

Issues of Compliance & Zero Tolerance



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Content: Issues of Compliance & Zero Tolerance

1. Discrimination,
2. No Child Labor
3. No Bonded, Forced Labour or Human Trafficking
4. Decent working Hours
5. Fair Remuneration
6. Occupational Health and Safety

Lecture One

1. Freedom of association & collective bargaining
2. Protection of the Environment
3. Special Protection for Young Workers
4. No Precarious Employment
5. Ethical Business Behavior
6. Zero Tolerance Issues

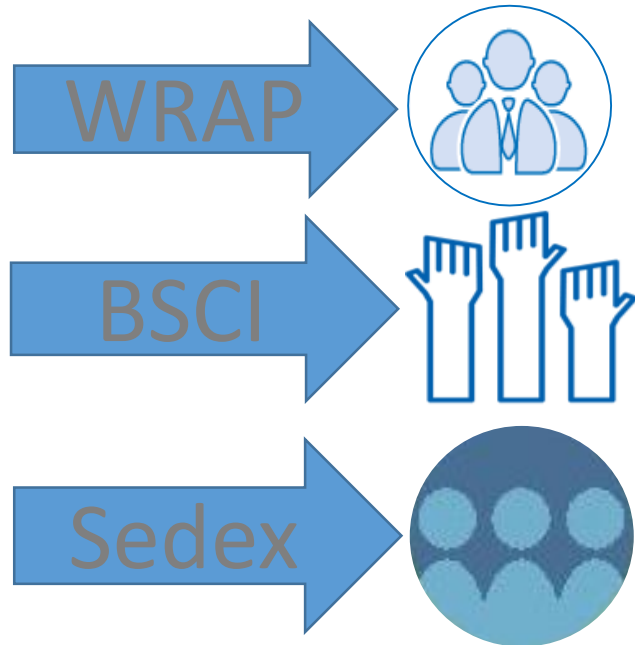
Lecture Two

Freedom of Association and Collective Bargaining

Freedom of Association means allowing workers to form and join trade unions, worker associations and worker councils or committees of their own choosing. The purpose is to have good two-way communication between management and workers.

Collective Bargaining is the way employers and trade union representatives reach agreements on working conditions, wages, overtime, grievance procedures and worker involvement in workplace affairs.

Topic-7: The Rights of Freedom of Association and Collective Bargaining



1. According to BSCI: The Rights of Freedom of Association and Collective Bargaining

The signatories commit to:

- Respect the right of workers to form and join trade unions – or to refrain from doing so – and bargain collectively, in a free and democratic way, without distinction whatsoever and irrespective of gender,
- Ensure meaningful representation of all workers, without distinction whatsoever and irrespective of gender,
- Not discriminate against workers because of trade union membership,
- Not prevent workers' representatives and recruiters from having access to workers in the workplace or from interacting with them,

- Respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues, when operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed.

Topic-7: The Rights of Freedom of Association and Collective Bargaining

2. According to Sedex: Freedom of association and the right to collective bargaining are respected.

- a. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- b. The employer adopts an open attitude towards the activities of trade unions and their organizational activities.
- c. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- d. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. According to WRAP: Freedom of Association and Collective Bargaining (Grievance mechanism)

Facilities will recognize and respect the right of employees to exercise their lawful rights of free association and collective bargaining. (To review its process, procedure and timely handling of grievances)

Topic-7: The Rights of Freedom of Association and Collective Bargaining

5. According to Bangladesh Constitution:

Section -38 every citizen shall have the right to form association or unions, subject to form any reasonable restrictions imposed by law in the interests of morality or public order.

C-87: Freedom of Association and Protection of the Right to Organize, 1948

Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorisation.

Topic-7: The Rights of Freedom of Association and Collective Bargaining

C-98: Right to Organize and Collective Bargaining Convention, 1949

- Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment.
- Such protection shall apply more particularly in respect of acts calculated to:-
 - ✓ make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership;
 - ✓ cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours or, with the consent of the employer, within working hours.

C 135: Workers' Representatives Convention, 1971

Workers' representatives shall enjoy effective protection against any act prejudicial to them, including dismissal, based on their status or activities as a workers' representative or on union membership or participation in union activities

Name of the Topic-8: Environment

1. According to BSCI: Protection of the Environment

The signatories commit to:

- Implement a process- and risk-based environmental due diligence management system in their business practices, adjusted to the business model of the company. This can also be integrated into the overall due diligence management system,
- Comply with national environmental legislation, or with international standards where national legislation is weak or poorly enforced,
- Identify the environmental impacts of their operations, and implement adequate measures to prevent, mitigate and remediate adverse impacts on the surrounding communities, natural resources, climate, and the overall environment

2. According to WRAP: Environment

Facilities will comply with environmental rules, regulations and standards applicable to their operations, and will observe environmentally conscious practices in all locations where they operate.





Business Ethics (P-4)

1. Business Ethics Management Systems
2. Anti-Corruption

According to BSCI: Social Management System and Cascade Effect

The signatories commit to:

- Adopt and publicly communicate a written human rights policy statement, in line with the complexity and size of operations, approved at the most senior level,
- Implement a process- and risk-based due diligence management system in their business practices in line with the UNGPs, and adjusted to the business model of the company. The expectations set in this Code of Conduct should be embedded in the system,
- Actively communicate their endorsement of the amfori BSCI Code of Conduct through all the functions in their company, as well as to their business partners and relevant stakeholders,
- Train and incentivize all relevant departments and individuals in a manner that allows them to integrate the principles of responsible and gender-responsive business and purchasing practices in the company culture, and cascade it to their business partners,
- Require their business partners to cascade the information to the relevant business partners and stakeholders in the supply chain,
- Require and follow-up with their business partners to work towards full observance of the amfori BSCI Code of Conduct within the sphere of their influence, including intermediaries that are involved in the worker recruitment process, such as brokers, recruiters and recruitment agencies,
- Include all workers in their due diligence, especially the vulnerable parts in their supply chain such as home based workers, smallholders, as well as temporary and migrant workers; identify the challenges at these levels, and partner with amfori and other relevant stakeholders for improvements,
- Have the strategy, processes, and sufficient resources in place to meet the responsibilities related to the amfori BSCI Code of Conduct and ensure that there is continuous improvement in its implementation,
- Exercise responsible and gender-responsive purchasing practices, and avoid putting their business partners in a position that prevents them from adhering to the amfori BSCI Code of Conduct.

According to BSCI: Workers Involvement and Protection

The signatories commit to:

- Establish responsible and gender-responsive management practices that involve all workers and their representatives in sound information exchange on the due diligence process,
- Define long-term goals to protect workers in line with the aspirations of the amfori BSCI Code of Conduct,
- Take specific steps, such as trainings, to make workers aware of their rights and responsibilities, with special attention to vulnerable persons. When relevant, intermediaries such as brokers, recruiters, and recruitment agencies should play an active role in achieving these steps,
- Build sufficient competence among the managers, workers, and worker representatives within their company, as well as in the supply chain, in order to embed the amfori BSCI Code of Conduct in their company culture, and promote continuous education and training at each level of work,
- Establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted, and maintain accurate records. The operational-level grievance mechanism must be in line with UNGP Article 31. Where relevant (e.g. when a migrant worker population is present), the operational-level grievance mechanism should be accessible in relevant local languages, and should allow to address and remedy the issues effectively across jurisdictions through partnerships and coordination

According to BSCI Special Protection for Young Workers

The signatories commit to:

- Ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals, and development, without prejudice to the specific expectations set out in this principle,
- Remove young workers from any hazardous work or source of hazard immediately when such cases are identified, and redefine their scope of work without any loss of income,
- Ensure that (a) the kind of work is not likely to be harmful to young workers' health or development; (b) their working hours allow their attendance in school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programmes,
- Set the necessary mechanisms to prevent, identify and mitigate harm to young workers, with special attention to the provision and access of young workers to effective operational grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes specific to the needs of young workers.

According to BSCI: No Precarious Employment

The signatories commit to:

- Ensure that, their recruitment process and employment relationships do not cause insecurity and social or economic vulnerability for their workers,
- Ensure that work is performed on the basis of a recognized and documented employment relationship, established in compliance with relevant national legislations, custom or practice, and international labour standards, whichever provides greater protection

According to BSCI: Ethical Business Behaviour

The signatories commit to:

- Not take part in any act of corruption, extortion or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive,
- Develop and adopt adequate internal controls, programmes or measures for preventing and detecting corruption, extortion, embezzlement or any form of bribery, developed on the basis of a company-specific risk assessment,
- Keep accurate information regarding their activities, structure and performance, and disclose these in accordance with applicable regulations and industry benchmark practices to enhance transparency of their activities,
- Not falsify, or participate in falsifying any information or in any act of misrepresentation in the supply chain,
- Provide awareness to the workers about the policies, controls, programmes and measures against unethical behaviour, and promote compliance within the company through trainings and communication,
- Collect, use, and otherwise process personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information must comply with privacy and information security laws and regulatory requirements.

According to WRAP: Compliance with Laws and Workplace Regulations

Facilities will comply with laws and regulations in all locations where they conduct business.

All facilities will comply with the legal requirements and standards of their industry under the local and national laws of the jurisdictions in which the facilities are doing business, along with any applicable international laws. This will cover all labor and employment laws of those jurisdictions, as well as laws governing the conduct of business in general, including rules and standards of ethics dealing with corruption and transparency, and any relevant environmental laws.

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Customs Compliance

Facilities will comply with applicable customs laws, and in particular, will establish and maintain programs to comply with customs laws regarding illegal transshipment of finished products.

Facilities will ensure that all merchandise is accurately marked or labeled in compliance with all applicable laws. In addition, facilities will keep records for all materials and orders, as well as maintain detailed production records.

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Security

Facilities will maintain appropriate procedures in order to ensure proper corporate security, transportation security, and people and physical security at the facility.

Facilities will ensure adequate controls are in place to safeguard against introduction of any non-manifested cargo. In this regard, WRAP recognizes the United States Customs and Border Protection (CBP)'s **CT-PAT** Guidelines for Foreign Manufacturers as minimum requirements and has adopted those guidelines under this Principle.

C-TPAT/SCAN Security Standard



Focused Area

Criteria Categories

1. Corporate Security

1. Security vision and responsibility
2. Risk Assessment
3. Business Partners
4. Cyber Security

2. Transportation Security

5. Conveyance and Instruments of International Traffic Security (IIT)
6. Seal Security
7. Procedural Security
8. Agricultural Security

3. People and Physical Security

9. Physical Access Controls
10. Physical Security
11. Personnel Security
12. Education, Training, and Awareness



Types of Audit

1. **Announce Audit:** Audit date is agreed with or disclosed to the audited site.
2. **Semi Announce Audit:** Audit date is agreed within a time “window”
3. **Unannounced Audit:** No prior notice is given.

Basis of Social Audit

United Nations Guiding Principles on Business and Human Rights (UNGPR) : Legal Requirements, Policy & Procedures, Designated person, Impact Analysis, Awareness & Training, Policy Sharing, Transparent System, Proper Documentation.

Universal Declaration of Human Rights (UDHR) : Stakeholders Rights as per Law, Confidentiality, Workers Respect.

International Labor Organization (ILO) : Implementation of labor law, Appropriate & Timely payment, Freedom of Association, Health & Safety,

Auditing Pillars

The 4 pillars of a SMETA



Labour Standards

Health & Safety

Business Ethics

The Environment

Auditees Responsibility

Auditee :

- Assist auditor by providing evidence/document
- Co-operate with audit process
- Be open and honest

Guides :

- ✓ Assist in making arrangements
- ✓ Guide auditors to records, documents, people, process etc
- ✓ Well sitting arrangement
- ✓ Witness for the Auditees

Auditees Responsibility

Management:

- Liaison with auditors to arrange audit
- Co-operate with auditor to facilitate audit
- Direct employees to participate
- Act on audit findings
- Provide resources for corrective action plans

Auditees Responsibility

To set up an effective management system, the auditee understands:

- ➡ The importance that its own good social performance has for its clients
- ➡ The content of the WRAP Principals and Terms of Implementation
- ➡ The benefits of having a Social Management System in place
- ➡ Communication with customers and stakeholders helps to make continuous improvement possible
- ➡ The individual assuming this role understands
- ➡ WRAP Code of Conduct and WRAP Facilities Handbook
- ➡ The business and the supply chain

Auditees Responsibility

- ➡ The business partners which are significant for the company
- ➡ The expectations of stakeholders
- ➡ In addition, the auditee determines who is in charge of:
 - Following up with the grievance mechanism
- ➡ Human resources management systems
- ➡ Ensuring that workers receive and have received training relevant to the WRAP values and principles
- ➡ Occupational health and safety risk assessments
- ➡ WRAP Zero Tolerance Policy

Role of Management to Implement Audit?

1. Provide necessary information & skills to maintain the standard.
2. Prepare and establish different policies & procedures
3. Provide necessary orientation & training to the employees.
- 4. Conduct internal audit & analyze report.**
5. Ensure fair labor practice in the factory.
6. Maintain Ethics and business integrity.
7. Ensure safety and security.
8. Ensure more attention to safe environment.

SMART

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graph LR; SMART[SMART] --- Specific[Specific]; SMART --- Measurable[Measurable]; SMART --- Attainable[Attainable]; SMART --- Relevant[Relevant]; SMART --- TimeBound[Time bound];
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Specific

Measurable

Attainable

Relevant

Time bound

BSCI	Sedex	WRAP
1. Social Management System and Cascade Effect	1. Regular employment	1. Compliance with Laws and Workplace Regulations
2. No Bonded, Forced Labour or Human Trafficking	2. Freely Chosen Employment	2. Prohibition of Forced Labor
3. The Rights of Freedom of Association and Collective Bargaining	3. Freedom of Association	3. Freedom of Association and Collective Bargaining
4. No Child Labour	4. Child labor	4. Prohibition of Child Labor
5. Decent Working Hours	5. Working hours	5. Hours of Work
6. Occupational Health and Safety	6. Working conditions are safe and hygienic	6. Health and Safety
7. No Discrimination, Violence or Harassment	7. Discrimination	7. Prohibition of Discrimination
8. Fair Remuneration	8. Wages and Benefits	8. Compensation and Benefits
9. No Precarious Employment	9. No harsh or inhumane treatment is allowed	9. Prohibition of Harassment and Abuse
10. Special Protection for Young Workers	Health & Safety Requirement (P-2)	10. Environment
11. Protection of the Environment	Business Ethics (P-3)	11. Customs Compliance
12. Ethical Business Behaviour	The Environment (P-4)	12. Security
13. Workers Involvement and Protection		