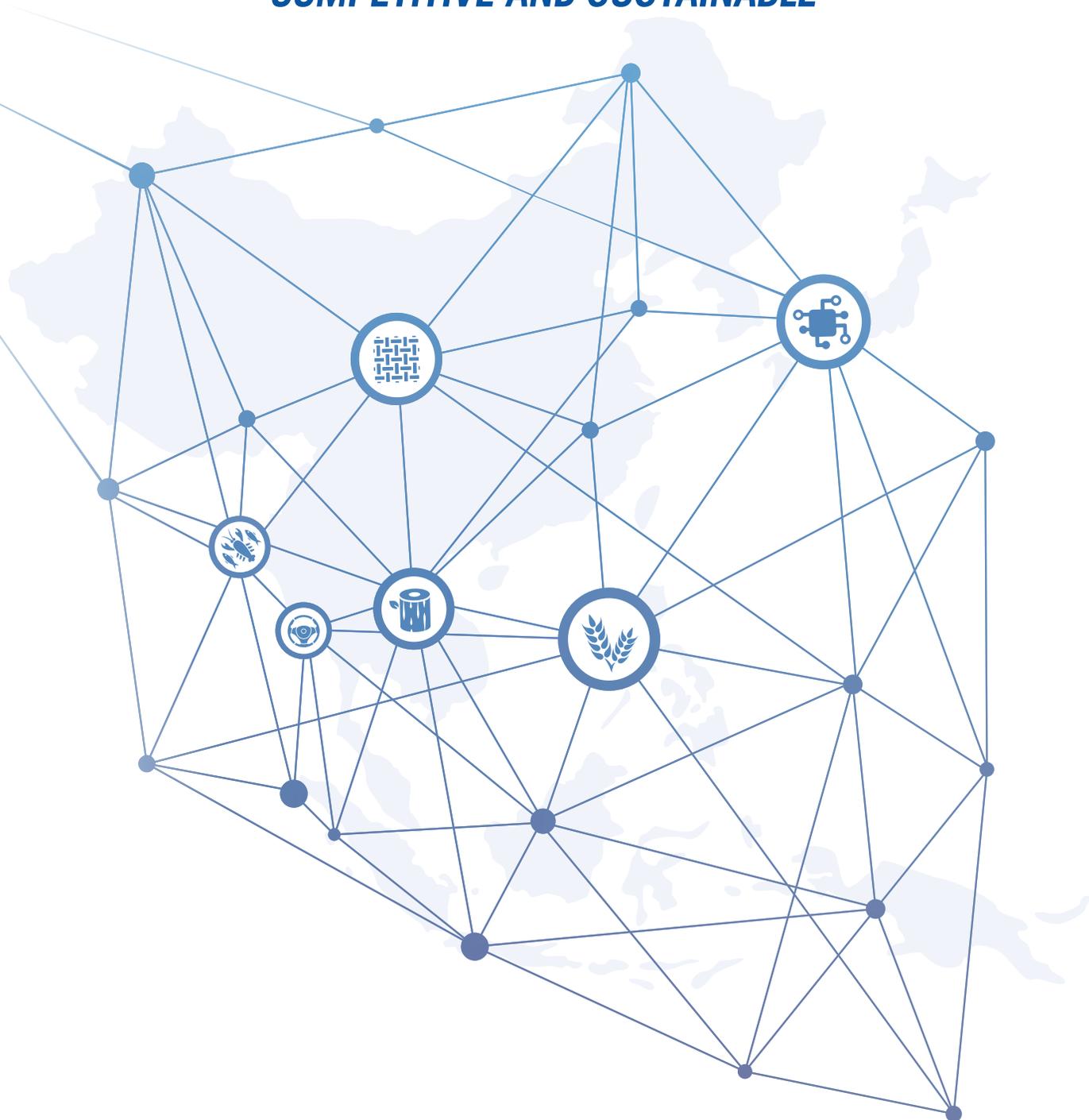


# LABOUR STANDARDS IN GLOBAL SUPPLY CHAINS

*HOW TO MEET THEM TO BECOME MORE  
COMPETITIVE AND SUSTAINABLE*



**ILO TRAINING MODULE  
FOR SMES AND OTHER ENTERPRISES**



**International  
Labour  
Organization**



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# Preface

Over the past decade, several measures and initiatives have been introduced by governments, businesses, trade unions and civil society organizations to make global supply chains more sustainable and responsible. Through responsible business conduct (RBC) and corporate social responsibility (CSR) frameworks at the global level, national legislation in importing countries and private compliance initiatives, enterprises participating in global supply chains are increasingly asked to live up to expectations in the labour and environmental area in addition to compliance with national law. As such enterprises are exposed to due diligence requirements, social audits and code of conduct for suppliers, intended to supplement public governance systems. For enterprises, in particular those that are new to exporting to international markets and without dedicated staff working on CSR and compliance issues, this can be a difficult topic to manoeuvre.

At the International Labour Conference in 2016, governments, employers and workers held a discussion on “Decent Work in Global Supply Chains” tasking the ILO during the discussion on to

***“Strengthen its capacity to give guidance to enterprises on the application of labour standards within their supply chains and make information available on specific country situations, laws and regulations, including on the implementation of labour rights due diligence in coherence with already existing international frameworks.”<sup>1</sup>***

They moreover stated that many of these international frameworks help enterprises to foster decent work and should be better known and promoted in a coherent way. Most of these frameworks refer back to International Labour Standards (ILS), adopted by governments, employers and workers in the ILO. This puts the ILO in a good position to advise and train governments, employers’ and workers’ organizations and enterprises in their implementation.

The purpose of this training module is to help enterprises, in particular small and medium-sized (SMEs), understand the origins of these international frameworks, code of conduct for suppliers and audits, the different areas that they cover and what enterprises can do to improve and demonstrate their adherence to international principles and compliance with national law and corporate codes. The training also demonstrates that respecting workers’ rights and improving working conditions can be part of competitive business strategy to join the ranks of employers that enjoy a good reputation among workers and business partners.



This training module is a product of a collaboration between the EU-ILO-OECD Responsible Supply Chains in Asia project and the *ILO Sustaining Competitive and Responsible Enterprises (SCORE) Programme*. The *Responsible Supply Chains in Asia* project<sup>2</sup>, funded by the European Union, is overseen by the Multinational Enterprises and Enterprise Engagement Unit (ENT/MULTI) in the ILO's Enterprises department and managed by the ILO Regional Office for Asia and the Pacific. The ILO SCORE Programme<sup>3</sup> is funded by SECO and NORAD and managed by the SME Unit in the ILO's Enterprises department.

Magali Martowicz (ILO consultant) developed the manual and the corresponding trainer guide and PowerPoint presentations, building on training materials and other resources developed by ENT/MULTI. Stephan Ulrich led the overall development process. A team of ILO experts - Yukiko Arai, Adam Greene, Fredy Guayacan, Olga Orozco and Emily Sims - provided technical guidance. Appreciation also goes to the staff in the ILO Manila Office (Ruby Banez, Hideki Kagohashi, Julius Panzo) and the Employers Confederation of the Philippines (Director-General Jose Roland Moya, Dang Buenaventura, Ray Guerrero Tadeo) for their collaboration in validating the training package in the Philippines in March 2019.

We recommend the use of this training package for all enterprises, especially small and medium, becoming part of global supply chains. It will help them better understand requirements in the area of labour standards and help them become more sustainable enterprises.

**Githa Roelans**

Head, Multinational Enterprises  
and Enterprises Engagement Unit  
Enterprises department  
ILO Geneva

**Michael Elkin**

Chief Technical Advisor  
ILO Sustaining Competitive and  
Responsible Enterprises (SCORE)  
Programme

<sup>1</sup>Resolution concerning decent work in global supply chains, 105th Session of the International Labour Conference 2016  
<http://bit.ly/ILOGC105>

<sup>2</sup>For more information on the EU-ILO-OECD Responsible Supply Chains in Asia project, see <https://www.ilo.org/rsca>

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# SECTION 01

# RESPONSIBLE BUSINESS

## INSTRUCTIONS

This is the handbook for the International Labour Organization's (ILO) training course on responsible business and corporate social responsibility (CSR).

The course will provide you with a better understanding of:

- Responsible business, CSR and compliance with codes of conduct for suppliers
- Key international instruments which promote labour rights
- Potential clients' CSR requirements
- Your own performance
- The first steps to improve compliance with responsible business and CSR requirements

The training manual is structured in 11 sections. Section 1 is a general introduction to responsible business, CSR, social audits and legal instruments. It includes a few examples of companies that are going beyond compliance.

Section 2 to 10 provide you with content, tips and tools to comply with buyer requirements. Each of these sections has a built-in self-assessment. Please take the time to respond to the questions. If you answer no to any of the questions, please take the time to think of a corrective action.

You will see that each of these sections provide you with tips, tools or templates. We have signposted templates, tools and useful tips with the icon ⓘ.

For example, you can see in the table above that the icon ⓘ refers to a risk assessment: "Do you assess OSH risks at least annually?" - You will be able to find a template risk assessment at the end of the section.

Once you have gone through the training and answered all the self-assessments, please take time to reflect on your performance and establish an action plan. This is section 12.

Question	Yes	No	Part	Comment
Do you have an OSH policy that details your organisations commitment, Major OSH risks, key prevention programmes and responsibilities of managers and workers?				
Have you appointed someone to oversee OSH with the time, seniority and expertise to fulfill the role?				
Do you have and OSH Committee that meets regularly and effective?				
Are workers active in the OSH committee and on the shop floor, point out unsafe practices and come forward with suggestions to improve work safety?				
Do you assess OSH atleast annually? ⓘ				

## RESPONSIBLE BUSINESS & CORPORATE SOCIAL RESPONSIBILITY

is often used interchangeably. Responsible businesses seek to maximize their positive impact while minimizing the negative effects of their operations. In the context of workers' rights, this means that a responsible business seeks to ensure that its workers' rights are respected; engages in constructive dialogue with workers' representatives about issues of concern; and establishes a system to address workers' grievances. A responsible business also uses its leverage to encourage its business partners to do likewise.

The term CSR was coined in the 1950s, but CSR became predominant in the 1990s when businesses accelerated outsourcing of production to less developed countries. By transferring manufacturing to cheaper places, trade unions and non-governmental organisations (NGOs) were quick to expose businesses that were benefiting at the expense of foreign workers who worked in poor conditions. Indeed, weak local law enforcement made labour abuses rife. The most famous brands being targeted by the campaigns were Nike and Gap; consumers started associating their names with sweatshops or sweat factories, where low wages, long hours, dangerous workplace environment were the norm.

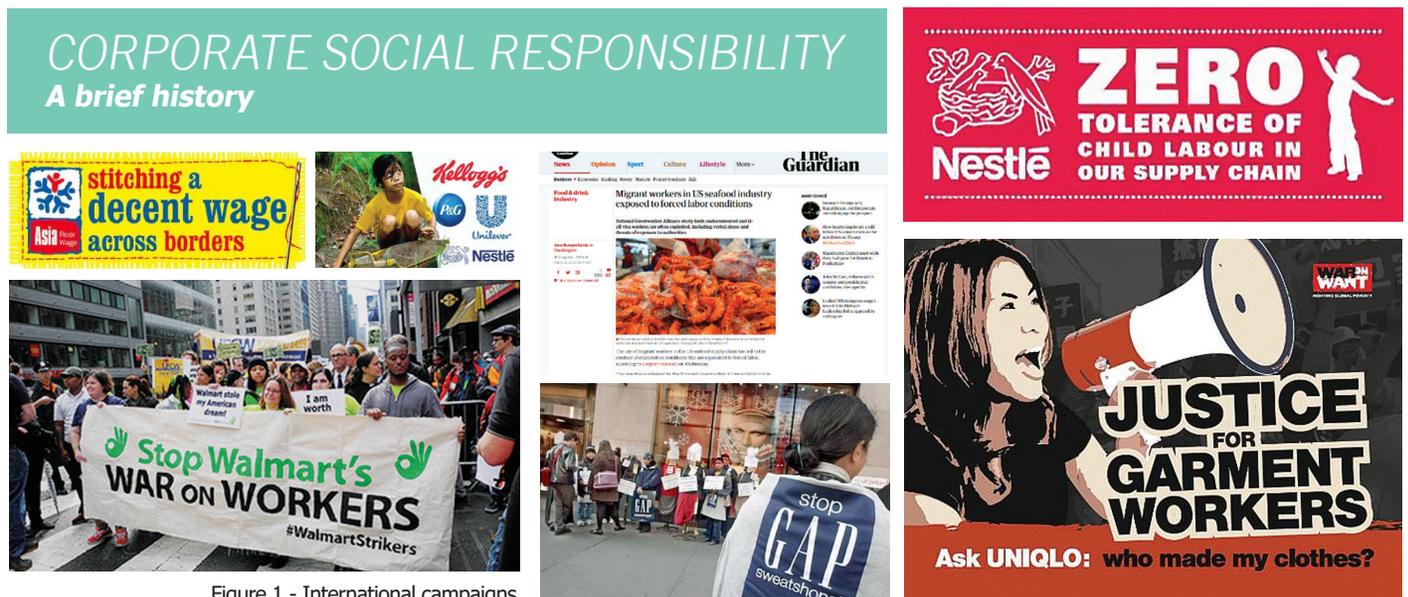


Figure 1 - International campaigns

These well-orchestrated international campaigns started shaping how businesses engaged with their suppliers and they continue to do so. Here are some recent examples:

- **Clean Clothes Campaign:** the clean clothes campaign aims at improving working conditions in the clothing sector. It is an international movement of local grass-root NGOs and trade unions that was set-up in 1989 and remains very active today. It campaigns for a living wage and for greater transparency in the way businesses are conducted.
- **Tescopoly:** the Tescopoly campaign challenged the negative impacts of Tesco (UK dominant food retailer) in its supply chains. The campaign started in 2005 and was so successful that it led the UK government to create an ombudsman to monitor big supermarkets' treatment of farmers, suppliers and shoppers in 2013.

# SECTION 01

## RESPONSIBLE BUSINESS

Global unions have also taken an active part in raising awareness of poor treatment. By connecting globally, they run very effective campaigns. Some have managed to negotiate agreements on working conditions across-borders.

- **IndustriALL:** IndustriALL is a global union that represents 50 million workers in 140 countries in the mining, energy and manufacturing sectors. Its reach is therefore enormous, as is its capacity to mobilise workers. It works on various topics such as precarious work, the Bangladeshi clothing industry and safety and health amongst many others
- **UNI Global Union:** UNI is a global union that represents 20 million workers across 150 countries in the skills and services industries. They have signed global agreements with over 50 multinational companies to set fair working conditions.

In response, brands started to adopt codes of conduct for suppliers and certification schemes that set out their expectations towards working conditions in their supply chains. These codes almost always are based on international labour standards. A wide variety of industry and multi-stakeholder initiatives arose to harmonize approaches and help to coordinate efforts across the supply chain, such as:

- **Social Accountability International (SAI):** SAI was set-up in 1997 and developed the SA8000 certification scheme applicable to any industry and sector.
- **Ethical Trading Initiative (ETI):** the ETI was set-up in 1998 and is applicable to any industry and sector.
- **Fair Labour Association (FLA):** the FLA was originally set-up in 1999 to improve working conditions in the apparel and footwear industries. The FLA is now applicable to any industry and sector.
- **Amfori (formerly BSCI):** Amfori BSCI was set-up in 2003 in Belgium. It is applicable to any industry and sector.
- **Responsible Business Alliance (formerly EICC):** the Responsible Business Alliance was set-up in 2004 by leading electronics brands and suppliers. It is restricted to electronics industry supply chain.
- **Ethical Toy Program (formerly ICTI):** the Ethical Toy Program was set up in 1995 and has its origin in China. It focuses on toys and children's products.

Most codes of conduct for suppliers cover the following categories:

- **Occupational safety and health:** how to ensure a safe and healthy place at work;
- **Wages and benefits:** what you should pay your workers to make sure they can live a decent life;
- **Working time:** the maximum number of hours workers should work to remain healthy and productive;
- **Child labour:** at what age workers can start working and under what conditions;
- **Forced labour:** work should be freely chosen, and workers should be free to leave their work;

- **Discrimination:** workers should not be discriminated against because of their age, race, gender, religion, colour, political affiliation or any other personal characteristics;
- **Harassment:** workers should be able to work free of harassment, including sexual harassment;
- **Grievance:** workers should be able to raise their grievances and have access to a fair hearing and remedy;
- **Freedom of Association:** workers should be allowed to organise to strengthen their voice at work;
- **Collective Bargaining:** workers should be able to negotiate collectively terms and conditions of their employment, including handling of grievances.

Supplier codes of conduct are addressed to suppliers via contracts and do not apply to the company itself. They are implemented through audits to identify areas of non-conformance with the code, corrective action plans to address those areas and, in some cases, capacity building to improve overall management practices (usually limited to more important suppliers).

Supplier codes generally are targeted only to suppliers in countries where the government has weak or limited capacity to implement and enforce national labour laws and where there is systemic non-compliance with national law. They are basically stop-gap measures to fill the void left by the failure of the government to implement and enforce the law and to provide access to judicial remedies, e.g. courts. The code of conduct for suppliers will still be part of contracts with suppliers in countries with effective national institutions, but they are rarely subject to any auditing since it usually isn't necessary.

Lastly, such codes do not address the full range of CSR issues, but rather focus on certain elements, mainly labour issues including OSH, and increasingly also environment. This training is focused only on labour issues.

## INTERNATIONAL LABOUR ORGANIZATION (ILO)

The ILO is a specialized agency in the United Nations (U.N.) system, founded in 1919. ILO brings together governments, employers' and workers' organizations of 187 member States to set international labour standards, develop policies, and devise programmes promoting decent work for all women and men. It helps advance the economic and working conditions that give all workers, employers and governments a stake in lasting peace, prosperity and progress.

International labour standards (ILS) are legal instruments addressed to governments which come in two forms: conventions and recommendations. Conventions are binding international treaties. Countries which ratify a convention accept to align their national law and practice with the provisions of the convention and report periodically on their progress. Recommendations are not for ratification and, instead, they aim to provide general guidance to all member States. All member States have ratified at least some ILO Conventions; and furthermore tend to include provisions of various conventions and recommendations in their legislation. You can check which conventions your government has ratified here:

<http://www.ilo.ch/dyn/normlex/en/f?p=NORMLEXPUB:11001:0::NO::>

Figure 2 - ILO

Whilst international labour standards (ILS ) are aimed at governments, the ILO has developed direct guidance for enterprises through the ILO Tripartite Declaration concerning Multinational Enterprises and Social Policy (MNE Declaration).

## MULTINATIONAL ENTERPRISE DECLARATION (ILO)

The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) is an important instrument influencing expectations of labour-related social responsibility. Adopted by employers' and workers' organisations as well as governments from around the world, the MNE Declaration provides guidance to both companies and governments on a range of topics, including:

- Employment promotion, social security, elimination of forced or compulsory labour, effective abolition of child labour (minimum age and worst forms), equality of opportunity and treatment, and employment security.
- Contributions to skills formation in order to promote employability of nationals to meet the needs of the enterprise, and to develop the policies of the country
- Conditions of work and life, including, wages, benefits and conditions of work, and safety and health; and
- Industrial relations, with recognition of freedom of associations and collective bargaining — multinationals should observe standards of industrial relations throughout their operations and to develop internal mechanisms for consultation, examination of grievances and settlement of disputes

The MNE Declaration addresses both MNEs and national enterprises, and is now recognised as a useful guide to organisations of any size wishing to achieve mature industrial relationships and compete globally. MNEs are encouraged to follow the principles along their global supply chains, which includes small and medium-sized enterprises.

Figure 3 - MNE Declaration

# CORPORATE SOCIAL RESPONSIBILITY

The ILO is not the only international institution that aims at promoting better working conditions. In 2011 the United Nations adopted "Guiding Principles on Business and Human Rights, implementing the "UN Protect, Respect and Remedy Framework". The principles set out a framework where the States have a duty to protect human rights, businesses have a responsibility to respect human rights; and both governments and businesses should ensure that victims of business-related abuses have access to remedy.

Likewise, the Organisation for Economic Co-operation and Development (OECD), an intergovernmental economic organisation made up of 36 countries, has developed Guidelines for Multinational Enterprises on Responsible Business Conduct. The guidelines set out recommendations from governments to multinational enterprises on responsible business conduct (RBC).

The European Union (EU) also promotes respect for labour rights as part of trade agreements. A new generation of EU trade agreements include clauses on labour rights and on sustainable development and CSR/RBC, reinforcing the work done by the ILO on promoting international labour standards and sustainable enterprises. This means that countries seeking market access the EU must demonstrate they are applying ILO core conventions.

Finally, some countries are very active in the CSR area and governments in the U.K., the U.S.A. and France have recently passed laws that oblige companies to report and act on working conditions in their supply chains.

## **French Duty of Vigilance Law**

Very large French companies must establish, implement, and publish their due diligence plans to prevent serious human rights' abuses in supply chains. 2017

## **Modern Slavery Act**

Any company with a global turnover of £36M who does business in the UK must disclose the steps they take to address modern slavery in their business and supply chain. 2015

## **California, Transparency in Supply Chains Act**

Large Californian retailers and manufacturers must provide consumers with information regarding their efforts to eradicate slavery and human trafficking from their supply chains. 2012

ILO - CSR Training

As a result, and today more than ever, companies monitor their suppliers to evaluate if they comply with their code of conduct for suppliers. They mostly do so through their social auditing programmes.

## **1.1 WHAT ARE SOCIAL AUDITS?**

A social audit is a tool to evaluate whether a supplier is meeting the social responsibility requirements specified in a buyer's code of conduct for suppliers. Buyers which are members of a CSR initiative such as Amfori require their suppliers to undergo an audit by the initiative; and certification schemes such as SA8000 also require social audits.

# RESPONSIBLE BUSINESS

Social audits are usually carried out by external auditing companies, although some of your clients may have internal auditing teams. You can also decide to audit yourself.

When you are audited, an auditor comes to your company and requests access to your company's documentation, interviews managers and workers and inspects your installations. At the end of the process, she or he will highlight good practices and areas for improvement; and will provide an assessment of your performance which the buyer will use to determine compliance with the code of conduct for suppliers. Depending on the seriousness and frequency of problems uncovered, the buyer may require the supplier to develop a plan of action and timeline to fix the problems or may immediately terminate a contract if a very serious issue, such as forced labour or child labour, is identified.

By showing you where you comply and where you do not comply, social audits help you become a better employer. Social audits also help you demonstrate to your clients how good you are in this area.

## SOCIAL AUDITS – QUICK FACTS

- Length: it varies according to the size of your company – usually between 1 and 4 days.
- Cost: it varies between 800USD and 3,000USD according to the audit's length, the company which audits your site and the chosen scheme
- Who pays: often the supplier, but sometimes the buyer.
- Workers interviews: the auditor will request to interview a number of workers (varies according to different schemes but it could be around 10% of the workforce)
- Who owns the assessment report: the company which paid for it; but in any case, the buyer will ask to see the report.

Figure 5 - Social audit, quick facts

## 1.2 WHAT ARE THE BENEFITS OF COMPLYING WITH SUPPLIER CODES OF CONDUCT?

Above and beyond the fact that you, as a business, must respect the legislation of your country, complying with codes of conduct for suppliers brings many benefits:

- **The business case** – If you do not comply with your clients' codes of conduct for suppliers, you may not be eligible for orders. Full compliance can help secure business, especially for export markets, where demand is increasing for suppliers who provide good conditions to their workers. In addition, long hours, poor safety and health and harsh treatment lead to workers being tired and demotivated. When workers are tired, accidents happen. This tends to affect negatively quality and productivity. All of this

leads to higher costs. Complying with codes of conduct for suppliers makes good business sense.

- **The human resources case** – attractive working conditions help retain workers. Good working conditions mean lower turnover, lower absenteeism and longer length of service.
- **The reputational case** – In today’s digital world, reputation is easily stained. This happens to Western brands but more and more to suppliers too, such as in the case of Foxconn, a large Chinese supplier to Apple. Even entire countries or industries get linked to violations of workers’ rights and brands and consumers might stay away from them.
- **The operational case** – finally complying with codes of conduct for suppliers means rethinking and professionalising your operations and ways of working. Implementing your clients’ codes requires you to review core business operations, through a set of clearly defined processes. We call this a management system.

Management systems are made of:

- Policies, procedure and records
- A team dedicated to CSR
- Monitoring
- Corrective Action

The steps involved in management system are summarized in the Plan-Do-Check-Act cycle, shown in Figure 6.

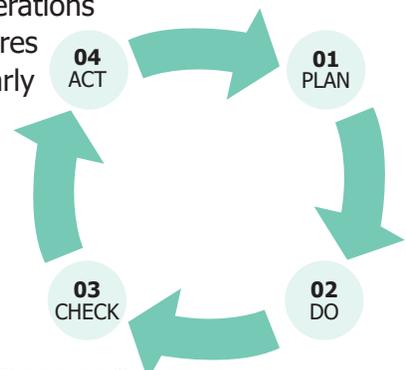


Figure 6: Plan-Do-Act-Check cycle

### 1.3 WHAT ARE THE CHALLENGES OF COMPLYING WITH CODES OF CONDUCT FOR SUPPLIERS?

There are significant benefits to complying with your buyer’s code of conduct for suppliers and integrating compliance into your broader business strategy for positioning your company in the global market. However, there are also challenges:

- Your company may have several buyers, with significantly different codes of conduct for suppliers. Codes of conduct for suppliers have become more standardized, but there are still some differences which can cause confusion and unnecessary costs to suppliers.
- Typically, the supplier pays for the audit. With multiple buyers, this can get expensive. Buyers are increasingly accepting results of audits undertaken for other buyers and there are platforms, such as SEDEX, which facilitate this exchange of information to reduce auditing costs to suppliers. If your company has multiple buyers, you should discuss with them what they are willing to do to help minimize audit costs.
- Audits can disrupt production, although professional auditors are usually trained to carry out their work with a minimum of disturbance to line managers and workers.
- Audits can feel uncomfortable, even in the most well-run and responsible of companies. Being put under the microscope—opening up your records to strangers and allowing them to observe and speak to staff—is not easy, especially if you have not undergone this process before.
- Some brands require audits only to show that they have done their due diligence but are not interested in engaging with the supplier in a process to improve compliance.

# RESPONSIBLE BUSINESS

## 1.4 GOING BEYOND COMPLIANCE

Buyers and clients also expect companies to act beyond the law. Responsible businesses should not limit themselves to comply with the legislation in their country but also proactively address issues which are important to workers and the community in which the company operates to the extent that the company's time, energy and resources allow. The issues may be directly or indirectly linked related to the companies' operations and may encompass various aspects of a workers' life: educational level, financial literacy, skills development, work-life balance, access to social services. Companies may also contribute to the development of their industries by sharing good practices, so peers can benefit from their examples. For example, companies can contribute to one or more of the following areas:

**Economic empowerment:**

- Technical and vocational skills development
- Financial literacy, micro-finance, access to bank accounts
- Saving programmes

**Leadership development:**

- Women's empowerment
- Communication, time and negotiation skills

**Health, family and community:**

- Health programmes, including reproductive and sexual health
- Nutrition and good habits
- Offering additional services to benefit families (for example a crèche)
- Community development

**Industry strengthening:**

- Sharing good practices with peers

**HERproject:** The HERproject is a collaborative initiative that strives to empower low-income women working in global supply chains. It brings together global brands, their suppliers, and local NGOs to drive impact for women and business via workplace-based interventions on health, financial inclusion and gender equality. It is currently funded by the Bill and Melinda Gates foundation, C&A foundation and the Walt Disney Company amongst others.



"Before HERproject, some workers felt very worried when they had small health issues. Now they know to go to the hospital and have health checks. They feel less worried and have more energy at work. There has also been a big change in the relationship between managers and workers. We promote the training in all departments. It allows direct contact between managers and their employees, which helps them create a more easy-going environment. Chen Jinqin, our Peer Health Educator, is very capable. She also helps me solve management issues. She can influence the work environment in a positive way."

– Ran Wanqionq, Production Manager

<http://herproject.org>

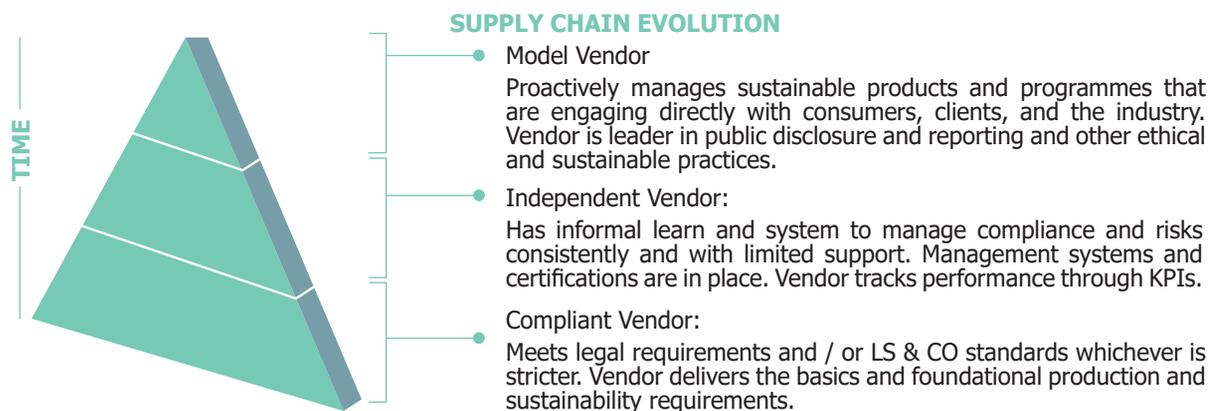
**Reuniting families in China: Golden Cup Printing factory** in the southern Chinese city of Dongguan produces greeting cards for Hallmark. Zhang Shuling works at the factory and as millions of migrant workers in China, she had to leave her son behind in her rural home. She can only go back home for 10 days for the New Year holiday. "For the wellbeing of the whole family, I have to work away from home", she said.

However, this year, Zhang could spend one month with her son during the summer holidays. The factory is piloting a programme which aims at mitigating the damage of the "left-behind" children and their parents. It has set-up a childcare facility where workers' children can spend the day playing and having fun whilst their parents work. This way, parents and children can spend time together as a family. The initiative is sponsored by the Ethical Toy Programme and has helped the factory attract and retain workers.



<https://www.ft.com/content/1f3df370-a1f9-11e8-85da-eeb7a9ce36e4>

**Levi Strauss & Co (LS&Co) – Worker Well-being:** LS&Co groups its suppliers in 3 categories: compliant, independent and model. The compliant suppliers meet the requirements of the LS&Co's code of conduct for suppliers. The independent has developed robust systems to manage compliance. The model suppliers are leaders in ethical and sustainable practices. When a supplier reaches the model categories, it benefits from a five-year engagement plan and can be part of LS&Co Worker Well-being (WWB) programme if the supplier has business challenges regular compliance cannot fully solve.



The WWB initiatives aim at increasing quality of life of workers and at the same time translate into business benefits. Initiatives include:

- **Health service:** a Bangladesh factory took part in a health service, funded by USAID, which introduced onsite health service for workers. The results of the programme showed a saving of \$3 for every \$1 spent on the programme. Indeed workers reported they were less likely to miss or leave work once health services were available.
- **Childcare service:** A factory in Vietnam saw its staff turnover decrease by one third after they offered onsite childcare services to its workers.

[http://www.levistrauss.com/wp-content/uploads/2016/10/100316\\_WWB\\_GUIDEBOOK.pdf](http://www.levistrauss.com/wp-content/uploads/2016/10/100316_WWB_GUIDEBOOK.pdf)

# OCCUPATIONAL SAFETY AND HEALTH

## OCCUPATIONAL SAFETY AND HEALTH

Occupational Safety and Health (OSH) aims at fostering a safe work environment, where risks to workers' health and safety are minimized and the OSH system is well managed. This means that the employer must not only comply with local OSH legislation, but should also strive to have the best possible OSH system within its means.

OSH covers a wide range of topics, including fire safety, chemical management, housekeeping, healthcare, personal protective equipment (PPE), machinery and equipment.

**2.78  
MILLION  
PEOPLE DIE  
EACH YEAR FROM  
WORK-RELATED  
ACCIDENTS. 377  
MILLION PEOPLE  
SUFFER FROM  
WORK-RELATED  
INJURIES  
ANNUALLY.**

As an employer, you should make sure that your work environment is conducive to safety and health by implementing a robust OSH management system. This includes establishing an OSH policy and strategy for implementation and monitoring; and providing necessary personal protective equipment (PPE) and OSH training. An effective OSH policy and management system will also take account of gender differences, for instance ensuring the PPE is available in sizes appropriate to women workers, and that exposure levels (chemicals, vibration, temperature, etc.) take into consideration the effects on pregnant or lactating workers.

Workers and their representatives have a vital role to play in an effective OSH management system, from development of the policy to training to periodic review of progress to investigation of incidents and accidents. Many companies establish a joint management-worker OSH committee to ensure efficient on-going communication and cooperation.

A safe and healthy work environment brings many benefits to businesses. In addition to fewer accidents or fatalities, it helps to: lower workers' absenteeism and turnover; reduce reject rates and increase productivity; and enhance the company's reputation for CSR. OSH management is often viewed by buyers as a good indicator of the overall management of a company—a good OSH system can be an effective signal that your company is well run and a reliable business partner.

### 2.1 WHAT ARE THE COMMON AREAS OF NON-COMPLIANCES AND THEIR ROOT CAUSES?

The most common non-conformances are listed below.

- Fire safety management: lack of a fire alarm, locked or blocked exit doors, sub-standard electrical or gas installations
- Emergency preparedness: no regular fire drills or risk assessments
- Health care & personal protective equipment (PPE): poorly stocked first aid kits, no first aiders, lack of adequate PPE or poor monitoring of PPE usage

- Machinery and equipment: lack of guards, permits to operate, poor maintenance
- Building safety: lack of permits, unsafe construction
- Poor housekeeping: insufficient or dirty toilets, unfit changing or rest rooms
- Poor chemical handling and storage
- Sub-standard accommodation
- Ambient factors: poor ventilation, poor temperature control, poor lighting.
- Biological differences between men and women workers: sizing all PPE for male workers only and forgetting the possible effects of ambient factors on a fetus or breastfeeding baby.

**Spot the issues** - With nearly 400 million work-related accidents each year, one wonders why OSH issues are so common yet so hard to eliminate. Pay attention to the pictures below and take time to reflect

- What is happening?
- What is wrong?
- What risks does it pose to your workers and to your company?

Picture 1 shows a fire exit blocked by a stack of boxes. In case of an emergency, workers would struggle to evacuate the building, leading potentially to serious injuries or death. Locked or blocked fire doors are a very common non-conformance.



Picture 2 shows a poorly stored materials and supplies room. It is hard to move around, it is unclear if there are any fire extinguishers. The whole situation poses a serious fire risk



# SECTION 02

# OCCUPATIONAL SAFETY AND HEALTH

Picture 3 shows a poor storage of chemicals. Chemicals pose a risk to workers' health if they are badly handled. Each container must be clearly labelled; they must be stored away from the main production floor, ideally in a locked shed. The workers who handle the chemicals must receive specific training.



Picture 4 shows a worker without a proper workstation and protective equipment (PPE). The task he is performing is dangerous, so is the position he has chosen to take. Workers must receive adequate training on performing hazardous tasks, have adequate work station and relevant PPE.



Picture 5 shows a boiler that exploded in a plywood manufacturing factory in India. The explosion caused one death and 13 workers resulted injured. The blast destroyed the installations, leading to the cease of activity of the company.



[https://www.telegraphindia.com/1140201/jsp/siliguri/story\\_17886873.jsp](https://www.telegraphindia.com/1140201/jsp/siliguri/story_17886873.jsp)

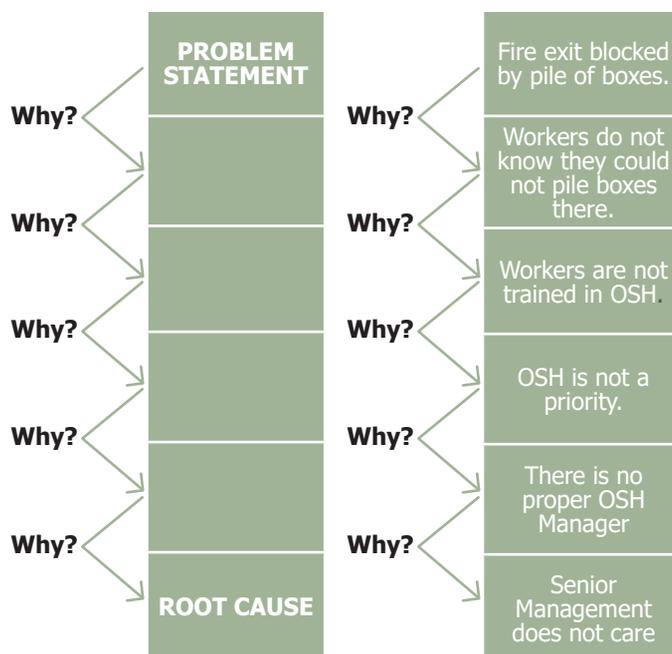
## Root-cause analysis using 5 Whys

So how do we make sure these issues do not occur? For example, in the case of picture 1, it is very likely that we may unblock the fire exit, move all

the boxes somewhere else to find out that new boxes pile up again the next day. What can we do to make sure the issues do not occur again and again?

We must find out the root cause of the problem: the fundamental reason a problem occurs. The “5 Whys” is a tool to help you get to the root causes. It is very simple to use. Start with your problem and ask “why” until you get to the root cause. Although the technique is called 5 whys, you may find that you may need to ask the questions fewer or more times than five before you find the root cause.

You may use the “5 Whys” technique for almost all CSR issues. Please remember that the technique works well when there is one single major root cause to your problem. If the problem has various root causes, another technique, called fishbone analysis, works better – Please see section 4.



Let us use the “5 Whys” technique for a few of the most common non-conformances listed above:

Common non-conformances	Potential root causes
Fire safety: lack of fire alarm	Lack of senior management engagement
Machinery and equipment: lack of guards	Lack of budget
Poor chemical handling	Lack of technical knowledge

We find that root causes for poor OSH management are usually linked to:

- Lack of senior management engagement
- Lack of technical training for workers / engagement with the workers
- Lack of knowledge of OSH legislation for management
- Lack of clear assignment of responsibilities
- Lack of embedded OSH processes in daily production routines
- Lack of budget / resources for OSH
- Lack of risk assessment

## 2.2 WHAT CAN YOU DO?

Companies are requested to develop a comprehensive OSH management system, commensurate with the size, industry and risk of your organisation. To develop an OSH management system, we recommend you follow the below steps:

- A. Risk assessment:** assess your site for risks using the template provided below. The risk assessment is an effective tool to help evaluate your organization. You must assess all areas, including production lines, canteen and accommodation.

# OCCUPATIONAL SAFETY AND HEALTH

The results of the risk assessment will give you a thorough understanding of the risks presents and establish the basis of your OSH management system.

**B. Policies & Procedures:** Based on the risk assessment results, develop your OSH policy and procedures. The OSH policy sets out the direction your organization will follow. The engagement of senior management is critical in ensuring that all OSH staff are properly trained and that resources are available; and senior management should be held accountable for implementation. For example, the policy may detail commitment to:

- establish a safe and healthy workplace
- integrate OSH into all operations
- clearly assign responsibilities to each level of management and staff
- designate tasks requiring technical competence, such as emergency aid or response coordination, to appropriately trained staff
- consult with workers
- monitor and continuously improve OSH performance

**c. Develop OSH procedures.** The OSH procedures should state the steps assigned staff should take to undertake the necessary actions to prevent any OSH risks to happen. For example, a fire safety procedure may detail:

- supervision of fire safety, including fire safety managers and fire marshals
- responsibility of all in ensuring fire safety at the workplace (for example, prohibition to smoke in high risk areas would apply to all staff, managers and workers alike)
- key fire safety risks and related prevention measures
- onsite basic emergency medical treatment (may be required by law) or quick access
- data recording

**d. OSH team and worker engagement:** assign clear OSH responsibility to your staff. Your OSH team may vary according to the size of your organization. You may decide to appoint a full-time OSH manager once you reach a certain size. In any case, your OSH team must be sufficiently trained and enough in number to undertake all operations set out in your policy and your procedures. Your OSH team should include worker representatives (preferably chosen by the workers themselves) to provide a clear communication channel between management and the workers.

**e. Monitor safety, keep records and act:** assess your safety measures regularly and check that your procedures are correctly implemented. Whenever possible, risks that are identified in the risk assessment should be removed; if they cannot be removed, you should endeavour to minimize them by using appropriate safety measures, such as training, routine checks or use of personnel protective equipment. Keep records and log all incidents, near-misses (something which could have resulted in an accident but fortunately did not), accidents or others OSH issues. Record keeping is essential if we want to address the root causes of non-

conformances / risks. For example, you may want to start logging all accidents, even if minor, to investigate the root causes and develop prevention programmes, such as specific worker training or machine maintenance schedule.

## 2.3 HOW ARE YOU DOING? SELF-ASSESSMENT

Please take the time to reflect on your current performance. Go through the list and tick whether you are complying (YES), not complying (NO) or partially complying (PART). If you tick NO or PART, please write the required action in the comment section.

When you see the icon ⓘ, please refer to template section below where you will find relevant hand-outs.

Question	Yes	No	Part	Comment
Do you have an OSH policy that details your organisation's commitment, major OSH risks, key prevention programmes and responsibilities of managers and workers?				
Have you appointed someone to oversee OSH with the time, seniority and expertise to fulfil the role?				
Do you have an OSH committee that meets regularly and is effective?				
Are workers active in the OSH committee and on the shop floor, point out unsafe practices and come forward with suggestions to improve work safety?				
Do you assess OSH risks at least annually? ⓘ				
Does the risk assessment cover all areas of your operations, such as:				
• Fire safety				
• Emergency preparedness				
• Health care and personal protective equipment				
• Machinery and equipment				
• Building safety and housekeeping				
• Chemical handling				
• Accommodation				
Do you maintain records of the risk assessment? ⓘ				
Do you investigate the root causes of risks and take adequate measures to eradicate them?				
Do you train workers on high-risk operations and OSH in general?				
Do you maintain records of key OSH elements (accidents log, fire drill date, machinery maintenance schedule)?				

# SECTION 02

# OCCUPATIONAL SAFETY AND HEALTH

## What help can you get? Templates

Evaluating risks forms a large part of a comprehensive OSH management system. By evaluating OSH risks, you will understand what may cause harm to your workers. This exercise is therefore the basis of any preventative programmes you may establish.

Likelihood	Consequences			
	Minor – Any injury requiring first aid.	Moderate – Any injury resulting in medical treatment or incapacity for a few days.	Major- Any injury resulting in medical treatment or incapacity for a long period.	Catastrophic- Fatality or permanent disability.
Very Likely – Will happen in most circumstances.	Significant Risk	Severe Risk	Severe Risk	Severe Risk
Likely – Will probably happen in most circumstances.	Significant Risk	Significant Risk	Severe Risk	Severe Risk
Moderate – Given time, likely to occur.	Minor Risk	Significant Risk	Significant Risk	Severe Risk
Unlikely – Will not occur under normal circumstances	Minor Risk	Minor Risk	Minor Risk	Significant Risk

■ Severe Risk – Stop Activity + Immediate Corrective Action  
■ Significant Risk – Corrective Action Needed. Action in short term is OK.  
■ Minor Risk – Control Measures

The grid helps you prioritise risks by cross-checking the likelihood of the risk to happen versus the consequences of the risk. Let's take the example of a foot-operated pressing machine which has no safety guard. The worker has to put manually the materials in the machine and press with her foot to get the operation done. The likelihood of getting her hand trapped is high: if the worker operates the machine with her foot before she removes her hand, she may get her hand trapped and pressed.

We would categorise the risk as "likely". In most circumstances, the worker will get tired and may commit the mistake of operating the machine before removing her hand.

The consequences for the workers are major. She would need medical treatment and the injury may result in incapacity for a long period. This gives us a red rating (severe risk) which commands us to stop the activity and take immediate corrective action: place the adequate guard on the machine.

You will have to identify all potential risks in your company and list them. Here below is an excel list which summarises all risks, who may be harmed, the risk rating and measures we should take.



# WAGES AND BENEFITS

## WAGES AND BENEFITS

Wages and benefits are established according to the laws in your countries or through collective bargaining agreements. They will include the minimum salary and the related statutory benefits such as annual leave, sick leave, maternity leave and social security obligations. The minimum wage policy exists to protect workers against excessively low pay. It is also a governmental instrument to overcome poverty and reduce inequality.

Indeed, complaints from workers about wage payment are probably one of the most common and low wages contribute to employee turnover.

A comprehensive wage payment system will help you:

- set out your policy towards wage payment,
- pay your workers according to their skills and performance,
- Retain the best workers.

**YOUR CLIENTS MAY REFER TO A "LIVING WAGE". THIS MEANS A WAGE THAT IS SUFFICIENT TO MEET BASIC NEEDS OF WORKERS AND THEIR FAMILIES AND PROVIDE DISCRETIONARY INCOME.**

### 3.1 WHAT ARE THE COMMON AREAS OF NON-COMPLIANCES AND THEIR ROOT CAUSES?



Figure 8 - Wages, common non-conformances

Wage payment is likely to be a large expenditure. It is your obligation to pay all legal entitlements, including social security benefits. The calculation

of payment should be transparent and clearly indicated on the pay slip; and a system in place for workers to ask for further clarification, raise concerns or contest the calculation. You will find below a list of the most common non-conformances: system in place for workers to ask for further clarification, raise concerns or contest the calculation. You will find below a list of the most common non-conformances:

**Contract / records:**

- No mention of legal wages
- No mention of statutory benefits
- Use of short-term contracts to avoid paying benefits

**Payslips**

- Non-understandable payslip
- Payslip written in a language worker do not understand

**Payment**

- Withholding of pay
- Late payment
- Illegal deductions
- Non or incorrect payment of OT (over time)
- Non or incorrect payment of benefits (leave, pension for example)

**Communication**

- Workers are not informed about salaries and deductions

As you can see, the non-conformances include many aspects: from contract setting to working hours calculation and communication to workers. A common non-conformance is the lack of understanding of wage payment from workers. Workers may receive their owed wages but may not understand how their salaries are calculated.

The **root-causes** of non-conformance with wages and benefits payment are broad and may include blatant non-compliance with the law to save money, lack of technical knowledge on some aspects of wages payment, poor record keeping and organisation, issues with company’s cash flow, or poor communication on wage payment including hard-to-understand payslip.

Common non-conformances	Potential root causes
Illegal deduction	Lack of technical knowledge: <ul style="list-style-type: none"> <li>• Disciplinary deductions from wages may be allowed under specific circumstances.</li> </ul>
Non or incorrect payment of OT	Poor recording and organisation: <ul style="list-style-type: none"> <li>• OT hours may not be properly recorded or passed on-time to payroll</li> </ul>
No payment of statutory benefits	Unwillingness to pay legal contributions; lack of knowledge of potential fines and sanctions
Late payment	Lack of technical knowledge: <ul style="list-style-type: none"> <li>• most labour legislations specify a timing for paying wages</li> </ul>

Figure 9 – Potential root causes for non-conformances on wages

**Using task-analysis to analyse your non-compliances**

To help you find out root causes of potential non-payment of wages, we recommend you do a task analysis. A task analysis is the analysis of how a task is done, what the steps are involved, what is required for each step for wage payment, deconstructing the process into very detailed steps: from the wage clause in the workers’ contract down to communication on payment to your workers. The task analysis will help you understand if you have thought of all details – for example, is your staff involved in wage payment well trained? Is your recording process mistake-proof?

# SECTION 03

## WAGES AND BENEFITS

Below find an example of a deconstructed task analysis for paying wages and related benefits. You can be as specific as you wish. The example below sets only the broad steps.

TASK 1 POLICY	TASK 2 CONTRACT	TASK 3 INFORMATION	TASK 4 RECORDING	TASK 5 PAYROLL
<p>Set your wage policy:</p> <ul style="list-style-type: none"> <li>• Ensure wages paid are legal, including salary and statutory benefits.</li> <li>• Ensure equal pay for work of equal value for men and women workers.</li> <li>• Allow only deductions authorized by law.</li> <li>• Make disciplinary deductions only after a written warning has been issued for a first offense and workers have the right to appeal.</li> <li>• Allow collective bargaining on wage setting and entitlements.</li> <li>• Organize a workers' pay complaint handling system.</li> </ul>	<p>Reflect it in the contract:</p> <ul style="list-style-type: none"> <li>• Ensure the contract includes information on basic pay, OT rate and statutory benefits (pension, social security, annual leave, etc.)</li> <li>• Ensure the contract explains all legal deductions.</li> <li>• Include bonuses if applicable.</li> </ul>	<p>Ensure workers understand it:</p> <ul style="list-style-type: none"> <li>• Ensure your workers know when they will be paid (payment date)</li> <li>• Ensure your workers know how they will be paid (methods of payment: cash, bank transfer)</li> <li>• Ensure the payslip is easy-to-read and understood by workers.</li> </ul>	<p>Ensure you record all wage-related data accurately:</p> <ul style="list-style-type: none"> <li>• Standard hours</li> <li>• OT Hours</li> <li>• Breaks</li> <li>• Leaves</li> <li>• Absences</li> <li>• Production Outputs (for piece-rate workers)</li> </ul>	<p>Ensure your payroll processes pay in a timeline and accurate manner:</p> <ul style="list-style-type: none"> <li>• Process hours related records</li> <li>• Calculate salary in an accurate and timely manner</li> <li>• Issue payment</li> <li>• Record payment</li> </ul>

Figure 10 - Task analysis - example

### 3.2 WHAT CAN YOU DO?

Companies are requested to develop a comprehensive wage system. We recommend you using the task analysis to improve your current procedures. At a bare minimum you should review and work on the following steps:

#### a. Wages and payment practices

**review:** review your current wages payment structure and ensure you comply with legislation. Check for

#### WORKERS' CONTRACTS:

All workers must have a written contract in a language they understand. The contract must at the very least detail:

Position and responsibilities

- Wages and benefits
- Hours of work
- Annual leave and other leave
- Disciplinary, grievance and termination terms

Applicable to all sections in the handbook

discrepancies in payments between men and women workers performing the same tasks.

- b. Contract review:** review your workers' contracts and make sure the wages and benefits clauses are clearly explained and in line with legislation. Ensure that piece rates are sufficiently high for average production set such that payments meet minimum requirements.
- c. Pay slip review:** Workers often do not understand their pay slip. Work with a group of workers to review what workers find easy to understand, hard to understand. Agree with the group of workers how to simplify / clarify it. Consider translating it if you have workers who do not speak your language or the language in which the pay slip is written.
- d. Pay issue complaint:** offer your workers a way to raise issues about their pay if they either do not understand how and what they have been paid or if they genuinely believe a mistake has been made. Work with a group of workers and payroll clerks to review what the common issues are, how long it takes to solve them.
- e. Record keeping review:** make sure that all your time records are correct and include all hours worked: both standard and overtime. Your records should also indicate rest days and breaks.
- f. Payroll process review:** make sure that your payroll has a system of control and checks to calculate accurately wages and benefits, especially if complaints about wage payment are recurrent.
- g. Information and communication:** when the steps above are done, make sure you include information on wage payment during your workers' induction. The information should be clear and concise and include: date of payment, methods of payment, how to read the new simplified pay slip, how to read the contract and what it means. Offer refresher training from time to time. If workers have issues with their pay, you should offer a way for them to raise their questions confidentially.
- h. Policy review:** you should establish a wage policy. The policy should mention:
  - Your pay system: time-rate, piece rate or mix □,
  - Statutory pay and benefits: base pay, sick leave, annual leave, weekly leave, maternity leave, pension.
  - Payment time and methods (cash, bank transfer)
  - Legal deductions (e.g. tax, social security contributions)
  - Bases for disciplinary deductions, conditions under which they are applied, amounts and appeals process for workers to contest the penalty.
  - Procedures to make sure that wage payment is in line with legislation and correctly paid.
- i. Monitor:** do regular checks on your wage system, especially if workers raise questions. Find out the root-causes and act.

# SECTION 03

## WAGES AND BENEFITS

### 3.3 HOW ARE YOU DOING? SELF-ASSESSMENT

Please take the time to reflect on your current performance. Go through the list and tick whether you are complying (YES), not complying (NO) or partially complying (PART). If you tick NO or PART, please write the required action in the comment section.

When you see the icon ⓘ, please refer to template section below where you will find relevant hand-outs

Question	Yes	No	Part	Comment
Do you pay minimum wage for standard working hours? This includes piece-rate and casual workers. ⓘ				
Do you pay workers all OT hours owed at the correct premium?				
Do you communicate information on wages to workers in a language they understand? This include payment calculation, payment date, payment methods and related benefits.				
Are all deductions legal, including disciplinary deductions?				
Are workers paid on time and at regular interval, as per the law?				
Do you record all hours worked, including OT hours?				
Do you pay annual leave as per the law?				
Do you pay bank holidays as per the law?				
Do you pay maternity leave as per the law?				
Do you pay all rest breaks as per the law?				
Have you verified that there is no gender bias? Are all workers performing the same take paid the same rate?				

#### What help can you get? Tips on setting the correct piece rate

Piece-rate workers are found in many global supply chains. However, it also turns out that piece-rate can make workers vulnerable. They may not be aware of legislation or of minimum wage. This is the reason why many countries regulate the piece-rate work and make sure that piece-rate workers receive the equivalent of the minimum wage.

When you see the icon ⓘ, please refer to template section below where you will find relevant hand-outs

- **Example 1:** In countries which regulate piece-rate work, workers who do not produce enough to be paid the minimum wage should receive the difference between what they have earned by their work and the



## HOURS OF WORK

Hours of work are limited to protect the health of workers. Research has shown that accidents increase as working hours increase and become much more prevalent when hours exceed sixty hours per week. The ILO says “working excessive hours poses a danger to workers' health and to their families. [...], ILO standards on working time provide the framework for regulated hours of work, daily and weekly rest periods, and annual holidays. These instruments ensure high productivity while safeguarding workers' physical and mental health”.

Working hours include not only the standard and overtime hours, but also the weekly rest breaks and annual leave. The law of your country may set a limit per week, month or year. The working hours limit may also vary depending on whether the work takes place at night or during the day.

International labour standards allow for up to 12 hours of overtime, but not on a regular basis. Recognizing the challenges this poses for many suppliers, most codes of conduct for suppliers refer to a 48-hour week and allow for 12 hours of overtime on a regular basis. National law or collective agreements may also set a limit of less than 12 hours, or limit use of overtime so it is important to check your country's labour laws.

Young people under 18 are still developing both physically and intellectually and emotionally. Therefore, they need clearer limitations on the hours they work, longer rest periods between shifts, and at least one period of rest consisting of a minimum of 24 consecutive hours.

Workers should also receive adequate rest periods and meal breaks, including one day off in a 7-day period; and paid leave in accordance with national law.

### 4.1 WHAT ARE THE COMMON AREAS OF NON-COMPLIANCES AND THEIR ROOT CAUSES?

The most common non-conformances are listed below.

#### Standard & OT hours

- Overtime hours above legal limit
- Working above legal limit at night or during bank holidays
- Poor recording of hours (standard and OT), double book-keeping

#### Leave & Breaks

- No one day-off in a 7-day period
- Breaks too short / not in line with legislation
- Refusal to grant leave (weekly, annual and other forms of leave)
- Not enough rest between 2 shifts



# SECTION 04

## HOURS OF WORK

### Fishbone Analysis. Finding out the root-causes of long hours

When there are so many potential causes, we strongly recommend you using the fishbone diagram. The “fishbone” diagram is a tool to help you understand cause and effect. It is very helpful when there are multiple causes for a given problem as it helps you sort potential causes into useful categories.

The problem is shown as the fish head, facing to the right, with the causes as fish bones. The big bones are main categories, with sub-bones as root causes. There can be as many levels as required.

Please find below an example of a fishbone diagram for analysing causes of long-hours. You can see that the company has listed 5 broad categories: machinery, workforce, management, measurement, method.

For each category, they have listed sub-categories. For example, for workforce, they have listed 3 sub-categories: low degree of skills for workers, incomplete headcount and shift configuration. You can then see that for incomplete headcount, they have listed potential causes: absence and difficulty recruiting new personnel.

Please do remember to use the 5 whys technique to help you find the root causes.

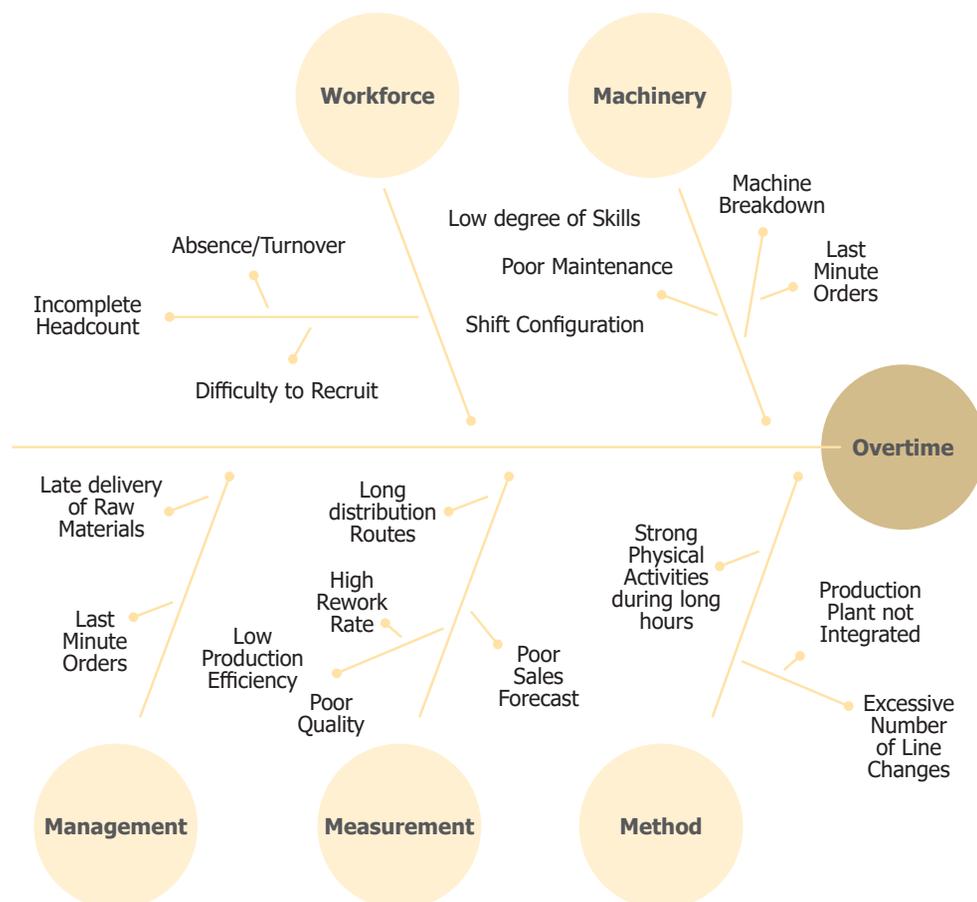


Figure 13 - Fishbone analysis

The exercise gives you then all causes which contribute to the issue of long hours. After you have determined all causes, prioritise the ones you want to work on, usually those which have the greatest impact and are the easiest to solve.

For example, in the case above, the company may decide to focus on:

- Low degree of skilled workforce (medium to hard to fix; impact: high)
- Production plans not integrated (medium to easy to fix; impact: high)

The ones that are hard to fix may require you to contract some external help. For example, planning production or shift configuration may require external support from expert consultants.

### CASE STUDY

#### NIKE: How lean management helps reducing working hours and increase productivity: the tale of two factories

On first glance, plant A and plant B appear similar. Both are suppliers of Nike, producing T-shirts and are part of Nike auditing system.

	Plant A	Plant B
Country Location	Mexico	Mexico
Statutory Minimum Wage	US \$ 15 / day	US \$ 15 / day
Structure	Part of a vertical group	Part of a vertical group
Product Type	T-Shirts, Graphic T-Shirts	T-Shirts, seamless and high-tech T-Shirts
Defect Rate	1	0.6
Turnover Rates (%)	8-10	10
System of Production	Informal, based on skills	Informal, based on skills
Training	2 Months	1 Month (subsidized by state government)
Union	Mexican Workers Confederation (CTM)	Mexican Workers Confederation (CTM)

Table 1: comparison of working conditions

Despite their apparent similarities, the two plants display very different working conditions.

	Plant A	Plant B
Average Weekly Wage	US \$ 86	US \$ 67.8
Team Work	Yes	No
Job Description	Multi-tasks	Single Task
Job Rotation	Yes	No
Worker Participation in Work Related Decisions	Yes	No
Overtime	Voluntary and within limit	Mandatory and over limit
System of Production	Informal, based on skills	Informal, based on skills
Training	2 Months	1 Month (subsidized by state government)

Table 2: comparison of working conditions

# SECTION 04

## HOURS OF WORK

Despite higher wages, plant A is more productive and has lower labour costs.

	Plant A	Plant B
Number of workers in one line or cell	6	10
T-Shirts per day per line or cell	900 T-Shirts / day	800 T-Shirts / day
Daily Wage (fixed salary + bonuses) per worker	US \$ 17.2	US \$ 13.6
T-Shirt per worker	150 T-Shirts / worker	80 T-Shirts / worker
Labour Cost per T-Shirt	US \$ 0.11	US \$ 0.18
Training	2 Months	1 Month (subsidized by state government)

Plant A: applies lean manufacturing methods, multi-skilled, autonomous work groups, employee engagement and empowerment.

Plant B: focuses on new technology, strict control over the workforce, productivity bonuses, and greater economies of scale.

Locke et al. (M.I.T. Sloan School of Management): Beyond corporate code of conduct for suppliers: Work organization and labour standards at Nike's suppliers. *International Labour Review*, Vol. 146 (2007), No. 1-2.

### 4.2 WHAT CAN YOU DO?

Companies are requested to develop a working hours monitoring system to ensure compliance with laws and codes of conduct for suppliers.

- a. **Make sure you keep accurate record of hours:** you should maintain a comprehensive and accurate recording system for working hours. The system should record standard and overtime hours, rest breaks and rest days. It should apply to all workers - permanent, contract and agencies – piece-rate or time-rate workers. We recommend using a clocking system where workers have to punch time cards. ① The system can be paper-based or digital. When workers punch a time-card, they are more likely to understand their working hours, as they have a way to track their hours.
- b. **Review your current overtime levels:** once you have a clear record keeping system, analyse your overtime levels by departments and types of workers. Flag any departments or types of workers which tend to work long hours.
- c. **Fishbone analysis:** Find out root-causes for long overtime and establish your priorities.
- d. **Action plan:** Once your fishbone analysis is done and you understand the level of overtime hours, develop an action plan involving your relevant department heads. Remember that the plan of action has to gradually reduce your overtime levels to legal levels.
- e. **Policy review:** review your current hours policy and make sure the following clause is taken into account:
  - Voluntary overtime: you should make sure that your workers can opt in or out of overtime. This can be reflected in the workers'

contracts, through a separate agreement or an opting-in or-out system. If mandatory overtime is already agreed to in a collective bargaining agreement applicable to your business, workers do not need to be provided the choice. Overtime should not exceed the legal limit for the sector and should take into account the age of the worker concerned.

- f. **Monitoring:** you should monitor hours worked ideally on a daily basis and at the very least on a weekly basis. Your monitoring system should include a flagging system when hours go above a certain limit. For example, your monitoring system flags that a worker has worked the legally authorized overtime for the week. Your procedures should detail who to alert (the worker's supervisor) and what to do (the supervisor does not give the worker more overtime).

### 4.3 HOW YOU ARE DOING? SELF-ASSESSMENT

Please take the time to reflect on your current performance. Go through the list and tick whether you are complying (YES), not complying (NO) or partially complying (PART). If you tick NO or PART, please write the required action in the comment section.

When you see the icon ⓘ, please refer to template section below where you will find relevant hand-outs

Question	Yes	No	Part	Comment
Do your weekly working hours exceed legal limits?				
Do your weekly working hours exceed 60 hours per week?				
Do the working hours records reflect the hours actually worked? ⓘ				
Do your workers receive their rest breaks as mandated by the law?				
Do your workers receive at least one day off in a 7-day period or as mandated by the law?				
Do you workers do overtime on a voluntary basis?				
Do your workers have enough rest between shifts as mandated by the law?				
Do your workers receive their statutory leave, including annual, maternity and sick leave?				

# SECTION 04

## HOURS OF WORK

### What help can you get? Time card

Time keeping is an essential part of your working hour system. Please see below example of a weekly timecard. The time card lists the days of the week and the start and end time for standard hours and overtime. At the end of the week, the worker can see clearly the hours s/he has worked, including the overtime hours.

TIMECARD								
Employee Name:								
Employee Number:								
Employee Position:								
Date:					Dept:			
	AM		PM		Overtime		Total	
	In	Out	In	Out	In	Out	Regular	Overtime
Monday								
Tuesday								
Wednesday								
Thursday								
Friday								
Saturday								
Sunday								
						Weekly Total:		
Signature								



# CHILD LABOUR

## CHILD LABOUR

A child is someone under the age of 18. ILO defines child labour as work that “deprives children from their childhood, their potential and their dignity and that is harmful to physical and mental development”. Therefore, not all work done by children is child labour. Work done by children and teenagers which does not affect their health and development or disrupt their education, is generally a good experience; for example, helping around the house, earning pocket money after school.

ILO further specifies what constitutes child labour, which includes work which:

- **152 MILLION CHILD WORKERS**
- **73 MILLION WORK IN HAZARDOUS JOBS**
- **48% ARE BETWEEN 5 AND 11 YEARS OLD**
- **MORE PREVALENT IN AFRICA AND ASIA**

- is mentally, physically, socially or morally dangerous and harmful to a child;
- deprives the child of the opportunity to attend school;
- obliges him or her to leave school prematurely; or
- Requires the girl or boy to attempt to combine school attendance with excessively long and heavy work.

Your country will regulate the minimum age of employment (in most countries at least 14, and typically 15 or 16). This means you cannot employ anyone under the age mandated by the law of your country.

You can employ minors. However please note that there are special provisions for that category of child workers. These workers are young and whilst legally they can work, they cannot work in any hazardous jobs or at night. We refer to them as young workers.

If your country sets a minimum age less than 16, some international clients may nonetheless request that you not employ anyone under the age of 16. Please be aware that if the minimum age is set lower than 16 years of age, the young person

### WORST FORMS OF CHILD LABOUR:

Work which by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children. This includes exposing children to dangerous machinery, unhealthy environment or for long hours.

does have the right to work and should not be discriminated against. However, additional protections should be provided to any workers whose age is between the minimum age of employment and under 18, including ensuring that: neither the specific work nor the immediate working environment of the child are hazardous (i.e. do not pose a risk to the child’s safety or morals); the young person has a minimum of 12 hours to rest between shifts; and the young person does not work at night.

## 5.1 WHAT ARE THE COMMON AREAS OF NON-COMPLIANCES AND THEIR ROOT CAUSES?

The most common non-conformances are listed below.

### Child Labour

- Poor personal file record keeping (lack of ID proof of age)
- No system in place to verify the age of the worker—to independently confirm claims or authenticate documents
- Employing children under the minimum age of employment as a cost-cutting measure
- Allowing children in the workplace to accommodate a parent without child care
- Paying homeworkers piece rate wages, incentivizing them to involve their children in production

### Young Workers

- Assigning dangerous tasks
- Working at night or OT

**Root causes** of child labour are linked to your recruitment practices. Root causes of poor management of young workers are often linked to lack of legal knowledge.

Please take the time to read the case study below. What non-conformances do you identify in the text? Why are they occurring?

---

Case study:

Factory A produces decorative balls. Christmas time is the busiest time of the year and orders from international clients peak around August/September. The factory usually employs fewer than 100 workers but to cope with the increase in business, it must recruit approximately 300 extra temporary workers in a very short period of time.

The factory does not have the manpower to manage the whole recruitment process. Therefore, they accept any workers who present themselves at the factory gate. They are so pressed for time that they barely check documentation. Factory A is located in an area where it is hard to find workers. Indeed, many people have left for the larger neighbouring cities. Factory A therefore decides to use labour agencies to help them with the recruitment process. They decide to go with 1 large labour agency and 2 smaller labour brokers, as they are cheaper than the formal agency. They bargain the cost of the service and agree the number of workers each agency / broker has to find. They do not specify much more in the contract.

# CHILD LABOUR

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The large agency is rather well structured and immediately starts to put adverts up and go around the nearby villages to interview and select workers. They know the law and endeavour to select workers of legal age. The brokers rely on an informal network of acquaintances and relatives; one even uses a nearby school which sometimes agrees to have its students enrolled in exchange for some money. The brokers know that some workers are under-age. In those cases, either they turn a blind eye when they present a fake ID or even request them to forge one.

The agencies present the workers on the agreed date and re-assure Factory A that everything is in order. Some workers look very young, but the orders are coming in and Factory A believes that the agencies have done all necessary checks. They simply request the names of the workers and their ID numbers. Factory A does not check the paperwork, the workers have to start working now.

## §

Chen is a young boy, but he feels older than he is. He just turned 14 and he longs to be independent. The legal age to work in his country is 16. He has to go to school for another two years at least... But he is so bored in his village and at school, he wants to go and work in the city, things are more exciting there! And he could earn money and help his aging parents.

When a labour broker comes and visits his parents, he thinks this could be a great opportunity. His parents agree to let him go and work instead of going to school. The money will help with the medical costs of Chen's father. The labour broker explains that Chen cannot show his ID card, he needs to borrow the one from his older brother. They look fairly similar and the labour broker says that the factory will not pay too much attention. Chen is excited to go and work.

A few weeks later, he comes home after a hard day at work, proud to have earned his first money, but tired by the pace of work and scared by the incessant shouting of the supervisor. It is not quite like he had imagined, but he will persist. He has been assigned a hard job: he must lift heavy boxes onto a carrier until very late in the evening. The supervisor laughed when he saw how small Chen was. He said he will build muscles fast. Anyhow, his dad needs the money and he is sure he will get used to it. He is a bit scared when people ask his age and he is trying his best to act like an older person. He told a workmate who just turned 16 he was under-age. His colleague said he should not tell anyone else. He wonders if he will get paid if the factory finds out he has used his brother's ID card.

---

## 5.2 WHAT CAN YOU DO?

The non-conformances in the text relate to:

- Recruitment of under-age workers
- Forgery of ID papers
- Young workers in hazardous work

Companies are requested to review thoroughly how they recruit their staff.

- a. Recruitment policies and procedures: you must make sure that your recruitment is effective at identifying potential cases of child labour. Your policy should specify the minimum age of work in your company and your procedures should specify how you verify the age of your potential new recruits, including checking that the ID documentation is genuine. This procedure should apply to any third-party recruitment agencies.
- b. Young workers policies and procedures: your policy and procedures for the management of young workers should include at the very least an up-to-date list of workers under the age of 18. You must make sure that young workers are not involved in any hazardous jobs as mandated by the law of your country and are receiving additional protections, including additional safeguards for their safety, health and morals (e.g., additional safeguards against sexual harassment); and 12 hour rest periods between shifts.
- c. Remediation procedures ⓘ: in case you find children working in your organization, you must be prepared to safely remove them from work and transition them back into education or to their families. While doing so, their interest and safety must prevail at all times.

## 5.3 HOW ARE YOU DOING? SELF-ASSESSMENT

Please take the time to reflect on your current performance. Go through the list and tick whether you are complying (YES), not complying (NO) or partially complying (PART). If you tick NO or PART, please write the required action in the comment section.

Question	Yes	No	Part	Comment
Do you have a policy on child labour?				
Do you employ anyone under your country's legal minimum age to work?				
Do you have effective recruitment procedures which include comprehensive age checks and verification of ID documentation?				
Do you keep photocopies of ID cards in personnel files for all workers, including agency workers or temporary workers?				
Do you make sure that third-party recruitment agencies comply with your requirements in terms of minimum age for work and record-keeping of ID documentation?				
Do you employ any young workers?				
Do you make sure that workers under 18 years of age are not in hazardous work, including night work, as mandated by the law of your country; have adequate rest periods between shifts; and their safety and wellbeing are adequately protected against?				
Do you make sure that young workers comply with the legal requirements on overtime as mandated by the law of your country?				

### What help can you get?

If you identify a child worker in your organisation, do not panic. You may be tempted to simply dismiss the child. However, we recommend you following a remediation programme. This includes:

- Removing the child from work
- Putting him/her in a safe place, away from production
- Informing parents or tutors
- Agreeing with parents and tutors a transition back into education, with the accord of the child
- Where possible, providing financial support to the family and child so the child remains in school for the duration of the remediation and until s/he turns the legal age for work



**FORCED LABOUR**

ILO defines forced labour as labour that is undertaken involuntarily and extracted under threat or coercion. ILO further explains that the term is used “to denote situations in which the persons involved are made to work against their free will, coerced by their recruiter or employer, for example through violence or threats of violence, or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities.

**24.9  
MILLION  
PEOPLE IN  
FORCED  
LABOUR  
GLOBALLY**

Such situations can also amount to human trafficking, bonded labour or slavery-like practices”. ILO estimates that there are 24.9 million people in forced labour globally (2016).

Victims of forced labour also are commonly victims of trafficking. Trafficking includes “recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.” Simply put, people are tricked and deceived or coerced into travelling to a situation such as a job that either never existed or if it did, the terms and conditions were not as stated. (Stronger Together)

**Case 1.**

Worker A is an agency worker. Her employer told her she has to pay a small financial deposit to have access to a locker, so she stores her belongings whilst at work. The employer explains that she will get the money back when she returns the key at the end of her employment. She signs a paper saying she has paid the deposit.

**Answer case**

1: NO, it is a small amount, easily reimbursable and it is documented.

**Case 2.**

Worker B has to pay a fee to a recruiter to get a job overseas. The recruiter says that the job pays very well, much more than what he can get in his home country. The recruiter explains that the fee will cover the administrative costs of setting up contracts, housing, flights and visa. When worker B arrives, he is told he has to pay for the flights, housing and the transfers. The wages he was promised are actually much less. He now has to pay a huge debt back to his new employer. He calculates this will take him at least 2 years. He is not sure what to do as he is a migrant now and does not know how his host country works.

**Answer case**

2: YES, it represents a form of debt bondage.

### Case 3.

Worker C works at a factory. Her contract says her working hours are 48 hours per week. She regularly does more, at least 2 hours of OT every day. She does not mind as it helps paying the bills. When she asked once to leave earlier to look after her small child, the supervisor shouted at her, saying she could not go.

#### Answer case 3:

IT DEPENDS – The threat of forcing someone to work overtime is a case of forced labour only when no prior consent or legal authorization has been given - in the form of collective agreement which specifies the amount and conditions for overtime or the labour law which sets the conditions under which overtime can be required. This assumes that when a labour legislation allows for overtime to be worked regularly, the company operates within the law.

### Case 4.

Worker D comes from abroad. He is happy he has found a job at a nearby factory. He even stays in the factory accommodation. He likes staying at the factory, that way he can focus on his work and does not have to spend extra money on rent, furniture and other costs. He was told to give his passport to his employer because of safety reasons. The employer can store it in a safe in his office. It is much safer there than in the dormitory, where people can steal it. Worker D gives the passport, thinking his employer is caring. When worker D gives his notice to his employer, the employer does not return his passport. The employer said that if he wants his passport back, he has to work, otherwise he will phone the migration authorities. Worker D is scared because he does not have the right work permit. He says nothing and goes back to work.

#### Answer case 4:

YES, ID retention is a form of forced labour.

### Case 5.

Worker E works at a factory through an agency. He lives in an area where permanent jobs are scarce, so working through the agency helps him find temporary placements. The agency makes him pay a finders' fee every time he is placed at a new factory – every 2 or 3 months. He is annoyed because this represents a lot of money. When he complains, the agency stops paying his wages, saying they don't like people who complain. Worker E now feels trapped between paying the finders' fee -and not being paid... He returns to work, hating his agency.

#### Answer case 5:

NO, this is not case of forced labour. The worker is not compelled to stay due a threat, but rather the finders' fee makes him lose a part of his wage. It is therefore a problem of protection of wages.

# FORCED LABOUR

## Case 6.

Worker F works at a factory. She comes from afar and stays in the factory accommodation. Her parents prefer her to stay at the factory, as she is young and single. It is safer for her than staying in the city. When worker F wants to go out to the market on her rest day, the factory tells her she cannot leave on her own because they are responsible for her safety. Worker F does not know what to do, she feels trapped.

### Answer case 6:

YES, if the company uses safety as an excuse to restrict worker F's movement. If the company is concerned about the worker's safety, the solution is not to prohibit her from leaving the dormitory without someone else. It cannot restrict the worker's freedom of movement. The solutions instead may include: education and training for all workers on safety precautions and self-defence; working with the local community to improve safety and security etc.

Forced labour and human trafficking are "punishable as crimes in most countries and businesses involved in such activities could face prosecution" (Stronger Together). Some governments now require companies to report on steps they are taking to combat forced labour and trafficking, including in their supply chains.

### UK Modern Slavery Act – 2015

In 2015, the United Kingdom passed a law that is designed to combat modern slavery. Companies with a global turnover of £36m or more who do business in the U.K. must detail the steps they take to tackle modern slavery in their operations and their supply chains. The transparency requirement puts pressure on approximately 12,000 companies to act on modern slavery, forced labour and human trafficking.

Figure 15 - UK Modern Slavery Act

### California Transparency in Supply Chains Act – 2012

In 2012, the State of California in the United States of America passed a law that requires retailers and manufacturers to disclose their efforts to eradicate slavery and human trafficking from their supply chains. The act requires companies above a certain threshold of business in California to report on: evaluation of forced labour risks, auditing of suppliers, certification that products are slave-free, accountability procedures and training on slavery and human trafficking.

Figure 16 - California Transparency in Supply Chains Act

## 6.1 WHAT ARE THE COMMON AREAS OF NON-COMPLIANCES AND THEIR ROOT CAUSES?

The most common non-conformances are listed below.

- For migrant workers
  - Use debt incurred in travelling to compel the workers to stay
  - Restrict mobility by retaining their ID papers
  - Threaten to harm the workers or their families
  - Threaten to denounce foreign workers to the authorities where they may be deported
- Use debt to compel the worker to stay:
  - Require workers (migrants or nationals) to pay recruitment fees
  - Make advances or loans easily available to workers
- Retain wages owed to the worker to compel the worker to continue in the employment in hopes of eventually being paid
- Imposing overtime without the prior consent of the workers

**The main root causes** for forced labour include:

- Criminal activities, where a person engages in exploitation of a vulnerable worker or group of workers for commercial gain. This can be done with or without the explicit knowledge of the company.
- Poor management, where managers must resort to compelling workers to stay rather than creating an environment where workers want to stay.
- Third-party recruitment agencies. Many companies use third-party recruitment agencies and do not conduct due-diligence checks on the recruitment agencies' practices.
- Use of prison labour. Prison labour may be used, but only if safeguards against coercion exist to ensure that the work is done voluntarily.

## 6.2 WHAT CAN YOU DO?

Companies should develop a comprehensive management system to prevent, detect and mitigate forced labour in their operations and in the operations of their suppliers. Your policy should include the following elements:

- a. Freedom of movement:** Make sure that workers are free to leave the premises at the end of their working day. Overtime should be voluntary—with consent expressed either in a collective agreement negotiated between management and workers' representatives or by each individual worker on an ad hoc basis. Workers should never be locked in the workplace nor required to put up a bond for equipment, against theft or to be allowed to take leave. And workers should be able to resign at any time, following the legal requirements for notice; the period of notice the worker is required to give should not be extended by terms of the employment contract.

# FORCED LABOUR

- b. ID documentation:** You should not retain workers’ ID documentation. If workers need their documents placed in safekeeping, you should provide workers with a secure place, such as a personal locker, to store their papers. If this is not possible and the papers can only be secured with management, the workers must be able to access their own documents at any time with no explanation needed or questions asked.
- c. Debt bondage:** you should not charge workers for any recruitment fees. Any travel costs should be paid by the recruiter or employer; or at least treated as a debt independent of the employment relationship (i.e., can be paid by the worker employed elsewhere). Likewise, any advances or loans made to workers should not be linked to the employment relationship; it must be made clear to the worker that he or she is free at any time to leave, and that separate arrangements can be made to pay back the loan.
- d. Third-party recruitment agencies procedures:** you should conduct due-diligence checks on the third-party recruitment agencies you are using. This includes confirming that they are duly licensed, and have no record of forced labour or trafficking issues, reviewing their policies and procedures on forced labour, and requesting to interview workers to verify that they are well implemented.

## 6.3 HOW ARE YOU DOING? SELF-ASSESSMENT

Please take the time to reflect on your current performance. Go through the list and tick whether you are complying (YES), not complying (NO) or partially complying (PART). If you tick NO or PART, please write the required action in the comment section.

Question	Yes	No	Part	Comment
Do you have a policy that prohibits forced labour?				
Do you allow workers to leave the workplace at the end of the working day or earlier in case of emergency or other authorized circumstances?				
Do you use any form of threats or violence to intimidate workers, including threat of deportation or denunciation to authorities?				
Do you retain wages or ID documentation to make sure workers do not leave? This includes practices from your recruitment agencies.				
Do you make sure workers do not pay any fees to access employment in your organisation? This includes workers placed through a recruitment agency.				
Do you make sure that workers do not accumulate so much debt that it becomes impossible for the worker to leave work? This includes agency workers.				

Do you make sure that overtime is voluntary?				
Do you ensure that any wage advances or loans to workers are not tied to continued employment, and that the workers understand that they are free to leave your employ at any time and pay the debt with money earned elsewhere?				
Do you make sure that your recruitment agency does not have forced labour?				
If your company uses prison labour, have you verified that appropriate safeguards are in place to protect the workers against coercion and ensure that the work is undertaken voluntarily?				

## What help can you get?

### Forced labour policy template:

#### FORCED LABOR POLICY AND PROCEDURES

To provide employment to workers that is freely chosen; to ensure that workers have the right to terminate their employment at any time, subject only to lawful notice requirements; to ensure that workers are not required to lodge deposits, identity documents or any other form of bond; and to ensure that the worker is not compelled to stay because of debts owed to the company or wages the company owes to the worker.

Scope: Workers, management, contractors, suppliers, labour service providers

Statement: Company XX will provide employment that is freely chosen by employees, and not make use of any form of bonded labour

Policy: Company xx commits to:

- respect the right of workers to choose freely whether they work for the company or terminate their employment at any time, subject to notification requirements set out in law
- implement a fair recruitment policy and communicate it to managers, employees, recruiters and other business partners
- clearly communicate the terms and conditions of employment, including the right to terminate employment at any time, to all employees before their employment is started
- eliminate any forced or coerced labour as part of disciplinary measures
- use prison labour only if adequate safeguards exist to protect the prisoners from forced labour, should the company choose to employ prisoners.

# FORCED LABOUR

With this policy we ensure that:

- there are clear procedures for termination of employment for all staff
- no identity documents, travel documents or any other personal documentation are lodged with management other than for safekeeping if request by the workers (although a photocopy can be kept on file). If so requested, the workers should have immediate access to their documents without having to explain why.
- procedures are in place for all deductions, including required prior warnings and an appeals procedure. They will comply with national law and be clearly explained to the workers and managers.
- no fee will be levied against a worker for the recruitment process
- wages will be paid on time; any delays due to cash flow problems will be resolved as quickly as possible and a system put in place to avoid future recurrences
- any advances or loans will not be used to tie the worker to the company and safeguards will be put in place to ensure that workers understand their rights.

Herewith company xx commits to apply this policy at all times, to all activities within the business we operate; and we commit to review it periodically.

Figure 17 - Sample policy

Please find below a checklist to use with your third-party recruitment agencies. It is meant to be used as a due-diligence check and to help you engage in a conversation around forced labour with your third-party recruitment agencies.

ITEM	CHECK LIST FOR RECRUITMENT AGENCIES	TICK IF DONE
1	The labour provider has developed and implemented a forced labour policy which details the safeguards put in place to prevent forced labour and labour trafficking and the steps it will take should such practices be identified within its business.	
2	The labour provider has assigned an individual at the most senior management level within the business explicit responsibility for preventing forced labour.	
3	The labour provider maintain relevant records to demonstrate that it calculates the workers' wages and benefits accurately and pays them on time. Wages are not withheld except those authorized or mandated by law (such as union dues or workers' social security contributions) and the records are accurate and up-to-date.	
4	The labour provider has a written policy specifying that no fee or cost for recruitment will be charged to workers, directly or indirectly, in whole or in part.	
5	The labour provider can demonstrate that it has a complaints/grievance process in a comprehensible format which has been issued for retention by each worker and is operated fairly and in line with natural justice.	
6	The labour provider has signed a contract that includes the key elements of the above clauses.	

Figure 18 Checklist for recruitment agencies



# EQUAL OPPORTUNITY AND TREATMENT

## DISCRIMINATION

Discrimination is defined as: “any distinction, exclusion, or preference on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation” (ILO).

Discrimination is not a new concept and many forms, especially those based on gender, cast or race, are deeply embedded in some countries. For example, women often represent the majority of workers in many sectors, yet they are barely present in management roles. They are also regularly paid less than men for equivalent jobs. Recently, the ILO has seen a surge in new forms of discrimination such as the ones based on HIV condition, sexual orientation, disability and religion in the world of work.

### 7.1 WHAT ARE THE MAIN AREAS OF NON-CONFORMANCES AND THEIR ROOT-CAUSES

The most common non-conformances are listed below.

- Workers of certain age, race, religions, political views, national extraction, social origin or characteristics not hired or promoted
- Demanding pregnancy test at recruitment / dismissing pregnant workers
- Only female line workers but only male line managers
- No clear promotion process, leading to cases of favouritism
- Difference in wages payment for the same work or work of equal value

#### Quiz – can you spot forms of discrimination?

##### Case 1.

Worker A got a job at the nearby factory at the beginning of the year. When they recruited her, she had to have a pregnancy test. At the time, they said they would put her on a fixed-term contract if she was pregnant. She found it odd but did not think much of it. Now that she is pregnant, she wonders if she should tell her employer. Maybe they do that because they do not want to pay the maternity leave. Will they sack her if she tells them?

**Case 1** is a form of discrimination. A woman should not be fired because she is pregnant. Most countries prohibit this form of discrimination.

## Case 2.

Worker B is very upset today. He worked very hard during the last few months because he wanted a promotion. He is very productive and rarely makes a mistake. He does not understand why another worker was promoted. That worker is regularly late and he does not work as well as him. He thinks it's because he is a very good friend of the production manager. He feels it is not fair.

**Case 2** is a form of discrimination, if indeed the promotion was given to a friend rather than the most qualified person. Promotion should be transparent and based solely on the merit of the worker.

## Case 3.

Worker C was dismissed today. The manager did not explain why. She works as hard as any other worker, so this came as a complete surprise. The only explanation she can think of is her affiliation to the local trade union a few weeks ago.

**Case 3** is a form of discrimination if indeed the reason for the dismissal was her membership in the trade union. Dismissing a worker based solely on his/her union affiliation is discriminatory and in many countries illegal.

## Case 4.

Worker D is really annoyed. He wants to do more OT to increase his income, but it seems that the supervisor always picks the same workers who practice the same religion. He knows they have been longer at the factory, but he really would like to do a few extra hours to earn more.

**Case 4** is also a form of discrimination. Religious affiliation is not a valid basis for determining who gets overtime.

Root causes of discrimination include lack of knowledge of local legislation or traditional beliefs. Indeed, discrimination is not always intentional and very often, a company may not be aware that their practices are discriminatory.

## 7.2 WHAT CAN YOU DO?

Companies should review their operations and make sure their practices are not discriminatory. Because discrimination can be found in all areas of your business, we recommend you look first at the areas where discrimination tend to be more obvious.

- a. **Review your recruitment practices:** review how you are currently hiring new recruits. For example, you should not restrict certain position to a group of workers, even if the custom dictates it (for example, sewing for women). You should also review how you advertise for open positions—do you reach out to a variety of communities, social and religious networks, etc. Your company could be missing out on skilled and committed workers from a variety of communities.

## SECTION 07

# EQUAL OPPORTUNITY AND TREATMENT

- b. Review job allocation:** linked to the point above, make sure you allocate tasks and jobs in a fair way. This include access to overtime. You should allocate tasks based solely on competencies, bearing in mind that varying tasks enriches the workers' jobs and helps to boost productivity and help the company become more adaptable and agile.
- c. Review training policies:** make sure that all workers have equal access to training to improve their skills and chances of promotion, including workers with family responsibilities who may not be available late in the evening or the day of rest.
- d. Review overtime allocation practices:** The prohibited bases of discrimination should not be a factor in allocating overtime. Furthermore, spreading overtime more evenly among workers also helps to minimize fatigue and boost productivity.
- e. Review promotion practices:** review how you promote your workers. Promotion and appraisals should be done solely on merits and performance and should be transparent, providing all competent workers a fair chance to compete.
- f. Review disciplinary and termination practices:** review how you are currently disciplining your workers. Your disciplinary procedure should be uniformly applied and based on workers' actual misconduct; and should provide the worker a right of appeal to a higher level of management.
- g. Review termination policy:** review permitted grounds for termination and ensure that pregnancy or breast feeding are not included. In case of layoffs, any selection criteria used must be fair and gender neutral, for instance, not assume that men are the main source of income for their families but women only "supplement" their family income and therefore fire women first.
- h. Review your benefits policy:** ensure that both men and women are entitled to the same benefits. For pregnant and breastfeeding workers, make sure that their reasonable needs (e.g., sitting down more often, any necessary additional OSH protections, breastfeeding breaks, etc.) are accommodated.
- i. Set your anti-discrimination policy:** Once you have done all the above, finalize your anti-discrimination and equal opportunity policy. The policy should set out your ambitions in the above areas and detail how you will be implementing the policy, including allocating resources for training.
- j. Train your managers:** Much discrimination is unconscious and unintended. Managers may need basic training to fully understand the new policy and implement it correctly.

**k. Hold your managers accountable, including senior management.**

Put in place a system to track progress in diversifying the workforce, line managers and more senior managers; and recognize and reward managers accordingly.

## 7.3 HOW ARE YOU DOING? SELF-ASSESSMENT

Please take the time to reflect on your current performance. Go through the list and tick whether you are complying (YES), not complying (NO) or partially complying (PART). If you tick NO or PART, please write the required action in the comment section.

Question	Yes	No	Part	Comment
Do you have a policy that promotes equal opportunity for all? The policy should mention race, colour, national extraction, ethnic origins, religion, political views, nationality (for foreigners with a right to work in the country) sex, sexual orientation, age, physical appearance, marital status or trade union membership or activities.				
Is your recruitment process based solely on candidates' skills and experience?				
Are tasks allocated and jobs allocated based only on the skills and performance of your workers?				
Is training equally accessible to all, and not restricted based on any prohibited ground for discrimination? Is training provided during working hours so that workers with family responsibilities can also participate?				
Have you implemented a fair process to evaluate, appraise and promote your workers based on their performance?				
Do you allocate overtime in a fair way where prohibited grounds for discrimination are not taken into account?				
Do you have a fair disciplinary process that penalizes workers solely on their misconducts and not on who they are or what organisation they belong to? Is a written warning required before taking action against a worker? Is there an appeals process if the worker wishes to contest the allegation?				

# EQUAL OPPORTUNITY AND TREATMENT

## What help can you get?

Please see below an example of an equal opportunity policy:

### Policy brief & purpose

Our equal opportunity policy explains how we prevent discrimination in the workplace.

### Scope

This policy applies to all workers regardless of contract. This is not an exhaustive list, but here are some instances that we consider discrimination:

### Discrimination

Discrimination is any negative action or attitude directed toward someone because of personal characteristics such as: race, gender, age, religion, ethnicity, nationality, disability, political or union activity, sexual orientation, marital status, pregnancy, maternity or HIV status. We will not tolerate any kind of discrimination that creates a hostile and unpleasant environment for our workers. Examples include:

- Dismissing workers based on their political or union affiliation
- Promoting workers based on friendship rather than merit
- Selecting a particular religious group for OT, rather than following established processes which ensure that workers from any group (racial, political, religious, etc.)
- Tolerating workers from one group (religious, ethnic, sex) discriminating against a worker who does not belong to that group.

### Actions to prevent discrimination

To ensure that our conduct and processes are fair and lawful, we:

- Use inclusive language in job ads and advertise in a wide range of places to reach a more diverse set of potential applicants
- Set formal job-related criteria to hire, promote and reward workers.
- Offer compensation and benefits according to position, seniority, qualifications and performance and not personal characteristics.
- Accommodate people with disabilities so that they can be fully integrated into the workplace.

### What to do in cases of discrimination

If you are the victim of discrimination (or if you suspect that others are being discriminated against) please talk to HR (or your manager) as soon as possible. HR is responsible for hearing your claim, investigating the issue and determining punishment. Punishment depends on the severity of the offence. HR is also responsible for protecting workers who speak up from being punished by their manager.



# SECTION 08

# HARASSMENT

## HARASSMENT

The human line – Let's start this section with an exercise. This exercise requires you to rank 7 situations from the least to the most unacceptable.



The situations are.

- Supervisors regular shouting using dirty words to workers
- A superior inappropriately touching a worker
- Supervisors repeatedly hitting workers (e.g. on head) for mistake
- Worker verbally threatening to beat a co-worker up
- Male colleague sending inappropriate texts and pictures to female colleague
- Supervisor requesting sexual favours in return for a promotion or pay raise
- Workers insulting other worker on the company bus back home

The exercise is intended to raise awareness about unacceptable behaviours and practices that qualify as harassment and violence. These situations have the following elements in common:

- They are all likely to result in physical, psychological, sexual or economic harm
- They may be recurrent or may happen only once
- They apply in the world of work. This includes the workplace, but also during commute, in places where the worker is paid, takes a break or a meal, or through work-related communications enabled by technology

The ILO is currently developing a standard on harassment and violence in the world of work. Whilst the work is taking place, please abide by the current legislation on harassment in your country and remember that:

- Harassment includes gender-based violence.
- When assessing a case of harassment, the point of view of the victim should prevail.

## 8.1 WHAT ARE THE MAIN AREAS OF NON-CONFORMANCES AND THEIR ROOT-CAUSES

The most common non-conformances are listed below.

- Sexual harassment: unwelcome comments about the worker's appearance; sexual jokes or innuendo; sexual advances or requests for sexual favours; and other verbal or physical conduct eluding to sex, including insistent looks
- Verbal harassment: insults, threats, offensive language
- Physical harassment: inappropriate touching, physical violence, unnecessarily close proximity
- Creating or tolerating a hostile work environment: displays (e.g., posters, calendars) which contain offensive language or images; circulating among workers pictures or social media messages denigrating to a group, such as women or a particular ethnic community.

The **most common root causes of harassment** are linked to a lack of willingness from the company to deal with the issue, fear of workers to raise the issue or not knowing how to raise the issue, lack of training of managers and supervisors on how to motivate workers instead of berating them (positive treatment rather than threats). Indeed, recent studies have shown that where supervisors were paid incentives for reaching targets, they harassed more the workers in their production lines.

## 8.2 WHAT CAN YOU DO?

Companies should develop a work culture free of harassment. Harassment often occurs when one party, such as a line manager, has power over the worker being targeted. However, harassment can also occur when one or more workers decide to target a worker. Harassed workers experience a difficult situation, which may cause workers to suffer anxiety, depression and even commit suicide in extreme cases. The company may suffer the loss of skilled workers and lower productivity from higher turnover rates and gain a reputation as a bad place to work.

To achieve a non-threatening work environment, your company should adopt a zero-tolerance policy towards violence, threats, abuse or coercion:

- a. Assessing levels of harassment:** Harassment often occurs without witnesses around, so it is important to engage the workers in a dialogue. The challenge is finding a safe place or mechanism which allows them to talk about these issues without fear of repercussions. An anonymous survey or small discussion groups lead by workers' representatives outside the factory could be good ways to start. If you decide to run a survey, ask workers if they feel comfortable reporting cases of harassment to management. And survey managers about how they have responded when workers have brought harassment complaints to their attention.

## SECTION 08

# HARASSMENT

**b. Reporting cases of harassment:** you must have a way for workers and other employees to raise grievance if they face a case of harassment. Some companies set up an anti-harassment committee which includes both management and worker representatives. The workers' representatives are chosen by the workers themselves, so that the workers are more confident that the committee takes claims seriously. Usually a well-trained welfare coordinator leads it. Having a specific committee helps workers know who to go to. It also helps knowing the coordinator they speak to is trained, able to assess their level of distress and will know what to do in case of abuse.

**c. Action planning:** Once you understand your levels and types of harassment in your workplace, you should design and implement an action plan. The plan will aim at:

- tackling the root causes of harassment through training
- sanctioning undesired behaviours.

For example, if you find that verbal harassment is predominant in your workplace (e.g. supervisors shouting to make sure workers reach their targets), you should:

- Review how you incentivize supervisors and workers to reach their targets. Instead of simply incentivizing the supervisors, you could look at incentivizing the whole production line.
- Awareness-raising training: Train supervisors on positively encouraging workers to reach their targets.
- Sanction supervisors who do not abide by your policy, by following your disciplinary procedures

**d. Anti-harassment policy** ⓘ: Once you have a good understanding of the issue of harassment in your workplace, develop your anti-harassment policy - See template below

## 8.3 HOW ARE YOU DOING? SELF-ASSESSMENT

Please take the time to reflect on your current performance. Go through the list and tick whether you are complying (YES), not complying (NO) or partially complying (PART). If you tick NO or PART, please write the required action in the comment section.

- Sexual harassment: unwelcome comments about the worker's appearance; sexual jokes or innuendo; sexual advances or requests for sexual favours; and other verbal or physical conduct eluding to sex, including insistent looks
- Verbal harassment: insults, threats, offensive language
- Physical harassment: inappropriate touching, physical violence, unnecessarily close proximity
- Creating or tolerating a hostile work environment: displays (e.g., posters, calendars) which contain offensive language or images; circulating among workers pictures or social media messages denigrating to a group, such as women or a particular ethnic community.

Question	Yes	No	Part	Comment
Do you have a written anti-harassment policy that specifies all types of harassment and the measures you take to promote a harassment-free environment?				
Are any workers bullied, harassed or subjected to humiliating treatment, either by management or other workers?				
Are any workers subjected to sexual harassment, including innuendos and more subtle forms of sexual harassment?				
Are any workers threatened or intimidated if he or she joins a trade union or workers' organisations?				
Can your workers raise a grievance if they think they are being harassed? If so, is the system for addressing such a grievance serious, is the worker's privacy respected and is the worker protected from retaliation?				

# HARASSMENT

## What help can you get?

Please see below an example of an anti-harassment policy:

### Policy brief & purpose

Our anti-harassment policy explains how we prevent harassment in the workplace and address cases that arise.

### Scope

This policy applies to all workers, temporary, permanent, contractors, visitors and customers.

This is not an exhaustive list, but here are some instances that we consider harassment:

Harassment	Sexual Harassment
We will not tolerate any kind of harassment where a person is intimidated or humiliated. Harassment can be verbal, written or physical, and has the intent or effect of creating an intimidating, hostile or offensive work and/or educational environment.	Sexual harassment is any unwelcome sexual advance, request for sexual favours or conduct of a sexual nature.
<ul style="list-style-type: none"> <li>Asking intrusive questions about someone's personal life;</li> <li>Comments that put down or stereotype people;</li> <li>Offensive communications including digital communications (Facebook, twitter, e-mails), written, images and telephone.</li> <li>Derogatory or demeaning jokes intended to offend.</li> </ul>	<ul style="list-style-type: none"> <li>Inappropriate remarks with sexual insinuations, smutty jokes or lewd comments;</li> <li>Suggestive remarks about a person's body or appearance;</li> <li>Persistent, unwanted requests for dates;</li> <li>Offensive hand or body gestures;</li> <li>Uninvited physical contact such as patting, pinching, touching or putting an arm around another person.</li> </ul>

### Actions to prevent discrimination

To ensure that our conduct and processes are fair and lawful, we:

- Set the example by behaving in the best possible way
- Take harassment seriously
- Have established a grievance handling mechanism
- Train and raise awareness of managers and workers regularly on the topic

### What to do in cases of harassment

If you are the victim of harassment (or if you suspect that others are being harassed,) please talk to HR (or your manager) as soon as possible. HR is responsible for hearing your claim, investigating the issue and determining punishment. Punishment depends on the severity of the offence. For example, inadvertently offending someone might warrant a reprimand. Conversely, wilfully harassing someone to the point of causing distress will result in termination.



# FREEDOM OF ASSOCIATION

## FREEDOM OF ASSOCIATION

is the right of all workers and employers to establish and join organizations of their own choosing without previous authorization. Workers should be adequately protected against acts of anti-union discrimination. Workers' and employers' organizations should enjoy adequate protection against acts of interference by each other. ILO Trade unions and other workers' organisations should be able to carry out their activities (informing workers of their rights, consultation, assisting in organising if the workers so choose) as long as this does not disrupt day-to-day operations of the company.

Collective bargaining refers to a formal process where workers negotiate with management to reach a binding agreement, called a Collective Bargaining Agreement. This process "can be as broad in scope as the parties agree, although some minimum elements may be prescribed by law, trade union representatives or other freely chosen representatives" (SCORE W1 Workplace cooperation).

### 9.1 WHAT ARE THE MAIN AREAS OF NON-CONFORMANCES AND THEIR ROOT-CAUSES

The most common non-conformances are listed below.

- Prohibit union leaders to access work area to speak with workers
- Prohibit workers to join or form a union, or threaten or otherwise intimidate the workers
- Organize the workers in a management-friendly ("yellow") union
- Refuse to recognize the union
- Refuse to engage with the union
- Interfere in the union's operations and decisions
- Try to bribe union leaders or co-opt them through favouritism (higher salaries, travel perks, other benefits)
- Dismiss union leaders
- Refuse to implement collective agreements

## 9.2 WHAT CAN YOU DO?

You should review how you engage with your workforce:

**a. Review your management policies and practices** to ensure they are not prohibiting, discouraging or otherwise interfering with workers' right to organize:

- Management allows workers free access to information on joining or forming a workers' organization: allow union representatives to access the premises (entrance and exit to the workplace, cafeteria, dorms and other areas where workers take breaks or congregate outside of work hours) and post information, so long as it does not disrupt production.
- Management allows workers to elect freely their representatives, allows workers' representatives to carry out their activities without interference. Any efforts by particular managers to discourage or intimidate the workers into not organizing are quickly and firmly stopped by senior management.
- Management provides workers' representatives with meeting and office space, if possible.
- Management provides workers' representatives with accurate non-confidential information on the financial health of the company to allow them to bargain effectively through a more open conversation about what worker requests are possible.
- If there is more than one workers' organization in the workplace, management does not favour or discriminate against any of them. For purposes of bargaining collectively, workers choose their bargaining representative.

**b. Ensure regular dialogue with workers' organizations:** regularly meet with them and if the legislation of your country allows it, bargain with them to regulate and improve working conditions.

# SECTION 09

# FREEDOM OF ASSOCIATION

Question	Yes	No	Part	Comment
Can your workers freely join workers' organisations, including trade unions, of their choice, with no interference from the company's side?				
Do workers elect freely their representatives?				
Do you have a regular dialogue with workers' organisations and consult the workers through their representatives on issues of mutual concern, for example, if management wants to introduce a productivity improvement system or if workers would like to improve the canteen food?				
Do you make time and space available to representatives to carry out their functions? This includes for example providing time off (within reason) to carry out activities and providing a meeting and office space.				
Does management refrain from trying to influence the workers' representatives? Does management remain neutral if more than one workers' organization exists in the work place?				
Do you bargain collectively with the workers, through their chosen representative(s), if they so choose?				
Do you comply with the terms set out in any collective agreement signed with the workers?				
Do you discriminate against trade union members? This includes refusal to hire a trade union member; not renew a contract; dismiss the worker because of his or her union member or activities; move the union member to a different production site because of his or her union activities; harass or intimidate a union member.				



# GRIEVANCES

## GRIEVANCE

“Workers have rights and entitlements that are established in laws, employment contracts, collective agreements and workplace rules, as well as in custom and practice [...] We say that workers have a grievance when they believe that some aspect of these is not being respected by their employer. Grievances relate to addressing infringements of existing rights and entitlements, from bullying or harassment, to underpayment of wages, refusal to grant rest periods, weekly rest days or public holidays, discrimination or underpayment of bonuses or other entitlements.” ILO

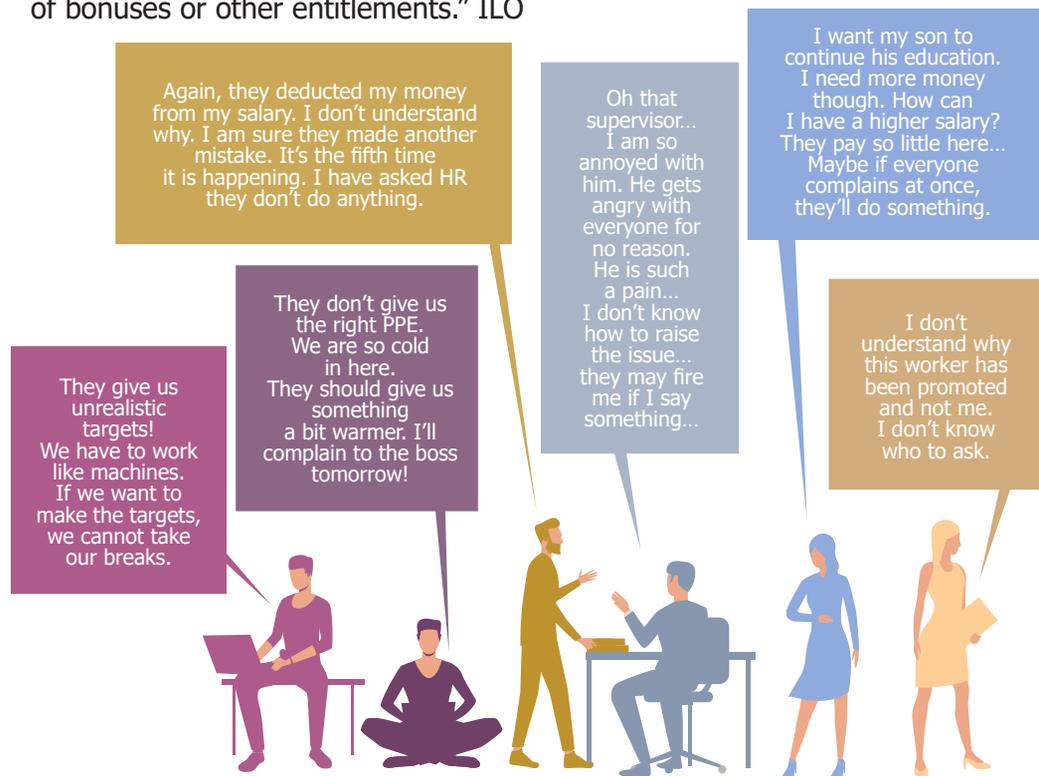


Figure 19 - common grievances in the workplace

Please remember that grievances left unresolved affect negatively your productivity and open space to more grievances. Workers are less likely to care and work efficiently if they worry about something. They are also more likely to leave the company.

Grievances can also lead to formal and often costly disputes if left unresolved. It is therefore important that you treat them as early as possible and try your best to find a solution that both benefits your workers and your business.

### 10.1 WHAT ARE THE MAIN AREAS OF NON-COMPLIANCE AND THEIR ROOT-CAUSES

The most common non-conformances are listed below.

- No possibility to raise a grievance
- No hearing of a grievance
- No fair process for solving dispute

- No possibility to use third-party conciliation / arbitration, including trade union or worker representatives
- No response to a grievance

The most common root causes are:

- Workers fear reprisal if they raise an issue
- Management do not see grievance solving as part of their job

## 10.2 WHAT CAN YOU DO?

Workers have “the right to submit a grievance without suffering any prejudice whatsoever as a result, and to have such grievance examined” (ILO MNE Declaration). Companies should set up a grievance mechanism, together with representatives of the workers, for a worker or a group of workers to bring a complaint about any aspect of their work that they consider violating their rights at work.

Your company should establish a **grievance procedure**. The procedure should address grievances quickly and build trust and confidence between workers and management. Minor grievances can be dealt with informally, and direct supervisors can directly solve minor complaints. However, when a worker has a problem that cannot be solved informally, she or he should be able to raise a formal grievance. This is particularly important if your company operates in a country where the right of freedom of association is restricted. This would allow workers to have their grievances solved despite the lack of support from union or other forms of formal workers’ organisation.

**a. Review your current grievance procedure:** please carefully review and analyse if your current process provides workers with an un-biased, confidential and non-retaliatory way to deal with their grievances. Review your investigation process and check if it is fair, effective and speedy. Analyse any existing system for recording and tracking complaints received to see how it might be improved.

**b. Set-up / Improve your grievance procedure:** Based on your analysis, identify the required steps to improve your current procedure or set one up. At the very least, you should:

- **Consult with workers and representatives:** Work with a group of workers and representatives to improve the procedure. You may want to consult on:
  - i. **Ways to raise grievances:** workers should have access to different channels to raise their grievances, including HR, workers’ representatives and union representatives, senior management or a neutral figure such as a welfare coordinator. If the channel is available online or by phone line, make sure they are also available in the workers’ language. If these are the only channels available, check if workers have easy access to phone and/or internet connection in order to do so, otherwise it is important to establish mechanisms that are easy to reach. Additionally, it is crucial to provide grievances’ means that allow anonymity.

# SECTION 10

## GRIEVANCES

- ii. Response time: you will need to agree with your workers when they can raise a grievance and how long it should take to respond and solve the case. Any parameters set should take into account factors such as fear, shame and isolation which may make it difficult for a worker to gather the courage to immediately report an incident. If you have an arrangement with a third party entity to collect grievances, make sure that they comply with the deadlines. The affected worker should be informed of the outcome of the process before closing the case.
  - iii. Fairness of the procedure: who should investigate; what support and help a worker can get – this is particularly true if a worker has a grievance against a direct superior. A worker should be heard fairly with no fear, threat or retaliation. This includes the right to appeal the resolution in case of disagreement.
- **Formalize the procedure** ⓘ : Once the above is discussed and agreed, you should put your procedure in writing and make it available to your workforce. See template below.
  - **Inform and train workers on the procedure**: Workers need to know what the grievance procedure is and how to use it. It is therefore important to inform and train your workers on how to make use of it. This can be done at induction time, by posting information on notice boards, through refresher training sessions for example. Supplemental peer to peer training by trade union and workers' representatives can help build confidence in the system.
  - **Document all grievances**: you should record the following information. You can simply keep track in an excel sheet.
    - i. Who raised the grievance
    - ii. What the grievance was about and when it happened
    - iii. Who handled the grievance
    - iv. What was the outcome and how was it communicated to the interested parties
    - v. What actions were taken to resolve the grievance
    - vi. Further follow up to ensure that the action steps identified were in fact implemented.
  - **Monitor**: analyse at least once a year the number of formal grievances you receive and their nature. If you see a pattern occurring (e.g. recurring grievances coming from the same department), establish the root causes and adjust your management system to remove the causes.

1	2	3
Ways to Report Grievances	Investigation of all grievances	Responses, Conciliation
<ul style="list-style-type: none"> <li>How can we make sure our workers report their grievances?</li> <li>To whom and how?</li> <li>Anonymous vs. non-anonymous.</li> <li>Difference of reporting if the grievance is minor vs. major?</li> </ul>	<ul style="list-style-type: none"> <li>When and how quickly should you do it? Who should investigate?</li> <li>What should the investigation look like? Do you investigate in the same way for a minor grievance vs. a major grievance?</li> </ul>	<ul style="list-style-type: none"> <li>How do you respond to the worker who raised the grievance? And the one who is accused?</li> <li>-What happened if a party does not agree with the result of your investigation?</li> </ul>

Figure 20 - overarching steps in grievance procedure

To break down the barriers and allow for workers to raise their grievances, we recommend training your staff on establishing a constructive dialogue with your workers and colleagues. Here is a list of eight powerful statements as an example:

Grievance Rules
Attack the problem, not the person
Focus on what can be done
Encourage different points of view and honest dialogue
Express your feelings in a way that does not blame
Accept ownership of your part of the problem
Listen to understand the other person's point of view before giving your own.
Show respect for the other person's point of view.
Solve the problem and build the relationship.

Figure 20 - overarching steps in grievance procedure

## 10.3 HOW ARE YOU DOING? SELF-ASSESSMENT

Please take the time to reflect on your current performance. Go through the list and tick whether you are complying (YES), not complying (NO) or partially complying (PART). If you tick NO or PART, please write the required action in the comment section.

Question	Yes	No	Part	Comment
Do you have a written policy on handling grievances?				
Do you have multiple ways for workers to raise a grievance in confidence, with no retaliation or reprisal for the worker who raised the issue?				
Has the grievance-handling system been developed through consultation with the workers/unions and management?				
Are workers aware of the ways to raise a grievance?				
Do you resolve grievances as mandated by the law?				

# SECTION 10

## GRIEVANCES

Question	Yes	No	Part	Comment
Do you encourage workers to raise their grievances by establishing a constructive environment, where workers' privacy is protected where sensitive issues are involved and workers do not fear reprisal or retaliation?				
Is there follow up to ensure that agreed action steps are implemented effectively?				

### What help can you get?

Please see below an example of a grievance policy:

#### Policy brief & purpose

Our grievance policy explains how workers can voice their complaints in a constructive way and issues can be resolved as quickly as possible. The grievance process should be fair, allowing all parties to be heard and to the extent possible come to a mutually agreed resolution. The company encourages workers to communicate their grievances, and takes steps to protect workers' privacy when needed, and to protect workers from retaliation. That way we can foster a supportive and pleasant workplace for everyone.

#### Scope

This policy applies to all employees and workers, temporary, permanent, placement agency workers and contractors.

#### Grievance

We define grievance as any complaint, problem or concern of a worker regarding their workplace, job or co-worker relationships.

We, at company xx, and in agreement with the worker committee, provide workers different ways to raise grievances (through grievance forms, HR meetings, supervisor meeting, workers rep meeting or union leader meeting). Grievances can be raised anonymously if the worker requests, recognizing that there may be challenges in finding solutions. We communicate our grievance policy and procedures to all our staff during induction and a summary is posted on the various notice boards throughout the production areas, canteens and changing rooms. Workers' representatives can play a role in reinforcing this awareness raising and training, and aid workers in bringing a complaint.

We encourage workers to resolve less important issues informally before they resort to a formal grievance. They can directly go to their supervisors or HR for minor issues. Workers can file formal grievances for any of the following reasons:

- Workplace harassment, discrimination, bullying
- Health and safety issues



# SECTION 11

# ACTION PLANNING

## ACTION PLANNING

You have now completed the module on responsible business. You are now equipped with the following knowledge.

<b>CSR</b>	<ul style="list-style-type: none"> <li>• International Instruments</li> <li>• Main Labor Standards</li> <li>• Social Audits</li> <li>• Business Case</li> </ul>	<b>Hours</b>	<ul style="list-style-type: none"> <li>• Main NCs</li> <li>• Complexity to Manage Hours</li> <li>• Fichbone Technique</li> </ul>
<b>OSH</b>	<ul style="list-style-type: none"> <li>• Key Elements of OSH</li> <li>• Main NCs</li> <li>• 5 Whys Technique</li> </ul>	<b>Child Labour</b>	<ul style="list-style-type: none"> <li>• Main NCs</li> <li>• Young workers, Child Workers</li> <li>• Recruitment Practices</li> <li>• Remediation Plan</li> </ul>
<b>Wages</b>	<ul style="list-style-type: none"> <li>• Key Elements of Wages</li> <li>• Main NCs</li> <li>• Task Analysis</li> </ul>	<b>Forced Labour</b>	<ul style="list-style-type: none"> <li>• Main NCs</li> <li>• Cases of Forced Labour</li> <li>• Recruitment Practices</li> </ul>
<b>Discrimination</b>	<ul style="list-style-type: none"> <li>• Main NCs</li> <li>• Cases of Discrimination</li> <li>• Anti-discrimination Policy</li> </ul>	<b>Grievances</b>	<ul style="list-style-type: none"> <li>• Main NCs</li> <li>• Grievance Process</li> </ul>
<b>Harassment</b>	<ul style="list-style-type: none"> <li>• Human Line</li> <li>• Key Elements of Harassment</li> <li>• Main NC</li> </ul>	<b>Freedom of Association</b>	<ul style="list-style-type: none"> <li>• Animated dialogue through world cafe technique</li> </ul>

Figure 22 - areas covered during training

Please take the time to digest the learnings and reflect on your answers of the self-assessments.

Please pick 5 actions that you believe are the most important for your business and fill up the following action plan.

CORPORATE SOCIAL RESPONSIBILITY						
ACTION PLAN						
Company name:						
Training date:						
Participants:						
Section	Topic	Planned activities	Person responsible	Start date	End date	Comments

## **ILO Fundamental Conventions**

- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Forced Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

## **ILO Conventions on: Occupational Safety and Health**

- Working Environment (Air Pollution, Noise and Vibration) Convention (No. 148) and Recommendation (No. 156), 1977
- Occupational Safety and Health Convention, 1981 (No. 155) and Protocol of 2002; and Occupational Safety and Health Recommendation, 1981 (No. 164)
- Occupational Health Services Convention (No. 161) and Recommendation (No. 171), 1985
- Safety and Health in Construction Convention (No. 167) and Recommendation (No. 175), 1988
- Chemicals Convention (No. 170) and Recommendation (No. 177), 1990
- Prevention of Major Industrial Accidents Convention (No. 174) and Recommendation (No. 181), 1993
- Safety and Health in Mines Convention (No. 176) and Recommendation (No. 183), 1995
- Safety and Health in Agriculture Convention (No. 184) and Recommendation (No. 192), 2001
- Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)
- Radiation Protection Recommendation, 1960 (No. 114)
- Guarding of Machinery Recommendation, 1963 (No. 118)
- Benzene Recommendation, 1971 (No. 144)
- Occupational Cancer Recommendation, 1974 (No. 147)
- List of Occupational Diseases Recommendation, 2002 (No. 194)

## **ILO Conventions on: Wages and Benefits**

- Protection of Wages Convention, 1949 (No. 95)
- Protection of Wages Recommendation, 1949 (No. 85)
- Minimum Wage Fixing Convention, 1970 (No. 131)
- Maternity Protection Convention, 2000 (No. 183)

## **ILO Conventions on: Working Hours**

- Reduction of Hours of Work Recommendation, 1962 (No. 116)
- Hours of Work (Industry) Convention, 1919 (No. 1)
- Weekly Rest (Industry) Convention, 1921 (No. 14)
- Forty-Hour Week Convention, 1935 (No. 47)
- Holidays with Pay Convention (Revised), 1970 (No. 132)

- Night Work Convention, 1990 (No. 171)
- Reduction of Hours of Work Recommendation, 1962 (No. 116)

### **ILO Conventions on: Forced Labour**

- Forced Labour Convention, 1930 (No. 29) and its Protocol of 2014; and Forced Labour (Indirect Compulsion Recommendation, 1930 (No. 35)
- Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203)

### **ILO Conventions on: Freedom of association and right to collective bargaining**

- Collective Bargaining Convention (No. 154) and Recommendation (No. 163), 1981

### **ILO Publications:**

- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, 2017
- A guide for enterprise diagnostics, ILO, ACT/EMP, 2014
- Equality at work: The continuing challenge, ILO, 2011
- Ending violence and harassment in the world of work, report (v)1, Conference 108th session 2019, ILO, 2018
- Guidelines on occupational safety and health management systems, ILO-OSH 2001 ([https://www.ilo.org/safework/info/standards-and-instruments/WCMS\\_107727/lang--en/index.htm](https://www.ilo.org/safework/info/standards-and-instruments/WCMS_107727/lang--en/index.htm))
- [https://www.ilo.org/global/topics/wages/minimum-wages/definition/WCMS\\_439067/lang--en/index.htm](https://www.ilo.org/global/topics/wages/minimum-wages/definition/WCMS_439067/lang--en/index.htm)

### **Social Accountability International**

- Guidance document for social accountability 8000, 2014

### **Levi Strauss & Co**

- Worker well-being implementation guidebook / [http://www.levistrauss.com/wp-content/uploads/2016/10/100316\\_WWB\\_GUIDEBOOK.pdf](http://www.levistrauss.com/wp-content/uploads/2016/10/100316_WWB_GUIDEBOOK.pdf)

### **Gangmasters & Labour Abuse Authority:**

- Licensing standards, 2017

### **Stronger together:**

- Tackling forced labour in businesses, A toolkit for employers and labour providers – International, 2017

### **Better Work**

- <https://betterwork.org/blog/portfolio/sexual-harassment-in-garment-factories-firm-structure-organizational-culture-and-incentive-systems/h>

### **Courtesy pictures**

- [https://www.telegraphindia.com/1140201/jsp/siliguri/story\\_17886873.jsp](https://www.telegraphindia.com/1140201/jsp/siliguri/story_17886873.jsp)
- <https://www.amchkg.com>







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EUROPEAN UNION