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The Agreement on Textiles and Clothing

The Challenge of a Quota-free Market Preparing to Face Codes of Conduct

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Codes of Conduct: Enterprise Audits

An example of the requirements of a European mass retailer to a LDC garment manufacturer:

- 1) Overall Factory Assessment**
- 2) Social Company Audit**

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Factory scoring:

- **The factory is first rated to determine suitability with regard to the following points before a social audit is undertaken.**

Factory layout.

Production planning.

Cleanliness of the production facilities.

Workers and operators attitude.

Production capacity.

Maintenance.

Investment plan.



Factory scoring cont.

- **Other production steps:**
 - Fabric cutting.**
 - Garment making.**
 - Pressing and packing.**
 - Embroidery.**
 - Fabric inspection.**
 - Incoming samples library.**
 - Suppliers' performance follow-up.**
 - System of Quality assurance.**
 - Storing capacity.**
 - Cleanliness of the storehouses**



Factory scoring cont.

- **Management system.**

Management attitude during audit.

Motivation.

Organization Chart.

Involvement.

Transparency.

Education.

Order follow-up system

Innovation and creativity.



Social Audit

Wages:

- Does the age of the worker meet minimum legal standards?
- Do wages meet basic needs?
- Are workers paid on a regular basis?
- Are workers paid in a manner convenient to them?
- Does length of probation comply with law/local practice?
- Do workers receive a wage slip?
- Is it easy for the workers to check the wage calculation details?
- Is there any evidence that wages are reduced as a form of punishment?



Social Audit: Wages cont.

- **Are workers bound to the employer by any formal work contract?**
- **Does the factory employ seasonal workers for the sole purpose of giving them less salary?**
- **Does the minimum salary meet the legal requirements?**



Social Audit: Benefits

- **Are the benefits provided to all employees?**
- **Are seasonal workers employed for the sole purpose of depriving them of the other benefits?**
- **Does the allocation of benefits comply with requirements of local law?**
- **Does the factory keep records of the provisions of the benefits?**
- **Are the benefits assigned cash values and used to calculate employee earnings?**
- **Does the vendor provide training to the workers?**



Social Audit: Which of the benefits the vendor provides:

- **Medical care**
- **Child care**
- **Vacations/holidays**
- **Cash bonuses**
- **Loans**
- **Retirement benefit**
- **Worker's compensation**
- **Clothing allowance**
- **Meal**
- **Transportation**
- **Maternity benefit**
- **Dental care**
- **Housing**



Social Audits: Working hours

- **Does the length of the working day comply with the local law?**
- **Is working time registered and how?**
- **Does the company have a written policy on working hours?**
- **What are the lengths of a regular workday, workweek and work month?**
- **How many shifts are there and what are their scheduled work hours?**
- **How many shifts workers make per day?**
- **How much time do workers have each day for a meal break?**
- **How many breaks are allowed per shift?**



Social Audits: Working hours cont.

- **Is this break time paid?**
- **Do workers have legal vacations and bank holidays and are they paid?**
- **Does the factory make a clear difference between normal working hours and overtime?**
- **Do workers have the right to refuse overtime?**
- **Are workers given work to take home?**
- **Is there any extra bonus paid for the overtime and do they comply with legal requirements?**



Social Audits: Working Hours cont.

- **Have all workers have equal opportunity to work overtime?**
- **How is decided which workers will work overtime?**
- **How frequently do workers have to work overtime?**
- **What is the minimum, average and maximum numbers of working hours worked by a typical worker and are they within the legal limits?**



Social Audits: Child Labour

- **Any worker below 14 years of age in the factory?**
- **Is there any indication that children or young workers (below 18 years age) are exposed to dangerous, unsafe or unhealthy working conditions?**
- **Does the factory management show a clear knowledge concerning the minimum working age legally applicable?**
- **Are there any school age workers participating in educational or vocation training programmes?**
- **Has the factory been audited or inspected concerning these issues?**



Social Audits: Child Labour cont.

- **What is the vendor policy for child labour? Is it written?**
- **Describe the tasks accomplished by the workers less than 18 years old if any. Is it likely to affect their health, safety or moral balance?**
- **Does the factory management keep the copies of documents supporting the age of the workers employed?**
- **How, if at all, does the factory verify the age of the workers or the prospective workers?**
- **Which process the factory follows to hire workers?**
- **What is the youngest age of workers hired by the factory?**



Social Audits: Forced Labour

- **Did the factory visit highlight the presence of prisoners or forced labour?**
- **Are the workers free to take a leave?**
- **Do they have to notify a long time in advance about their leave?**
- **Does the factory management hold original copies of the work permit?**
- **Are the workers linked to the factory by any financial bondage?**
- **How many security staff does the factory employ?**
- **What is the job description of the security staff**



Social Audit: Health and Safety – General Working Facilities

- **Is the facility well ventilated and adequately heated/cooled?**
- **Is the facility clean?**
- **Is the facility well lit?**
- **Does the facility have adequate space for the present workers?**
- **Is the noise level in the factory satisfactory?**
- **Do workers have access to fresh drinking water?**



Social Audit: Fire, Safety and Precautions

- **Is adequate protective equipment provided to the workers at company cost?**
 - **Is there evidence that the protective equipments are used and operational?**
 - **Are records kept for injuries and accidents?**
 - **Is there any safety education and training programme?**
 - **Are actions taken to prevent recurrence of work accidents?**
 - **Are there fire/evacuation procedures like fire drill in place?**
 - **Are there enough emergency exits?**
 - **Is a fire hazard early warning system installed?**
 - **Are there fire extinguishers in the factory that are in working order?**
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Social Audit: Fire, Safety and Precautions

- Are the fire extinguishers clearly marked and easily accessible?**
- Are they of appropriate size so that they can be lifted and used by all employees?**
- Are all electric cables, wires and connection boxes in good condition and adequately protected?**
- Are electrical installations checked periodically and repaired by competent electricians?**
- Are aisles and exits clearly marked and passable?**
- Is a senior management representative for health and safety appointed in the factory?**
- Has there been a need to contact the local fire dept in the last two years?**



Social Audit: Fire, Safety and Precautions

- **Does the factory management have any knowledge of the laws that govern workplace safety?**
 - **Do government officials perform inspections in the premises? How often?**
 - **Did the factory undertake corrective actions further to comments made by officials or further to any social audit conducted by another client?**
 - **Have the risks and hazards related to the production processes been identified? Are measures to prevent those risks relevant and in place?**
 - **What had been the nature and frequency of accidents and injuries in the past two years?**
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Social Audits: Medical Programmes

- **Are first aid supplies readily available?**
- **Do workers have access to medically trained personnel? Is it external or factory doctors/nurse?**



Social Audit: Toilets

- **Do men and women use separate toilets?**
- **Are toilet facilities accessible and clean?**
- **Is the number of toilets and sinks relevant to the number of workers in the premises?**



Social Audit: Eating Facilities

- **Is a separate space for eating provided? Is it clean and well lit?**
- **Is the eating area protected and/or covered so that workers can use it in poor weather?**
- **Does the factory provide food for the workers?**
- **Are employees charged for the meal?**
- **Is the kitchen clean and tidy respecting basic rules of food hygiene?**



Social Audit: Dormitory Facilities

- Is there any residential or overnight accommodation facilities provided for the workers?**
- Does the site where the building is located appear safe, clean and well maintained?**
- Does the exterior of the building appear structurally sound and well maintained?**
- Are the sleeping quarters segregated by sex?**
- Is the size of the room relevant to the number of workers? How many workers are there per room?**



Social Audit: Dormitory Facilities cont.

- **Are common areas or recreational spaces provided?**
- **Is the number of toilets and bathrooms sufficient?**
- **Are fire escapes available?**
- **Are there a relevant number of fire extinguishers available?**
- **Are the workers free to come and go as they please?**
- **What if any, security measures restrict the workers entering and leaving the facilities?**
- **Are there security guards present? What are their roles?**



Social Audit: Chemicals/Hazardous Materials/Environment

- Are there any hazardous chemical materials; is significant quantity present in the factory?**
- Does a notice indicate the presence of such materials?**
- Are these materials properly stored?**
- Is access to these materials restricted to qualified personnel?**
- Are there specific steps to dispose of these materials?**



Social Audit: Chemicals/Hazardous Materials/Environment cont.

- **Does the factory check the machinery on a regular basis?**
- **Are there any refuges, messily disposed in the factory premises?**
- **Does the factory have special treatment for water, waste, gas, rejected by the factory?**
- **Does any official or independent body control the above points?**



Social Audit: Freedom of Association

- **Does employees have the right to form and join trade unions or employees associations?**
- **Do employees know this right?**
- **Is there a recognized union in the facility?**
- **Do employees' representatives play a fair and active role?**
- **Is there a procedure by which workers can raise issues of concern to the management?**



Social Audit: Freedom of Association cont.

- Does the factory post any internal rule in the premises?**
 - Does the factory have any employee handbook?**
 - For factories without Unions, are there fair and effective mechanisms to ventilate and resolve grievances of employees?**
 - How does the vendor terminate the contract of an employee?**
 - Has the vendor experienced a worker strike/ walkout/ demonstration or other significant conflicts with workers within the past two years?**
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Social Audit: Discrimination

- **Do application forms state questions that could be perceived as discriminatory (religion, political, ethnical, sex)**
- **Is there any evidence that workers are mistreated as a result of their religion?**
- **Is there any evidence that workers are mistreated as a result of their race or ethnical origin?**
- **Is there any evidence that workers are mistreated as a result of their political opinion?**
- **Is there disparate treatment between union and non-union members?**



Social Audit: Discrimination cont.

- **Does the company require pregnancy testing prior to hiring?**
- **Is there any evidence that women are mistreated or fired as a result of being pregnant?**
- **Are women granted the same pay and work benefits as men?**
- **Are training and pay opportunities equal among sexes?**
- **Do workers have access to and are familiar with procedures for filing complaints about discrimination?**
- **Do all workers have access to training?**



Social Audit: Interview with Workers

The facts presented by the management and audited by the auditors are finally corroborated by interviews with a section of workers. Strict confidentiality of the identity of the workers interviewed are maintained to assure quality of the information obtained from them during the process.