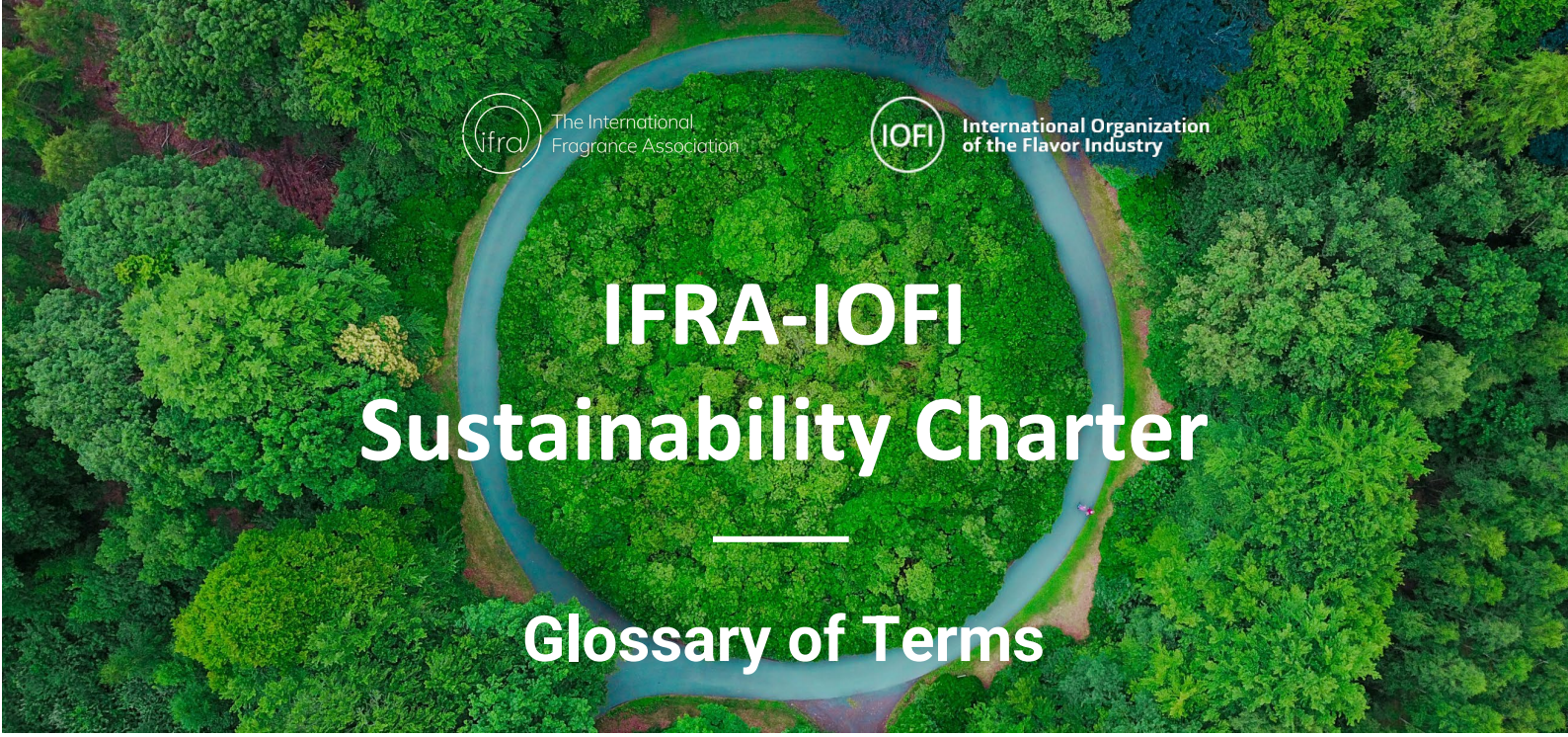

IFRA-IOFI Sustainability Charter

Glossary of Terms

Unless otherwise stated, all definitions contained in this section are derived from the GRI Standards Glossary 2018.

Anti-competitive behavior

Action of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting competition on the markets.

Note: Examples of anti-competitive behavior actions can include fixing prices, coordinating bids, creating market or output restrictions, imposing geographic quotas or allocating customers, suppliers, geographic areas and product lines.

Child

Person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher.

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO Convention 138, 'Minimum Age Convention', 1973, refers to both child labor and young workers.

Collective bargaining

All negotiations that take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (trade unions), on the other, for

determining working conditions and terms of employment or for regulating relations between employers and workers.

Note: This definition is based on the International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.

Corruption

'Abuse of entrusted power for private gain',[1] which can be instigated by individuals or organizations.

Note: Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business.[2] This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

Customer health and safety management approach

Company's efforts to address health and safety across the life cycle of a product and its adherence to customer health and safety regulations and voluntary codes. See also the GRI standard n°416 – Customer health and safety (2016).

Direct (Scope 1) GHG emissions

GHG emissions from sources that are owned or controlled by an organization.

Note 1: A GHG source is any physical unit or process that releases GHG into the atmosphere.

Note 2: Direct (Scope 1) GHG emissions can include the CO2 emissions from fuel consumption.

Energy footprint

An organization's consumption of energy in various forms, such as fuel, electricity, heating, cooling or steam. Energy can be self-generated or purchased from external sources and it can come from renewable sources (such as wind, hydro or solar) or from non-renewable sources (such as coal, petroleum or natural gas). See also the GRI standard n°302 – Energy (2016).

Energy indirect (Scope 2) GHG emissions

GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization.

[1] https://www.transparency.org/what-is-corruption
[2] These definitions are based on Transparency International, 'Business Principles for Countering Bribery', 2011.

Equality of opportunity and fair treatment

Legal and socioeconomic environment that provides opportunities for gender equity. This can include the share of female workers performing the organization's activities, their equal remuneration, and their participation at the highest governance level. See also the GRI standard n°405 – Diversity and equal opportunity (2016).

Forced labor

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

Note: This definition is based on the International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930.

Freedom of association

Right of employers and workers to form, to join and to run their own organizations without prior authorization or interference by the state or any other entity.

Green chemistry

Green chemistry is the design of chemical products and processes that reduce or eliminate the use or generation of hazardous substances. Green chemistry applies across the life cycle of a chemical product, including its design, manufacture, use, and ultimate disposal. Green chemistry is also known as sustainable chemistry.

The 12 principles of green chemistry are:

1. Prevent and reduce waste,
2. Design chemical products that possess little or no toxicity,
3. Design synthesis to use substances that possess little or no toxicity,
4. Use raw materials that are renewable rather than depleting,
5. Use catalytic agents so as to minimize the use of reactants and the production of waste,
6. Reduce derivatives,
7. Design synthetic method to maximize the incorporation of all materials used in the process into the final product,
8. Use safer solvents,
9. Design for energy efficiency: run chemical reactions at ambient temperature and pressure whenever possible,
10. Design chemical products to break down into innocuous degradation products and do not persist in the environment,
11. Real-time analysis for pollution prevention to control and minimize the formation of byproducts,
12. Chose the form of a substance to minimize the potential for chemical accidents including releases, explosions and fires.

Source: Anastas P.T., Warner J.C., 1998, Green Chemistry: Theory and practice

Greenhouse gas (GHG)

Gas that contributes to the greenhouse effect by absorbing infrared radiation.

Greenhouse gas (GHG) emissions

Sum of all GHG emissions generated by the company activities. See also “Scope of Greenhouse gas (GHG) emissions”.

Groundwater

Water that is being held in, and that can be recovered from, an underground formation.

Note: This definition comes from ISO 14046:2014.

International labor standards

Legal instruments drawn up by the ILO's constituents and setting out basic principles and rights at work. They are either conventions, which are legally binding international treaties that may be ratified by member states, or recommendations, which serve as non-binding guidelines. In many cases, a convention lays down the basic principles to be implemented by ratifying countries, while a related recommendation supplements the convention by providing more detailed guidelines on how it could be applied.

Conventions and recommendations are drawn up by representatives of governments, employers and workers and are adopted at the ILO's annual International Labour Conference. Once a standard is adopted, member states are required under the ILO Constitution to submit them to their competent authority for consideration. In the case of conventions, this means consideration for ratification. If it is ratified, a convention generally comes into force for that country one year after the date of ratification. Ratifying countries commit themselves to applying the convention in national law and practice and reporting on its application at regular intervals.

Topics covered by international labor standards:

- Freedom of association;
- Collective bargaining;
- Forced labor;
- Child labor;
- Equality of opportunity and treatment;
- Tripartite consultation;
- Labor administration;
- Labor inspection;
- Employment policy;
- Employment promotion;
- Vocational guidance and training;
- Employment security;
- Social policy;
- Wages;
- Working time;
- Occupational health and safety;
- Social security;
- Maternity protection;
- Domestic workers;
- Migrant workers;
- Seafarers;
- Fishers;
- Dockworkers;
- Indigenous and tribal peoples;
- Other specific categories of workers.

For more information, go to www.ilo.org or download “Rules of the game; An introduction to the standards-related work of the International Labour Organization”, International Labour Office, Geneva, 2019.

Local community

Persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization's operations.

Note: The local community can range from persons living adjacent to an organization's operations, to those living at a distance who are still likely to be impacted by these operations.

Occupational health and safety

Healthy and safe work conditions involve both prevention of physical and mental harm, and promotion of workers' health.

Prevention of harm and promotion of health require an organization to demonstrate commitment to workers' health and safety. They also require the organization to engage workers in the development, implementation, and performance evaluation of an occupational health and safety policy, management system and programs that are appropriate to the organization's size and activities.

Hazard identification (see 'Work-related hazard') and risk assessment (see 'Occupational health and safety risk'), worker training, and incident identification and investigation (see 'Work-related incident') are also key to planning, supporting, operating, and evaluating the occupational health and safety management system. See also the GRI standard n°403 – Occupational health and safety (2016).

Occupational health and safety management system

Set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives.

Note: This definition comes from the International Labour Organization (ILO), Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001, 2001.

Occupational health and safety risk

Combination of the likelihood of occurrence of a work-related hazardous situation or exposure, and the severity of injury or ill health that can be caused by the situation or exposure.

Note: This definition is based on ISO 45001:2018.

Other indirect (Scope 3) GHG emissions

Indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions.

Science-based reduction targets

Targets adopted by companies to reduce greenhouse gas (GHG) emissions are considered 'science-based' if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. For more information go to https://sciencebasedtargets.org/what-is-a-science-based-target/.

Scope of greenhouse gas (GHG) emissions

Classification of the operational boundaries where GHG emissions occur.

Note 1: Scope classifies whether GHG emissions are created by an organization itself, or are created by other related organizations, for example electricity suppliers or logistics companies.

Note 2: There are three classifications of Scope: Scope 1 (see 'Direct GHG emissions'), Scope 2 (see 'Energy indirect GHG emissions') and Scope 3 (see 'Other indirect GHG emissions').

Note 3: The classification of Scope derives from the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.

Seawater

Water in a sea or in an ocean.

Note: This definition comes from ISO 14046:2014.

Significant impact on biodiversity

Impact that can adversely affect the integrity of a geographic area or region, either directly or indirectly, by substantially changing its ecological features, structures, and functions across its whole area, and over the long term, so that habitat, its population levels, and the particular species that make the habitat important cannot be sustained.

Spill

Accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water.

Stakeholder

Entity or individual that can reasonably be expected to be significantly affected by the reporting organization's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives.

Note 1: Stakeholders include entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.

Note 2: Stakeholders can include those who are invested in the organization (such as employees and shareholders), as well as those who have other relationships to the organization (such as other workers who are not employees, suppliers, vulnerable groups, local communities, and NGOs or other civil society organizations, among others).

Supply chain

Sequence of activities or parties that provides products or services to an organization.

Surface water

Water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams.

Note: This definition is based on CDP, CDP Water Security Reporting Guidance, 2018.

Third-party water

Municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent.

Training

Concept referring to:

- all types of vocational training and instruction;
- paid educational leave provided by an organization for its employees;
- training or education pursued externally and paid for in whole or in part by an organization;
- training on specific topics.

See also the GRI standard n°404 – Training and education (2016).

Waste disposal method

Method by which waste is treated or disposed of.

Note: Waste disposal methods can include composting, reuse, recycling, recovery, incineration, landfill, deep well injection, and on-site storage.

Waste footprint

The waste footprint of a company includes water discharges; the generation, treatment and disposal of waste; and spills of chemicals, oils, fuels, and other substances.

Water discharge

Sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period. See also the GRI standard n°306 – Effluents and waste (2016).

Note 1: Water can be released into the receiving waterbody either at a defined discharge point (point-source discharge) or dispersed over land in an undefined manner (non-point-source discharge).

Note 2: Water discharge can be authorized (in accordance with discharge consent) or unauthorized (if discharge consent is exceeded).

Water consumption

Sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period.

Note 1: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

Note 2: This definition is based on CDP, CDP Water Security Reporting Guidance, 2018.

Water withdrawal

Sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period.

Work-related hazard

Source or situation with the potential to cause injury or ill health.

Note 1: Hazards can be:

- *physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment);*
- *ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration);*
- *chemical (e.g., exposure to solvents, carbon monoxide, flammable materials, or pesticides);*
- *biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);*
- *psychosocial (e.g., verbal abuse, harassment, bullying);*
- *related to work-organization (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).*

Note 2: This definition is based on International Labour Organization (ILO) Guidelines on Occupational Safety and Health Management Systems from 2001 and ISO 45001:2018.

Work-related incident

Occurrence arising out of or in the course of work that could or does result in injury or ill health.

Note 1: This definition is based on ISO 45001:2018.

Note 2: Incidents might be due to, for example, electrical problems, explosion, fire; overflow, overturning, leakage, flow; breakage, bursting, splitting; loss of control, slipping, stumbling and falling; body movement without stress; body movement under/with stress; shock, fright; workplace violence or harassment (e.g., sexual harassment).

Note 3: An incident that results in injury or ill health is often referred to as an 'accident'. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a 'close call', 'near-miss', or 'near-hit'.

Work-related injury or ill health

Negative impacts on health arising from exposure to hazards at work.

Note 1: This definition is based on the International Labour Organization (ILO), Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001, 2001.

Note 2: 'Ill health' indicates damage to health and includes diseases, illnesses, and disorders. The terms 'disease', 'illness', and 'disorder' are often used interchangeably and refer to conditions with specific symptoms and diagnoses.

Note 3: Work-related injuries and ill health are those that arise from exposure to hazards at work. Other types of incident can occur that are not connected with the work itself.

Note 4: For more guidance on determining 'work-relatedness', see the United States Occupational Safety and Health Administration, Determination of work-relatedness 1904.5.

Note 5: The terms 'occupational' and 'work-related' are often used interchangeably.