply chain partners capture an object's identity and any additional attributes that have been encoded in a standard manner in a data carrier (barcodes, RFID). This ensures the object can be read automatically and

consistently throughout the supply chain. Thereby, also the time (when), location (where) and other data (who and why) are recorded.

DATA CARRIER¹⁴

A data carrier (such as barcode, RFID, or DNA marker ID) used to support the identification of a traceable object, which is then encoded in a standardized manner in the data carrier.

DATA SHARING

Data transformed in a manner that can be shared using standardized semantics, in a standardized format, using standard exchange protocols.

DATA VERIFICATION¹⁵

The capacity to cross-check product, company-level, and/or supply/value chain information at any point using data supplied by stakeholders or vetted by third parties.

DOWNSTREAM¹⁶

The demand side of the supply chain, when referring to the flow of goods or products from a supplier to an end user or customer.

ENTERPRISE RESOURCE PLANNING (ERP)¹⁷

Business management software used internally to collect and monitor information related to business processes, such as purchasing, processing, marketing, sales, accounting, and inventory management.





FORCED CHILD LABOR¹⁸

For children older than the minimum age, forced child labor is involuntary work performed under the menace of penalty. For children under the minimum age, work is inherently involuntary because children cannot legally consent to it. Forced child labor also includes work performed with or for the child's parents for a third party under the threat or menace of any penalty directly applied to the child

or parents. All children who are made to work as a result of parental forced labor are engaged in forced child labor (distinguished from appropriate work on a family farm). Forced labor is specifically identified as a "worst form of child labor" under ILO Convention 182.



FORCED OR COMPULSORY LABOR¹⁹

All work or service that is exacted from any person under the menace of any penalty and for which the worker does not offer him or herself voluntarily. Forced labor is work obtained by force, fraud, or coercion, including by:

- threat of serious harm to, or physical restraint against, any person;
- means of any scheme, plan, or pattern intended to cause the person to believe that, if the person did not perform such labor or services, the person or another person would suffer serious harm or physical restraint; or
- means of the abuse or threatened abuse of law or the legal process.

"Work or service" encompasses all types of work, service and employment, regardless of the industry, sector or occupation, and includes legal and formal employment as well as illegal and informal work. "Menace of any penalty" means that a threat of penalty may be sufficient. "Voluntary" refers to a worker's consent to enter into a working relationship and choice to leave it.

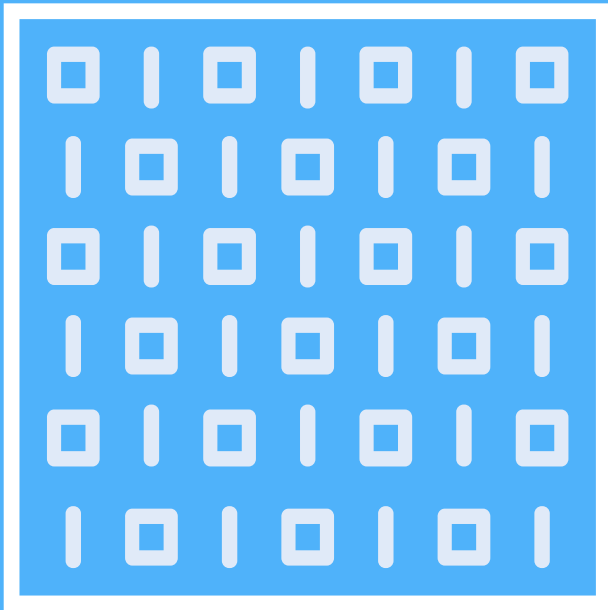
GRIEVANCE²⁰

The ILO defines a grievance as a complaint of one or more workers concerning the relations between employer(s) and worker(s) regarding the conditions of employment in the undertaking “when that measure or situation appears contrary to provisions of an applicable collective agreement or of an individual contract of employment, to works rules, to laws or regulations or to the custom or usage of the occupation, branch of economic activity or country, regard being had to principles of good faith.”

HAZARDOUS WORK²¹

The definition of hazardous work has common characteristics and varies in particular forms by country, consistent with international standards. ILO Recommendation 190 to ILO Convention 182 (the Worst Forms of Child Labor) provides the following guidance on identifying “hazardous work,” which includes work that:

- Exposes children to physical, psychological, or sexual abuse;
- Is performed underground, under water, at dangerous heights or in confined spaces;
- Involves the use dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
- Is performed in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health; and/or
- Is performed under particularly difficult conditions such as long hours or during the night or work in which the child is unreasonably confined to the premises of the employer.



IDENTIFIERS²²

Supply chain partners identify business objects and locations using standardized identifiers (ID)

Identifiers are formatted in a normalized manner, using a pre-determined method with a system of alphanumeric and symbolic codes, record product data, and differentiate specific units or batches. The objectives of the traceability system should determine the level of identification.

IDENTITY PRESERVATION²³

A chain of custody model that requires each batch, quantity, or consignment of certified product be packaged, processed, and traced separately from other certified or non-certified product throughout the supply chain. It does not allow any mixing of certified goods with non-certified goods, at any point in the supply chain.

INDEPENDENT REVIEW²⁴

Independent review consists of independent monitoring or auditing and independent verification. Independence in the social compliance context is characterized by a lack of a direct financial transaction between the company and external entity.

INDEPENDENT VERIFICATION²⁵

Independent third-party review of the implementation and effectiveness of the other activities of the social compliance system, usually carried out by a Certification Body.

INTERNAL TRACEABILITY²⁶

The processes within a company's own operations to enable the identification of the inputs and outputs of goods processed within a business's own operations.

INTEROPERABILITY²⁷

When different computer systems or software programs have the capacity to exchange and make use of information. Consistent documentation is necessary for the efficient sharing of data between systems to minimize transaction costs. Data standards are required for interoperable systems.

KEY DATA ELEMENTS (KDES)²⁸

Selected pieces of information that capture the who, what, where, and when of a product as it moves through the supply chain. KDEs can include items such as dates, specifics about the commodity or good, sustainability information, or information collected about labor conditions at worksites.

MASS BALANCE (CHAIN OF CUSTODY MODEL)²⁹

A model that accommodates the mixing of certified and non-certified sources during processing. In this model, certified producers sell their goods to actors who accept both certified and non-certified goods. As assets move through the supply chain, an exact account is kept about volume and weight ratios at these different tiers or supply chain locations.

MONITORING³⁰

An ongoing process of reviewing whether an organization's actions are consistent with a set of requirements or norms. Social audits may be considered a form of monitoring.

MULTI-TIER SUPPLY CHAIN³¹

Supply chains are typically made up of multiple actors, businesses, or entities, known as supply chain tiers. Tiers may provide inputs of various materials or components or perform processes that make up a finished good. Tiers are described in terms of their one-up, one-down supplier relationships. Actors that only perform logistics services –such as traders or warehousing –are not typically considered or listed when inventorying tiers of sub-suppliers.





NONCONFORM- ANCE³²

An assertion that an action, process or outcome is inconsistent with an applicable requirement in supply chain standards, which may also be contrary to a law, regulation, policy, contract or norm.

ORIGIN

Provenance and location of products, parts, components, processes, and factories.

PRODUCT DATA PAIRING³³

Product-data pairing is the physical attachment of product information to management purposes.

PUBLIC REPORTING³⁴

Communication that is made available to the public, through a variety of channels, about all elements of a company's social compliance system.



RISK MATERIALITY³⁵

Defining the risk-related topics that matter most to a business and its stakeholders. Risk materiality can be determined by “broader societal expectations, and by the organization’s influence on upstream entities.” Assessments of materiality are expected to account for these expectations, as well as those found in international standards and agreements with which the organization is expected to comply.

REMEDIATION³⁶

The actions taken in response to an identified violation or non-conformance. Remediation actions should strive to both fix the problem and prevent it from recurring.

SEGREGATION (CHAIN OF CUSTODY MODEL)³⁷

A model that verifies that all inputs to a product are certified to a standard but allows physical mixing of certified batches from different sources. Certified products must be kept separate from non-certified products both physically and in documentation. This segregation from non-certified material occurs during all receiving, processing, packaging, storage, and transportation stages of the supply chain.

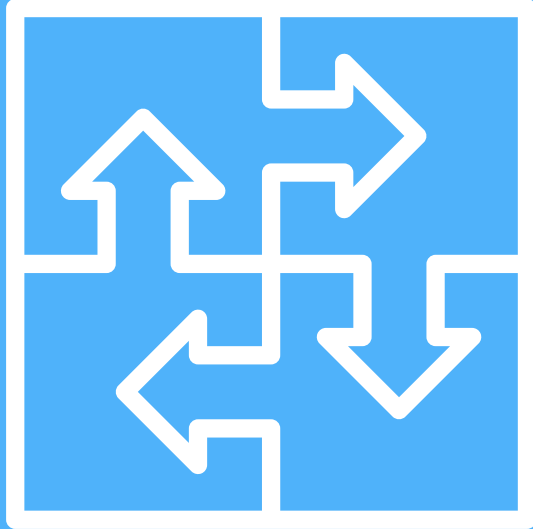
SOCIAL AUDIT³⁸

The process of examining a specific worksite's compliance with the standards set in the company's code of conduct or other applicable standards with goals and benchmarks related to social responsibility and the organization's impact on society. The traditional typology of social audits includes the following approaches:

1. Inventory lists of all the company's social activities.
2. Cost or outlay details the amount spent on each activity.
3. Program management addresses whether objectives are met for each activity.
4. Cost-benefit identifies benefits of each expenditure related to its cost.

Program management and cost-benefits are the most effective approaches, where achievable. Social auditing is a key approach, in addition to engagement with unions/workers and grievance mechanisms, to obtain information about violations of a company's supply chain code of conduct.





SOCIAL COMPLIANCE SYSTEM³⁹

One component of a company's broader CSR, sustainability or accountability program. A social compliance system is an integrated set of policies and practices through which a company seeks to ensure maximum adherence to the elements of its code of conduct that cover social and labor issues.

SUPPLIER SELF-ASSESSMENT QUESTIONNAIRE (SAQ)

Templated supplier request forms that support the identification of suppliers and conditions within a supply chain. SAQs seek to determine origin of components and highlight gaps in knowledge.

Typically, SAQs request information on suppliers that have been in the supply chain in the previous year or are continuous suppliers.

SUPPLY CHAIN⁴⁰

The chain or network comprised of all organizations and individuals involved in producing, processing, trading, transporting and/or distributing a product or commodity from its point of origin to the company and/or to the final retailer.

SUPPLY CHAIN DUE DILIGENCE⁴¹

An ongoing, proactive, and reactive process through which enterprises can prevent and mitigate adverse impacts related to human rights, labor rights, environmental protection, and bribery and corruption in their own operations and in their supply chains. It assesses both direct and indirect impacts occurring through various business relationships. Due diligence varies in complexity with the size of a business enterprise, the risk of severe labor and other human rights impacts and the nature and context of a business's operations.

STAKEHOLDER⁴²

A person or group directly or indirectly affected by, or otherwise having an interest in, an organization's policies and/or actions. The term stakeholder is widely used in government, business, and civil society organizations; it is not limited to

social compliance. A company's social compliance program may have a subset of stakeholders distinct from those connected to its direct and formal operations. This definition includes individuals and communities that are affected by a business's operations and practices, such as intermediaries that are not part of the company's formal supply chain.

SUPPLY CHAIN MAPPING⁴³

An exercise by which a company or a third party collects information on its suppliers and their sub-suppliers to understand relationships and increase the visibility of the wider supply chain. Supply Chain Mapping includes knowing not only who your suppliers are (throughout the supply chain), but also where they are located.

SUPPLY CHAIN PROCESSES⁴⁴

Terms associated with business transactions, product manipulation and transformation relevant to movement of product through the supply chain.

SUSTAINABILITY CLAIM⁴⁵

Assertion about a characteristic of a product or about a process or an organization associated with that product to support a required or desired aspect of sustainability.

TRACEABILITY⁴⁶

The ability to identify and trace the history, distribution, location and application of products, parts, and materials, to ensure the reliability of sustainability claims, in the areas of human rights, labor (including health and safety) the environment and anti-corruption.





TRACEABLE ASSET⁴⁷

A product or material to which one or more of the selected sustainability claims should be applied.

TRACEABLE OBJECT⁴⁸

A physical or digital object for which there is a need to retrieve information about its history, application, or location.

Examples include products, logistic units (e.g., pallets and parcels) and assets (e.g., trucks). There are three main levels of identification: 1) Class-level identification, where the object is identifiable by its product or part ID; 2) Batch/lot-level identification, where the product or part ID is extended with a batch/lot number; and 3) Instance-level identification, where the traceable object is identified with a serialized ID.



TRACEABILITY SYSTEM

A traceability system must be able to accommodate a project's comprehensive definition of traceability, by recording a trail of key information through the entire chain, allowing for both tracking and tracing.

TRACING⁴⁹

Monitoring the history of an asset.

TRACKING⁵⁰

Monitoring the present and future movements of an asset.

UPSTREAM⁵¹

The supply side of a supply chain process that involves the flow of goods or products from suppliers and procurers of raw materials at the farm, forest and mineral extraction levels down to companies

assembling the final products and selling to consumers.

VERTICAL INTEGRATION

A strategy in which a company owns or controls its suppliers, distributors, or retail locations. Examples of vertical integration include a company performing both primary refining and secondary refining, or a facility that has integrated spinning and knitting processes. Vertical integration may help companies control processes, reduce costs and improve efficiencies but may require high levels of capital investment and reduce flexibility in sourcing.

WORKING CHILDREN⁵²

Those engaged in any productive activity for at least one hour during the reference period. “Productive activity” includes market production and certain types of non-market production, principally the production of goods and services for their families’ use. It includes the production of additional types of services for family use, unpaid trainee work by children, volunteer work by children, and other work activities by children. Work children perform may be within the formal or informal economy, and inside or outside of family settings, whether paid or unpaid, including domestic service.



WORST FORMS OF CHILD LABOR (WFCL)⁵³

ILO Convention 182 defines WFCL as:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict;
- the use, procuring or offering of a child for prostitution, the production of pornography or for pornographic performances;
- the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; and
- work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (referred to as “hazardous work”).
- The competent authority, generally a government body, identifies which specific types of work falls constitutes “hazardous work,” after consultation with employer and worker organizations.



GlobalTrace
PROTOCOL

Funding for Global Trace is provided by the United States (U.S.) Department of Labor (DOL) under cooperative agreement number IL-35808-20-75-K. One hundred percent of the total costs of the project or program is financed with USG federal funds, for a total of \$4 million dollars. Statements made herein do not necessarily reflect the views or policies of the United States Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement by the United States Government.

Citations

1. International Organization for Standardization. ISO 19011:2018 Guidelines for Auditing Management Systems. Regarding independence of audits, see also USDOL Comply Chain (Step 7: Independent Review).
2. USDOL Comply Chain (Step 7: Independent Review). See also, International Organization for Standardization, ISO/IEC 17065:2012 Conformity assessment - Requirements for bodies certifying products, processes and services.
3. ISEAL Alliance. "Chain of Custody Models and Definitions," Sept. 2016, p.16. See also, Business for Social Responsibility (BSR). "Guide to Traceability," 2014.
4. Future of Fish, FishWise, and Global Food Traceability Center. "Seafood Traceability Glossary (Supply Chain Processes)" (undated), p. 17.
5. ISEAL Alliance. "Chain of Custody Models and Definitions," pp. 4-5.
6. International Labor Organization. ILO Convention 182 (Worst Forms of Child Labor) (1999). See also U.S. Department of Labor's Bureau of International Labor Affairs (USDOL/ILAB). 2020 Findings on The Worst Forms of Child Labor, pp. 68-69.
7. Id. See also International Labor Organization. ILO Convention 138 (Minimum Age) (1973).
8. OECD. "OECD Due Diligence Guidance for Responsible Supply chains in the Garment & Footwear Sector," 2017, p.13.
9. USDOL Comply Chain (Step 3: Develop a Code of Conduct).
10. USDOL Comply Chain (Step 1: Engage Stakeholders and Partners).
11. USDOL Comply Chain (Step 6: Remediate Violations).
12. GS1. "Global GS1 Global Traceability Standard." 2017, p. 16.
13. Id., p. 25.
14. GS1. "Global GS1 Global Traceability Standard." 2017, pp. 13, 31-32.
15. GS1. "Global GS1 Global Traceability Standard." 2017, p. 51.
16. USDOL Comply Chain (Step 2: Assess Risk and Impacts).
17. Future of Fish. "Seafood Traceability Glossary (Supply Chain Processes)" (undated), p. 9.
18. USDOL/ILAB. 2020 Findings on The Worst Forms of Child Labor, pp. 68-69.
19. ILO. ILO Convention 29 (Forced Labor) (1929) and its 2014 Protocol. See also ILO Convention 105 (Abolition of Forced Labor) (1957).
20. International Labor Organization. ILO 130 (Examination of Grievances) (1967), Art. II, Sec. 3. See also, Fact Sheet No. 5 - Grievance Handling.
21. See USDOL/ILAB. 2020 Findings on The Worst Forms of Child Labor, p. 69. See also, ILO. ILO Convention 138 (Minimum Age) (1973) and ILO Convention 182 (Worst Forms of Child Labor) (1999).
22. United Nations Economic Commission for Europe (UNECE), "Traceability and Transparency in the Textile and Leather Sector, Part 2: Use Cases and CCBDA Data Structures," 2021, pp. 8-10, 17. See also. Future of Fish. "Seafood Traceability Glossary," p. 10.
23. ISEAL Alliance. "Chain of Custody Models and Definitions," p.7.
24. USDOL Comply Chain (Step 7: Independent Review).
25. Id.
26. Future of Fish. "Seafood Traceability Glossary," p. 8.
27. Healthcare Information and Management Systems Society (HIMSS) Interoperability in Healthcare (webpage) See also United Nations Economic and Social Council. "Recommendation No. 46: Enhancing Traceability and Transparency of Sustainable Value Chains in the Garment and Footwear Sector." (2021). 7, 11, 13, 20, 34.
28. GS1. "Global GS1 Global Traceability Standard." 2017, p. 16-17. See also, FishWise. "Key Data Element for Seafood: A Compilation of Resources," 2017
29. UNECE. "Traceability and Transparency in the Textile and Leather Sector, Part 1: High-Level Process and Data Model" 2021, p. 21. See also, ISEAL Alliance. "Chain of Custody Models and Definitions," pp. 9-14.
30. See Economic Commission for Europe (Executive Committee)(ECE), "Policy Brief – Harnessing the potential of blockchain technology for due diligence and sustainability in cotton value chains," April 2021, p. 1. Compare USDOL Comply Chain (Step 5: Monitor Compliance).
31. Fair Labor Association (FLA). "Supply Chain Mapping and Traceability Glossary," 2018.
32. See for example ISO 9001 Checklist, What is Non-Conformance? (webpage).
33. Future of Fish. "Seafood Traceability Glossary," p. 8.
34. USDOL Comply Chain (Step 8: Report Performance and Engagement).
35. Global Sustainability Standards Board (GSSB). "GRI 101: FOUNDATION 2016," p.10. See also, KPMG. "The Essentials of Materiality Assessment," 2014.
36. USDOL Comply Chain (Step 6: Remediate Violations).
37. UNECE. "Traceability and Transparency in the Textile and Leather Sector, Part 1: High-Level Process and Data Model" 2021, p. 20. See also, ISEAL Alliance. "Chain of Custody Models and Definitions," p. 8.
38. USDOL Comply Chain (Step 5: Monitor Compliance).
39. USDOL Comply Chain (The Basics of a Social Compliance System).
40. Id.
41. United Nations Human Rights: Office of the High Commissioner. "Guiding Principles on Business and Human Rights," 2011, – general policies, para. 10. See also OECD. "OECD Due Diligence Guidance for Responsible Supply chains in the Garment & Footwear Sector," p.14.
42. USDOL Comply Chain (Step 1: Engage Stakeholders and Partners).
43. Fair Labor Association. "Supply Chain Mapping and Traceability Glossary," 2018.
44. Future of Fish. "Seafood Traceability Glossary," p. 16-17.
45. UNECE. "Traceability and Transparency in the Textile and Leather Sector, Part 1, p. 47. See also UNECE. "Traceability for Sustainable Trade," 2016, p. 9.
46. United Nations Global Compact and BSR. "A Guide to Traceability: A Practical Approach to Advance Sustainability in Global Supply Chains." (2014)
47. ECE. "Policy Brief – Harnessing the potential of blockchain technology," p. 7. See also UNECE. "Traceability for Sustainable Trade," 2016, p. 1.
48. GS1. "Global GS1 Global Traceability Standard." 2017, pp. 10-11.
49. UNECE. "Traceability for Sustainable Trade," 2016, p. 1.
50. Id. at 1, 17.
51. USDOL Comply Chain (Step 2: Assess Risk and Impacts).
52. U See USDOL/ILAB. 2020 Findings on The Worst Forms of Child Labor, p. 68.
53. ILO Convention 182 (Worst Forms of Child Labor) (1999).