

April 2015



BETTER WORK



The Better Work service model



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Introduction

Better Work is dedicated to improving working conditions and business competitiveness in global apparel supply chains. In order to achieve this, the programme works to improve conditions in individual factories while also leveraging our learnings for policy change at both the national and international levels. This involves strong partnerships with governments, business associations, workers and their representative unions, and global apparel buyers.

After more than a decade of work across what are now 8 country programmes, and based on ongoing advice from actors across the supply chain, Better Work has adapted the manner in which it delivers in-factory services. This revised approach is designed to maximize impact, sustainability and scale. It will do so through:

- Stimulating faster improvements in critical areas of non-compliance
- Creating higher levels of factory ownership and responsibility
- Strengthening mechanisms for worker management communication
- Providing platforms for shared learning between factories
- Focusing on root causes through a management systems approach
- Establishing greater accountability through public reporting
- Differentiating factories based on performance

This document focuses on Better Work's role in supporting improvements at the factory level. However, the program operates within a wider regulatory and industrial relations context in which the national actors – government, business, and workers – form the essential building blocks for sustainable compliance and industry competitiveness. The changes that the program is introducing at the factory level are ultimately geared toward supporting these national actors in their own efforts to raise the bar of labor law governance. Toward this end, the program has a range of parallel activities aimed at working together with our constituents at the industry and national levels.

This document lays out the updated Better Work Factory Services Model which will be applied as of April 2015.

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Overview

Better Work offers the following Factory Service Package for an annual fee:

Learning		Assessment
Advisory Services	8 days in-factory visits (cycle 1) 6 days in-factory visits (cycle 2 onwards)	2 people for 2 days, 1 time per cycle
Industry Seminars	4 per cycle	
Training	up to 25 person days per cycle	

As illustrated in figure 1, learning processes drive the BW approach to continuous improvement. The programme supports factories in their improvement processes with a range of services, including individual factory visits, training courses, and subject specific industry seminars. Periodic assessments are built into our services package as a way to track performance levels over time.

Below is an overview of the sequencing of BW annual services (figure 2). Please see section 3 for a detailed description of each element.

2.1 Initial Advisory

Once registration is complete, BW will use multiple occasions during a period of roughly 100 days (from the first Advisory Visit) to coach each factory to:

- Create (or work with an existing) bipartite or worker /management committee to discuss and resolve workplace issues on a regular ongoing basis.
- Self-diagnose where the factory needs support to meet laws and standards. Needed improvements and follow-up actions are included in the improvement plan.
- Make immediate improvements where possible.

In addition to the initial factory visits, the factory will be invited to one or more introductory industry seminars.



Figure 1 – Better Work approach to continuous improvement

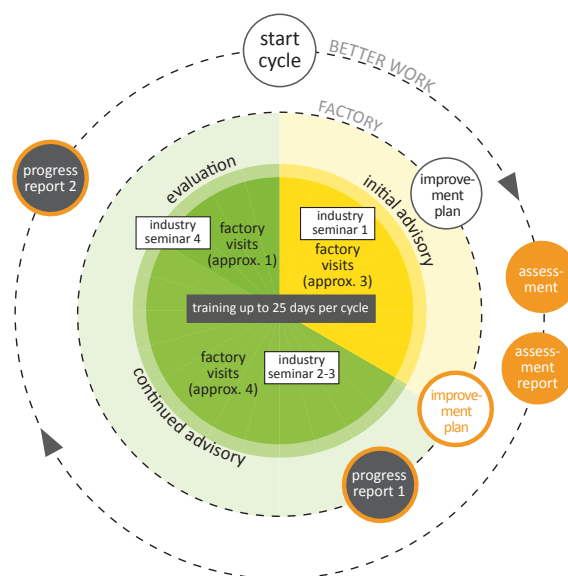


Figure 2 – overview of factory services package

2.2 Assessment

BW will carry out an unannounced 2-person, 2-day assessment to provide an overview of factory performance in meeting national laws and international labour standards and using effective management systems. An assessment report is released roughly one month after the assessment.

2.3 Continued Advisory and Learning

Following the assessment, the advisory process continues, focused on enabling the bipartite committee to address issues that are listed in the improvement plan. The improvement plan includes issues that the factory has self-diagnosed and those that were identified during the BW assessment.

Factories will be supported through: tailored factory visits; issue specific seminars (on topics relevant to the country/industry) with peers from other factories; and training appropriate to the factory's specific needs. Factories can register for up to 25 participant days of training per cycle. The factory can choose which course/s they want to attend based on prioritized areas of improvement and availability of topics.

Better Work Reporting

BW reporting has two elements – reports completed and verified by BW and those that are completed and released directly by factories.

	Factory reporting	BW Reporting
Assessment	N/A	Assessment report, released approximately 30 days after assessment (4-5 months after registration)
Learning (Advisory Services, Industry Seminars and Training)	Improvement Plan including self-diagnosed issues 1st progress report, released 5 months into the cycle (Factory reports on status of all issues that were found in the BW assessment, except for issues that are on the critical issues list - see appendix 4)	Sign off on completed critical issues that were found in the BW assessment (see critical issues list in appendix 4) 2nd progress report, released 11 months into the cycle (Better Work reports on status of all issues)

The BW reports consist of the assessment report that is released roughly 30 days after the unannounced assessment visit. In the 11th month of the cycle, Better Work will then publish a progress report, detailing improvements on compliance issues, as well as in-factory dialogue and the use of effective management systems. BW will also provide additional recommendations to further strengthen the improvement process.

Factory reporting is published 5 months after the start of the cycle. This report will include progress to date on all self-diagnosed issues as well as those identified by BW during the assessment. This report will be available to authorized buyers and will indicate initial progress and planned steps for the remainder of the year. The Better Work role for this first progress report will be limited to coaching factories on how to engage in effective self-reporting and how to ensure continued progress on closing areas of non-compliance.

The final stage of the first year of in-factory services will be an evaluation between the factory's worker/management committee and the Enterprise Advisor of how work has progressed and a discussion of any changes to increase effectiveness and efficiencies moving forward.

2.4 Second cycle: Continued Learning and Second Assessment

Factories that have re-registered for the next cycle will continue working on their improvement process through advisory visits, industry seminars and training. During the initial advisory phase of the new cycle, the worker-management committee will identify actions needed to address pending issues from the previous cycle and note any new issues that have emerged. The designated Enterprise Advisor guides the factory through the diagnostic process.

BW will again carry out its routine annual assessment roughly 100 days into the new cycle. From the second year onwards, the results of the assessment will help to determine the service package provided to the factory for the following year (see Service Differentiation below).

2.5 Service Differentiation

Better Work will identify factories with proven high performance, according to a pre-defined set of differentiation criteria (see appendix 3). These factories are offered a different service package, including less frequent assessments and more advanced advisory and improvement activities. These factories have demonstrated, over at least a year, a commitment to maintaining high standards, setting up effective management systems, and to working collaboratively with workers and their representative to make progressive and quantifiable improvements in working conditions.

2.6 Public Reporting

In order to continually strengthen the integrity and public accountability of the programme, BW will introduce public reporting to all of its country programmes (building on positive experiences to date in Haiti and Cambodia). Factories will be listed on a BW website alongside their performance against a set of key criteria (see Appendix 4). Public reporting will solely be based on BW assessment findings. Issues coming forward from self-diagnosis or advisory activities will not be used as input.

Public reporting gives visibility to factory progress and accelerates improvements while also allowing good factories to differentiate themselves in the marketplace.

3

Advisory, Assessment and Training Services

3.1 ADVISORY SERVICES: Create a Vision and Roadmap

Learning is the cornerstone of BW's enterprise level work. This is where the programme sees real change and lasting impact. As such, the programme starts with a focus on advisory and improvement activities, ensuring active participation of both management and workers and their representatives in identifying and addressing issues.

3.1.1 Initial Advisory

BW in-factory work begins with a series of visits over a period of approximately 100 days. The objective of the initial advisory period is to set up necessary social dialogue structures and give factory management and worker representatives an opportunity to set targets and make improvements before the assessment is conducted.

New factories will receive approximately 3 advisory visits before the first assessment is conducted. Factories in their 2nd cycle or onwards will receive 1 or 2 advisory visits before the assessment (figure 3).

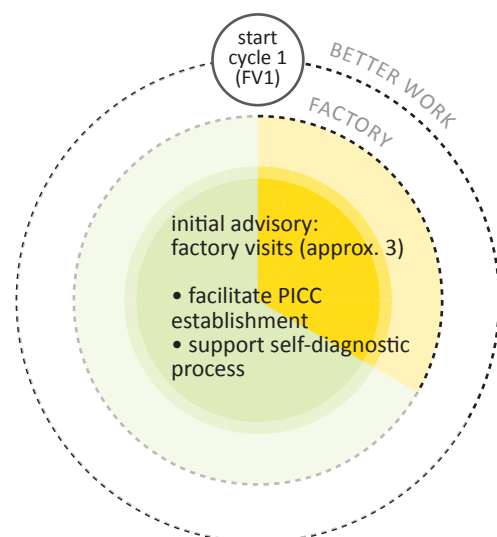


Figure 3 – initial advisory phase

Establishing the worker/management committee

The starting point of in-factory work is to establish whether a functioning worker/management committee (PICC/LKSB/PC) with elected representatives already exists. If not, the Better Work Enterprise Advisor will support the establishment of such a committee and provide preliminary training to both management and worker members on roles and responsibilities for effective social dialogue. The purpose of the committee is to create a culture of regular dialogue and problem solving to discuss and resolve workplace issues. One of the long-term goals of the committees is to strengthen union representation at the factory level and as such, where unions are present, they will oversee the worker election process.

In many Better Work countries, the establishment of bipartite dialogue mechanisms at the enterprise level is required as a part of national legislation. In these cases, Better Work guidelines support and strengthen the implementation of the national laws. Each Better Work country programme has a set of guidelines that sets out the election process, functioning, and operating requirements of the bipartite committees.

While the Enterprise Advisor will likely start out as the facilitator of these meetings, over time this role should be gradually transferred to committee members themselves. The chair of the committee is meant to rotate between management and worker/union representatives so as to allow for ownership of both parties in the process.

Self-Diagnosis and Reporting

Parallel to the process of establishing the worker/management committee, factories are guided by their Enterprise Advisor to self-diagnose their current circumstances and needs. The self-diagnostic process is to enable and support factories to create their own vision for what they want to achieve in the improvement process. The Enterprise Advisor will offer guidance by sharing technical inputs and techniques for effective self-reporting.

Factories are required to enter their self-diagnosed issues directly into the improvement plan before the BW assessment. This will allow buyers to see which areas factories self-identified and proactively addressed. After the assessment report has been published, all identified non compliances will feed into the same improvement plan. This way, inputs from the factory resulting from the self-diagnostic process are combined with findings from the BW assessment, resulting in a shared baseline for the improvement process (see figure 4).

If factories do not self-report any issues, the improvement plan will make clear that the factory did not complete its self-diagnostic process. In this case, the improvement plan will only include findings from the BW assessment.

3.1.2 Continued Advisory and Learning

One-on-one Advisory Support Visits

BW factory visits continue throughout the yearly cycle. The role of BW during these visits is to provide technical advice, ensure active dialogue during bipartite meetings, and help ensure the improvement process is advancing. Support is also provided virtually on an ongoing basis. During the final factory visit, the improvement process will be evaluated with the factory.

Industry Seminars

Quarterly Industry Seminars are an integral part of the advisory process as they provide an important opportunity for factories to learn from their peers. Seminars are participatory, learner-centered workshops that aim to tackle collectively areas of needed improvement identified across factories. The seminars range from half to a full day with up to 80 participants per session.

At the end of each seminar, participating factories complete an action plan that is then incorporated into the factory's Improvement Plan and followed up on in subsequent advisory factory visits by the Enterprise Advisor. Seminars are open to all BW factories. Participants may include bipartite committee members, workers, and other union or management representatives depending on the topic.

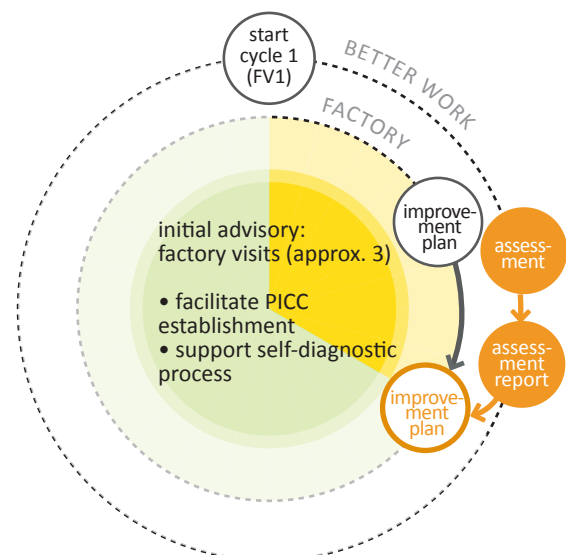


Figure 4 –reporting during the initial advisory stage

Topics for the seminars will address both process as well as content issues. Areas of focus may include, but not be limited to:

- Understanding the national labor law
- Creating meaningful communication between workers and managers
- Establishing and monitoring key performance metrics in an apparel factory
- Developing effective accident/incident investigations
- Establishing a functioning grievance mechanism

In addition, Better Work will also run seminars to help factories understand the BW process and improve their self-diagnosis and reporting efforts.

3.1.3 Advisory Reporting

In the 5th month of the cycle, the factory will release a progress report to buyers (Progress Report 1). Progress report 1 includes a snap shot of the Improvement Plan to give an indication of initial progress on issues identified during the self-diagnosis and the assessment. Factories are responsible for filling in Progress Report 1 by using the template provided by BW. Whereas a designated Enterprise Advisor will offer guidance to the factory, this report will not contain any recommendations by BW. The only BW verification provided in this report concerns critical issues (as listed in appendix 4) that the factory self-reports to be fully rectified.

In the 11th month of the cycle, Better Work will release a progress report detailing where improvements have taken place in the factory thus far (Progress report 2). Following up the steps outlined by the factory in progress report 1, Better Work will use progress report 2 to indicate realized progress in terms of resolving non-compliances, setting up effective management systems and establishing sound social dialogue (see figure 5).

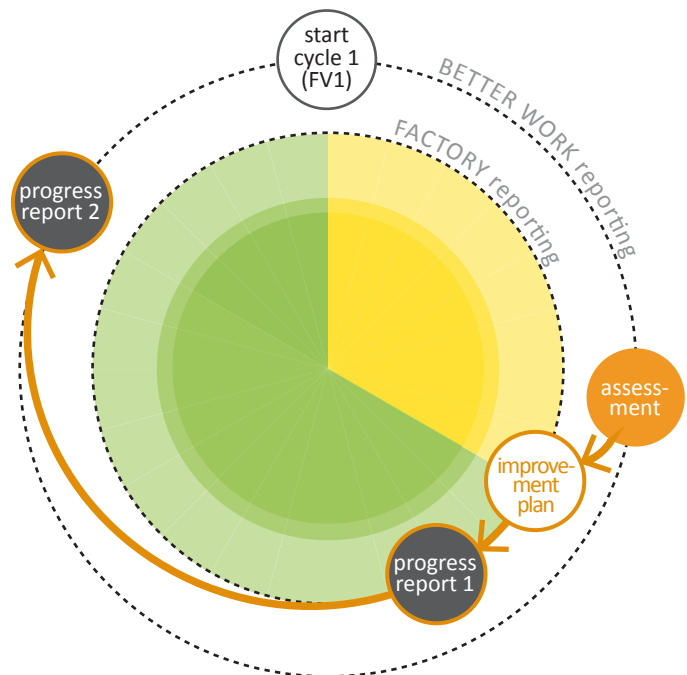


Figure 5 - advisory reporting throughout the cycle

3.2 TRAINING: Build capacity to sustain change

BW Training Services support the advisory work by providing deeper content in key issue areas. Training is practical and innovative, with a focus on factory-based results. Courses are garment industry specific, geared towards helping factories find sustainable solutions, and implemented in a variety of ways specific to the needs of each group of learners.

The training courses vary in length from 1 day to 5 days and are conducted in classroom settings.

As of 2016, all BW factories will have up to 25 participant days of training available per service cycle at no additional charge. The factory can determine which training course/courses they want to attend based on prioritized areas of improvement and availability of topics. The participant days can be used flexibly to suit the factory's situation. The factory can choose to send the maximum number of participants to a one-day training or send fewer participants to a training that lasts for several days.¹

¹ A 'participant-day' means 1 person attending 1 day of training

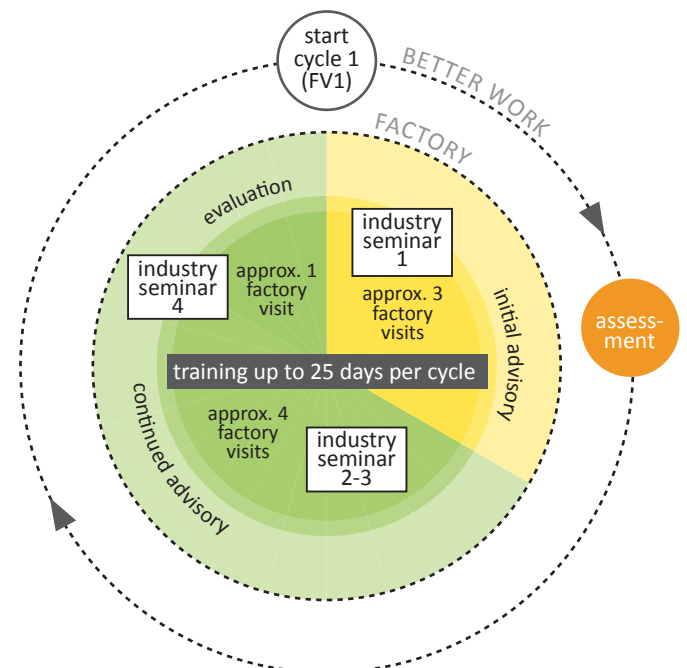


Figure 6 – training and seminars throughout the cycle

In addition to the set amount of participant training days that are part of the standard Service Package, factories can purchase additional training days (see figure 6).

More information on the training courses available in each country can be found on the country programme

3.3 ASSESSMENT: Establishing a Baseline and Measuring Outcomes

Better Work will carry out an independent, unannounced assessment roughly 100 days after the beginning of the annual cycle.

The purpose of the assessment is to provide a comprehensive overview of factory performance in meeting International Labour Standards (freedom of association and collective bargaining, child labour, forced labour and discrimination) and national labour laws (OSH, contracts, compensation and hours), and putting effective management systems in place (workplace health & safety and human resource management).

Better Work's assessment tool (termed the Compliance Assessment Tool, CAT) was developed to ensure assessments focus on the most critical areas, acting not as a test but as a benchmark of current performance. The generic CAT against which factories are assessed will be available on the BW website. There are country-level deviations that reflect differences in national laws.

The assessment report is released to factories and buyers (with authorization from the factory) approximately one month after the assessment.

Since the initial advisory phase of roughly 100 days before the assessment is key to BW's process of giving leadership and ownership to factories, allowing factories to make immediate improvements to urgent issues and building trust, it is not possible to carry out an assessment without having gone through this process. This means that requests for rushed or pre-order assessments (that do not allow time for the initial advisory phase) cannot be provided by BW.

4

Differentiation: Match Services and Value

To meet the needs of factories at different stages of development and to allow BW to target its interventions more effectively, Better Work will differentiate its service package into two stages. The purpose of differentiating factories is to:

- Enable factories who can take greater ownership for improvements and reporting to do so
- Decrease repetitive social auditing for factories that show consistent levels of high compliance
- Target advisory services at the appropriate level for different factories

Stage 1 factories will continue to receive the Standard Core Service Package to support them in making sustained progress.

Stage 2 factories will receive:

- A reduction in the frequency of the BW assessment (once every 24 months)
- Additional services (e.g. training courses)
- Exclusive access to buyer events and networking opportunities
- Priority in service delivery and sourcing profiles
- Opportunities to participate in pilots, special projects or case studies for publications
- Acknowledgement on the BW portal
- Updates on industry issues

4.1 Differentiation criteria

For factories to qualify for stage 2, they must meet a set of criteria. See Appendix 3 for a full list of differentiation criteria and indicators.

Performance with regard to compliance and management systems criteria will be evaluated based on the assessment. The Enterprise Advisor will make a determination of compliance with social dialogue and learning criteria.

4.2 Factory Support

BW will support the factory in working on the areas that are included in the differentiation criteria. For instance, the programme will help factories to mainstream social dialogue into their approach to problem solving. Bipartite worker/management committees will be strengthened to encourage information sharing and a culture of dialogue. Where unions are present in the factory, other forms of social dialogue, including consultation and

negotiation, will be encouraged as a means toward strengthening enterprise unions and development of mature industrial relations. Grievance mechanisms will be designed and strengthened with the active participation of all factory stakeholders.

To stimulate sustainable solutions and create higher levels of factory ownership and responsibility, Better Work will also support factories in designing, implementing and strengthening their internal management systems. These interventions cover the entire Plan-Do-Check-Act cycle to ensure continuous improvement. Key elements include policies and procedures, performance indicators, risk management, incident investigations and management reviews. This approach enables businesses to achieve their objectives and continuously improve through training and employee involvement.

As part of the improvement process, the Enterprise Advisor will provide feedback to the factory on its level of progress towards meeting stage 2 criteria.

4.3 Service differentiation Process

The differentiation process takes place after a factory has had at least two assessments (following the introduction of the criteria in July 2015).

There will be no public communications from Better Work regarding which factories have been admitted to stage 2, though factories and buyers in the programme will be alerted and will have access to this information through the Better Work portal.

Service differentiation is implemented parallel to public reporting (see section 5 / figure 7).

5

Public Reporting: Raise Compliance, Reward Good Factories, Public Accountability

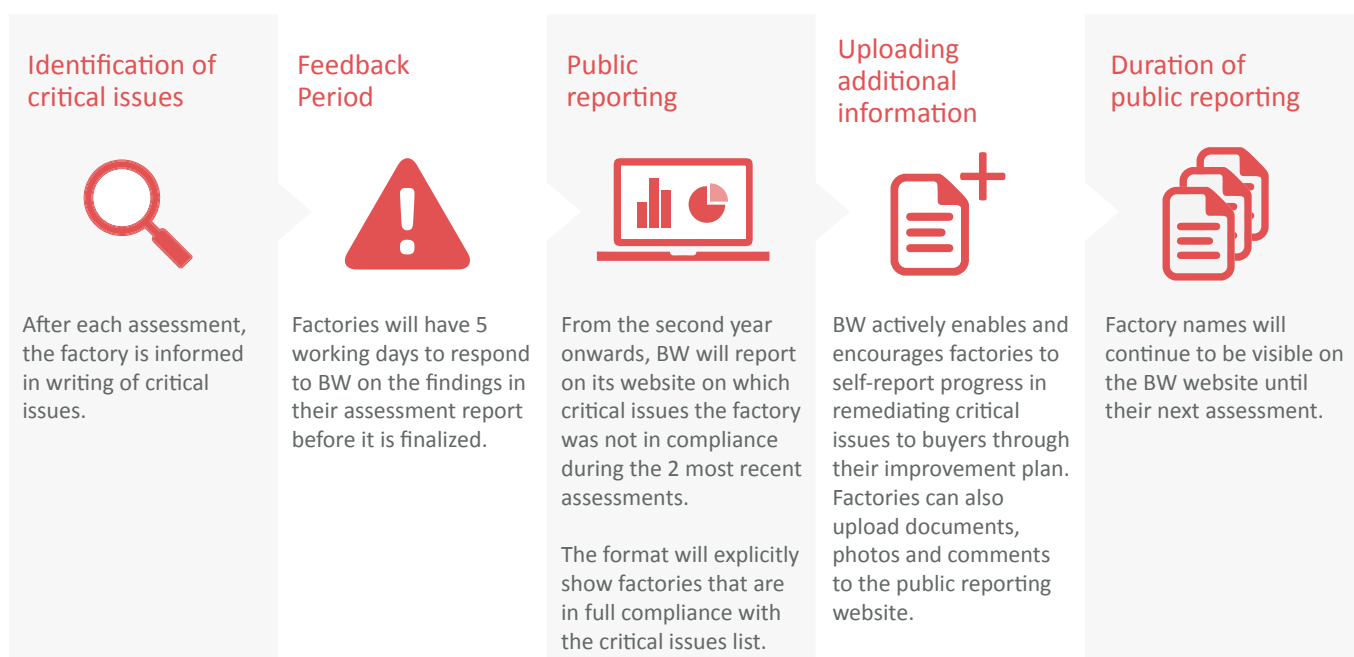
Based on the positive results of public reporting in Haiti and Cambodia, Better Work will implement public reporting in all of its country programmes from late 2015/2016 onwards. Public reporting will apply to factories that have undergone two or more assessments after the formal launch of the programme in each country.

The Better Work website will have a transparency page disclosing factory names and non-compliance findings on a list of critical issues (see appendix 4). A generic global list will be complemented by a limited number of country specific issues if necessary. The proven benefits of public reporting include:

- Raising the compliance level of the industry
- Protecting the reputation of the industry (ensuring factory reputations are not damaged by a minority of poor performing factories)
- Enabling factories with good compliance to receive benefits from buyers who can publicly identify them
- Allowing government resources to be used more effectively by providing public information on compliance levels.

Public reporting also provides a necessary counter-balance and public accountability mechanism to BW.

5.1 Public Reporting Approach



5.2 Linking service differentiation and public reporting

Public reporting and service differentiation will be implemented in parallel (figure 7). Both will come into effect after a factory has had at least 2 assessments following the April 2015 launch of the programme.

Figure 8 below gives an overview of incentives for improvement flowing from the parallel processes of service differentiation and public reporting.

As shown in the figure, factories that are not in compliance with one or more critical issues remain in stage 1. In order to move into stage 2, a factory must comply with the critical issues as well as meet the other differentiation criteria related to systems and social dialogue.

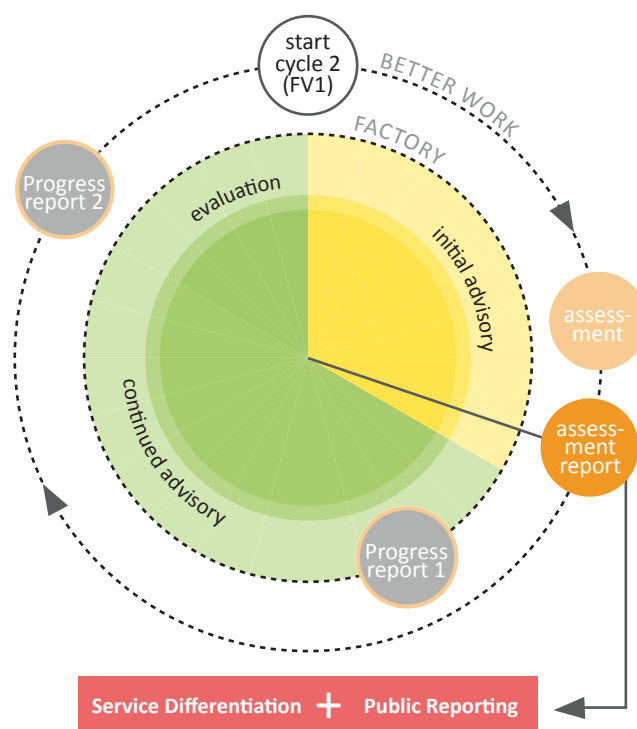


Figure 7 – parallel implementation of service differentiation and public reporting

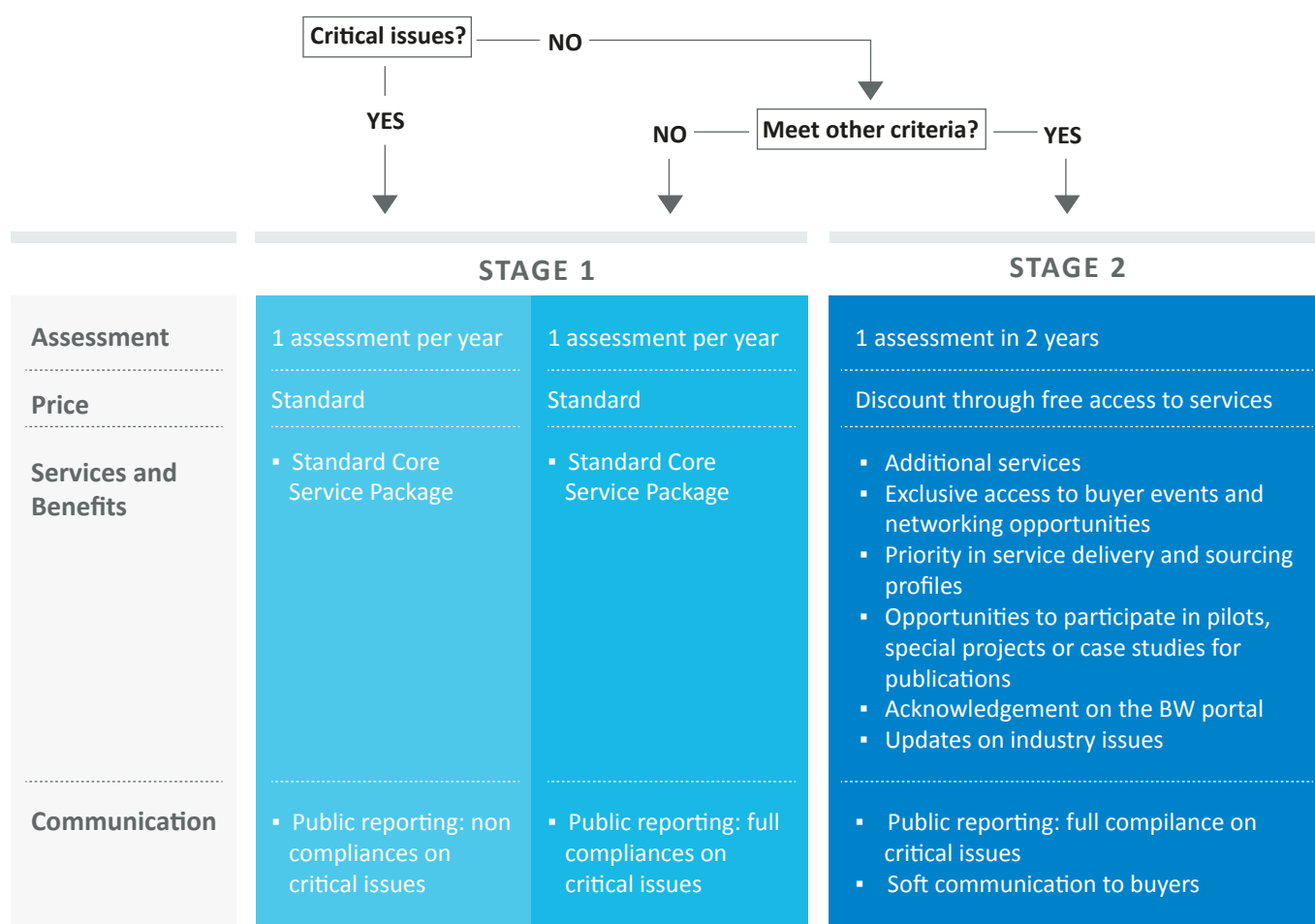


Figure 8 – overview of incentives related to public reporting and service differentiation

6

Pricing and Registration

6.1 Pricing

From January 2016, BW prices will include the full package of services as set out above. The price for both factories and buyers will be placed on the BW website.

6.2 Registration

To register for the programme, factories should complete a Factory Registration Form. Once the factory has registered, they will receive an invoice from BW. Services will start as soon as possible after the invoice has been paid.

7

Roll Out Process and Transition

2015

April 1st

Service in all countries will begin with a period for initial advisory services consisting of several visits over a period of approximately 100 days focusing on establishing the bipartite committee and the self-diagnostic process.

For existing factories, the self-diagnostic process will be introduced in the last 3 months of the current cycle so the annual assessment schedule is maintained.

July 1st

The first assessments at factories transitioning into the adjusted approach will be conducted.

Better Work will use assessments after July 1st 2015 as the first and baseline assessment for service differentiation and public reporting.

September

The first progress reports being produced by factories will be available.

2016

January 1st

Introduction of the new pricing.

August

After the next/2nd assessments are conducted, factories will move into stage 1 or stage 2. Simultaneously, the first public reports in these countries new to public reporting will be published.

8

Frequently asked Questions

8.1 Assessment

Q: My factory has been in the programme a year already, will our assessment be delayed by 3 months because our buyer requires an annual assessment?

A: No - assessments of all factories already in the programme will continue on the current timeline. The work on self-diagnosis will be introduced 3 months before the end of the current cycle to enable the assessment to go ahead as planned.

Q: If we don't want to do the Self-Diagnosis can we have our assessment sooner?

A: No - whether or not the factory completes the self-diagnosis, they will have to wait approximately 100 days for an assessment. As well as preparing the factory for self-diagnostic reporting, the initial advisory phase is an essential part of the BW process used to build trust, establish a functioning management/worker committee and work on improvements.

8.2 Advisory

Q: When does the initial advisory phase start?

A: The initial advisory phase begins at the day of the first advisory visit. This first visit will be scheduled as soon as possible after registration and payment by the factory are complete.

Q: Once my factory has registered and paid, how soon will the service start?

A: The first factory visit (as part of the initial advisory phase) will take place as soon as possible after registration/payment are complete.

Q: What happens if a Zero Tolerance Issue is identified during the initial 100 days of Initial Advisory?

A: If zero tolerance issues are found during any stage of (either Assessment or advisory), the Better Work zero tolerance protocol comes into effect.

Q: When do I get an updated improvement plan?

A: Issues that are coming forward from the self-diagnosis phase are self-reported into the improvement plan by factories. After the assessment report has been published, all identified non compliances will feed into the improvement plan. With technical support from the designated Enterprise Advisor, factories will be responsible for

keeping the improvement plan updated.

Q: What is the difference between Progress Report 1 and 2?

A: PR1 is produced by the factory and provides an overview of the factory's initial efforts and results in following up on needed improvements that were identified by the factory itself and BW. In addition, the factory will indicate how it plans to continue working on the improvement plan, improve workplace cooperation and build its internal capacity. Better Work will only report on the status of findings from the BW assessment that are related critical issues list (see appendix 4)

PR2 is produced by BW to provide an overview and update on the factory's efforts and results in following up on needed improvements (based on issues identified by both the factory and BW), improving workplace cooperation and building internal management systems. Better Work will report on the status of all issues.

	Better Work	Factory
Progress Report 1	Reporting on status of all issues found in the BW assessment that are on the critical issues list (see appendix 4)	Reporting on status of all other issues including all those that have been self-diagnosed
Progress Report 2	Reporting on status of all issues	N/A

Q: How does Better Work validate whether issues on the improvement plan have been completed?

A: The designated Enterprise Advisor will review whether needed improvements have effectively been addressed. The Enterprise Advisor will mark an issue as 'completed' when the issue has been remediated and actions have been taken at a systems level to avoid recurrence. In practice, this means the following:

- 1 The realized action has been reviewed by both management and trade union(s) /workers representatives, and both sides agree that all necessary actions have been taken;
- 2 Progress has been adequately communicated to relevant staff;
- 3 The Enterprise Advisor has reviewed relevant document(s) and/or physical improvements in the workplace.

Although the Enterprise Advisor makes a serious effort to review the situation in the factory, this check is not equivalent to a BW assessment. Therefore some issues cannot be reported as closed until the next BW assessment.

8.3 Training

Q: How is training treated differently in the adjusted model?

A: In the adjusted model, the factory fee will cover assessment, advisory and up to 25 participant days of training. The factory chooses in which training course/courses they want to attend based on prioritized areas of improvement and availability of topics. The set amount of participant days can be used in many ways. The factory can choose to send the maximum amount of participants to one day of training or split it up with fewer

participants in trainings that last for several days. Factories can also purchase more training days on top of the set amount offered as part of the package.

Q: What is the difference between industry seminars and training?

A: Industry seminars have been developed to support further integration of advisory and training. Experience to date show that peer learning between factories is highly effective in promoting change in practice. The seminars are introduced quarterly and are open to all participating factories.

An industry seminar is similar to a training course as it is a participatory and learner centered workshop. However, it is conducted as part of advisory services and the learner groups are typically larger in size. The aim of the seminar is to tackle one area of improvement, identified in many factories, in a collective way. The duration of a seminar ranges from half a day to a full day with up to 80 participants per session. At the end of each seminar, participating factories are asked to complete an action plan that is then incorporated into the factory's Improvement Plan and followed up on in subsequent advisory factory visits by the responsible Enterprise Advisor. Essentially, an industry seminar is a shorter version of a training programme and often covers one specific area of improvement, whereas a training programme covers a range of topics under one umbrella such as Occupational Safety and Health or Human Resource Management.

Each factory will have the opportunity to attend four industry seminars per cycle. Representatives from each factory, PICC (LKSB/PC) managers and worker representatives and other factory representatives responsible for the topic presented will be invited to the seminars.

8.4 Differentiation

Q: My factory has been in the programme for several years and we think we will definitely be a Stage 2 factory. Can we be differentiated now without having to wait for our next 2 assessments?

A: Since the differentiation happens through a structured evaluation, following a pre-prescribed process (which includes two consecutive assessments), it is not possible for any factory to be fast-tracked for differentiation. All factories entering Stage 2 are required to have undergone at least 2 assessments (from the introduction of the factory service package as set out) and have met all criteria for differentiation. The first factories eligible to enter Stage 2 will be those assessed for the second time from April 2016 onwards, though the majority will not be eligible until August 2016 or beyond when they have undergone 2 assessments under the model outlined above.

Appendix 1

Overview of self-diagnosis fields in the improvement plan

As illustrated in figure 9, Better Work has added two fields to the improvement plan template to enable factories to identify and address self-diagnosed issues.

The issue field contains dropdown options with standardized language and open space. For each cluster, the dropdown options cover key elements needed for effective management systems (policies, procedures, responsible persons, training & communication and evaluation & learning) as well as key non-compliance issues. The list of options is not exhaustive of all issues covered during a BW assessment as it focuses on the fundamental systems in a factory. The dropdown options have been formulated in soft, standardized language to make it easier for factories to acknowledge that further improvements could be made. The factory can also use the open space to add any other issues that are not in the dropdown list. Any relevant issue which the factory believes it could improve on may be included. Issues may be identified based on recent discussions in the management-worker committee, through worker consultation, by reviewing recent third party audit reports, etc. The open space areas can also be used to include issues that are more relevant to the country specific context. The action field can be used to describe which actions have been taken to address the self-diagnosed issue.

Factories are responsible for adding information into the self-diagnosis fields. The role of the BW Enterprise Advisor will be limited to coaching factories on effective self-reporting.

Old content of the IP

Improvement plan

New content of the IP

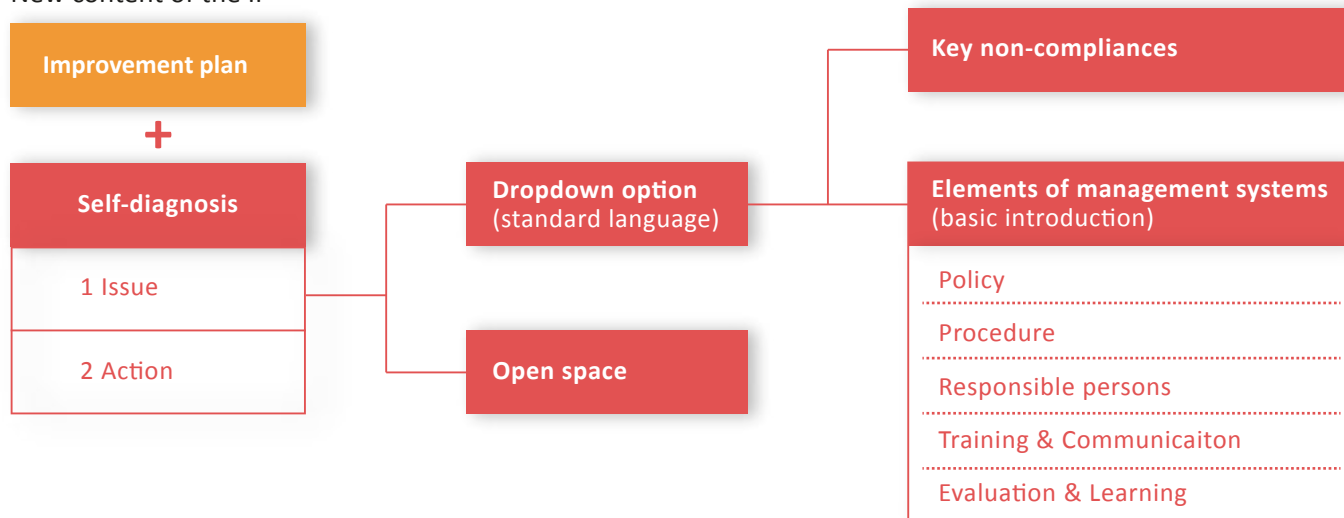


Figure 9 – self-diagnosis as a part of the improvement plan

List of dropdown options (standardized language):

Compensation

- 1 Internal policies regarding wages, mandatory benefits and social insurance could be better aligned with national regulations
- 2 Communications on wage/benefits calculations could be improved
- 3 Improvements could be made in how responsibilities are assigned to staff to ensure compliance with regulations on compensation
- 4 The procedure to monitor that payments to workers are in line with regulations could be improved
- 5 Identified cases of non compliance regarding compensation are not always evaluated and followed up

Contracts, human resources and grievance mechanisms

- 1 Internal policies regarding hiring practices could be better aligned with national regulations
- 2 Induction training for newly recruited workers on terms and conditions regarding employment could be improved
- 3 Improvements could be made in how responsibilities are assigned to staff to ensure compliance with regulations on terms of employment
- 4 Recruitment procedures could be improved to ensure compliance with regulations
- 5 Identified cases of non compliance regarding terms of employment could be more effectively evaluated and followed up
- 6 The process to evaluate grievances and communicate results to workers and management could be strengthened
- 7 The grievance mechanism could be better understood by workers
- 8 More attention could be given to assigning a person/department for workers to go to when they have grievances
- 9 Existing procedures to handle grievances of workers could be more widely used

Occupational health & safety

- 1 Internal policies regarding health & safety could be better aligned with national regulations
- 2 Communications with workers on health & safety prevention and emergency response could be improved
- 3 Improvements could be made in how responsibilities are assigned to staff to ensure that health & safety risks in the workplace are proactively addressed
- 4 An OSH officer with sufficient authority and resources available to perform his/her responsibilities should be designated and trained
- 5 A fire safety officer to ensure that fire extinguishers are checked monthly and maintained should be designated and trained
- 6 An active management-worker committee for health & safety which reviews safety issues, tracks corrective actions and engages workers should be created
- 7 The procedure for conducting drills to test and refresh evacuation procedures could be improved
- 8 The procedure for conducting monthly checks to ensure proper handling, storage, and labelling of hazardous chemicals could be improved
- 9 The procedure for maintaining inventory of chemicals and hazardous substances could be improved
- 10 The procedure to check that safety guards are functioning and PPE are used could be improved
- 11 The procedure for monitoring noise levels could be improved
- 12 The procedure for monitoring temperature levels could be improved
- 13 The procedure for monitoring that electrical installations are properly maintained and in good condition could be improved
- 14 Training for workers on how to use fire extinguishers could be improved

- 15 Training for workers on safe handling of chemical substances could be improved
- 16 Training for workers on the use of personal protective equipment could be improved
- 17 The process for informing workers about hazards they may be exposed to in the workplace could be improved
- 18 The factory could improve its systems for measuring accidents
- 19 The factory could set better targets to reduce injuries
- 20 The factory could set better targets for evacuation time
- 21 The factory could improve its evaluation and follow up of health & safety risks
- 22 Improvements could be made in how accidents are investigated to see if additional preventative measures must be taken
- 23 The factory could improve how clean drinking water is made available to workers

Working time

- 1 Internal policies regarding with regard to working hours could be better aligned with national regulations
- 2 Communications with workers on production planning and working hours could be improved
- 3 Improvements could be made in communication between internal departments to ensure adequate attention to the impact of production targets on working hours
- 4 Improvements could be made in studying the root causes of excessive overtime to see how these can be effectively addressed
- 5 Identified cases of non compliance regarding working hours could be better evaluated and followed up
- 6 The factory could improve how workers are given notice and asked for consent if overtime is required
- 7 The factory could improve its process for consultation with worker representatives on working time arrangements
- 8 The procedure to monitor that overtime is voluntary could be improved

Freedom of association and collective bargaining

- 1 Internal policies could be better aligned with regulations on freedom of association and collective bargaining
- 2 Communications on workers rights to organise and the roles of trade unions or worker representatives could be improved
- 3 Improvements could be made in how responsibilities are assigned to management to regularly interact with the union(s) or worker representatives in the factory
- 4 The factory could improve its approach to ensure workers not restricted in organising and electing their representatives
- 5 The factory should create a functioning committee consisting of management and worker representatives
- 6 The factory could make improvements in ensuring that union members and representatives will always receive equality of treatment
- 7 The factory could make improvements in providing facilities to unions / elected worker representatives to conduct their activities in the factory
- 8 Improvements could be made in integrating trade union representatives into management-worker committees and dispute settlement mechanisms
- 9 Improvements could be made in how management and the union agree on an effective mechanism for dues deduction
- 10 The factory could develop a better mechanism for implementing collective agreements

Child labour

- 1 Internal policies could be better aligned with national and international regulations to prevent child labour and protect juvenile workers
- 2 Internal communications on the minimum recruitment age and arrangements to protect juvenile workers could be improved
- 3 Improvements could be made in how responsibilities are assigned to staff to ensure compliance with

regulations on child labour

- 4 Improvements could be made in how responsibilities are assigned to staff to ensure compliance with regulations on juvenile workers
- 5 The procedure to prevent that underage workers are hired could be improved
- 6 The procedure to monitor that juvenile workers are protected from hazardous works could be improved
- 7 The factory could improve its process for evaluating and following up on identified cases of recruitment of child workers
- 8 The factory could improve its process for evaluating and following up identified cases of juvenile workers doing hazardous work

Forced labour

- 1 Internal policies could be better aligned with regulations regarding freedom of movement for all workers
- 2 Internal communications on workers' right to freedom of movement could be improved
- 3 Work contracts could be improved with regard to stating the legally required notice period for resignation
- 4 Improvements could be made in how responsibilities are assigned to staff to prevent that workers are restricted in movement
- 5 The factory could improve its process for evaluating and following up on identified cases of non compliance regarding freedom of movement

Discrimination

- 1 Internal policies could be better aligned with national and international regulations regarding prevention of discrimination and harassment
- 2 Internal communications on how discrimination and harassment can be prevented could be improved
- 3 Improvements could be made in how responsibilities are assigned to staff to prevent discrimination and harassment
- 4 The procedure to address cases of discrimination and harassment could be improved
- 5 The factory could improve its process for evaluating and following up on identified cases of discrimination and harassment

Appendix 2

Progress Report 1 (factory self-report)

Progress Report 1 will be released by the factory. It only reflects information that has been self-identified by the factory. The accompanying Improvement Plan includes findings from the factory self-diagnosis and the BW assessment.

IMPROVEMENT PROCESS

A) Self-diagnosis

Mandatory question The factory has self-diagnosed needed improvements before the assessment and has specified identified issues and planned/realized actions in the improvement plan:

Mandatory question The worker-management committee has made an active contribution to the self-diagnostic process:

Voluntary question The factory would like to make the following comments with regard to the self-diagnostic process:

B) Improvement Plan

The improvement plan includes:

XXX issue(s) self-identified by the factory

XXX issue(s) followed up by the factory (during the initial advisory phase)

XXX issue(s) has/have been marked as 'completed' by the designated BW advisor

WORKPLACE COOPERATION

Better Work aims to create greater opportunities for communication between managers and unions/worker representatives. As part of the BW improvement process, the factory is required to set up a worker-management committee. Please refer to Annex 3 for an overview of the members of the worker-management committee.

A) Progress made

Mandatory question A worker-management committee was established on:

Mandatory question How did formation of the committee take place?

Mandatory question If an election was held, the date was:

B) Next steps

Voluntary question (tick options as appropriate) The factory plans to take the following actions to strengthen its committee:

- Ensuring management representatives with decision making power are designated to sit on the committee
- Appointing more members to the committee
- Ensuring regular attendance of members to committee meetings
- Ensuring that regular meetings are held, also in the absence of the BW advisor
- Briefing the committee members on their roles & responsibilities
- Other:

CONTINUOUS LEARNING

Better Work encourages factories to proactively develop a learning plan.

A) Progress made

Mandatory question The factory has participated in the following trainings:

Mandatory question The factory has attended the following BW industry seminars:

Mandatory question The factory has undertaken the following actions as a result of attending above BW industry seminars:

Mandatory question The factory has undertaken the following actions as a result of attending above BW Training:

B) Next steps

Voluntary question The factory identified the following priorities for continuous learning in the next 6 months:

MANAGEMENT SYSTEMS

A) Progress made

Mandatory question The factory has made the following improvements in its internal OSH management systems:

Mandatory question The factory has made the following improvements in its internal HR management systems:

B) Next steps

Voluntary question The factory plans to make the following improvements in its internal OSH management systems:

Voluntary question The factory plans to make the following improvements in its internal HR management systems:

FEEDBACK TO BETTER WORK

Voluntary question The factory would like to share the following feedback with BW regarding the initial advisory and learning process:

Appendix 3

Service Differentiation

Factories must meet all criteria below in order to qualify for stage 2 service delivery.

	CRITERIA	INDICATOR
Compliance with critical issues	1 No NC on critical issues.	Two rounds of no NCs on critical issues in assessments.
Social Dialogue	2 Worker management committee (PICC or other relevant body) is active and functions effectively.	Meeting minutes from past year of bipartite committee show at least 6 meetings with concrete outcomes and follow up actions completed on all priority issues.
	3 Management participants in PICC have sufficient authority to participate in decision-making.	Meeting minutes from past year of bipartite committee show management has taken decisions based on bipartite committee recommendations.
	4 Workers are effectively represented in decision making processes, and their representatives are freely chosen.	Interviews with union/worker representatives from assessment or advisory visit from the past year of bipartite committee show: - Worker input is incorporated into discussion and decisions. - Worker representatives on the worker-management committee are released from regular duties for sufficient time to regularly consult and inform their colleagues (including via meetings which are open to the union or led by the union) to discuss improvement needs and outcomes of bipartite committee meetings. - Worker participants in the committee are elected by workers.
	5 Where there is a union present in the factory, management maintains open communication channels with trade unions. Union reps have the opportunity to join the bipartite committee. The bipartite committee is not used as an alternative to a trade union.	Interviews with union representatives in assessment or advisory indicate ability to participate in bipartite decision making structures.
	6 Worker-management committee actively identifies and addresses issues in the factory.	For each compliance cluster where improvements are needed according to the assessment, the committee must have self-diagnosed at least one needed improvement.

Systems development and implementation	7 The factory has put sound management systems in place for Human Resource Management and Occupational Health & Safety. 8 The factory has an effective grievance handling mechanism.	The factory satisfies all 14 questions on HR and OSH management systems as covered in the Better Work assessment: ▪ Is there an HR policy that is signed by top management with a clear commitment to meet all legal requirements? ▪ Does the employer have a recruitment procedure? ▪ Does the employer have a disciplinary and termination procedure? ▪ Does the employer have a grievance handling and dispute resolution procedure? ▪ Does the employer assign accountability at all levels of management for following factory policies and procedures relating to Human Resource management and performance? ▪ Does the employer effectively communicate and implement HR policies and procedures? ▪ Does the employer investigate violations of HR policies and procedures to identify weaknesses and make necessary adjustments to prevent recurrence? ▪ Is there an OSH Policy that is signed by top management with a clear commitment to continued improvement and compliance with legal requirements? ▪ Is there an emergency preparedness procedure? ▪ Is there a hazard/risk management and control procedure? ▪ Is there an accident investigation procedure? ▪ Does the employer assign accountability at all levels of management for carrying out health and safety responsibilities? ▪ Does the employer effectively communicate and implement OSH policies and procedures? ▪ Does the employer investigate, monitor and measure OSH issues to identify root causes and make necessary adjustments to prevent recurrence? The grievance mechanism should include at minimum: ▪ At least one grievance handling channel which offers all employees an opportunity to file a grievance anonymously and keeps sensitive information confidential. ▪ All employees are informed about the grievance process and guaranteed that there will be no retaliation against plaintiffs, both in writing (by having it posted in understandable language in a place that is accessible to workers) and orally. ▪ There is designated staff accountable for day-to-day responses to grievances, coordinating a timely response to filed grievances, with a senior manager collaborating with union representatives on oversight of these activities.
Learning	9 Development and implementation of a learning plan	▪ Worker-management committee has proactively developed a Learning Plan that meets the specific needs found in the self diagnostic and Improvement Plan. ▪ Management is proving training workshops, identified in the Learning Plan, to factory staff and coordinates with relevant Trade Unions in offers to workers.

Appendix 4

Global critical issues list for public reporting and service differentiation

CLUSTER	ISSUE
1 Child Labour	Workers under age 13 (or under age following national law)
2 Discrimination	Terminating workers who were pregnant or on maternity leave or forcing them to resign
3 Discrimination	Gender discrimination
4 Discrimination	Sexual Harassment
5 Forced Labour	Forced overtime under threat of penalty
6 Forced Labour	Freedom of Movement
7 FOA/CB	Attempt(s) to interfere with, manipulate or control the union(s)
8 FOA/CB	Punishment of unionists
9 FOA/CB	Termination or non-renewal of worker's employment contract due to union membership or activities
10 FOA/CB	Freedom to form and join a union ¹
11 FOA/CB	Requiring workers to join a union
12 FOA/CB	Implementation of collective agreement
13 FOA/CB	Punishing workers for participating in a strike
14 OSH	Periodic emergency drills
15 OSH	Accessible, unobstructed, and/or unlocked emergency exits during working hours, including overtime
16 OSH	Number of emergency exits
17 OSH	Fire detection and alarm system
18 OSH	Storage of chemicals and hazardous substances
19 OSH	Mechanisms to ensure cooperation between workers and management on OSH matters
20 OSH	Providing drinking water
21 Compensation	Payment of minimum wage for regular workers ²
22 Compensation	Informing workers about wage payments and deductions
23 Compensation	Payment for maternity leave

¹ This critical issue does not apply to Jordan and Vietnam where national law is in non-compliance with ILO core standards. Factories will therefore not be reported for this issue in these two countries

² This issue will not be reported in Indonesia due to a vagueness in the interpretation of the law.

24 Working Time	Payment for ordinary overtime
25 Contracts and Human Resources	Limits on the use of fixed term contracts ³
26 Contracts and Human Resources	Bullying, harassment or humiliating treatment of workers
27 Process Integrity	Access denied

³ This issue will not be reported in Lesotho as the current labour code does not include any limits on the use of fixed-term contracts.



Core donors to Better Work are:

Netherlands Ministry of Foreign Affairs

Swiss State Secretariat for Economic Affairs

Ministry of Foreign Affairs of Denmark

The US Department of Labour

Funding is also provided by DFID, Government of France, Government of Canada, Irish Aid, GMAC, Royal Government of Cambodia and private sector donors, including The Walt Disney Company, Levi Strauss Foundation, Gap Inc. and FUNG (1937) Management Ltd

