

Glossary Of Responsible Sourcing Terms



Intended for beginner compliance programs

Acceptable Risk

The level of loss or risk of injury considered to be tolerable for a specific user group based on societal values and economic cost vs. benefit.

Accreditation

Recognition by an independent accrediting body, that a certification body adheres to specific standards.

Age Grading

Method of ensuring that products are appropriate and safe for particular stages of a child's development. Age grading should determine the physical and mental ability needed in order to play with and understand a product.

American Society For Testing And Materials (ASTM)

Founded in 1898, one of the oldest standards developing organizations is a globally recognized leader in the development and delivery of international voluntary consensus standards. Today, some 12,000 ASTM standards are used around the world to improve product quality, enhance safety, facilitate market access and trade, and build consumer confidence.

ASTM F963

a mandatory requirement for toys while the Consumer Product Safety Commission (CPSC) studies the effectiveness of the standard and issues final consumer guidelines for toy safety.

ASTM

See American Society for Testing and Materials (ASTM).

Audit Report

Formal documentation, in the opinion of the auditor, based on the results of the audit summary and includes scope, findings, recommendations and proposed corrective action plans.

Audit Summary

The quantified documentation of the concerns and issues uncovered during an actual audit.

Audit

An audit is an evidence gathering process. Evidence is used to evaluate how well audit criteria are being met. Audits must be objective, impartial, and independent, and the audit process must be both systematic and documented. Audits can be either internal or external.

Basic Standard

has a broad ranging effect in a particular field, such as a standard for metals that affects a range of products from cars to screws.

Bisphenol A (BPA)

A chemical used primarily in polycarbonate material as well as epoxy resins and polysulfone materials. The Food and Drug Administration (FDA) has issued regulations that prohibit the use of BPA in baby bottles and caps. Some states are pursuing bans of BPA in general-use food containers, water bottles and the linings of metal cans.

BPA

See Bisphenol A.

Business Partners

Manufacturers, suppliers, service providers, shippers, intermediaries and others that each have a stake in the success of the business and in the brand's reputation.

Cadmium

A metal found in toys and in children's jewelry. New regulations regarding cadmium are expected to be enacted soon. Some states have already passed laws regarding the use of cadmium, primarily in children's jewelry. European standards limit total cadmium to 100 ppm.

California Proposition 65

Officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986, California Proposition 65 requires businesses to warn Californians when exposure to toxic chemicals known to the state may cause cancer, birth defects, or other reproductive harm.

Businesses are required to provide a "clear and reasonable warning" via labels on product or product packaging prior to Californians using products that may expose them to one of the listed chemicals. As of August 31, 2018, a similar warning must be made prior to a purchase via a catalog or website.

Canada Consumer Product Safety Act (CCPSA)

A Canadian law to protect consumers by addressing or preventing exposure to dangerous consumer products. The CCPSA applies to a wide variety of consumer products including children's toys, household products and sporting goods. Key provisions of the CCPSA include incident reporting, document maintenance, general prohibitions and packaging and labeling requirements. Obligations exist for those who manufacture, import, sell or advertise consumer products in Canada.

Carbon Dioxide-equivalent (CO2e)

A standard unit for measuring carbon footprints. The idea is to express the impact of each different greenhouse gas in terms of the amount of CO2 that would create the same amount of warming.

Carbon Footprint

the amount of carbon dioxide and other carbon compounds emitted due to the consumption of fossil fuels by a particular person, group, etc.

Carbon Offset

a unit of carbon dioxide-equivalent, CO₂e, that is reduced, avoided, or sequestered to compensate for emissions occurring elsewhere.

CCPSA

See Canada Consumer Product Safety Act.

Certification Of Conformity/Certification Marks/Marks Of

Conformity

document issued under the rules of a certification system, providing confidence that a duly identified product, process, or service is in conformity with a specific standard or other normative document.

Certification

the process of providing assurance that a product conforms to a standard or specification or that an organization and/or individual is competent to perform a certain task.

CFR

See Code of Federal Regulations.

Child

Any individual person under 15 years of age, unless the minimum age for work is higher by local law.

Child Labor

Typically refers to the illegal or inhumane use of children that generally do not meet the minimum age provisions of applicable laws and regulations for the purpose of performing work in a business.

Child-Care Article

A consumer product designed or intended by the manufacturer to facilitate sleep for or the feeding of children ages three and younger, or to help such children with sucking or teething.

Children's Product Certificate (CPC)

A statement with testing results from a CPSC-recognized lab required by the CPSIA that the product meets or conforms with federal safety rules, bans, standards or regulations. The CPC previously was referred to as a Certificate of Conformity (COC).

Children's Product

The CPSIA defines a children's product as designed and intended primarily for use by a child 12 years of age and younger. Recent clarifications stress not just the word "primarily" but also "for use." Manufacturers should refer to the CPSC's 10 Questions, Final Interpretative Rule on the definition of a children's product and [PPAI's webinar on this topic](#).

Children's Toy

A consumer product designed or intended by the manufacturer for a child 12 years of age or younger for use by the child when the child plays.

Choking Hazard

The risk associated with a children's product or toy having detachable parts that could be choked on by a child. Consumer product safety law bans toys and other articles that are intended for use by children three years of age or younger and that are or have small parts, or that produce small parts when broken. Toys and games that are or contain small parts and that are intended for use by children three to six years of age must be labeled to warn consumers not to purchase them for children younger than three because those children could choke on the small parts.

COC

see Code of Conduct.

Code

Business jargon used in place of code of conduct.

Code of Conduct (COC)

The tangible presentation of what a company is doing to meet the expectations of the end buyer for product, social and environmental assurances. It is a statement of principles. It is what a supplier would hand to a distributor and what a distributor would hand to an end buyer when an end buyer expresses those expectations.

Code of Federal Regulations (CFR)

A collection of rules published in the Federal Register by the executive departments and federal agencies.

Collective Bargaining Agreement

An agreement/contract in writing, between a trade union/employee/group of employees and employer/organization that specifies the terms and conditions under which work will be performed.

Commercial General Liability

is coverage that will protect your business in the event that you are sued. CGL coverage is designed to protect against claims bodily injury or property damage.

Compliance Obligation

A requirement set forth by the law or a standard. Mandatory obligations are based on laws and regulations. Voluntary obligations are based on contracts, ethics, industry standards, community standards and codes of conduct.

Compliance Officer

The primary person responsible for objectively managing, monitoring, reviewing and evaluating an organization's compliance program.

Compliance Team

A cross-functional team that includes essential staff members from across the organization assembled to assist the organization's compliance officer with implementation and continuous monitoring of a responsible sourcing program.

Component Testing

Manufacturers can rely on test results or certification from a component part supplier. Component testing can reduce redundant testing. For example, if the identical button is used on five styles of children's sweaters, the button can be tested once as a component rather than tested with each of the five styles of sweaters. Component testing can also identify test failures early on by testing a component before it is applied to the finished product and tested at that stage. Component testing may offer a marketing advantage to many component part suppliers who will promote the sale of pre-certified CPSIA compliant products. With component testing, though, it is critical that there is good traceability to the finished product and that the manufacturing process does not contaminate the component or final product.

Composite Testing

Composite testing is allowed for paints and substrates for lead and phthalates testing. You may test a combination of component parts as long as test procedures are followed to ensure that no failure to comply with applicable limits will go undetected.

Conformance

Meeting a stated mandatory or voluntary obligation or standard.

Conformity Assessment

Process of determining whether someone or something meets the requirements of a standard.

Conscious Capitalism

Refers to the choices an organization makes to serve the interests of all stakeholders, employees, customers, communities, investors and suppliers.

Consumer Product Safety Commission (CPSC)

The U.S. Consumer Product Safety Commission is the government agency charged with protecting the public from unreasonable risks of serious injury or death from thousands of types of consumer products under the agency's jurisdiction.

Consumer Product Safety Improvement Act (CPSIA)

Signed into law on Aug. 14, 2008. It is designed to allow The CPSC to better regulate the safety of products made and imported for sale in the U.S.

Consumer Product

Any article, or component part thereof, produced or distributed for sale to a consumer for use in or around a permanent or temporary household or resident, a school, in recreation, or otherwise, or for the personal use, consumption or enjoyment of a consumer in or around a permanent or temporary household or residence, a school, in recreation or otherwise.

Consumer

The individual member of the general public that uses and/or purchases a product or service.

Corrective Action Plan (CAP)

Designed to correct a substandard condition or non-compliance with requirements. Upon completion of a factory assessment and the discovery of an infraction against stated social responsibility requirements, the factory should receive a violations summary detailing findings, corrective actions and time frame for their implementation.

Corrective Action

An action intended to improve a process, mitigate risk or remove the potential for harm.

CPC

See Children's Product Certificate.

CPSC

See Consumer Product Safety Commission.

CPSIA

See Consumer Product Safety Improvement Act.

Data Requirement Standard

provide necessary values for a product or service.

Decorator

Anyone who embellishes a product either through screen print, painting or embroidery.

Discrimination

In a business setting, refers to the unfavorable treatment of a group or individual compared to treatment of other groups or individuals in hiring and employment practices on the basis of age, nationality, race, religion, social status, ethnic origin, gender or disability.

Distributor

In the promotional products industry, develops ideas for using promotional products in a marketing or promotional campaign, buys such items from suppliers and sells them to advertisers.

Documented Information

The information needed to verify compliance with standards and regulations.

Endocrine Disruptor

Any chemical that may interfere with the endocrine system and have negative developmental and reproductive effects in humans. Chemicals such as BPA that are thought to be possible endocrine disruptors are frequently found in plastic bottles or metal food containers.

Environment

An organization's surroundings inclusive of water, air, land, people, animal, plants and other natural resources.

Environmental Impact

Results considered to change the environment either positively or negatively.

Environmental Management

Refers to how an organization manages the impact of its processes on the environment.

Environmental Management System (EMS)

A set of interrelated or interacting elements, used by organizations, in an effort to conduct and manage their environmental responsibility policy.

Environmental Responsibility

The obligation an organization has conduct operations in a way that does not harm the environment.

Environmental Sustainability

Organizational processes and procedures that take into account long-term benefits to environment.

EPA

See Environmental Protection Agency.

Estrogenic Properties

Chemical characteristic found in some plastics such as BPA that imitate the hormone estrogen. Chemicals with estrogenic properties are endocrine disruptors.

FDA

See Food and Drug Administration.

Federal Hazardous Substances Act (FHSA)

A public law that requires that certain hazardous household products (“hazardous substances”) bear cautionary labeling to alert consumers to the potential hazards that those products present and to inform them of the measures they need to protect themselves from those hazards.

Federal Trade Commission (FTC)

a federal agency, established in 1914, that administers antitrust and consumer protection legislation in pursuit of free and fair competition in the marketplace.

Federal Trade Commission Act

An independent federal agency whose main goals are to protect consumers and to ensure a strong competitive market by enforcing a variety of consumer protection and antitrust laws.

FFA

See Flammable Fabrics Act.

FHSA

See Federal Hazardous Substances Act.

Fiber Identification Act

A public law requiring that all apparel must include the correct fiber content within three percentage points of accuracy. There is a five percent rule in which fibers of less than five percent should be disclosed as “other fiber” rather than the generic name.

First Party Certification

an individual or organization providing the good or service offers assurance that it meets certain claims.

Flammable Fabrics Act (FFA)

A public law that requires various flammability tests for clothing including the Standard for the Flammability of

Clothing Textiles and the Standards for the Flammability of Children’s Sleepwear.

Food and Drug Administration (FDA)

A federal agency in the Department of Health and Human Services, established to regulate the release of new foods and health-related products as well as drinkware and tableware.

Forced Labor

Work performed by an individual or group of individuals that have not chosen to perform the tasks of their own free will. Often performed under the threat of punishment and also referred to as compulsory labor

Freedom of Association

The rights of employees to associate, organize and bargain collectively without fear of reprisal or interference.

GCC

See General Certificate of Conformity.

General Certificate of Conformity (GCC)

A declaration of a product’s conformity to federal safety rules, bans, standards or regulations based on a test of the product or upon a reasonable testing program. GCCs vouch that a product complies with a certain requirement and may or may not involve any testing by third-party laboratories.

Generally Recognized As Safe (GRAS)

Generally Recognized As Safe (under sections 201(s) and 409 of Federal Food and Cosmetic Act) any substance that is intentionally added to food is a food additive that is subject to pre-market review and approval by the FDA, unless the substance is generally recognized among qualified experts as having been adequately shown to be safe under the conditions of its intended use, or unless the use of the substance is otherwise excluded from the definition of food additive.

Governance

Policies and procedures established to maintain and monitor the implementation of a corporate social responsibility program.

GRAS

See Generally Recognized As Safe.

Green Marketing

An industry response to touting the environmental benefits of what they’re selling. The FTC “Green Guides” are designed to help marketers avoid making environmental claims that mislead consumers.

Guides For The Use of Environmental Marketing Claims (Green Guides)

FTC’s thinking about environmental claims, and are designed to help marketers avoid making environmental marketing claims that are unfair or deceptive.

Harm

Injury or negative impact to a person’s mental or physical

health, damage to product or property or physical loss.

Hazard

A potential source for causing harm.

Hours and Wages Regulations

Applicable wage, work hours, hiring, benefits, and overtime laws and regulations.

Human Rights

Basic rights afforded to all human beings regardless of status race, nationality, gender, color, religion, ethnicity or socio-economic status.

Human Trafficking

Using force, deception, threats and other coercive tactics to recruit, harbor or take receipt of receipt of individual persons for the purpose of exploitation.

Illinois Lead Poisoning Prevention Act

A labeling law that regulates the lead levels of children and adult items. If the surface coating or substrate material of an adult item exceeds 600 ppm, the warning label is required. For children's products, if the total lead content of an applicable component is more than 40 ppm but less than 600 ppm the product requires a warning label.

Injury

Harm or damage that has a negative impact to a person's mental or physical health, through pain, suffering, disfigurement, or other affliction.

Inspection

Review or careful examination of processes, procedures and documentation.

Interface Standards

concern the compatibility of products.

Internal Audit

An objective review and analysis of an organization's own operational activities, policies, procedures and structure. Also, referred to as first-party audits.

International Labour Organization (ILO)

a "tripartite" United Nations agency that brings together representatives of governments, employers and workers to jointly shape policies and programs.

International Organization for Standardization (ISO) a non-governmental organization that promotes the development of standardization and related activities to facilitate the international exchange of goods and services, and to develop cooperation in intellectual, scientific, technological, and economic activity.

International Organization for Standardization (ISO)

An independent, non-governmental membership organization and the world's largest developer of voluntary international standards.

ISO

See International Organization for Standardization.

ISO 14001

An environmental responsibility standard that provides guidance to all types of organizations regardless size when implementing environmentally responsible policies and procedures.

ISO 26000

A social responsibility standard that provides guidance to all types of organizations regardless size when implementing socially responsible policies and procedures.

ISO SA8000

An auditable certification standard that encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace.

Kyoto Protocol

an international treaty, which extends the 1992 United Nations Framework Convention on Climate Change (UNFCCC) that commits State Parties to reduce greenhouse gases emissions, based on the premise that (a) global warming exists and (b) man-made CO2 emissions have caused it.

Labeling of Hazardous Art Materials Act (LHAMA)

A public law that requires that all art materials be reviewed to determine the potential for causing a chronic hazard and labeled if determined to be potentially dangerous.

Labor Abuse

Any form of physical or verbal harassment used to discipline employees; or forced labor, including indentured, prison, bonded or slave labor.

Lead

A soft, malleable heavy metal. In certain contact degrees, lead is a potent neurotoxin for animals and humans. Lead has been regulated in paint and similar surface coatings since the 1970s. The CPSIA introduced a lead content limit on accessible substrate materials of children's products in 2008. The CPSIA limits lead in paint and lead content of substrate materials in children's products and toys.

LHAMA

See Labeling of Hazardous Art Materials.

Life cycle Assessment

A tool for the systematic evaluation of the environmental aspects of a product or service system through all stages of a products life cycle.

Living Wage

The amount of compensation that will afford a normal standard of living for an employee and his/her family.

Management System

Processes used by organizations to develop and adhere to policies and procedures.

Mandatory

Required by law, rule or other statute.

children's toys and child-care articles.

Mandatory Standards

A standard that requires compliance by law, regulation, government statute policy or contractual agreement.

Manufacturer

Any company that manufactures, produces or assembles a promotional product. "Manufacturer" also includes firms that import a consumer product into the United States market or distributors who import directly from non-U.S. manufacturers.

Manufacturer's Self-Declaration Of Conformity

when a manufacturer or supplier attests to the fact that his or her product meets one or more standards.

Method of ensuring that products are appropriate and safe for particular stages of a child's development. Age grading should determine the physical and mental ability needed in order to play with and understand a product.

Mitigate

To reduce or lessen the impact or severity of an incident.

Monitor

To watch, observe, check or keep continuous record.

NGO

See Non-Governmental Organizations.

Non-Compliant

The deliberate failure of an organization or product to meet laws, regulations, statues or accepted standards.

Non-Conformance

Failure of an organization to comply with laws, regulations, statutes, specified requirements, policies, obligations, responsibilities, standards or documented expectations. When a product fails to meet standards for quality, safety, regulatory, legal or performance standards.

Non-Governmental Organizations (NGO)

Also referred to as civil society organizations, which are not-for-profit organizations usually set up by volunteer citizens for a social or political purpose at a local, national or international level.

Objective

The intended result or goal.

Organization

Can be an individual entity or a group of individuals developed to complete a stated objective. It can be a company, corporation, charity, political group, or other institution regardless of size.

Phthalates

A family of compounds used primarily to increase the flexibility and durability of plastics. Eight types of phthalates: (DEHP), (DBP), (BBP), (DINP), (DIBP), (DPENP), (DHEXP), (DCHP) are currently banned for use in

Policy

Documented principles and standards accepted as the guiding factors for an organization, government or any other party or individual.

Polyvinyl Chloride (PVC) or Vinyl

Widely used plastic material that contains phthalates. The use of PVC in children's products is regulated by the CPSIA. There are stringent limits on the amount of certain phthalates in children's toys and child-care articles.

PPM

Parts per million

Principle Affordance

The possible actions that are afforded by the product—how the user is most likely to use or misuse a product. For example, a bucket can be used to hold cleaning products, but it can also be used by a child as a helmet or a hat when at play.

Procedure

An established, accepted and approved way of performing a task or making a decision.

Process standards

specify requirements to be met by a process, such as a manufacturing line's operation, in order to function effectively.

Process

The established steps to perform or complete an action.

Product Liability

The legal liability a manufacturer or trader incurs for producing or selling a faulty product.

Product Life Cycle

the cycle through which every product goes through from introduction to withdrawal or eventual demise.

Product Standards

establish qualities or requirements for a product, or related group of products, to assure that it will serve its purpose effectively.

Promotional Consultant or Distributor

The promotional consultant develops solutions to marketing challenges through the innovative use of promotional products and is a resource to corporate buyers, marketing professionals and others.

Prop 65

See California Proposition 65.

Protective Measure

A means of reducing or averting risk.

PVC

See polyvinyl chloride.

associated with non-compliance or non-conformance of a product or service.

Quality

Meeting the stated standards or fulfilling the implied purpose by which a product, service, process, procedure, organization, individual, trait or characteristic is measured. Free from defects or deficiencies.

Note: The level or degree of excellence attributed to a product or service is only meet part of the definition.

Quality Management

The control and monitoring activities means by which an organization provides consistency with stated standards for quality.

Quality Management System

The organizational structure of policies, processes and procedures used to implement and monitor quality.

Regulations

Rules, principles, or laws intended to manage or control actions by an authority.

Requirements

Demands, needs or desires of an organization or individual in relation to specific regulations.

Residual Risk

The risk that remains after protective measures and actions have been taken to mitigate undesired outcomes.

Responsible Sourcing

Best practices that encompass the entire corporate responsibility effort inclusive of social, environmental and product responsibility.

Risk

The likelihood or probability of exposure to harm, danger or loss.

Risk Analysis

Study and evaluation of identified harm, danger or loss associated with an action, process or procedure.

Risk Assessment

Identification of variables and analysis of benchmarks for an action, process or procedure.

Risk Management

Coordinated efforts, typically implemented through policies, to identify, analyze, and control processes and procedures in an effort to mitigate risk.

Risk Management System

A means of consolidating and monitoring processes and procedures, typically through a software program, in order to more easily identify and predict the impact of risk for an organization.

Risk Mitigation

To reduce, lessen or avoid the impact or severity of risk

Risk Reduction

Identifying and lessening the impact or severity of risk.

SA8000

An “auditable certification standard” developed by Social Accountability International (SAI) to guides organizations through developing, implementing and maintaining social responsibility programs.

Safety

The avoidance of, protection or freedom from harm, risk, injury or other unacceptable danger.

Second Party Certification

an association to which the individual or organization belongs provides the assurance.

Senior Management

Top organizational leadership (i.e. president, CEO, CFO, vice president) responsible for leading and guiding the entire organization and for ensuring there is cross-functional cooperation and buy-in for corporate social responsibility across the organization through accountability and compliance with established metrics.

Service Standards

establish requirements to be met to achieve the designated purpose effectively.

Small Business

Classification of a business organization based on size in number of employees or annual receivables. Ninety-seven-percent of promotional products distributors and suppliers are considered small businesses.

Social Responsibility

Responsibility and obligations an organization has for how its decisions and operational actions impact society and the environment.

Source

The point of origin or entity from which information, services or product can be obtained or procured.

Sourcing

The act of researching, evaluating, vetting and engaging with suppliers to procure goods and services.

Stakeholder Engagement

The involvement of people who may be affected by an organization's decisions, processes and environmental and societal impact.

Standard Developing Organizations (SDO)

refers to the thousands of industry- or sector-based standards organizations that develop and publish industry specific standards.

Standard

The officially recognized rule or principle (mandatory or voluntary) by which compliance and conformance can be measured and attained.

Strategic Objectives

Long-term goals aimed at creating advantages in the marketplace through the implementation of specific policies, processes and procedures.

Sub-contract

To assign work to another business (vendor) for the purposes of having them perform work on your behalf as part of a larger initiative or project.

Subcontractor

A business entity that performs work on behalf of another business entity.

Substrate

Substrate is the material of which something is made, and to which surface coating may be applied.

Supplier

A promotional products company that manufactures, imports, converts, imprints or otherwise produces or processes promotional products offered for sale through promotional consultants.

Supply Chain

The network of organizations and logistics combined to bring a product to market encompassing design, sourcing, manufacturing, importing, procurement, distribution and sale.

Surface Coating

Paint or a similar liquid substance that becomes a solid film when applied to a material. Surface coating is subject to applicable lead limits.

Sustainability Report

The primary means of publicly communicating the organization's responsible sourcing performance and overall impact of the program on the business and stakeholders with regard economic, environmental and social impact if its everyday operations.

Sustainability

In business this refers to reducing the negative impact of an organization's operations on the environment, society and/or economy.

Tactical Objective

Short term goal related to a specific activity and generally task oriented.

Terminology Standards

define words permitting representatives of an industry to use a common, clearly understood language.

Testing Standards

define the test methods to be used to assess the

performance or other characteristics of a product.

Third-Party

An organization or individual other than the primary two involved in a business transaction.

Third-Party Certification

process by which the producer's claim of conformity is validated by a technically and otherwise competent third party, a body not controlled by or under the influence of the producer or buyer.

Third-Party Logistics Provider

An organization or person, outside of the two primary business partners, that performs a task or provides manufacturing or other logistical services on behalf of one of the organizations.

Tolerable Risk

The level of loss, injury or penalty that is acceptable for an organization based on its values and societal values.

Voluntary

An action performed willingly and of free will without regulation, compensation, reward, or other incentive.

Voluntary Standard

Also referred to as industry standards or consensus standards, often established by standards organizations, non-governmental organizations or other industry associations based upon agreed industry best practices.

Note: Governmental agencies look to voluntary standards as well as mandatory standards when investigating incidents and recalls.

Vulnerable Consumer

A consumer considered to be at greater risk of consumer product harm due to their age, health, education level, or other limitations.

Worker

Non-management personnel or staff employees.

Workplace Conditions

The conditions in and under which an individual performs his or her work for hire which can include the physical environment, proper sanitation, lighting, ventilation, fire safety protection, stress, noise levels and other dangerous situations.

XRF

A nondestructive examination tool that permits the characterization of most inorganic pigments through the identification of their elemental constituents. The CPSC found that XRF technology may be suitable for determining compliance of lead in plastic materials only.