



**Training of Trainers (ToT) on the
European Union Corporate Sustainability Due
Diligence Directive (CSDDD)**

04.06.2024



MOBILE PHONES
IN SILENT MODE



PLEASE RETURN
ON TIME AFTER
BREAKS AND BE
ON TIME
THROUGHOUT
THE UPCOMING
DAYS



LET EVERYONE
PARTICIPATE



FOCUS ON
PROBLEMS, NOT
PEOPLE



PARTICIPATE
ACTIVELY AND
CONTRIBUTE TO
THE TRAINING
GOALS

PROGRAM FOR THE NEXT 3 DAYS

Day 1: Introduction into Human Rights and Environmental Due Diligence (HREDD) and the Due Diligence legislation

- Understand the requirements of EU CSDDD and its relevance for the supply chain; gain insight into learning and training.

Day 2: Implementing HREDD and responsible business conduct (part I)

- Delve into the OECD Due Diligence process (step 1 to 4) and gain insight into learning and training

Day 3: Implementing HREDD and responsible business conduct (part II)

- Delve into the OECD Due Diligence process (step 5 and 6) and learn about how to plan training events



WELCOME AND INTRODUCTION

9:30 – 10:00

AGENDA – DAY 1

Time	Headline
09:00 – 09:30	Arrival and registration
09:30 – 10:00	Introduction
10:00 – 10:45	Due Diligence legislation
10:45 – 11:15	Group work / exercise
11:15 - 11:30	Coffee break
11:30 – 12:30	EU CSDDD
12:30 – 13:00	Group work / exercise
13:00 - 14:00	Lunch break
14:00 – 14:15	Energizer
14:15 – 15:00	Training and learning
15:00 – 15:30	EU CSDDD and its relevance for Pakistani stakeholders
15:30 – 15:45	Group work I
15:45 – 16:00	Coffee break
16:00 – 16:30	Group work II
16:30 – 16:45	Conclusion and feedback



DAY 1 – CHECK IN MENTIMETER



**1. Go on
www.menti.com**

**2. Insert code:
1151 7949**

**3. Take part in the
voting**

Introduction

Expectations

Learning Goals

- Understand mandatory due diligence
- Understand the requirements of CSDDD and its implications for the Pakistani supply chain
- Familiarize with adult learning principles



- Europe's largest **Think-and-Do Tank for Climate, the Environment and Development**
- Scientific policy analysis, evidence-based advice, and close communication with political and societal stakeholders: On this basis, we shape political agendas, promote vital issues in policy spaces, and support policy makers and implementers with strategies enabling them to act efficiently, decisively, and correctly.
- **Dr. Joseph Strasser** is a Senior Manager at adelphi in the Green and Circular Economy programme.
- He is primarily concerned with sustainable supply chains in the textile, clothing, leather, footwear and electronics industries, among others.



→ Name, organisation,
designation

→ Responsibilities

→ Daily tasks

→ What trainings have you
conducted / are you going to
conduct?



DUE DILIGENCE LEGISLATION

10:00 – 10:45

CONTENT

- Background on Due Diligence – History
- HREDD impacts in the textile supply chain
- The limited effect of voluntary sustainability standards
- Most important markets

BUSINESS ACTIVITIES IMPACT HUMAN RIGHTS AND THE ENVIRONMENT



Dhaka Tribune

43% female RMG workers suffering from malnutrition

State Minister for Labour and Employment said the government is committed to facing the challenge of malnutrition

Source: Dhaka Tribune, 06 Jan 2021

January 23, 2019

“No Room to Bargain”

Unfair and Abusive Labor Practices in Pakistan

Source: Human Rights Watch, 23 Jan 2023

POLITICO

ENERGY & ENVIRONMENT

How a toxic chemical ended up in the drinking water supply for 13 million people

Source: Politico.com, Jan 2022, New Jersey, USA

THE TEXTILE INDUSTRY AND ITS IMPACTS

TEXTILE PRODUCTION

Global textile fibre production has almost doubled:

from **58** million tonnes in 2000

to **109** million tonnes in 2020

and is projected to grow to **145** million tonnes by 2030



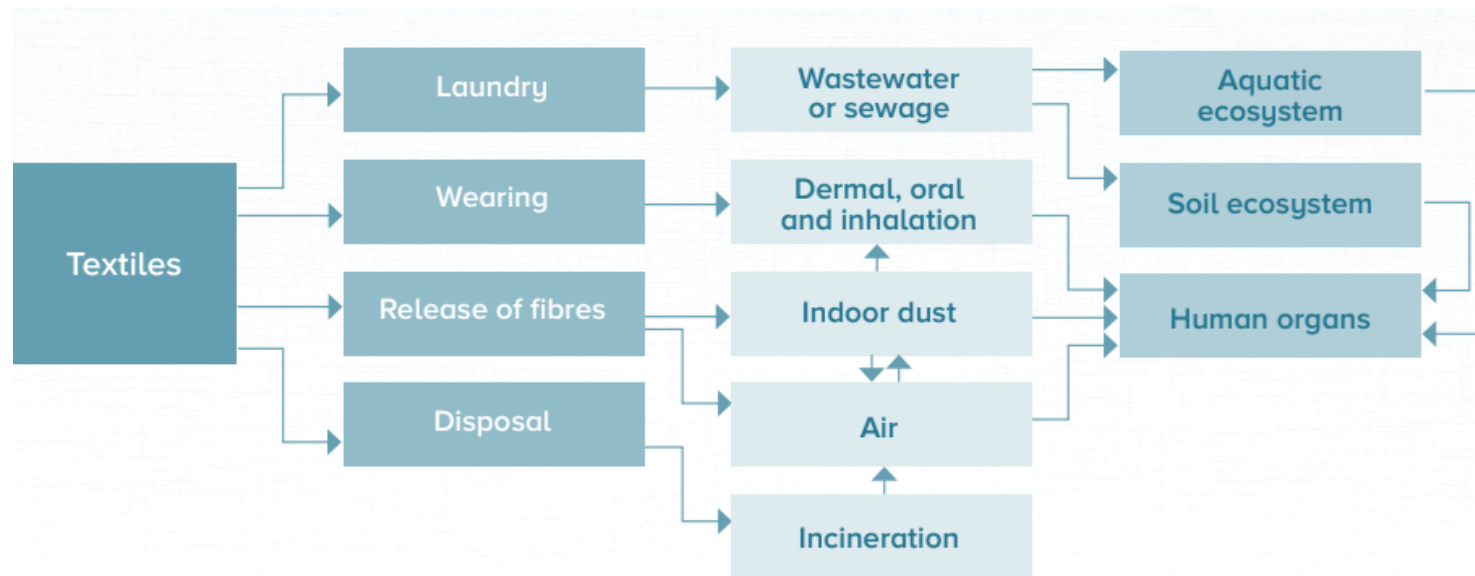
Source: European Environment Agency (ETC-CE Report 2023/5)



- The **fast fashion** phenomenon shapes production and consumption patterns across the world.
- As a result, brands are now producing almost twice the number of clothing collections as they were pre-2000, when this phenomenon started, and the overall increase in **clothing production demand** is estimated at an annual 2%.
- Fast fashion a source of **ecological stress** for the region, generating environmental hotspots like water scarcity, water and air pollution, and material waste.
- Strikingly **low rates of clothing utilization** that lead to an increased environmental footprint. It is estimated that more than half of fast fashion items are **disposed of** in under a year.

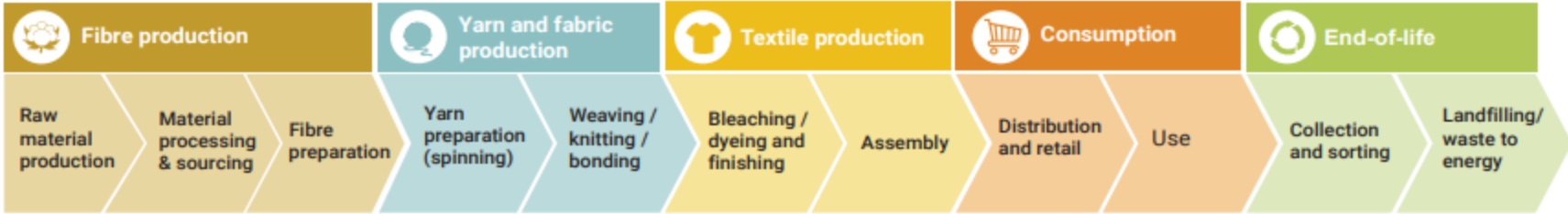
THE TEXTILE INDUSTRY AND ITS IMPACTS

- Excessive use of **chemical fertilizers** and **pesticides** particularly in cotton production.
- Manufacturing involves a wide variety of chemical use. Up to 3500 chemical substances are used to turn raw materials into textiles. Approximately 10% of these chemicals are **hazardous to human health or the environment**.
- Some of the chemicals may **persist in the environment, build up in the body**, and affect immune and reproductive systems.





ENVIRONMENTAL HOTSPOTS



Impacts	Hotspots										
Climate	Fossil fuels used in production of synthetic textiles					Coal-based energy used in textile production				Electricity used in washing and drying	
Water scarcity	Water used in cotton cultivation									Water used in washing	
Land use	Land used in cultivating cotton leads to habitat loss and impacts on biodiversity										
Ecosystem quality	Fertilisers, herbicides and pesticides used in cotton cultivation					Chemicals and water pollution in textile production				Electricity and detergent used in washing and drying; microfibres releases	

SOCIAL HOTSPOTS



THE RBH NETWORK



Human health	Agrochemicals used in cotton cultivation; risk of injury and exposure to toxins and hazards		Risk of injury and exposure to hazards	High use of chemicals (risk of exposure to toxins and hazards); high use of coal-based energy	Risk of unsafe working conditions					
Social risk	Risk of child labour, forced labour, excessive working time, below minimum wage pay, gender inequality and conflict		Risk of child labour, forced labour, excessive working time, below minimum wage pay, gender inequality and conflict		Risk of child labour, forced labour, excessive working time, below minimum wage pay, gender inequality and conflict					
Governance risks	Risk of corruption and fragility in the legal system		Risk of corruption and fragility in the legal system		Risk of corruption and fragility in the legal system					

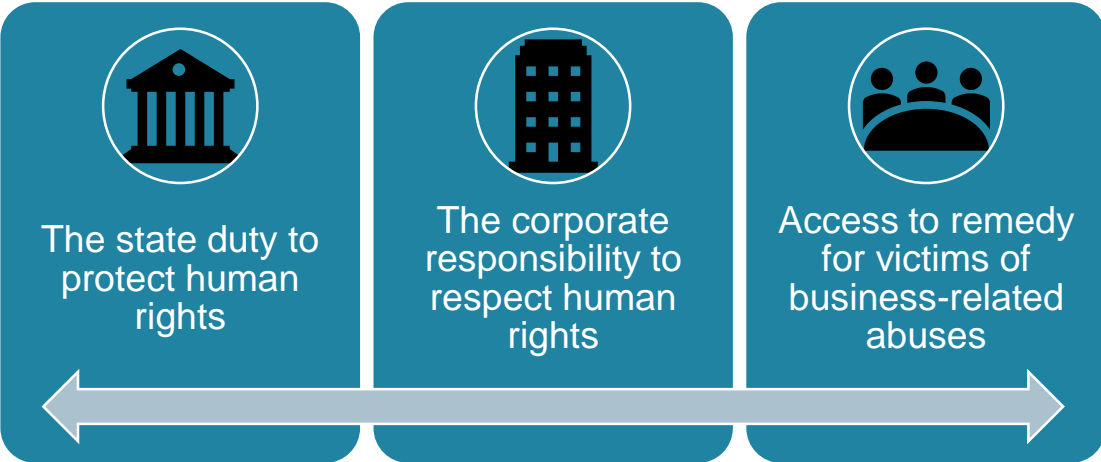
OVERALL OBJECTIVES OF DUE DILIGENCE

- **Basic principle of Responsible Business Conduct (RBC) :**

- Companies must protect human rights and the environment in their operations and supply chains, especially in countries with weak rule of law.
- This does not diminish the state's duty to protect human rights.

- Basic principle reflected in the **United Nations Guiding Principles on Business and Human Rights (UNGPs)** of 2011 – the first global standard for preventing and addressing human rights risks to business activity

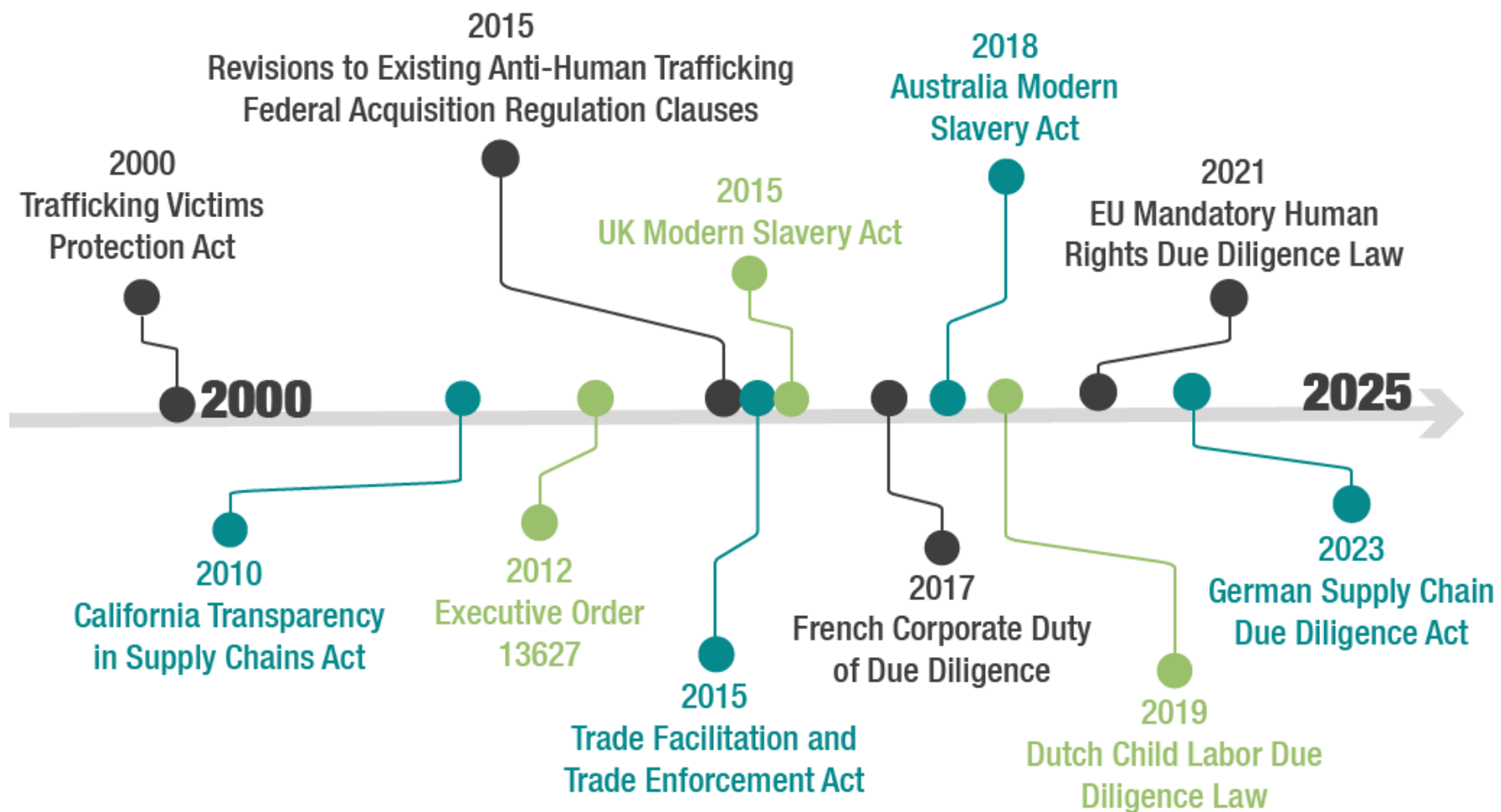
The **UNGPs** encompass **three pillars**:



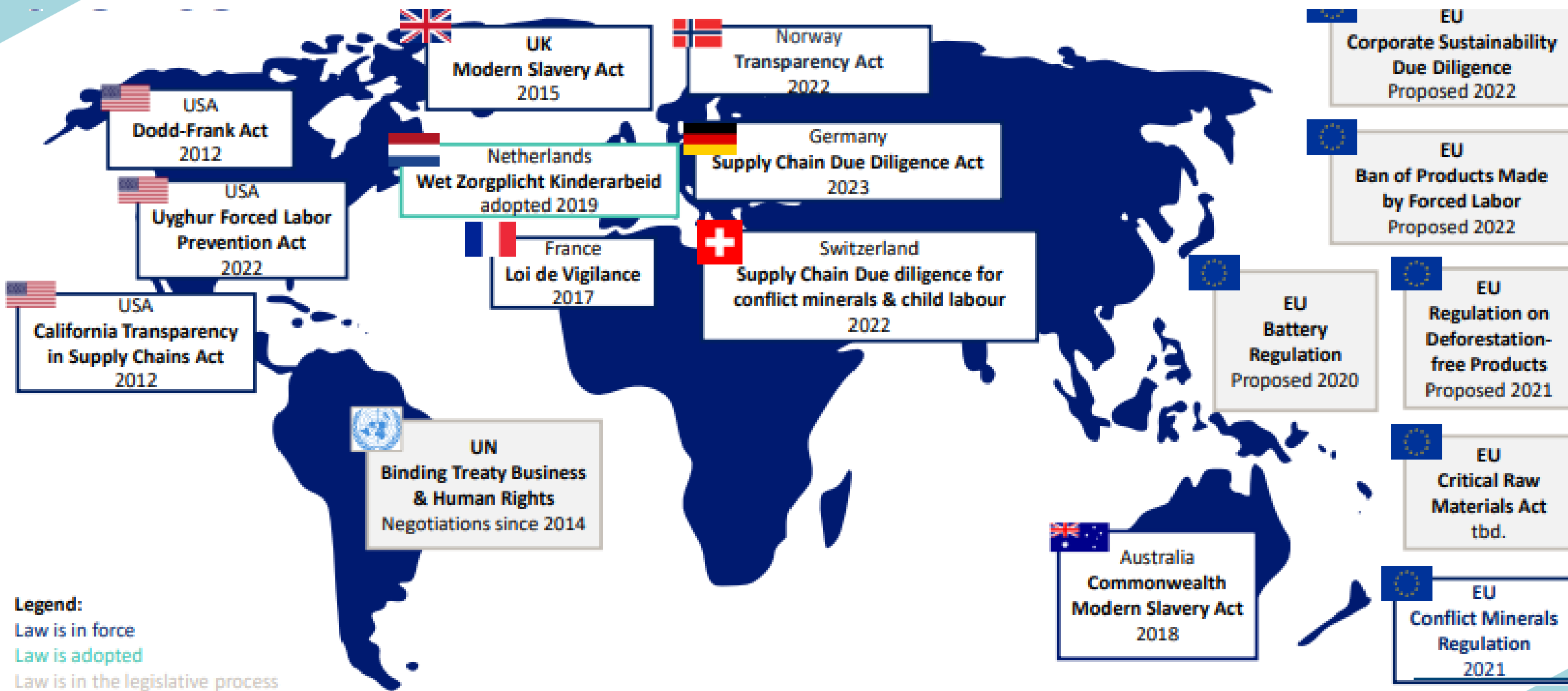
The UNGPs have been translated into **National Action Plans (NAPs)**, mostly based on voluntary measures by many signatory countries

In some countries, the basic principles have also been translated into various **binding due diligence regulations**, particularly in Europe and North America

FROM SOFT TO HARD LAW – DUE DILIGENCE REGULATIONS ON THE RISE



FROM SOFT TO HARD LAW – DUE DILIGENCE REGULATIONS ON THE RISE



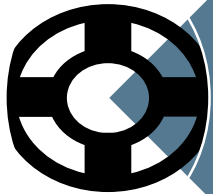
Legend:
 Law is in force
 Law is adopted
 Law is in the legislative process

RESPONSIBLE BUSINESS CONDUCT

Three main goals:



Upholding **human rights and environmental standards** globally, thus contributing to sustainable development.



Safeguarding **people, the environment, and society** from the detrimental effects of economic growth and development.

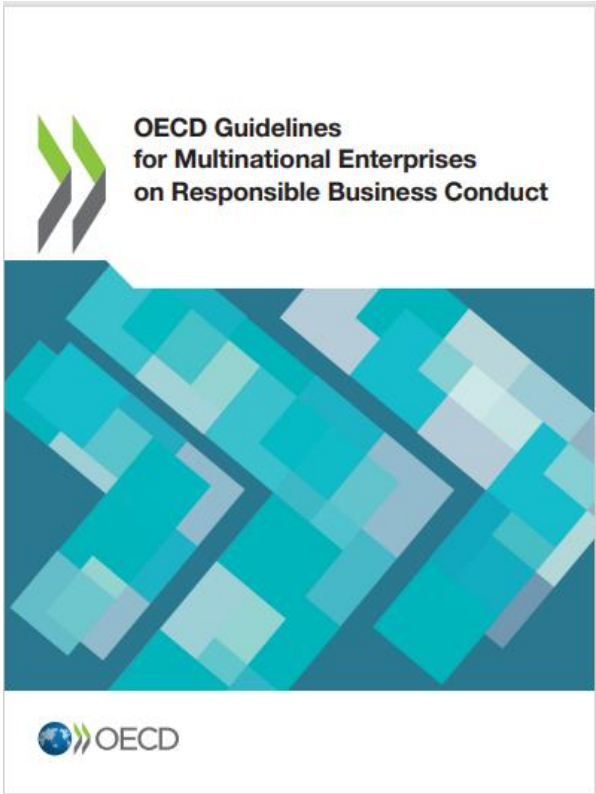


Establishing the **responsibilities of companies** within their own operations and across their supply chains.

GUIDELINES/PRINCIPLES/STANDARDS FOR RESPONSIBLE BUSINESS



OECD GUIDELINES FOR MNES ON RBC: KEY AREAS



Human rights

Employment and
Industrial Relations

Environment

Combating Bribery and
Other Forms of
Corruption

Consumer Interests

Taxation

Competition

Science, Technology
and Innovation

Disclosure

*Last updated in 2023

WHAT IS DUE DILIGENCE?



to identify, prevent, mitigate and account for how they address actual and potential **adverse impacts**



WHAT ARE ADVERSE IMPACTS?

“**Adverse impacts**” can be considered harmful impacts on matters covered by the OECD Guidelines.

For instance, the use of hazardous chemicals, discrimination, or child labour.

The term “harm” and “adverse impacts” are used interchangeably throughout the OECD Guidelines.



Focus on potentially harmful impacts on people and environment, not the company itself!

Stakeholder focus



Risk to business



Rightsholder focus



Risk to people & the environment

OECD DUE DILIGENCE GUIDANCE FOR RBC: RISK TOPICS



Human Rights



Environment



Employment and Industrial Relations



Combating Bribery, Bribe Solicitation and Extortion



Consumer Interests



Disclosure

OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE SUPPLY CHAINS IN THE GARMENT AND FOOTWEAR SECTOR: RISKS

HUMAN RIGHTS AND LABOR RISKS:



Child Labor



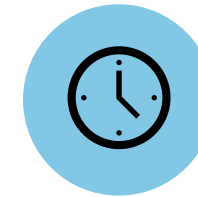
Occupational Health & Safety



Sexual harassment and sexual and gender-based violence in the workplace



Trade unions and collective bargaining



Working time



Forced Labor



Wages

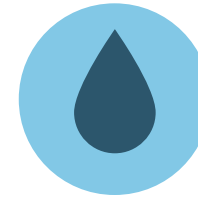
OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE SUPPLY CHAINS IN THE GARMENT AND FOOTWEAR SECTOR:



ENVIRONMENTAL RISKS:



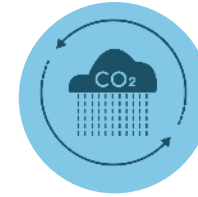
Hazardous Chemicals



Water Consumption and Pollution



Bribery and Corruption



Greenhouse Gas Emissions



Responsible Sourcing from Homeworkers

Why have the voluntary CSR measures so far been inadequate?

- Companies do not take a risk-based approach and often **failed to go beyond tier 1 suppliers**.
- Puts companies that are fulfilling their responsibilities at an **unfair competitive disadvantage**.
- Too much **responsibility is placed on consumers**.
- Focus is on **reporting** rather than on addressing human rights abuses and negative environmental impacts
- Companies tend to **address low-hanging fruits** while ignoring complex ones like poor wages or waste management.
- Companies may "**cut and run**" to **less risky suppliers** if they discover human rights violations instead of addressing and supporting remediation.
- Companies often **shift responsibility** for human rights and environmental issues **onto others** without changing their own practices.

National Action Plans (NAPs) as support

NATIONAL ACTION PLANS (NAP)

Voluntary Sustainability Standards not sufficient:

- In 2019 Corporate Human Rights Benchmark showed that almost **half of companies scored zero on related indicators**.
- Other benchmarks, including KnowTheChain and studies of large German companies and the renewable energy sector, reveal similar results.
- An EU Commission study found **only a third of businesses undertake comprehensive due diligence** for human rights and environmental impacts.



National Action Plans as support for transition to mandatory measures.

- The German law was envisaged in the National Action Plan (NAP) on Business and Human Rights in case that voluntary approaches would not be sufficient
- Germany's assessment of companies' compliance with the NAP concluded that most companies did not do enough, leading to the adoption of mandatory regulation: [link](#)
- National Action Plan overview of [other countries](#)

COMPLIANCE VS DUE DILIGENCE

What does **compliance** mean to you?

Compliance is about ensuring lists are ticked to gain compliance statements, often limited to Tier 1 suppliers.

What does **due diligence** mean to you?

Due diligence demands companies to identify and assess salient risks across their operations and value chain in an ongoing process aimed at continuous improvement.

COMPLIANCE VS. DUE DILIGENCE

Which key topics characterize **compliance**?

Compliance

Control-based approach

Closed-ended

Reactive risk-management

Forward-looking

Which key topics characterize **due diligence**?

Due Diligence

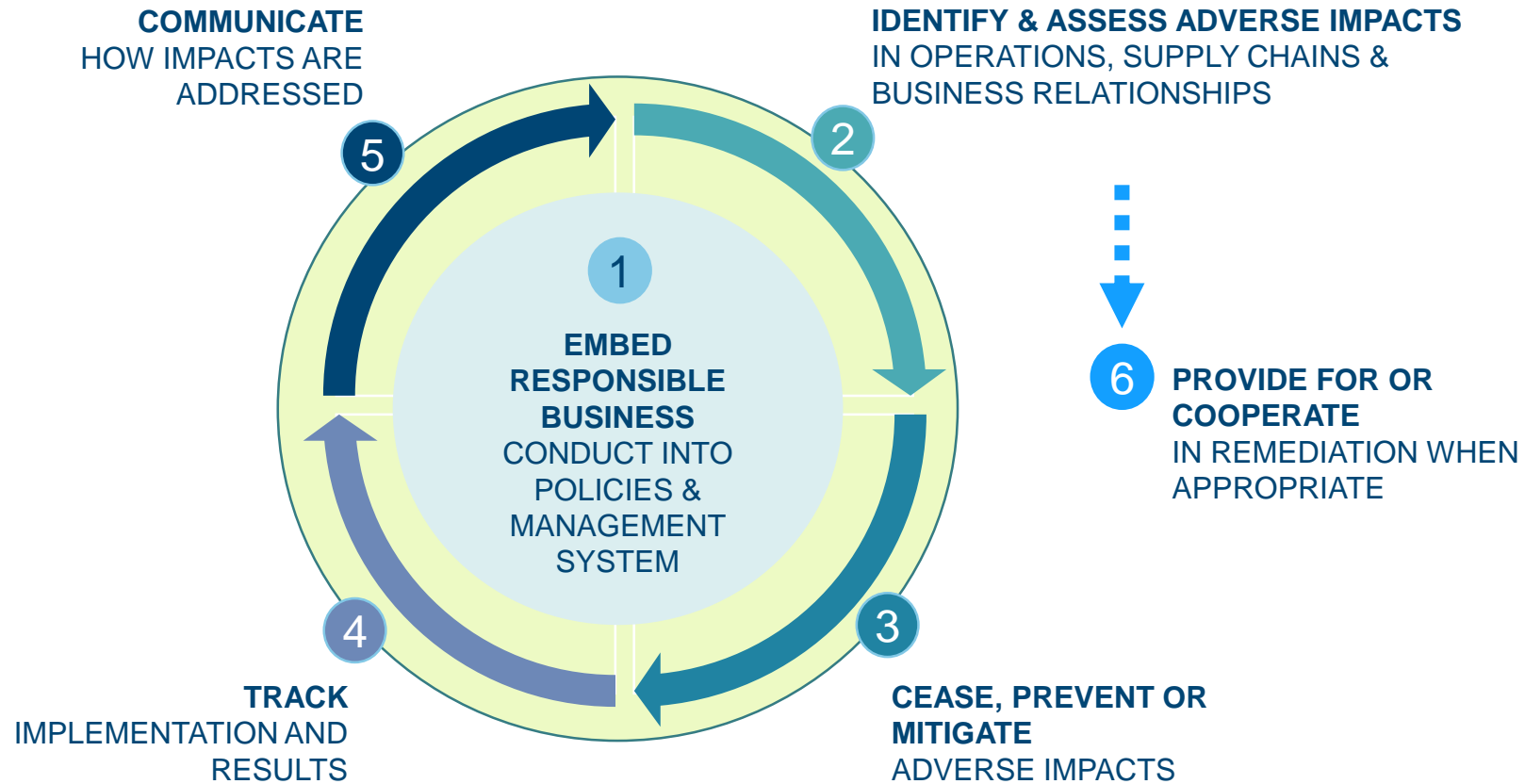
Risk-based approach

Open-ended

Proactive risk-management

Backward-looking

How should companies conduct Human Rights and Environmental Due Diligence (HREDD)?



Each phase will be covered sequentially in different sessions.



GROUP WORK

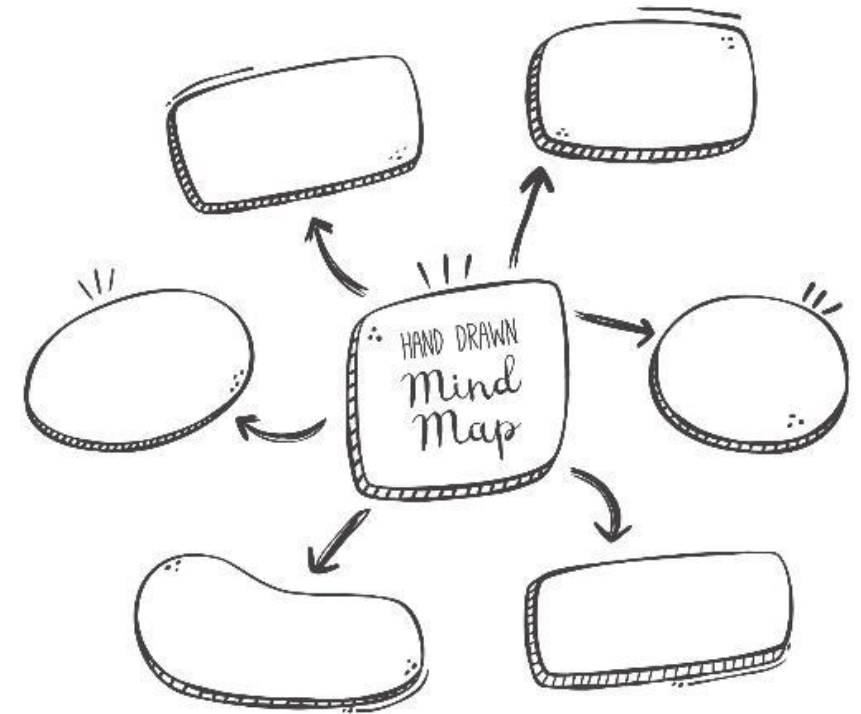
- Due Diligence -

10:45 – 11:15

Mind mapping with flipchart and sticky notes

Task: Please form groups and answer the following questions (*10 min*)

- What are the **most important markets** (also within the EU) you (or: Pakistani textile factories) are working with?
- What do you know about the **due diligence laws and requirements** that are relevant there?
- **Create a visual presentation** summarizing some of your thoughts and ideas you have with due diligence.
- **Present your mind map** as a group in plenary (*1 min each group*)





COFFEE BREAK

11:15 – 11:30



THE EU CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE (CSDDD)

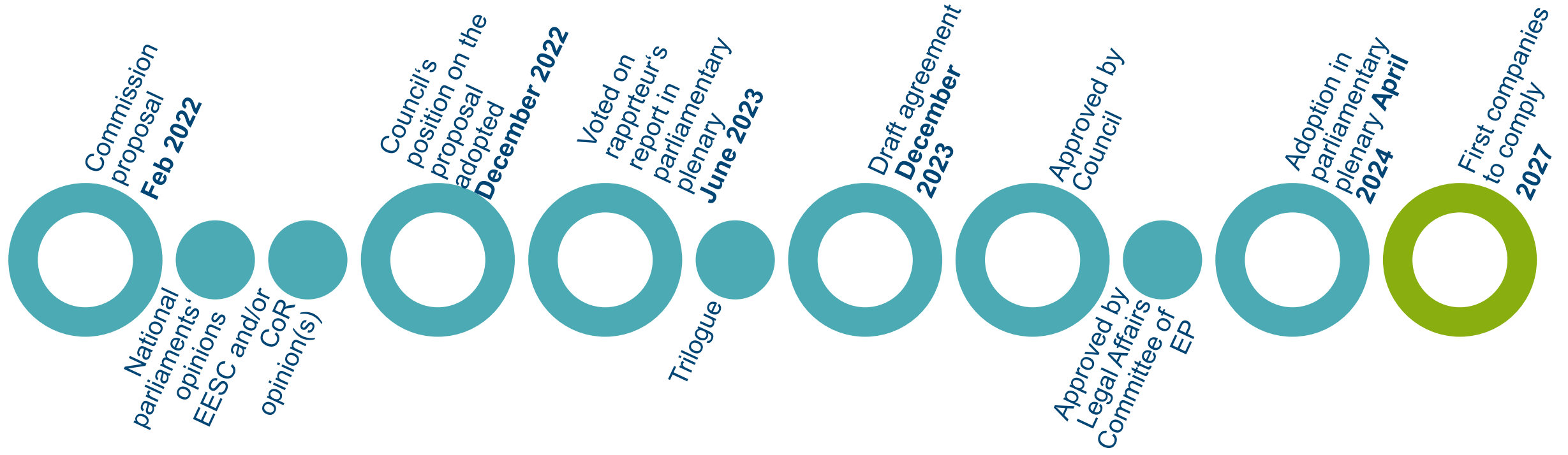
11:30 – 12:30

CONTENT

- Timeline and Background
- Obligations, scope of application (companies, supply chain), sanctions/penalties, timeline and transposition into national laws
- Adverse human rights/environmental impacts
- Risk-based approach

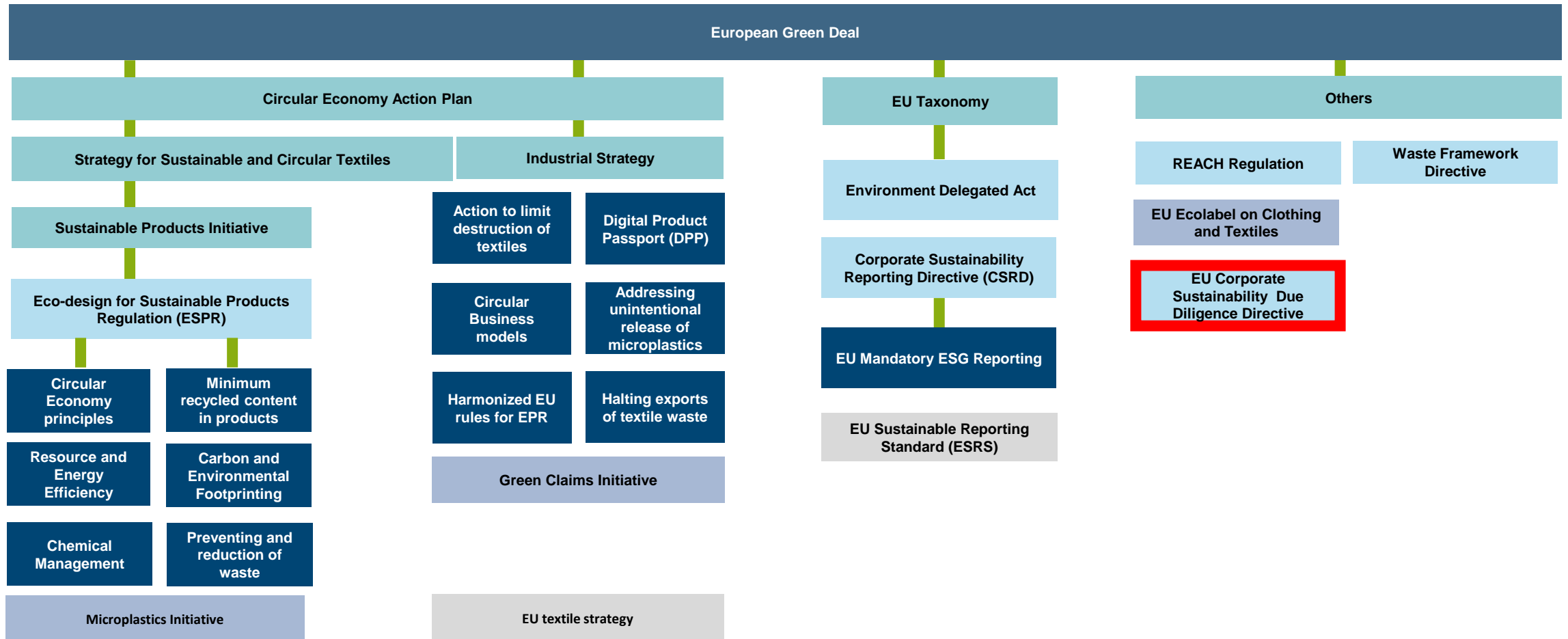
- **European Union Corporate Sustainability Due Diligence Directive**
- Passed by the European Parliament in April 2024
- Far reaching mandatory human and environmental obligations for EU and non-EU companies
- Obligations are not limited to the company's own operations – they extend to a company's upstream and downstream business partners throughout the company's **“chain of activities”**.
- Directive will be implemented gradually (from 2027 on), applying to larger companies first

CSDDD LEGISLATIVE PROCEDURE – WHERE ARE WE AT?



From a „Nice to Have“ to a „Must do“

EU CSDDD WITHIN THE EU SUSTAINABILITY FRAMEWORK



■ Framework
 → Umbrella Initiative
 → Legislation
 → Initiative
 ■ Key Topics/Actions

CSDDD: PROTECTED HUMAN RIGHTS

Child labor	Children's rights	Adequate working conditions	Right to life	Access to adequate housing, to food, water, and sanitation
Freedom of association, assembly, and right to collective bargaining	Discrimination in employment	Freedom of thought, conscience, and religion	Forced labor and all forms of slavery	Liberty and security
Family and private life, home, correspondence, honor, and reputation	Land rights	Violations through the use of security forces	Appropriate wages and incomes	Torture, inhumane, and degrading treatment

Foreseeable abuse of human rights by a company that directly impairs a protected legal interest

Destruction of natural resources through pollution (deforestation)

CSDDD: PROTECTED ENVIRONMENTAL OBLIGATIONS

UN Convention on
Biological Diversity and
the Cartagena and
Nagoya Protocol

Washington Convention
on Endangered Species
(CITES)

UN Convention on the
Law of the Sea
(UNCLOS)

International Convention
for the Prevention of
Pollution from Ships
(MARPOL 73/78)

Rotterdam Convention
on the Prior Informed
Consent Procedure (PIC)

Stockholm Convention
on Persistent Organic
Pollutants (POPs)

Minamata Convention on
Mercury

Basel Convention on
Hazardous Waste

UNESCO Convention on
the Protection of the
World Cultural and
Natural Heritage (World
Heritage Convention)

Vienna Convention for
the Protection of the
Ozone Layer and
Montreal Protocol

Ramsar Convention on
Wetlands of International
Importance

Risk Management System

Strategy and implementation, risk analysis, preventive and corrective measures, stakeholder engagement, complaints and notification procedure, monitoring and communication, plan to combat climate change

Due Diligence Obligations

In the whole chain of activities of a company: Upstream value chain and distribution, transport and storage. Obligations affect own operations, all subsidiaries and business partners

Material Scope of Due Diligence Obligations

They are relevant in relation to certain human right and environmental obligations: Obligation of means – not of guarantee

Support for companies

Support for obliged companies, SMEs and other actors

Civil Liability

Liability for damages caused by the failure to take preventions or remedial measures and liability for own due diligence obligations, no liability for the actions of third-parties

Control and Sanctions

Supervisory authorities of the members states need to be equipped with adequate resources and powers; Pecuniary penalties depending on the circumstances of the case in relation to the company's turnover

CSDDD – OVERVIEW



	CSDDD (final agreement)
Type of company	EU companies formed in accordance with legislation of EU member states
	Non-EU companies
Number of employees	1000+ employees and annual turnover of at least 450m euro globally.
Value chain	Chain of activities, including upstream direct and indirect business, own operations and subsidiaries and downstream activities, but ONLY if distribution, transport and storage is for or behalf of the obliged company.
Fines	Fines of up to 5% of companies´ global turnover.
Civil liability	Companies accountable for damages resulting from intentional or negligent failure to prevent, mitigate, or minimize adverse human rights impacts, with a five-year limitation period and exceptions for damages solely caused by business partners.
Penal sanctions	At the discretion of member states.
Exclusion of public tenders	Possible that national authorities will make compliance with the CSDDD a criterion for the award of public contracts and concessions.

CSDDD: WHO IS AFFECTED AND HOW?

- Companies in the EU will need to meet the CSDDD criteria if they have **1,000 + employees and a net worldwide turnover over €450 million**
- **Non-EU companies** and parent companies with a **net turnover generated in the EU/EEA of at least EUR 450 million** in the last financial year, regardless of the number of employees
- Different timeframes for application will apply, with larger companies required to comply earlier.

CSDDD: WHO IS AFFECTED AND HOW?

First year the CSDDD applies*	EU Companies	Non-EU Companies
2027 (three years after entry into force)	<ul style="list-style-type: none">• More than 5,000 employees• Exceeding EUR 1,500 million turnover globally	<ul style="list-style-type: none">• No info about number of employees• Exceeding EUR 1,500 million turnover in the EU
2028 (four years after entry into force)	<ul style="list-style-type: none">• More than 3,000 employees• Exceeding EUR 900 million turnover globally	<ul style="list-style-type: none">• No info about number of employees• Exceeding EUR 900 million turnover in the EU
2029 (five years after entry into force)	<ul style="list-style-type: none">• More than 1,000 employees• Exceeding EUR 450 million turnover (globally)	<ul style="list-style-type: none">• No info about number of employees• Exceeding EUR 450 million turnover in the EU

CSDDD: WHO IS AFFECTED AND HOW?

Direct and indirect business partners:

- Are part of the chain of activities
- Possible differences in relation to preventive and corrective measures

Own operations and subsidiaries

- Controlled subsidiaries are always part of the chain of activities

Downstream

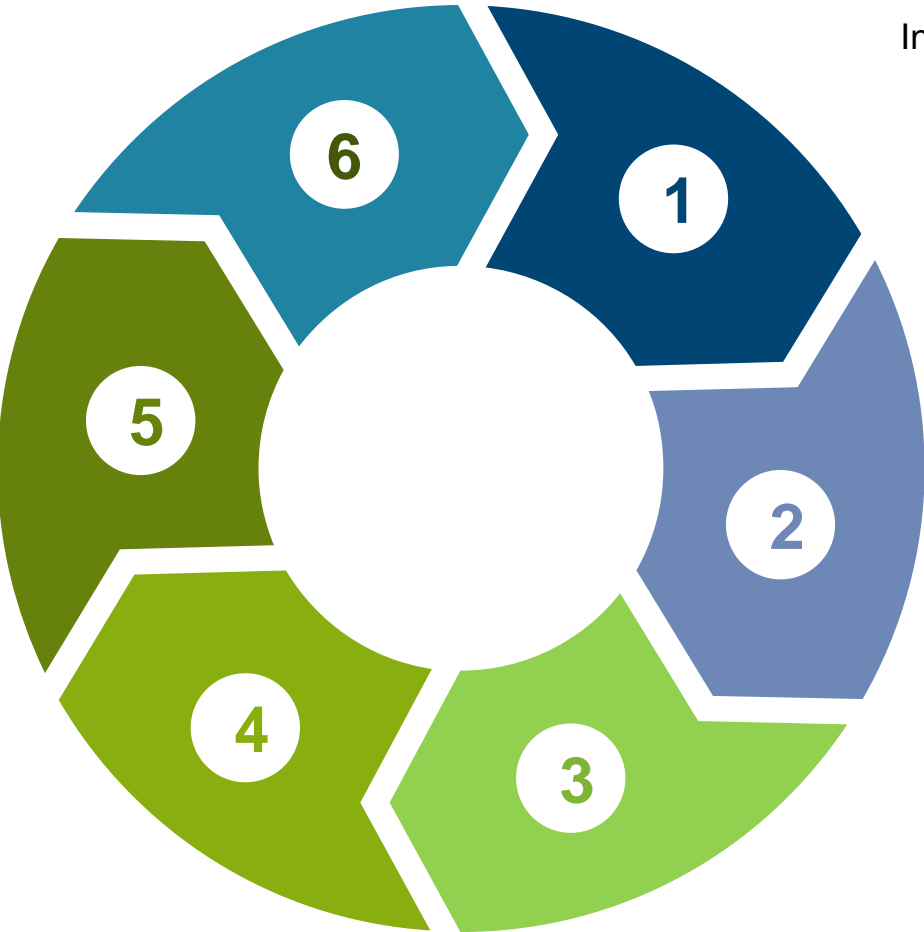
- Distribution, transport and storage are only part if for or on behalf of the obliged company



CSDDD: DUE DILIGENCE OBLIGATIONS

+ **Climate Transition Plan**
 Adopt and implement plan to ensure that business model and strategy are in line with Paris Agreement

-  **Reporting**
Public communication on due diligence
-  **Monitoring**
Monitoring of the effectiveness of the due diligence policy and measures
-  **Complaint Procedure**
Establishment and maintenance of a notification mechanism and complaints procedure



-  **Company Policy**
Integration of due diligence into policies and risk management systems
-  **Risk Analysis**
Identification and assessment of actual or potential adverse impacts; where necessary, prioritization of potential and actual adverse impacts
-  **Prevention & Mitigation**
Prevention and mitigation of potential & ending and minimising actual impacts; providing remediation, carrying out stakeholder engagement

Objectives

- Limit global warming to 1.5 degrees Celsius as per Paris Agreement.
- Achieve EU's net-zero greenhouse gas emissions by 2050 with interim targets for 2030 and 2040.
- Transition to a sustainable economy.

Components of Climate Transition Plan

- Science-based, time-bound targets covering Scope 1, 2, and 3 GHG emissions for 2030 and subsequent five-year periods until 2050.
- Annual updates and progress reports on target achievement.

Audit and Compliance

- Supervisory authority assesses adoption and content of plan
- Plans subject to audit for companies that fall under the Corporate Sustainability Reporting Directive (CSRD).

Risk Mitigation

- 2030 emissions target may necessitate early compliance efforts to avoid non-compliance risks.

Obligation

- Obligation of means, not results, which acknowledges potential challenges in meeting targets.

Legal Risks

- Securities litigation risk for traded companies failing to meet disclosed targets.
- Risks of claims under EU green claims rules for non-listed companies with unachievable reported targets.

Adverse Impact Management

- Termination of partnerships due to adverse human rights or environmental impacts is a **last resort**.
- Companies **must set an appropriate timeframe** in their preventive or corrective action plans.
- Termination assessed against the potential for more serious adverse impacts.

Risk Management System

- Implement a '**CSDDD-proof**' risk management system
- Due diligence support at a group level
- Identify and assess actual or potential adverse impacts
- Prioritize adverse impacts if prevention or mitigation is not feasible

Risk-Based Approach

- Measures are required if the company is directly responsible for CSDDD risks
- General duty of care applies otherwise

Stakeholder Engagement

- EU member states must ensure effective stakeholder engagement by in-scope companies

CSDDD: OPPORTUNITIES FOR BUSINESSES

Harmonized legal
framework

Competitive advantage

Greater customer trust
and employee
commitment

Better risk management
and adaptability

Operational Efficiency:
Long-term cost savings
from improved resource
management and
reduced waste

Innovation and Growth

Better access to finance

Appropriateness

- Due Diligence measures must be
 - **Capable** of effectively addressing adverse impacts
 - Commensurate to **severity and likelihood of occurrence**
 - **Reasonably available** to the company
- Impacts are to be prioritized only according to severity and likelihood of occurrence

Cascading contractual assurances as preventive and corrective measures

- **Risk shifting is not allowed → shared responsibility**
- Combine assurances with compliance measures (e.g., audits, responsible purchasing, model contract clauses)
- Companies need to enable suppliers before withdrawing from business relationship and need to responsibly disengage (e.g. termination of business relationship only last resort)

Audits

- Continue to be important instrument to support due diligence, but **alone are not sufficient**
- EU Commission expected to issue:
 - Guidelines on fitness criteria for auditors
 - Methods to assess the fitness of auditors
 - Guidelines to monitor accuracy, effectiveness and integrity of audits

Industry and multi-stakeholder initiatives

- Can play an important role to increase, leverage and support due diligence
- Provided that appropriateness is given, companies can draw on risk analyses prepared by initiatives
- EU Commission will provide information on initiatives
- EU Commission is expected to provide guidelines on fitness criteria and methods to assess initiatives

Remediation

- If a company (jointly) causes negative impact it is obliged to remediation
- If negative impact is caused only by business partner
 - No obligation to remediation, but voluntary remediation is possible
 - Company can use its ability to influence the business partner to provide remediation

Meaningful stakeholder engagement

- Necessary for risk analysis, preparing corrective action plans, deciding whether to suspend or terminate a business relationship, developing qualitative and quantitative indicators for monitoring
- Companies must provide relevant and comprehensive information to stakeholders, or additionally consult with experts
- Companies must identify and address implementation barriers and make sure that rightsholders are not subject to retaliation and retribution
- Can be achieved through initiatives

Support for obliged companies

- Model contract clauses
- No risk-shifting of due diligence obligations
- General and sector-specific guidelines
- Guidelines on fitness criteria and methods to assess auditors, and the accuracy, effectiveness and integrity of audits
- Helpdesk

Support for SMEs

- Contractual assurances from SMEs must be fair, reasonable, and non-discriminatory
- SMEs should not cover costs for audits
- SMEs should be able to use audit documents if agreed or they partially cover the costs
- Appropriate financial support for suppliers, particularly if compliance would threaten the SME's business



GROUP WORK

- EU CSDDD -

12:30 – 13:00



Stakeholder Mapping on flipcharts with sticky notes

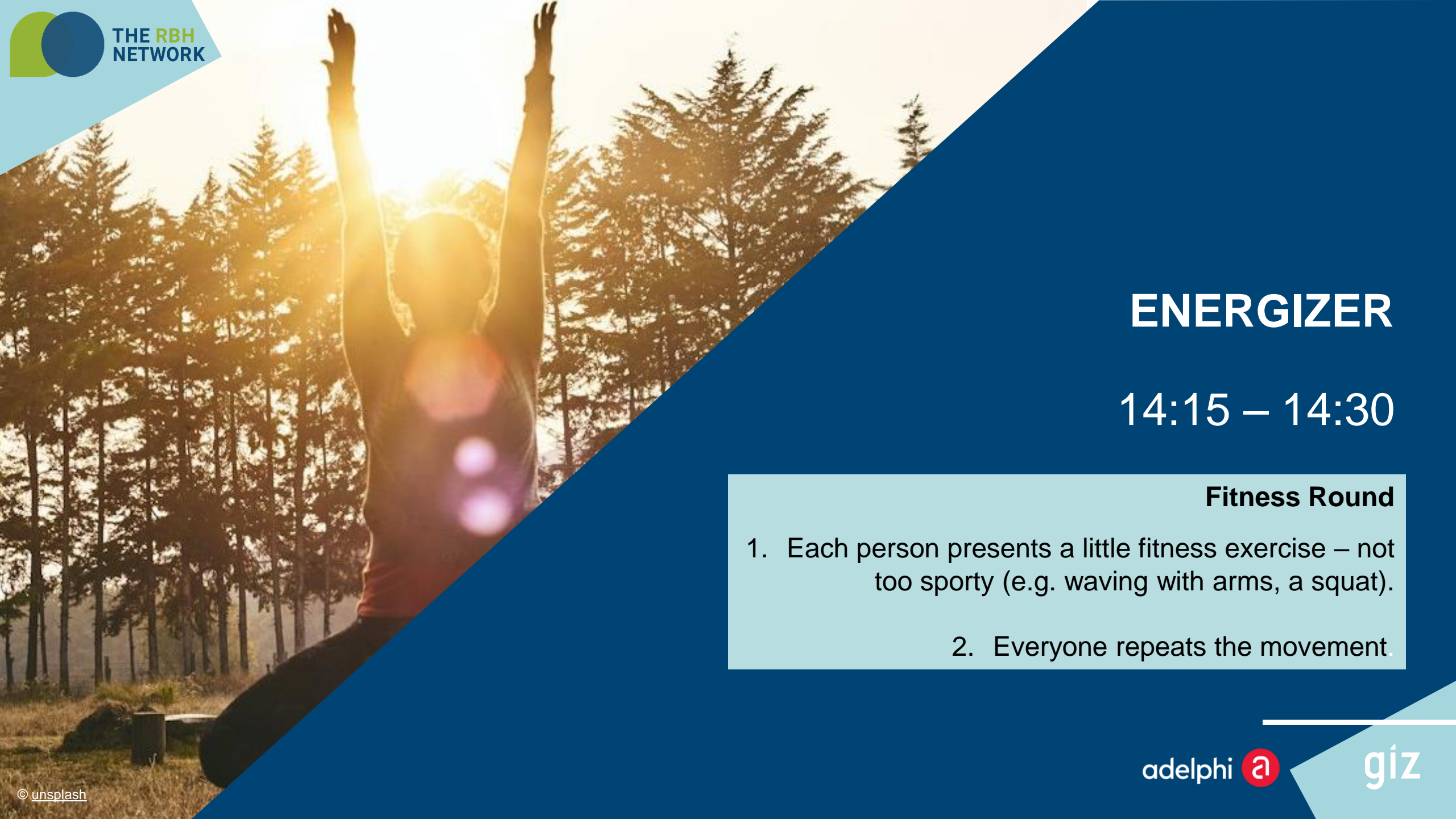
- Form groups within which you map stakeholders and rightsholders along the supply chain and discuss how they may be affected by the CSDDD – *15 minutes*
- Present in groups to plenary – *15 minutes*





LUNCH BREAK

13:15 – 14:15



ENERGIZER

14:15 – 14:30

Fitness Round

1. Each person presents a little fitness exercise – not too sporty (e.g. waving with arms, a squat).
2. Everyone repeats the movement.



TRAINING AND LEARNING

14:15 – 15:00



Think about something you learned as a child.
Answer these questions for yourself:

- **Why** did you learn it (what motivated you to learn it)?
- **How** did you learn it?
- **Who** helped you learn it?
- **How** would you describe your relationship with this person?

Think about something you learned as an adult.
Answer the same questions as above for yourself.

Turn to someone next to you and **describe** to each other the childhood and adult learning experiences.
Compare them.



Adult Learners:

1. Are self-directed
2. Have knowledge and life experiences
3. Are goal-oriented
4. Want training to be relevant and task-oriented
5. Learn when they are motivated to learn
6. Want to be treated with respect

ADULT LEARNING PRINCIPLES – SELF CONTROL

Adults want to be in control of their own actions and their own destiny.

How to design trainings accordingly:

Guide employees through the learning process

When possible, allow them to take assigned training activities in the order they want to.

Emphasise discussions, collaborations, and active learning exercises, and minimise lecturing.

Provide training that encourages employees to use leadership, judgment, and decision-making and to foster these abilities.



Challenges

- Employees have been conditioned to be passive learners; they don't expect you to ask for input
- Value their participation and experience
- Encourage them to participate in knowledge sharing and creating

Adult learners compare learnings to their own experiences.

How to design trainings accordingly:

Ask for employee input when developing training materials

Ask employees for own opinions and experiences on the topic

Help employees connect previous experiences to new training materials

When introducing new ideas or concepts, use comparisons to things your employees already know

Remain receptive to different opinions among the audience

Be prepared to address people whose opinions may in fact be correct or are mistaken

Incorporate experiences of employees in your (on-the-job) training

Provide ways for employees to give feedback on training



Challenges

- Conflicts can arise when people of conviction need to change
- Not everyone has learned or feels comfortable to share opinions

Most adults want to learn something specific and have a specific goal (or target) in mind!

How to design trainings accordingly:

Provide training with a clear, desired goal (e.g. new skill)

Explain and ask employees during the training how the training will help them achieve a goal

At the end of the training, have employees create a list of actions they can apply at work



Challenges

- People tend to set unattainable goals
- Risk of becoming too much of a “dreamer”
- Work environment may become tense and full of pressure (e.g. burnout)
- Innovation and creativity might be squelched

ADULT LEARNING PRINCIPLES – TASK-ORIENTATION

Most adults want training to focus on completing specific tasks instead of covering big subjects - Training should be relevant to daily challenges.

How to design trainings accordingly:

Create training programs that focus on the material the employee needs to know

Create task-based learning activities and emphasise problem-solving

Provide training that employees can transfer to applying in their work



Challenges

- Task-based trainings tend to inspire less creative thinking
- Get participants to think more 'outside the box'

ADULT LEARNING PRINCIPLES – VALUE-ORIENTATION

Most adults will learn when they want to learn and see value in learning.

How to design trainings accordingly:

Provide training activities in “small chunks” right before it’s needed on the job

Explain how the training is relevant

Keep training focused on relevant tasks (see above)

Try to provide training on devices that makes it easier for employees to access training (e.g. mobile device)

Provide training in a way that allows employees to participate in a self-guided, voluntary manner



Challenge

- Motivation might decrease if purpose of activities cannot be related directly to workplace requirements

ADULT LEARNING PRINCIPLES – RESPECT

Adults want to be treated with respect.

How to design trainings accordingly:

Always be polite and respectful to employees; don't patronise them

Make sure a supportive and respectful atmosphere is maintained during the training

Welcome all opinions; don't assume you know everything

Create training activities that focus on the needs of the employees



Challenge

- Meet the expectations of every participant

70/20/10 workforce learning and development

- Employees learn 70% of what they need to know for their employment from on-the-job experience
⇒ **Experience**
- They learn 20% from co-workers and other sources
⇒ **Exposure**
- They only learn 10% from formal, assigned training
⇒ **Education**

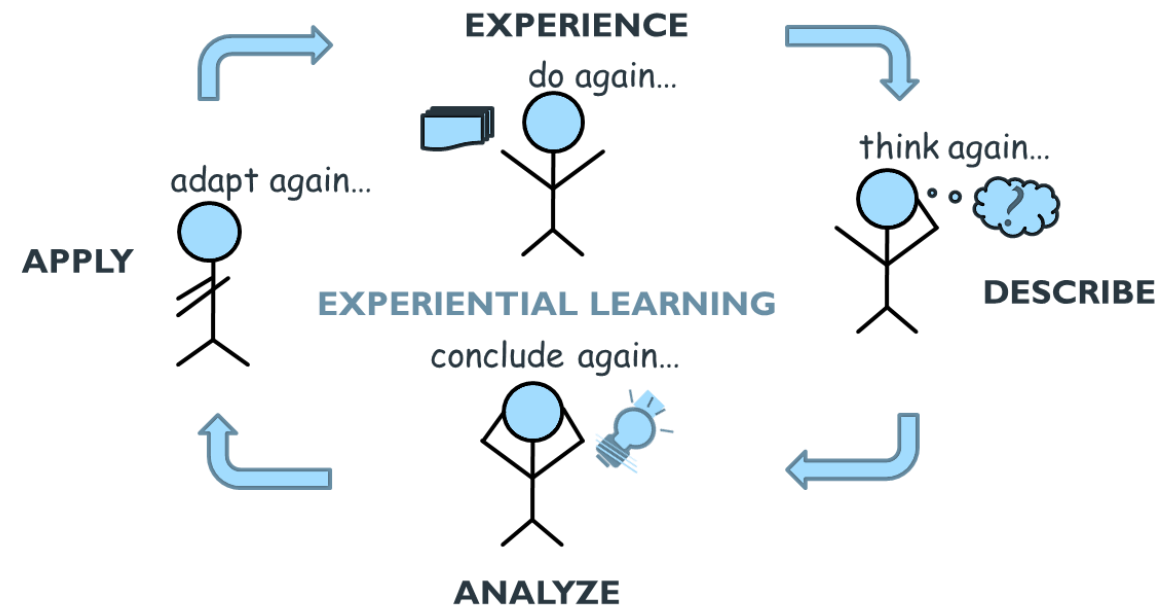


COMMUNICATION SKILLS – LEARNING THEORY

“Learning is the process whereby knowledge is created through the transformation of experience” (Kolb, 1984, p. 38).

Four stages of learning cycles

- **Phase 1:** concrete experience – feeling
- **Phase 2:** reflective observation – describe what’s happening
- **Phase 3:** abstract conceptualisation – analyse and think of concepts that modify the existing concepts
- **Phase 4:** active experimentation – doing, i.e. actively apply the new concept/skills in the new environment



S.M.A.R.T. LEARNING OBJECTIVES



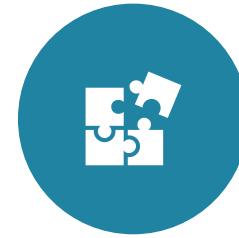
SPECIFIC



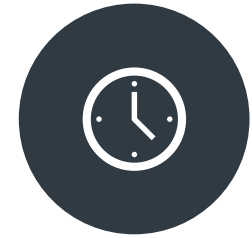
MEASURABLE



ACHIEVABLE



RELEVANT

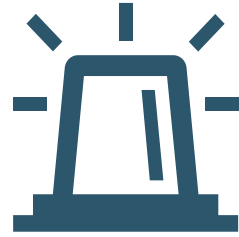


**TIME-
RELATED**

PRINCIPLES OF ADULT LEARNING



Dialogue



Safety in
environment
and process



Respect



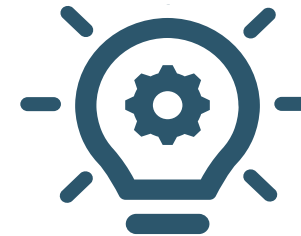
Affirmation



Sequence and
reinforcement

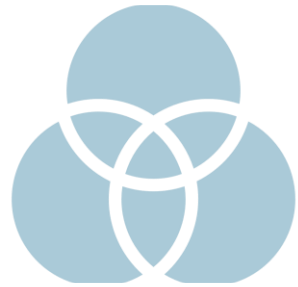


Practice



Ideas, feeling,
actions

PRINCIPLES OF ADULT LEARNING



Relevance



Engagement



Accountability



Motivation

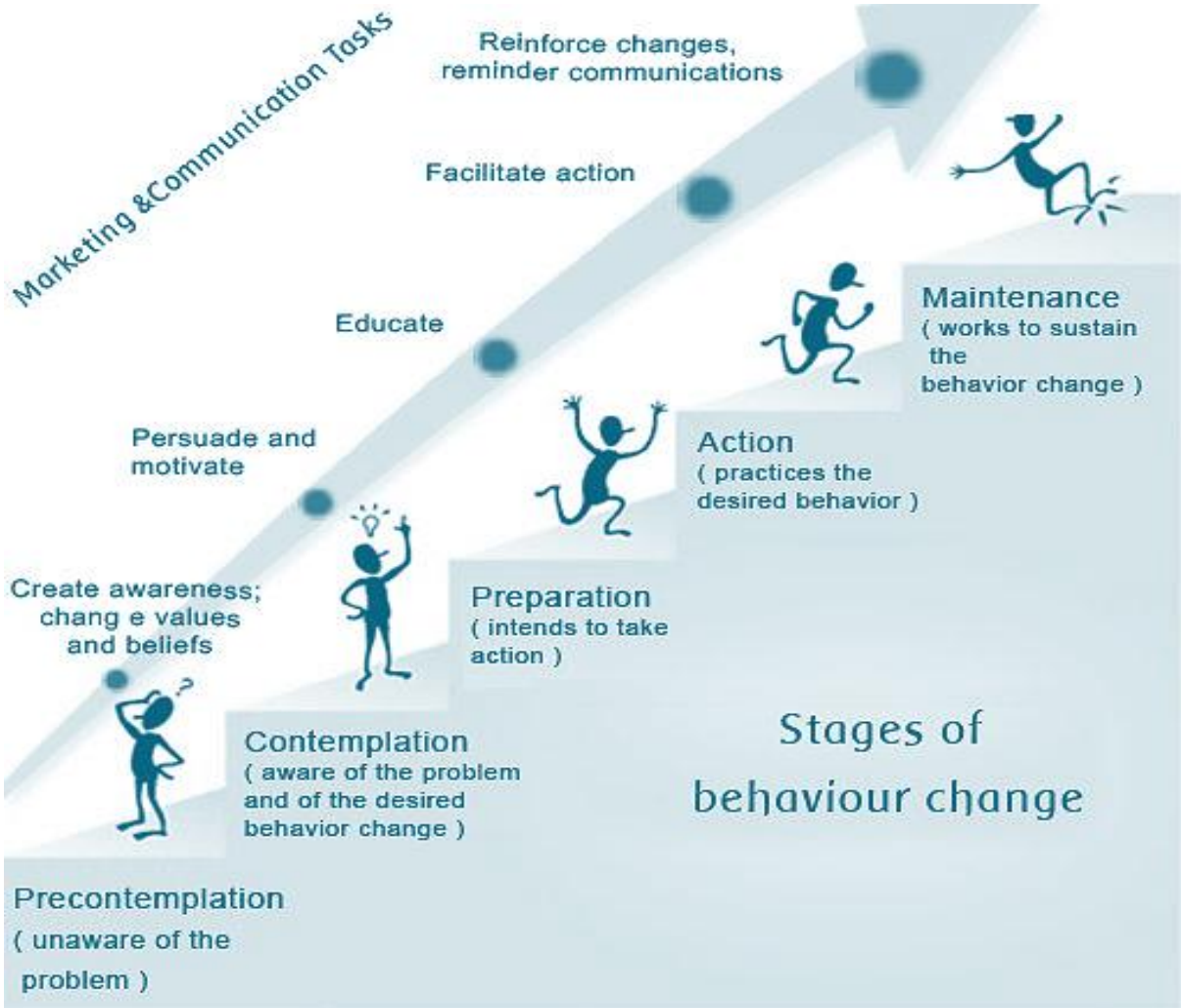


Clarity



Feedback

BEHAVIOUR CHANGE - COMMUNICATON





GROUP WORK

-Training and learning -

GROUP WORK – BEHAVIORAL CHANGE

Group

Teams of 3-4

Task

Think about a time when **someone told you what to do**

Think about a time when **someone asked you to do what you wanted to do**

- How did you feel?
- Share your feelings
- Look for common themes and feelings

Objective

Understand how to get people to change their behaviour

Time

5 min



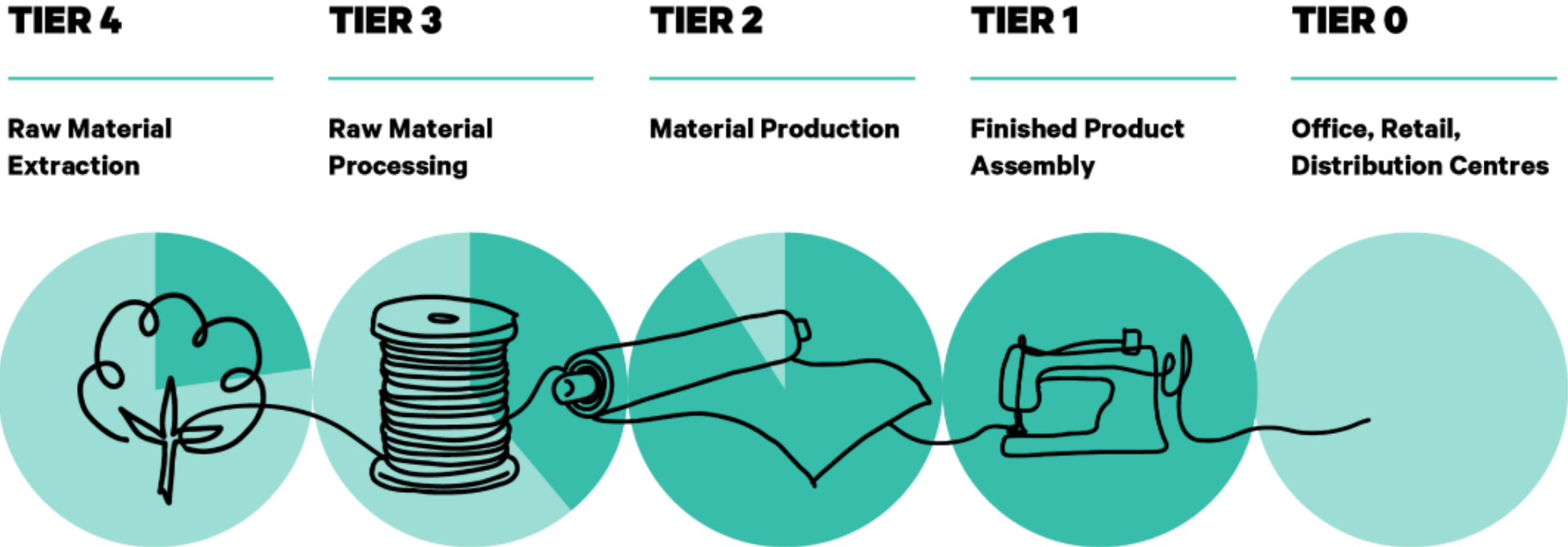


EU CSDDD
- RELEVANCE FOR
PAKISTANI
STAKEHOLDERS -

15:00 – 15:30

WHY ARE YOU AFFECTED?

Since CSDDD requires companies to assess their upstream and downstream business partners throughout the company’s “chain of activities, it is **especially important for obliged companies to look at their tier 1 suppliers and the deeper supply chain.**



EXAMPLE: CSDDD AND ITS IMPLICATIONS FOR SUPPLIERS



The supplier's perspective

STEP 1: DEVELOP A COMPANY STRATEGY

Evaluate your existing company principles and see how you can align them with the new requirements. Adjust your company policy statement accordingly.

- ▶ Familiarize yourself with **international reference documents** to be able to communicate with your customers on equal footing
- ▶ **Review** your existing **corporate policies** and adapt these as needed. In doing so, make sure to pay attention to the requirements for a policy statement as set out required by CSDDD.
- ▶ Also remember to **make your own suppliers aware** of the issue. Especially if – as a direct supplier – your customers ask you to consider sustainability issues in the deeper supply chain and to pass on requirements



STEP 2: PERFORM A RISK ANALYSIS

Get an overview of your business activities and conduct a risk analysis.

- ▶ Focus on your **main business activity first** and look at existing data sources e.g. already available risk assessments for environmental and human rights issues.
- ▶ Prepare an **overview of topics** that may be relevant for your company (and for your customers) in line with customers' information requirements
- ▶ Refer to **recommended sustainability standards** (certificates, labels, etc.) and their performance classifications to respond to queries from customers (e.g. in the context of self-disclosures).



STEP 3: TAKE ACTION

Based on your analysis, create an action plan and implement risk-based measures

- ▶ Get involved in your **customer's due diligence management** and apply **preventive measures** as part of reviews (via self-disclosures or audits)
- ▶ Review your **customers' (new) Code of Conduct** or self-disclosure to plan how to meet the sustainability requirements listed
- ▶ Familiarize with your customers' **industry solutions or cross-industry supplier platforms** for supplier verification
- ▶ Make sure that your employees are able to handle customer inquiries professionally (→ **training**)
- ▶ **Streamline efforts** towards your conformance with existing management system codes and certificates
- ▶ **Communicate obligations** to your own suppliers



STEP 3: TAKE ACTION

Further specific points of action for consideration

- ▶ Complete **self-assessment** to create transparency and communicate competence and performance to your customer
- ▶ Assign **internal responsibility** to trained sustainability officer as person in charge and primary contact person for buyers
- ▶ Collect and provide **documentation** (e.g. evidence of codes and certificates of management systems) strengthen the credibility of your self-disclosure
- ▶ **Identify hotspots** (in terms of risks) in your business operations and your own supply chain
- ▶ Prepare your employees for upcoming audits
- ▶ Implement training for employees and management personnel to follow established codes of conduct and standards, if not already done



STEP 4: MEASURE AND REPORT

Ask yourself what you have achieved and communicate your progress

- ▶ Familiarize yourself with your **customers' reporting requirements** to better understand which specific information or data your customers may need for their sustainability reporting
- ▶ **Gather information** and present key figures as basis for your own documentation and reporting, but also for passing on information to customers.
 - ❑ relevant data to be readily available, for example on internal trainings or supplier audits



STEP 5: MANAGE COMPLAINTS

Assess existing complaint channels and improve relevant processes if necessary

- ▶ Communicate and provide training on the **use of grievance mechanisms**.
- ▶ Set up **internal complaint mechanisms** (e.g. ombudsperson) or reach out to external organization for running such complaint mechanism => anonymity needs to be assured!
- ▶ Check with your customers how to link your grievance system with that of your customer.
- ▶ If negative human rights impacts occur that your company has caused or contributed to, your company must develop or participate in measures to redress them.



REACHING OUT TO SUB-SUPPLIERS

Take responsibilities forward towards your own suppliers, meaning the indirect suppliers of your customers

- ▶ Collect information and encourage them to comply with all necessary human rights and environmental standards



WHERE DO YOU STAND AS A SUPPLIER?



Ready for supply chain due diligence?

- How familiar are you with the main human rights and environmental impact reference instruments and requirements? How do you make sure that you keep up-to-date?
- Have you reached out to your customers who are directly affected by due diligence laws to discuss the topics mentioned?
- To which extent have you already addressed these in your business? Which ones are you ready to share with your customer? Which ones would you be hesitant to share?
- Do your existing corporate policies and practices match these (new) requirements?
- Have you gathered existing information on human rights and environmental risks (e.g. including compliance related information) in your own facility and, ideally, also on those of your own direct suppliers?
- Do you have social and environmental certificates or other evidence (e.g. recognized sustainability reports) to provide indication to buyer about your level conformance?
- Do you have an existing informal or formal complaint channels? In which area(s) would you expect a possible complaint? If there have not been (m)any complaints so far, why do you think that is?

KEY TAKE AWAYS

- ▶ Acquaint yourself with the new requirements of HREDD under CSDDD
- ▶ You are on safe grounds, if you are already seriously looking into sustainability issues in your business (and with your suppliers) => it also makes economic sense, as customer will look for “low-risk” suppliers
- ▶ Keep in mind the shared responsibility character requiring a collaborative effort by your clients and you.
- ▶ Keep your mind open and look out for new supply chain developments (and ask your association to support you!)



GROUP WORK

- EU CSDDD -

15:30 – 15:45

BEFORE WE START ... REMEMBER THE SUPPLY CHAIN



TIER 4

Raw Material
Extraction



TIER 3

Raw Material
Processing



TIER 2

Material Production



TIER 1

Finished Product
Assembly



TIER 0

Office, Retail,
Distribution Centres



15 min discussion for each group – presentations after the coffee break

- **Group 1: Sector Challenges**

- What challenges is the Pakistan textile industry facing from the roll-out of the European Supply Chain Due Diligence requirements?
- Who can play a role in managing these different challenges (e.g. authorities, association, other)?

- **Group 2: Buyer Support**

- What challenges are individual suppliers facing?
- What support do you expect from your own customers (with focus on shared responsibility)?
- What can shared responsibility look like in practice?



COFFEE BREAK

15:45 – 16:00



GROUP WORK

- EU CSDDD Presentation
of findings -

16:00 – 16:30

Each group presents their findings (5 min)!

- **Group 1: Sector Challenges**

- What challenges is the Pakistan textile industry facing from the roll-out of the European Supply Chain Due Diligence requirements?
- Who can play a role in managing these different challenges (e.g. authorities, association, other)?

- **Group 2: Buyer Support**

- What challenges are individual suppliers facing?
- What support do you expect from your own customers (with focus on shared responsibility)?
- What can shared responsibility look like in practice?



CONCLUSION AND FEEDBACK

16:30 – 16:45

RECAP DAY 1 – WHAT HAVE WE LEARNED?

1. Basics of due diligence
2. Key requirements of EU CSDDD
3. Relevance of EU CSDDD for different stakeholders
4. Basics on effective training and adult learning
5. How to deal with/prepare yourself to the EU CSDDD requirements



DAY 1 – CHECK OUT MENTIMETER



**1. Go on
www.menti.com**

**2. Insert code:
3774 2486**

**3. Take part in the
voting**

END OF DAY 1



—
**Training of Trainers (ToT) on EU CSDDD –
DAY 2**

05.06.2024



WELCOME TO DAY 2

AGENDA – DAY 2

Time	Headline
09:00 – 09:30	Introduction to Day 2
09:30 – 10:00	Introduction to HREDD and Due Diligence Step 1: Embed responsible business conduct into policies and management systems
10:00 – 10:45	Step 2: Identify and assess adverse impacts
10:45 – 11:00	Coffee Break
11:00 – 12:00	Group Work / Exercise
12:00 – 12:45	Effective training
12:45 – 13:45	Lunch
13:45 – 14:00	Energizer
14:00 – 14:30	Step 3: Cease, prevent or mitigate adverse impacts
14:30 – 15:00	Group work / exercise
15:00 – 15:15	Coffee Break
15:15 – 15:45	Step 4: Track implementation and results
15:45 – 16:15	Group work / exercise
16:15 – 16:30	Conclusion and feedback



INTRO DAY 2

Expectations

Recap

- Why do we need due diligence?
- Key requirements of EU CSDDD
- Why and how is EU CSDDD relevant for the Pakistani textile & fashion supply chain?
- What matters in adult learning?
- How can relevant Pakistani stakeholders prepare for the EU CSDDD requirements?

Learning Goals

- Understand step 1 to 4 of the OECD due diligence process
- Understand due diligence in the context of CSDDD



DAY 2 – CHECK IN MENTIMETER



**1. Go on
www.menti.com**

**2. Insert code:
48521717**

**3. Take part in the
voting**



HREDD/OECD DUE DILIGENCE PROCESS

- Day 2 and Day 3-

CONTENT

- Introduction to OECD Due Diligence Process
- Guidance through each step (1-4) in the process
- Understanding due diligence in the context of CSDDD



INTRO HREDD/OECD DUE DILIGENCE PROCESS

9:30 – 9:35

DUE DILIGENCE PROCESS & SUPPORTING MEASURES

- BACKGROUND



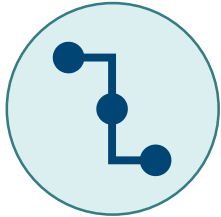
History

- The OECD Due Diligence Guidance for Responsible Business Conduct was adopted in 2018
- First government-backed reference on due diligence relevant for all types of companies

Content:

- It provides **support to enterprises** by providing **practical, clear expectations and steps** of how to implement due diligence as recommended in the **OECD Guidelines for Multinational Enterprises**.

DUE DILIGENCE PROCESS & SUPPORTING MEASURES: KEY FEATURES



Involves multiple processes and objectives



Concerns internationally recognized standards on RBC



Seeks to prevent negative impacts



Does not shift responsibilities



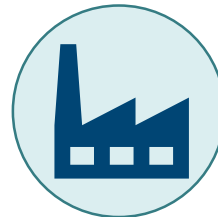
Is risk-based



Can be adapted to the limitations of working with business relationships



Involves ongoing communication



Is tailored to an enterprise's circumstances



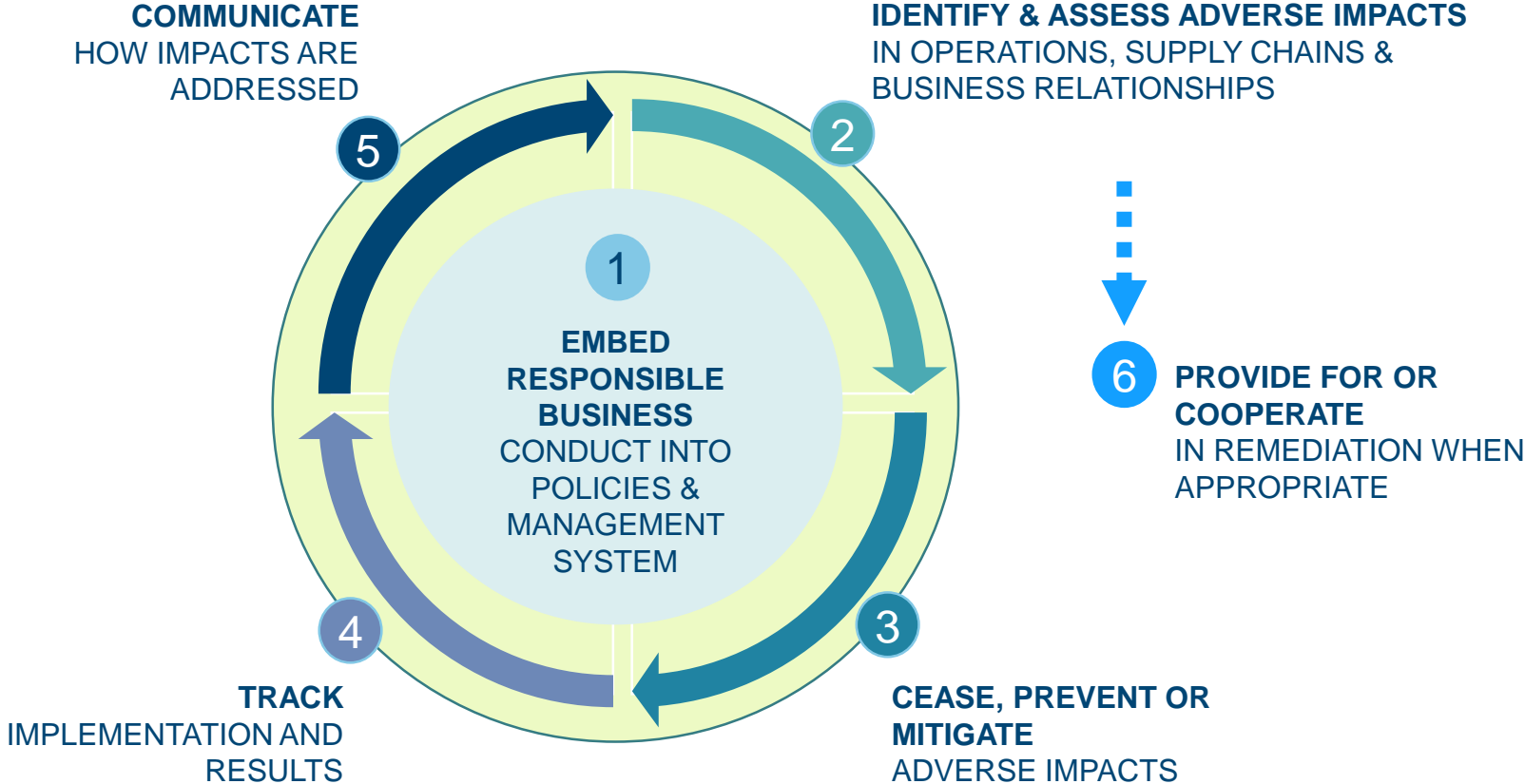
Is informed by engagement with stakeholders

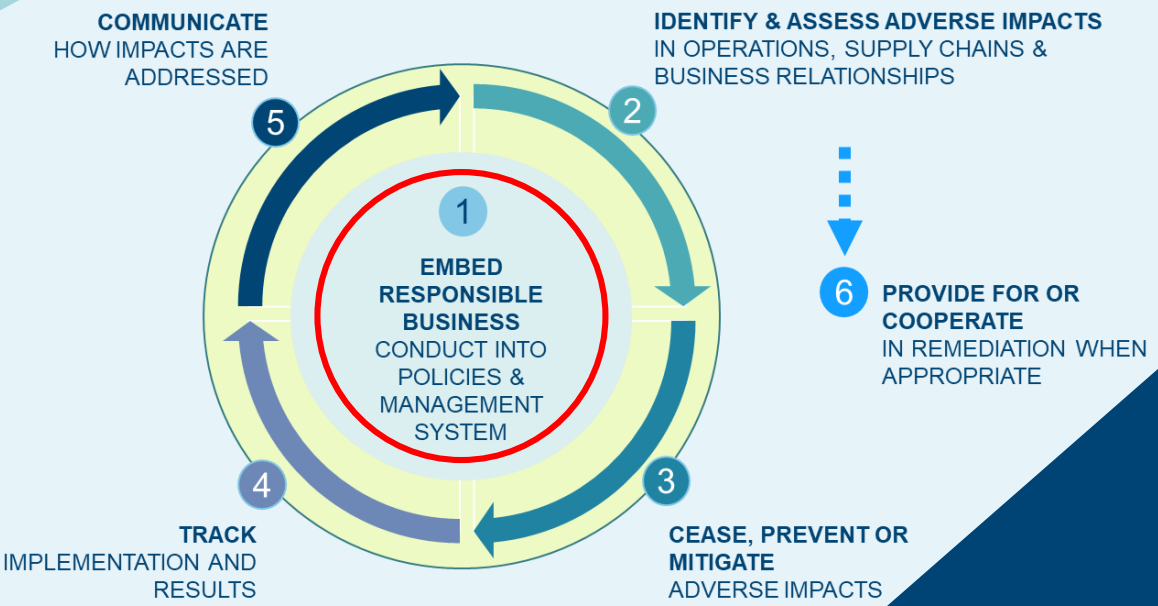


Is dynamic, ongoing and responsive

DUE DILIGENCE PROCESS & SUPPORTING MEASURES

- OVERVIEW OF STEPS





STEP 1

9:35 – 10:00



1

**Embed Responsible
Business Conduct
Into Policies & Management systems**

THE DUE DILIGENCE PROCESS

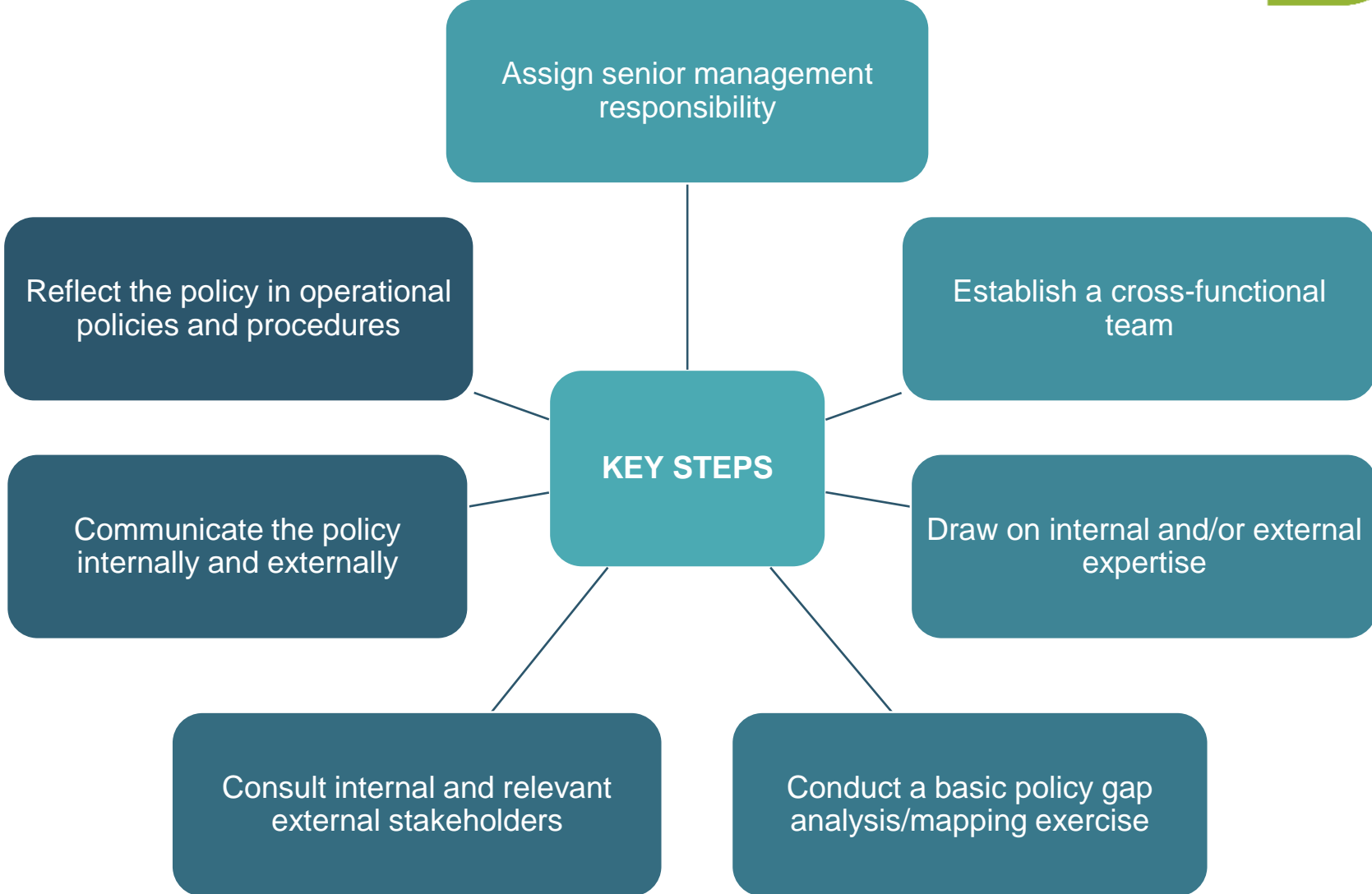
BACKGROUND

- The business enterprise shall adopt a **policy with the commitment to responsible business** in its **own operations** and in its **supply chains**.
- Responsible Business Conduct shall be **anchored in management systems** through the strategic level of the business enterprise so that an effective and efficient due diligence analysis is made possible at all levels of the business enterprise.
- The goal is a **public commitment** by the business enterprise to take responsibility for direct and indirect impacts of the business enterprise on human rights, the environment and other risks in the supply chains that arise through direct or de facto control of the business enterprise.

What are the **steps** to follow in
**developing a good
responsible business policy ?**



DEVELOPING A POLICY: KEY STEPS



What are the **fundamental elements** of a good **responsible business policy**?

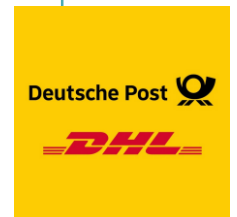


1. TOP MANAGEMENT COMMITMENT



Example

- “Accountability for the implementation of this policy is **overseen by the Group Chief Executive Officer, the Chief Executive Officers of the divisions and the Executive officers of the Group functions.** This ensures that every part of our business is clear about the responsibility to respect human rights and its day-to-day implementation.”



2. REFER INTERNATIONAL STANDARDS

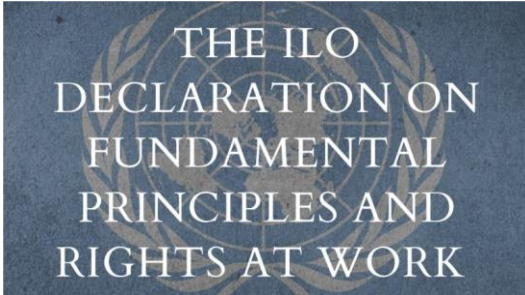
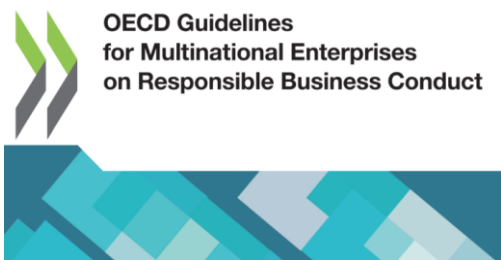


The reference to international frameworks and standards:

- lays the **foundation for the strategic orientation and implementation** to protect human rights in business activities.
- gives **credibility** to the objectives of the policy statement

2. REFER INTERNATIONAL STANDARDS (CONTD.)

International standards and Frameworks: Commonly referenced



2. REFER INTERNATIONAL STANDARDS (CONTD.)

Examples of policy statements

MARKS &
SPENCER

“We're committed to respecting internationally recognised human rights and the principles and guidance in the **United Nations (UN) Guiding Principles on Business and Human Rights** as a basis for dialogue and action. We also support the **OECD Guidelines for Multinational Enterprises.**”



“Our Human Rights Statement serves as the foundation of our robust human rights efforts. It confirms Walmart’s respect for human rights and articulates how our culture and values, as well as international instruments—including the **U.N. Universal Declaration of Human Rights**, the International Labor Organization’s 1998 **Declaration on Fundamental Principles and Rights at Work** and the **U.N. Guiding Principles on Business and Human Rights**—guide our approach to human rights due diligence.”

3. COVERAGE OF THE POLICY

Clearly set out to whom it applies.

If it applies to a corporate “group,” a definition of group of companies is helpful.

Clearly state how it applies to relationships with suppliers and other entities with which the company does business.

3. COVERAGE OF THE POLICY (CONTD.)

Examples of policy statements

MARKS &
SPENCER

“This policy is applicable to M&S colleagues and those working on its behalf, including **subsidiaries, contractors and consultants.**

Suppliers of branded goods and franchise partners must also comply with their responsibilities as set out in this policy.”

DIAGEO

“The Diageo Human Rights & Anti-discrimination Policy applies **to all Diageo employees and employees of subsidiaries and joint ventures** where Diageo has a controlling interest.

It also applies, as far as is reasonably achievable, to our **upstream and downstream supply chain through partners, suppliers and third party contractors.**”

4. STIPULATING EXPECTATIONS

Set out what the policy expects from its:

employees

business partners, and

other relevant parties, such as state
governments.

4. STIPULATING EXPECTATIONS (CONTD.)

Examples of policy statements:



“If any employee believes that someone is violating the Human Rights Policy or the law, they are **asked to report it immediately to their manager**, Human Resources, Company legal counsel or EthicsLine.”



In the event of **disrespect to human rights, duly proven by government authorities and mechanisms provided by legislation**, we notify the supplier/partner or the customer so they **may adopt corrective measures** and, in cases in which such measures are not taken, we then are entitled to **rescind the respective commercial relationship**.

5. IMPLEMENTATION MECHANISMS

Set out how the
policy will be
implemented
within the
company

For example, its **risk management** and **oversight/monitoring mechanisms**.



5. IMPLEMENTATION MECHANISMS (CONTD.)

Examples of policy statements:



Unilever “The Board of Unilever is responsible for ensuring adherence to these commitments and our **senior management has responsibility for overseeing their implementation** and ensuring that any breaches of our Code of Business Principles are investigated.”



“In order to comply with international Human Rights standards, national laws and Deutsche Post DHL Group’s policies we undertake appropriate Human Right due diligence as a means to identify, assess and address potential and actual adverse human rights impacts in our business activities and supply chain. If it is determined that there is a risk of adverse human rights impact caused or contributed by our business activities, we have a procedure in place **to ensure the activity is assessed, changed, discontinued and/or remediated.** We encourage our employees to address suspected violations of this Human Rights Policy Statement through the established accessible grievance or dispute resolution channels including local management, responsible Human Resources departments or the Compliance Hotline. Our partners and third parties have the opportunity to access web forms at www.dpdhl.com to report potential violations of this Human Rights Policy Statement.”

6. SETTING HUMAN RIGHTS PRIORITIES



6. SETTING HUMAN RIGHTS PRIORITIES (CONTD.)

Example of policy statement



We believe our main responsibilities lie in a **number of critical areas**: employee rights, the right to access finance for vulnerable and disadvantaged members of the community and the risk of human rights violations within our supply chain.

7. LEGAL JURISDICTION ISSUES

Companies must **respect human rights**, regardless of whether national laws protect these rights.

Problems can occur when a **country's laws clash with global human rights norms** or fall short of meeting them completely.



In these situations, **companies should find ways to uphold global human rights standards.**

7. LEGAL JURISDICTION ISSUES (CONTD.)

Examples of corporate policy statements

HITACHI

Hitachi **adheres to national law and regulation** in each market in which it operates. Where Hitachi faces conflicts between internationally recognized human rights and national laws, **the company will follow processes that seek ways to honor the principles of international human rights.**

8. INTERNAL AND EXTERNAL COMMUNICATION

- **Internal communication** serves in particular to actively integrate principles in dealing with human rights in company processes, which is done by educating and sensitizing employees.
- **External communication** clarifies the company's principles with regard to human rights to stakeholders and business partners (including suppliers). In addition, external communication can also reach potentially affected stakeholders in order to signal the company's attitude towards human rights.

8. INTERNAL AND EXTERNAL COMMUNICATION (CONTD.)

Examples of policy statements



“We continue to **communicate this policy and raise awareness** and knowledge amongst our employees and partners. We offer specific training on human rights related matter.”

Source: Deutsche Post DHL Group:
Declaration of principles on human rights

SCHAEFFLER

“Respect for human rights is part of the **group-wide Code of Conduct (CoC) and the Schaeffler Group's Supplier Code of Conduct (SCoC)**. Employees and managers undergo CoC training. The relevant training was expanded in the reporting year, and additional training courses on human rights are being prepared.”

PRACTICAL ACTIONS

HOW DO YOU IMPLEMENT THE POLICY EFFECTIVELY?

Assign **senior management** the **responsibility** of overseeing the due diligence.

Designate a **person (internal/external)** with **extensive understanding** in this field to handle the due diligence process.

Establish a **cross-departmental team** to **oversee the implementation** of the policy statement in day-to-day activities. Teams should include representatives from sustainability/environmental management, human resources, purchasing, communications and quality management.

HOW DO YOU IMPLEMENT THE POLICY EFFECTIVELY?

Review and update existing policies to conform with the principles and standards outlined in the OECD Guidelines for MNEs.

Develop specific policies to address the **most significant risks** identified through risk assessment, incorporating due diligence plans as needed.

Ensure that the policies on RBC issues are **publicly available**, such as on the enterprise's website, at its premises, and, when applicable, in local languages.

Communicate the policies to the enterprise's own relevant employees and other workers during staff orientation or training and periodically as needed to maintain awareness.

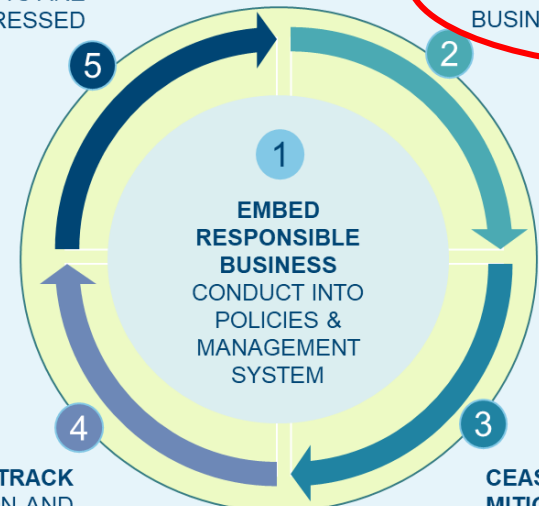
Update the policies as risks in the enterprise's operations, supply chain and other business relationships emerge and evolve.

Get the sign and **approval** of the top management.

REVIEWING EXISTING POLICY: CHECKLIST

- Is the highest corporate level committed to observing and monitoring human rights due diligence throughout the company?
- Does the document make reference to recognized international human rights standards?
- Are sector and company-specific risks identified and adequately addressed?
- Are responsibilities and specific measures for the protection of human rights and for changing business activities in the event of human rights violations defined?
- Does it include a process for how your company fulfils its human rights and environmental due diligence?
- Are measures, deadlines for implementation and responsibilities described?
- Are there expectations for employees, suppliers, business partners and customers?

COMMUNICATE
HOW IMPACTS ARE
ADDRESSED



IDENTIFY & ASSESS ADVERSE IMPACTS
IN OPERATIONS, SUPPLY CHAINS &
BUSINESS RELATIONSHIPS



6
PROVIDE FOR OR
COOPERATE
IN REMEDIATION WHEN
APPROPRIATE

STEP 2

10:00 – 10:45



2

**IDENTIFY AND ASSESS
ACTUAL AND POTENTIAL
ADVERSE IMPACTS**
ASSOCIATED WITH THE ENTERPRISE'S
OPERATIONS, PRODUCTS OR SERVICES

THE DUE DILIGENCE PROCESS



OECD (2022):

“Carry out risk-based due diligence to identify, prevent and mitigate actual and potential adverse impacts, and account for how these impacts are addressed.”

Source: [OECD \(2022\)](#)

WHAT ARE ADVERSE IMPACTS?

“**Adverse impacts**” can be considered harmful impacts on matters covered by the OECD Guidelines.

For instance, the use of hazardous chemicals, discrimination, or child labour.

The term “harm” and “adverse impacts” are used interchangeably throughout the OECD Guidelines.

CHANGE OF PERSPECTIVE

Focus on risks for stakeholders, i.e. for one's own company (e.g. reputational risks, production losses)



Focus on risks from the perspective of (potentially) affected people and communities (rightsholders)

REFERENCE POINTS FOR THE RISK ANALYSIS



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HUMAN RIGHTS



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ENVIRONMENT

RIGHTSHOLDERS – POTENTIALLY AFFECTED PERSONS



Local
communities

End users

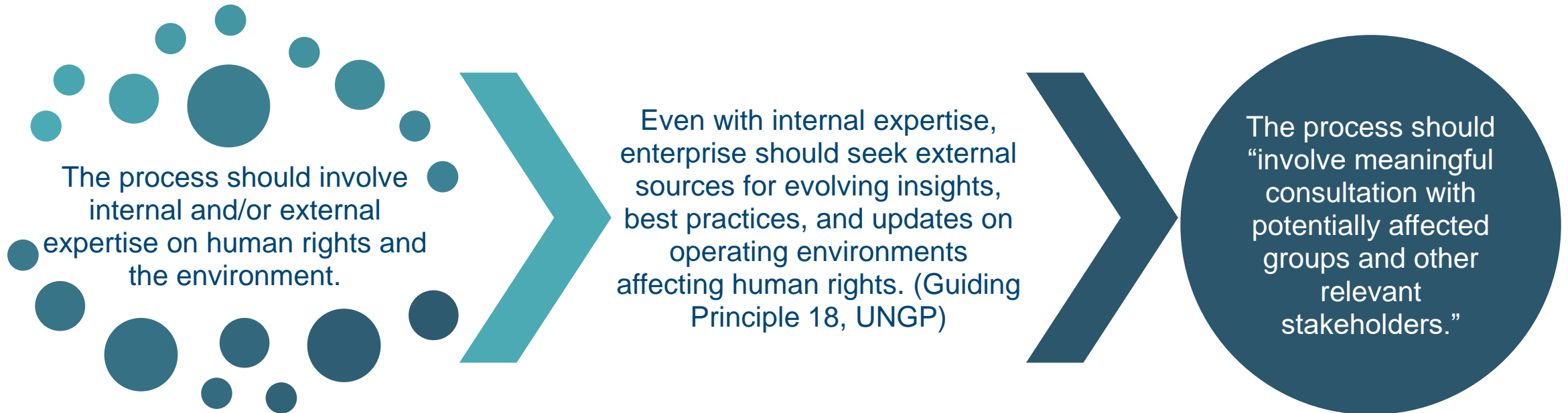
People involved
in the extraction
of raw materials

Employees of
external service
providers

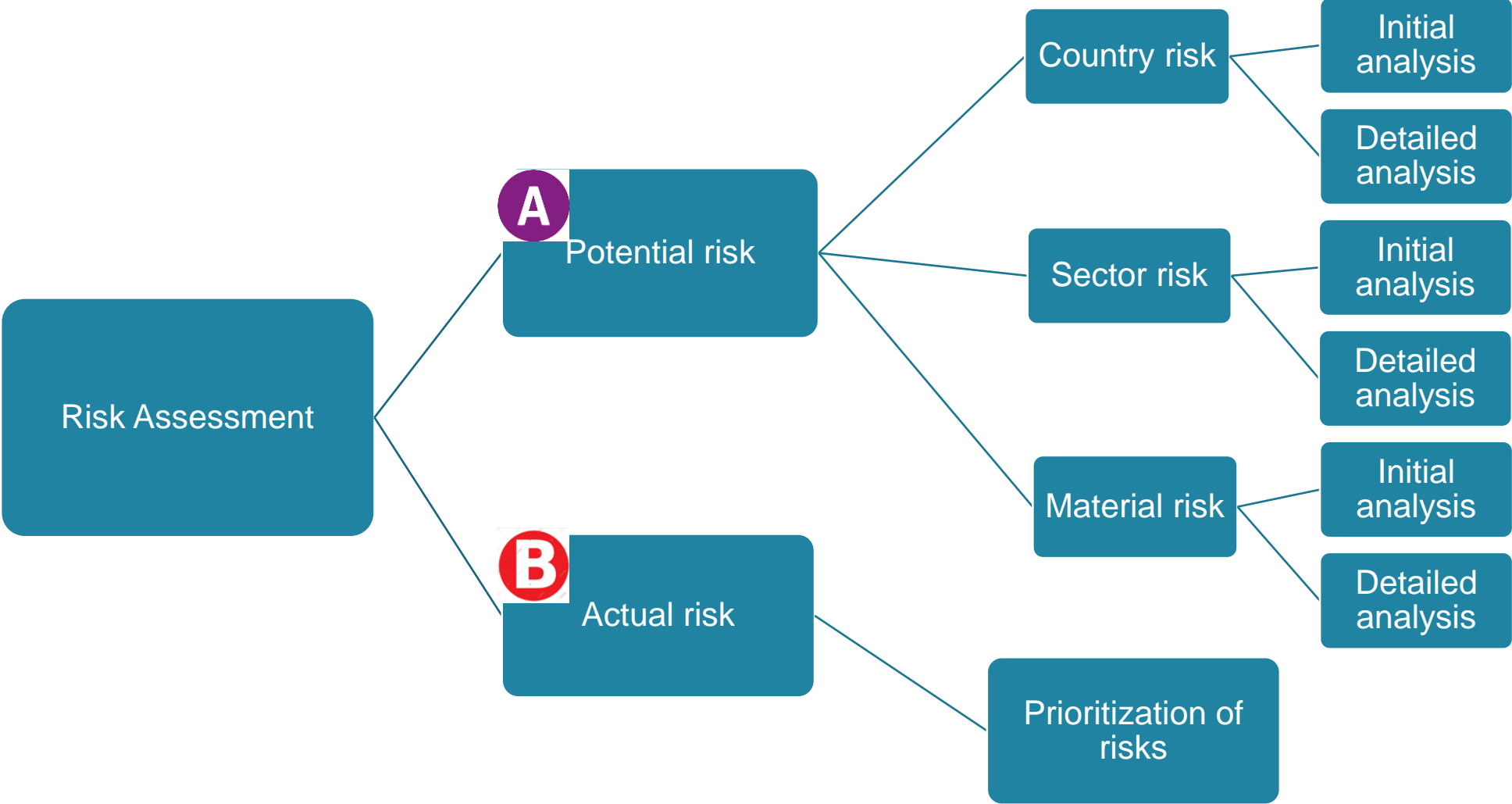
Employees of
business
partners along
the value chain

Own employees
of the company

HOW TO CONDUCT AN EFFECTIVE RISK ASSESSMENT?



RISK ASSESSMENT PROCESS



A. ASSESSMENT OF POTENTIAL RISK

Assumptions, Objectives and Outcome



Assumption

- Human rights risks rise in countries with widespread poverty and other relevant indicators.



Objectives

- Assess the presence of risks and ascertain the requirement for in-depth analysis.

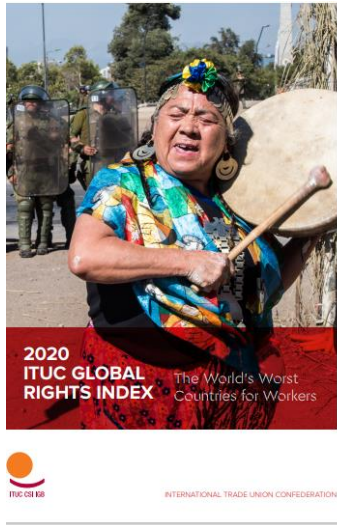


Outcome

- A brief initial understanding of the country's situation based on internationally recognized publications.

A. ASSESSMENT OF POTENTIAL RISK (CONTD.)

i. Initial Assessment of Supplier Country's Risks: Sources of Information



A. ASSESSMENT OF POTENTIAL RISK (CONTD.)

Conduct an initial assessment of Supplier Country's Risks

BASIS OF ASSESSMENT

Living condition

- Country rank in HDI
- Population living below income poverty line of \$1.90 a day (PPP) (%)
- Proportion of population in multidimensional poverty (%)
- Gender development index

Political environment

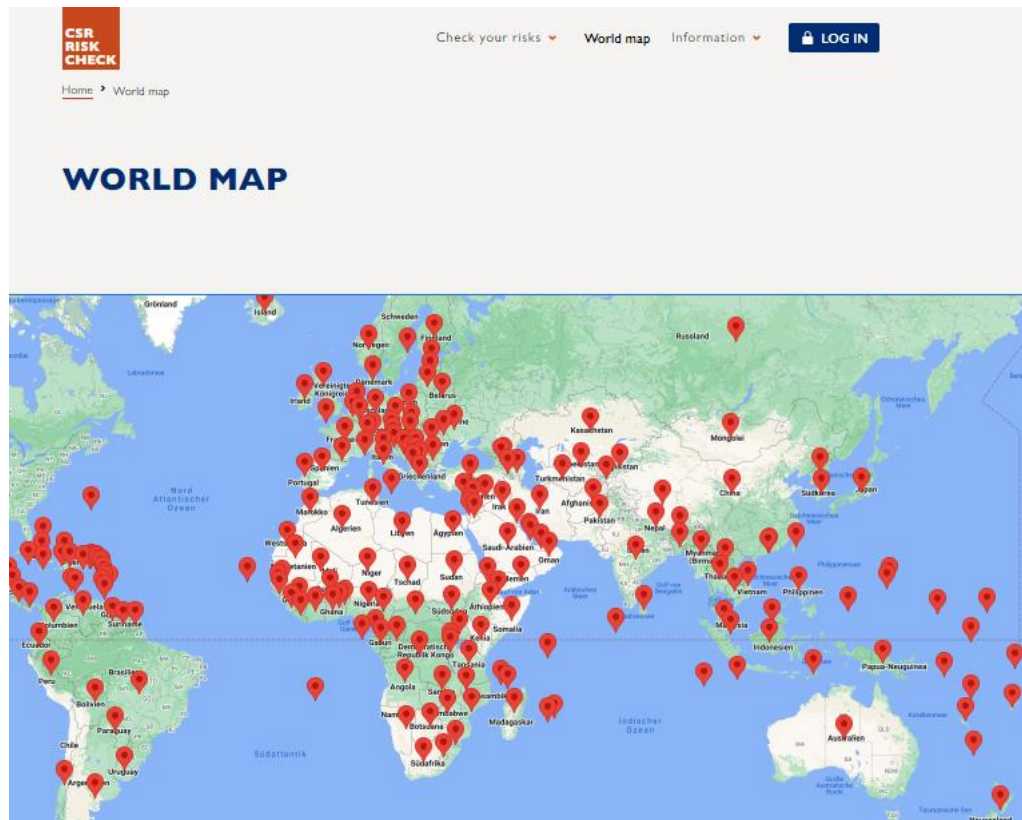
- Corruption perceptions index
- Global Freedom scores
- World Governance Indicators (WGI)

Working conditions and child labour

- Ratification of ILO core convention
- ITUC global rights index
- Child labour (% ages 5–17)

A. ASSESSMENT OF POTENTIAL RISK (CONTD.)

ii. Detailed country-specific risk analysis



CSR RISK CHECK:

Funded by the **Dutch Ministry of Foreign Affairs**. MVO Nederland is the legal owner of the CSR Risk Check and is solely responsible for the collection and processing of all data.

Remember:

- buyers visiting suppliers often have better local insights
- buyers to establish process to capture and integrate supplier knowledge into risk analyses.

CSR RISK CHECK

Example: Pakistan



PAKISTAN (30)

- Fair business practices (2) +

- Human rights & ethics (10) +

- Environment (7) +

- Labour rights (11) -

 - + Freedom of association (2)
 - + Labour conditions (contracts, working hours) (0)
 - + Forced labour & human trafficking (4)
 - + Child labour (1)
 - + Discrimination & gender (4)
 - + Wage & remuneration (0)

Example: Pakistan

Labour rights (12) —

— Freedom of association (3)

In Pakistan, it is common that members of labour unions are being threatened and fired. Union leaders are often attacked.

Source(s) :

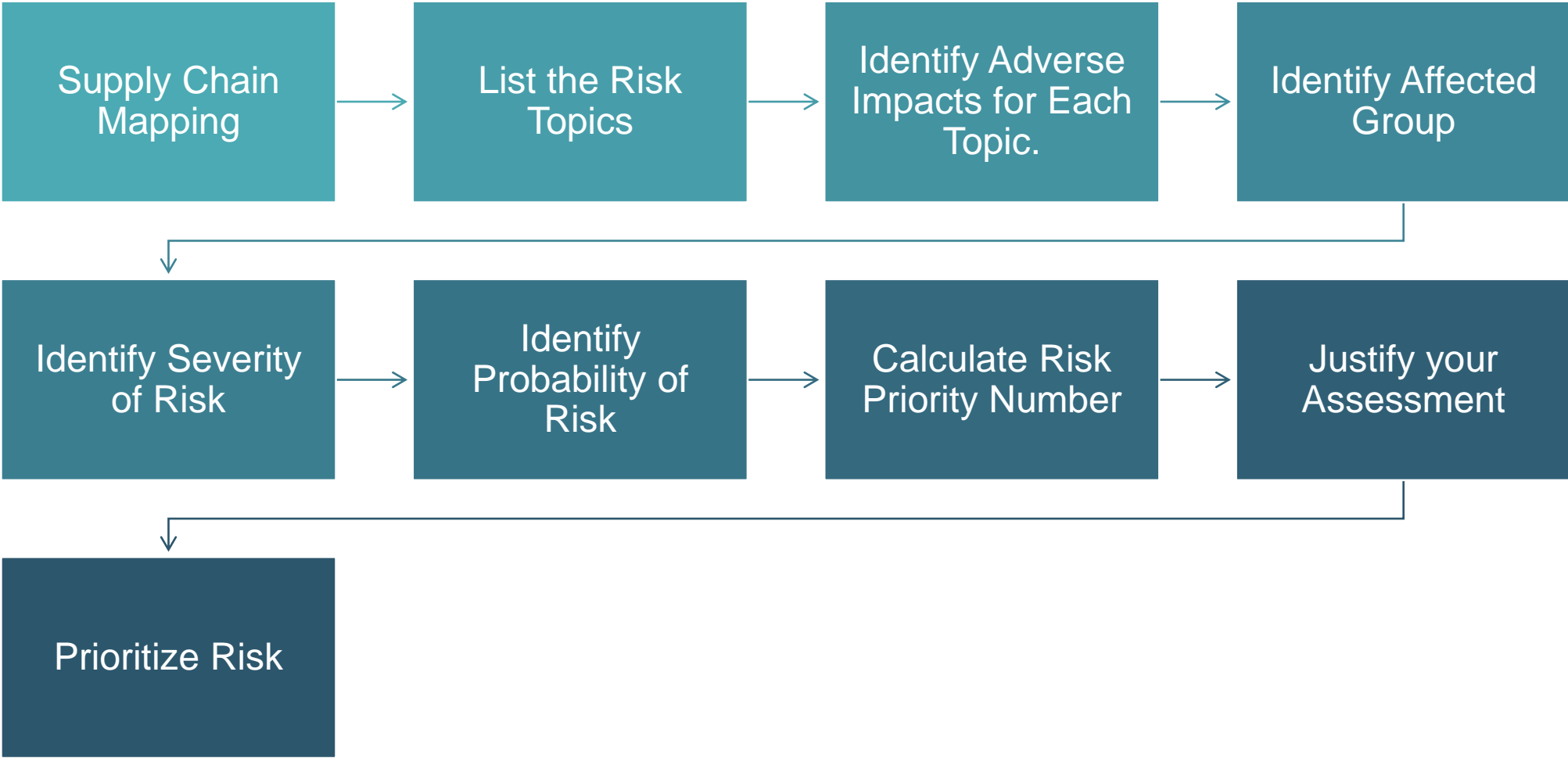
FairWear, Pakistan Country Study, 2021

— Water use & water availability (2)

In Pakistan, 120 million people face severe freshwater scarcity during at least part of the year; 85% of these people live in the Indus river basin. For 73 million people of this group, the water scarcity lasts all year round. This is almost half of the population. Groundwater depletion is also a major problem in Pakistan.

B. ASSESSMENT OF ACTUAL RISK

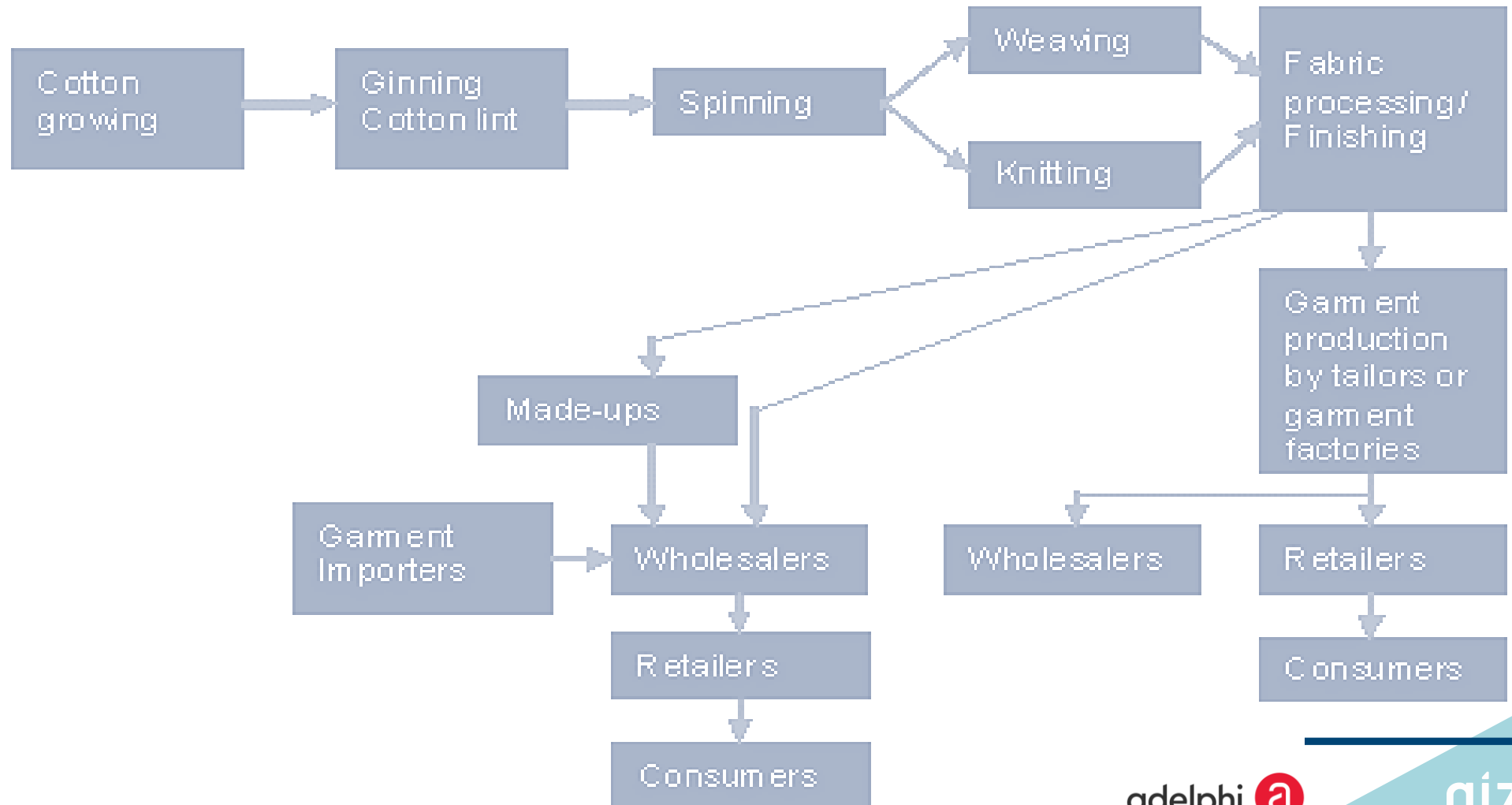
Actual Risk Assessment Process



B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Supply Chain Mapping

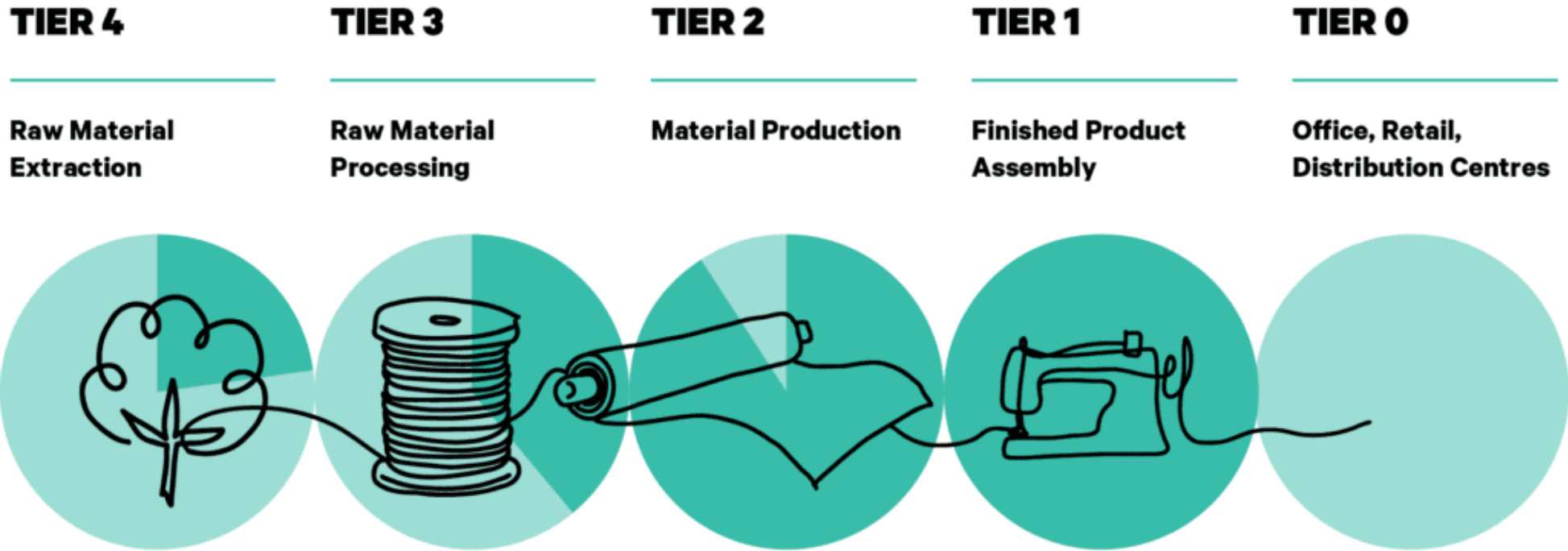
Supply chain in Apparel industry



B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Supply Chain Mapping

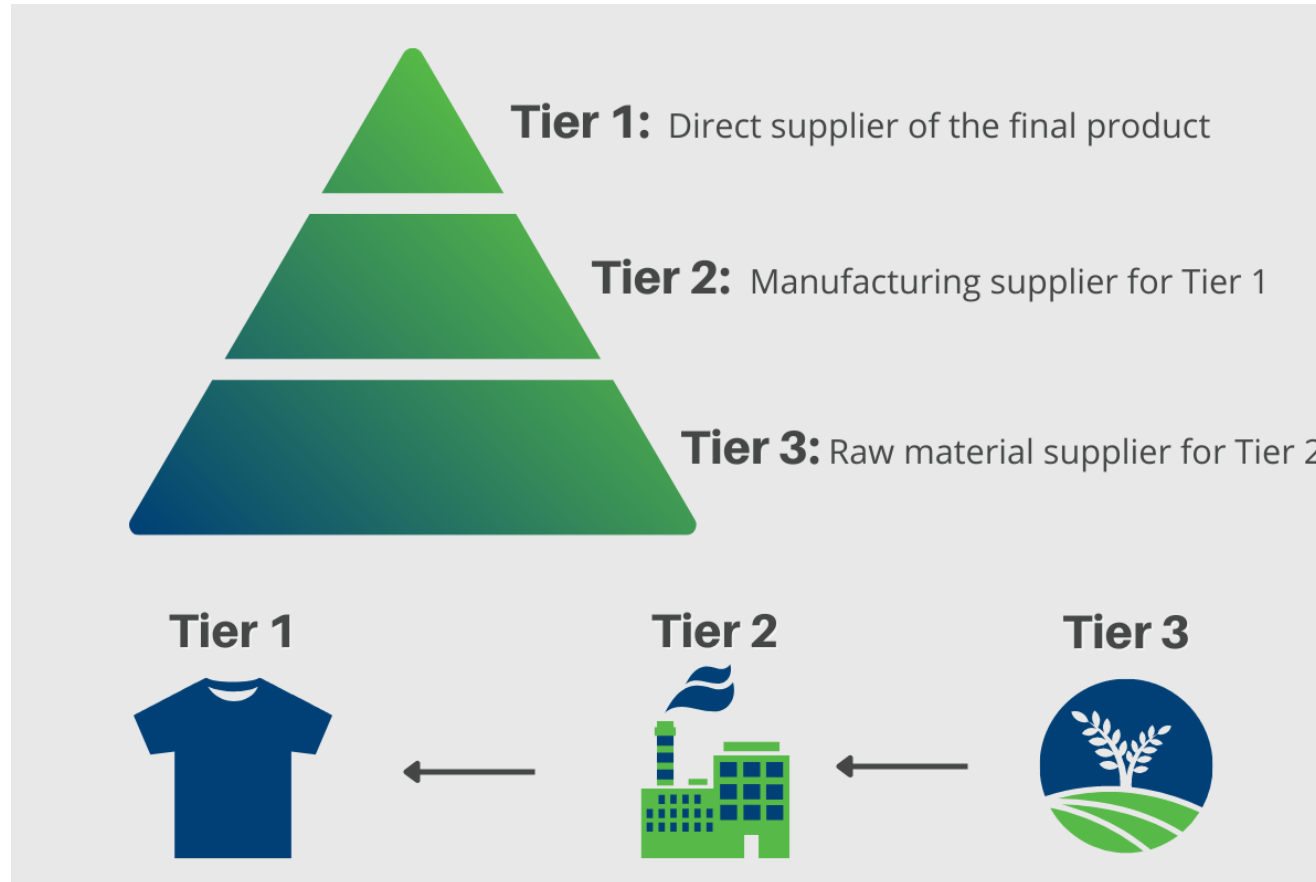
Types of Tiers in Supply Chain in Apparel Industry



B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Supply Chain Mapping

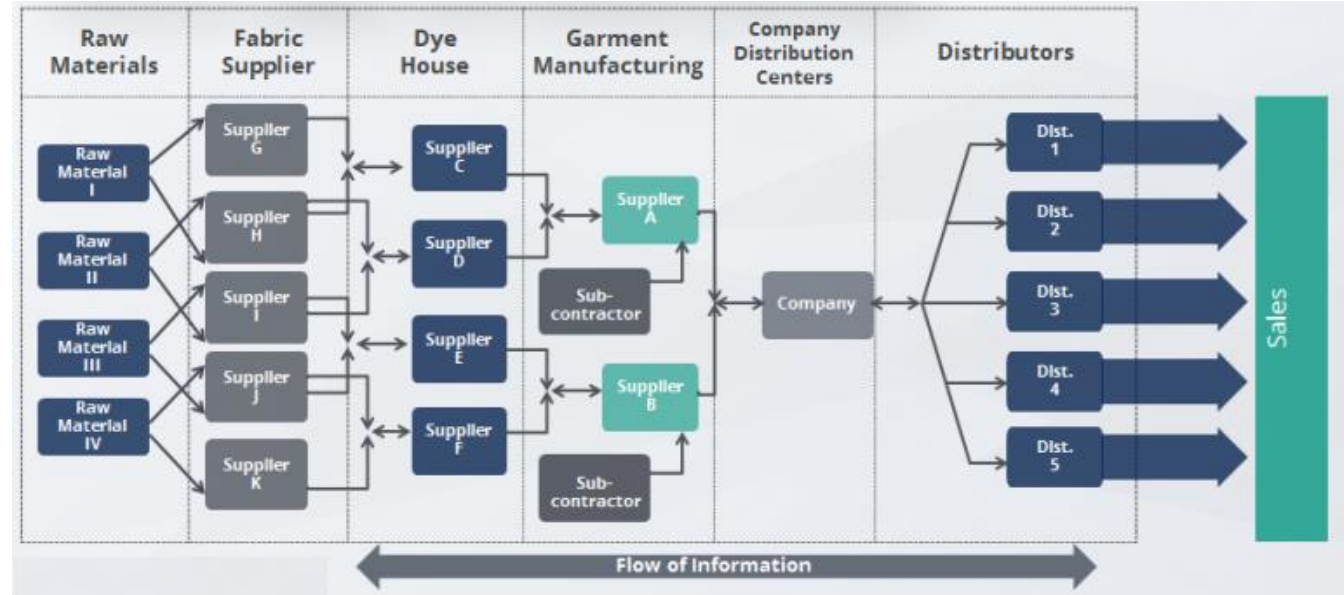
Types of Tiers in Supply Chain



B. ASSESSMENT OF ACTUAL RISK (CONTD.)

GROUP WORK: Map your supply chain (10 min) + present to plenary

- **Name the products, services and/or materials** that your suppliers provide to your company and that you provide to your brand.
- **Purchasing cost:** indicate the % of expenses allocated to purchasing specific materials, products, or services
- **Tier of supplier:** state which tier of supplier you are
- **Describe the main processes performed**, e.g. cotton growing, ginning, spinning, weaving / knitting, bleaching / dyeing / finishing, CMT.
- **Geographies:** name the countries in which these activities take place.
- **Number of workers:** give the % of male and female workers
- **Certification:** provide certifications, if any



Source: Ekberg (2017)



COFFEE BREAK

10:45 – 11:00

B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Severity of Risk

SEVERITY



- **Scope**
How many people could be affected by the harm?
- **Scale**
How serious are the impacts for the victim?
- **Remediability**
Will a remedy restore the victim to the same or equivalent position before the harm?

B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Severity of Risk in terms of “Scope”

<p>How many people could be affected by the harm?</p>	<p>HIGH</p> <ul style="list-style-type: none">• > 20% of the total population in the affected area or > 50% of the identifiable group	<p>MEDIUM</p> <ul style="list-style-type: none">• > 10% of the total population in the affected area or > 11-50% of the identifiable group	<p>LOW</p> <ul style="list-style-type: none">• > 5% of the total population in the affected area or < 10% of the identifiable group•
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B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Severity of Risk in terms of “Scale”

How serious are the impacts
for the victim?

HIGH

- The risk leads to death or adverse health effects, which can cause a considerable reduction in the quality of life and/or longevity of those affected.

MEDIUM

- The occurrence of the risk leads to a specific human rights violation of access to basic necessities of life (including education, livelihood, etc.).

LOW

- All other impacts that are not rated as high/medium.

B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Severity of Risk in terms of “Remediability”

Can the remedy return the victim to their pre-harm state?	HIGH	MEDIUM	LOW
	<ul style="list-style-type: none"> • Difficult to fix: <ul style="list-style-type: none"> • Complex technical requirements; • Low acceptance of remedial measures by the identified group; • Low capacity of the implementation partner • No viable substitute for losses caused by the effects 	<ul style="list-style-type: none"> • Simpler technical requirements; • Acceptance by the identified group; • Implementation partner can correct the effects with a little capacity development 	<ul style="list-style-type: none"> • Easy to fix: <ul style="list-style-type: none"> • Simple technical requirements • Acceptance by the identified group • The implementation partner has the ability to fix

B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Probability of Risk

How likely is it that the negative effect will occur?

OFTEN

- The risk has already occurred several times per year.

PROBABLY

- The risk has already occurred several times in the past.

OCCASIONALLY

- The risk generally occurs rarely in the industry, but can occur;
- The risk has occurred several times in the industry. However, it is rather unlikely to occur.

B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Risk Priority Number (RPN)



B. ASSESSMENT OF ACTUAL RISK

Risk Matrix

		Severity		
		Low	Medium	High
Likelihood	High			
	Medium			
	Low			

B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Sources of Information

Internal Records and Documentation

- Internal audit reports
- Records of past incidents or violations
- Supplier and contractor agreements
- Environmental impact assessments

Stakeholder Engagement

- Interviews and surveys of employees, customers, and local communities
- Input from worker unions or representatives
- Consultations with advocacy groups and NGOs

Government and Regulatory Agencies

- Environmental protection agencies
- Labor departments
- Human rights commissions

B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Sources of Information (contd.)

Third-Party Audits and Certifications

- Reports from independent auditors and assessors.
- Certifications like ISO 14001 (environmental management) or SA8000 (social accountability).

News and Media Sources

- Reports on environmental incidents or labor disputes.
- Investigations and exposés.

Non-Governmental Organizations (NGOs)

- Reports and publications from NGOs specializing in human rights or environmental issues.

B. ASSESSMENT OF ACTUAL RISK (CONTD.)

Sources of Information (contd.)

Academic Research

- Studies and research papers related to environmental and social impacts in your industry or region.

Supply Chain Information

- Data from suppliers regarding their own practices.
- Supplier sustainability reports.



GROUP WORK

- Step 1 & 2 -

11:30 – 12:00

Task:

Conduct an **actual risk assessment** for your own company:

- What is the **scope of your own operations**?
- What **actual and potential adverse impacts on human rights and the environment** can you define **for your own operations and your supply chain**?
- Where do you get that **information** from?

Challenges:

- What data might your customer need to collect from you?
- How can your customer engage with their supply chain (i.e. you!)?

Objective:

- Understand the requirements of a risk assessment – and learn what data your customers might require from you.



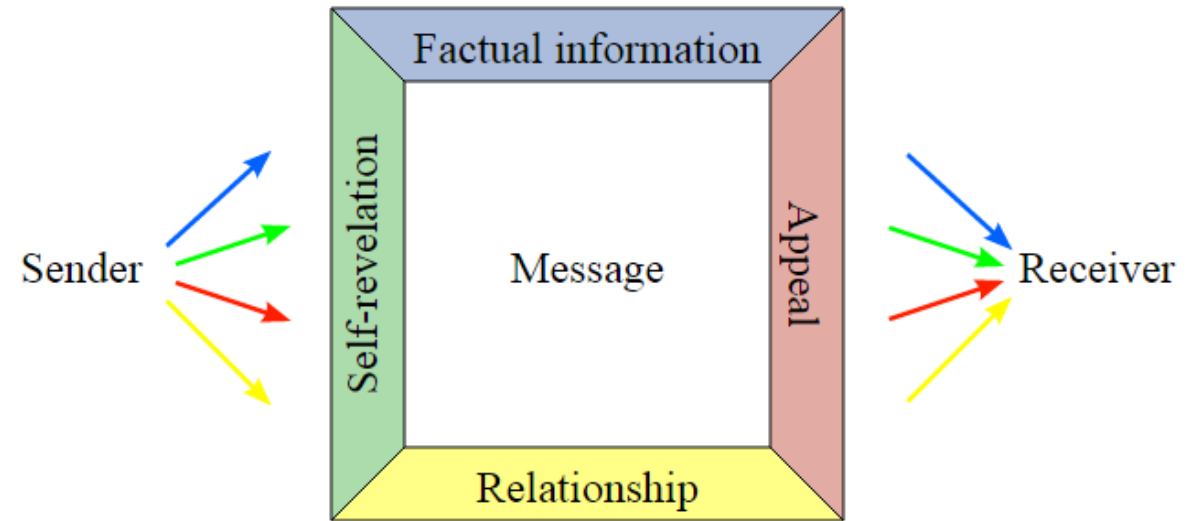
EFFECTIVE TRAINING

- **Training is a kind of communication**
 - Be clear on the objective of the communication
 - Choose timing
 - Avoid sarcasm, monologues or mind reading
 - Express feelings as well as opinions
- **Keep in mind:**
 - What we mean is not necessarily what we say
 - What we say is not necessarily what others hear
 - What others hear is not necessarily what they understand

FOUR SIDES OF A MESSAGE

Each message has four sides

1. **Factual information** (facts and data)
2. **Appeal** (what the speaker wants to happen)
3. **Self-revelation** (what the speaker reveals about themselves)
4. **Relationship** (how speaker and listener get along)

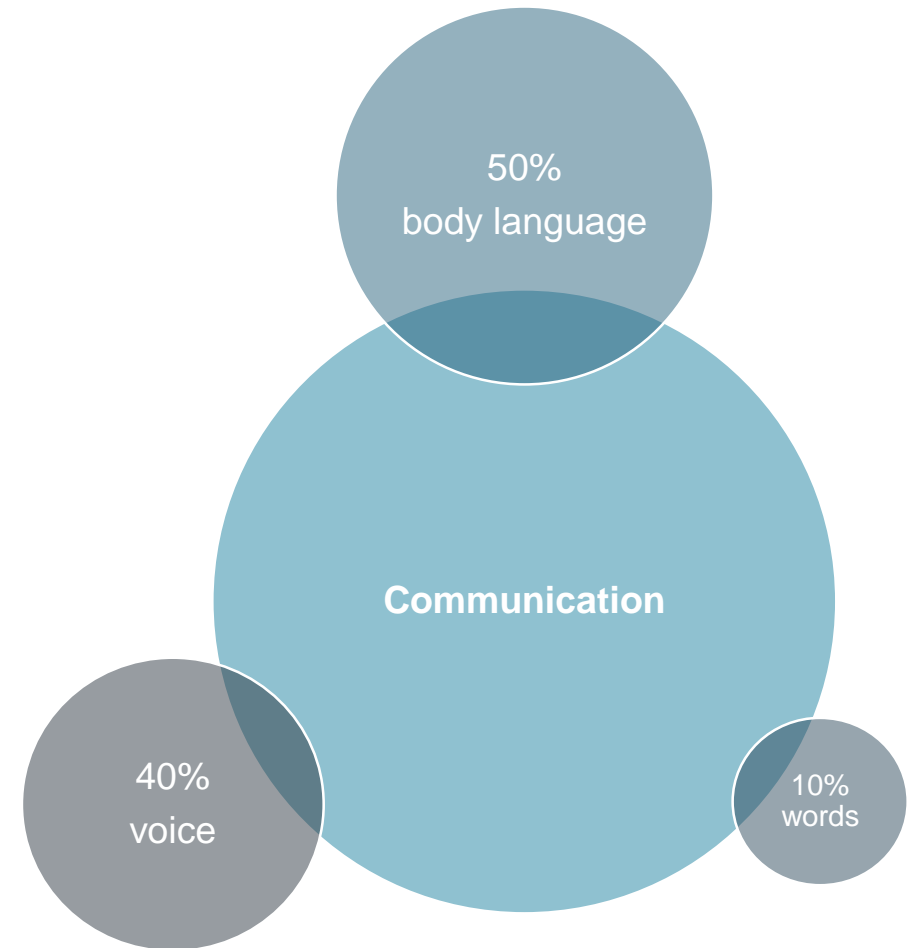


FOUR SIDES OF A MESSAGE

Example: “**Your team is a bottleneck**”

1. Factual information
→ “*The team is a bottleneck*”
2. Appeal
→ “*Work faster!*”; “*work differently!*”; “*hire someone!*”
3. Self-revelation
→ “*I am worried we might not be able to meet production targets*”
4. Relationship
→ “*Your work is inadequate*”

- **Attitude**
 - Voice expression, body gestures, personality, positive attitude, etc.
- **Skills**
 - Apply suitable training methodologies
 - Prepare participants to use new tools and processes
- **Knowledge**
 - Understanding the subject in which you are going to train others





- Level of **experience**
 - Have they participated in similar trainings before?
 - How much experience of the subject is available among the participants?
- **Language**
 - Use appropriate words that everybody understands
- **Personal matters**
 - Are people confident in talking in a group?
 - Is the training voluntary or mandatory?



ENGAGE THE AUDIENCE

Define your objective (and choose an intention)

Create a pattern interrupt

Make it a dialogue (not a monologue)

Highlight the benefit

Create a hook from the start

Pause for effect

Be concise



- **Consider busy schedule** of participants (e.g. before an important event, after long holidays, etc.)
- **Avoid week-long trainings** as many people cannot be absent from their work and responsibilities for more than a few days
- **Consider fatigue** of participants in the session plan; provide enough time for breaks and energisers



- Laughing helps us remember and keeps the audience awake
- Be sure your jokes are:
 - Timely
 - Healthy
 - Relevant
- Use yourself as a funny example
 - Never make jokes about other people that are known
 - Make up examples “*I had a friend....*”



- Put a **welcome sign** and conduct an **introductory round**
- Set **high expectations** (trainees will be more observant)
- Make sure there is a **good environment** (e.g. pleasant room temperature, water, snacks etc.)
- **Introduce yourself** and tell a story to **create a cosy atmosphere**
- **Ask open questions**

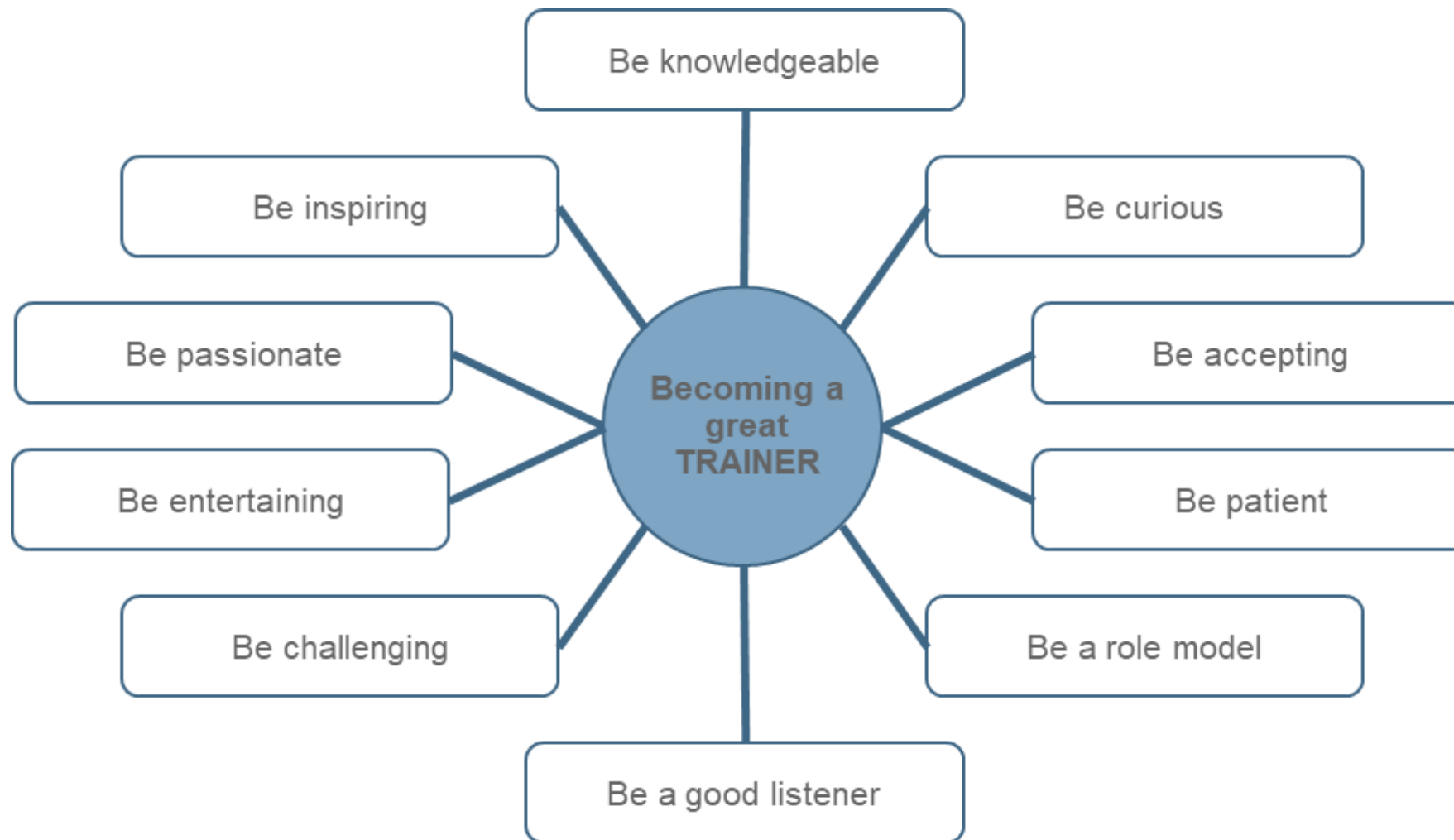
Each session needs a conclusion so that the participants do not become frustrated by loose ends.

- **Summarise** the **key points**
- Emphasise the main message(s)
- **Propose a challenge** from the issues discussed
- **Pose a question** that can also be a challenge:
 - “Would you ever consider ...?”
 - “Have we achieved the session/training objectives?”
- Offer a **personal conclusion**

Conclusion for the training

- **Make trainees feel positive**
- End with a **call for action**


ADDITIONAL TIPS



FACTORS OF A SUCCESSFUL TRAINING (1/3)

Readiness

Participants focused on workshop 

Participants think of their other work 

Reinforcement

Repetition
Exercises
Good environment 

One mention only
Hostile environment 


FACTORS OF A SUCCESSFUL TRAINING (2/3)

Intensity

Intense, vivid experience 

Boring lecture 

Association


Content is close to day to day experience 


Examples from different field used 




FACTORS OF A SUCCESSFUL TRAINING (3/3)


Distribution

Several short lessons 

One big lesson 


Effectiveness

Training satisfying,
approving 

Training embarrassing,
annoying 

Involvement

Participants actively
involved 

Participants only listen 

WE REMEMBER...

10% of what we read

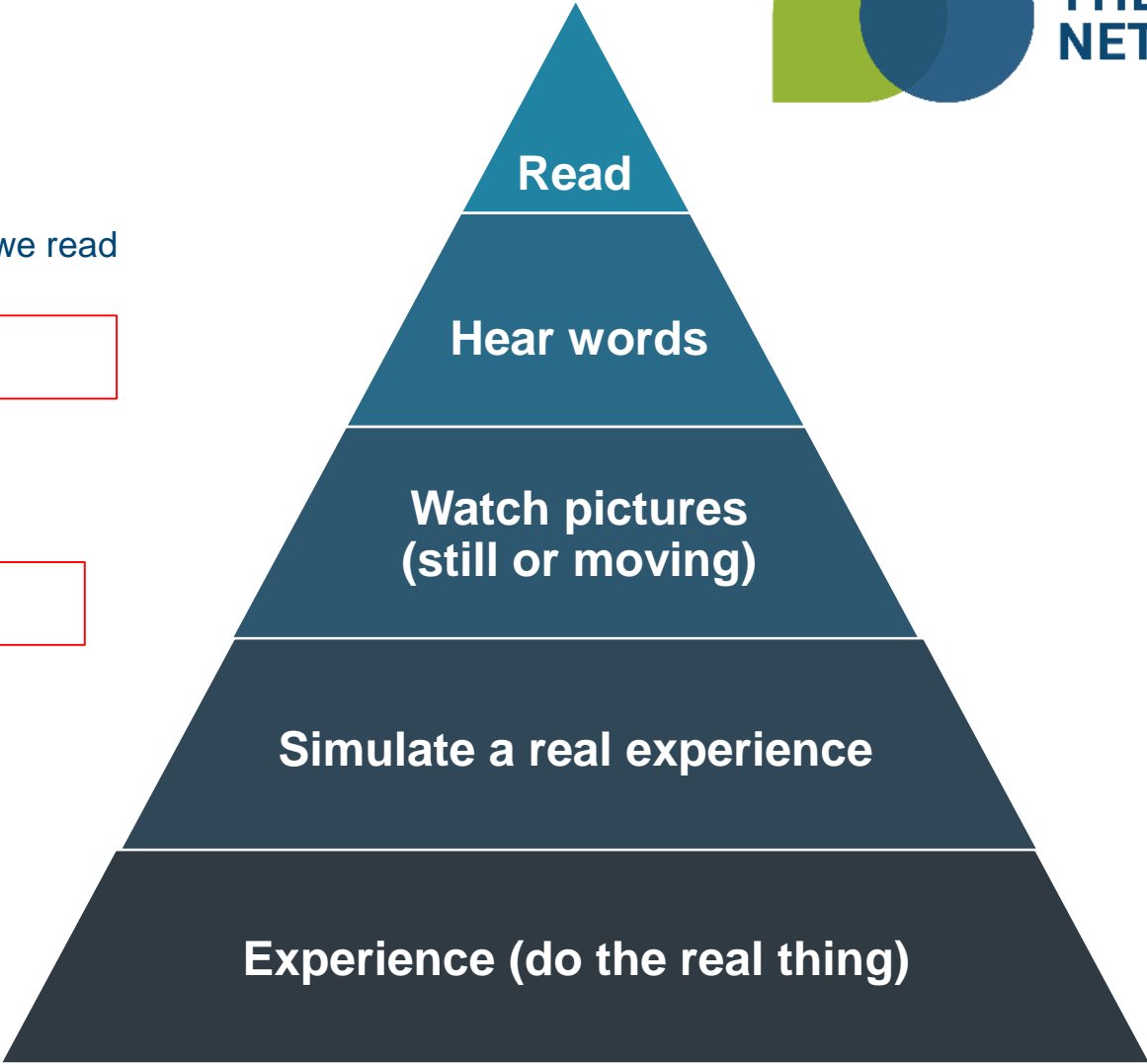
20% of what we hear

30% of what we see

40% of what we hear and see

70% of what we say or write

80% of what we hear, see and do





GROUP WORK

- Effective Training -

PLANNING A TRAINING EVENT



Group

- Groups of 3-4

Task

- Think about the following questions when planning a training event: what, what for, how, where, when, who, why
- Put the cards in the order you would use if you were preparing a training.

Objective

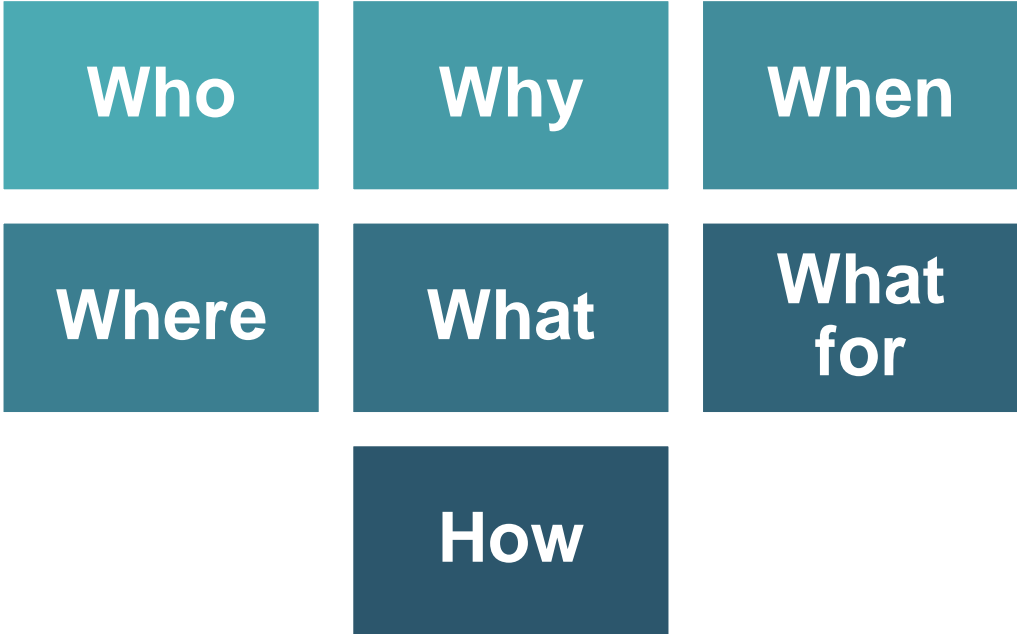
- Know how to plan a training.

Time

- 5 min

GROUP WORK

PLANNING A TRAINING EVENT





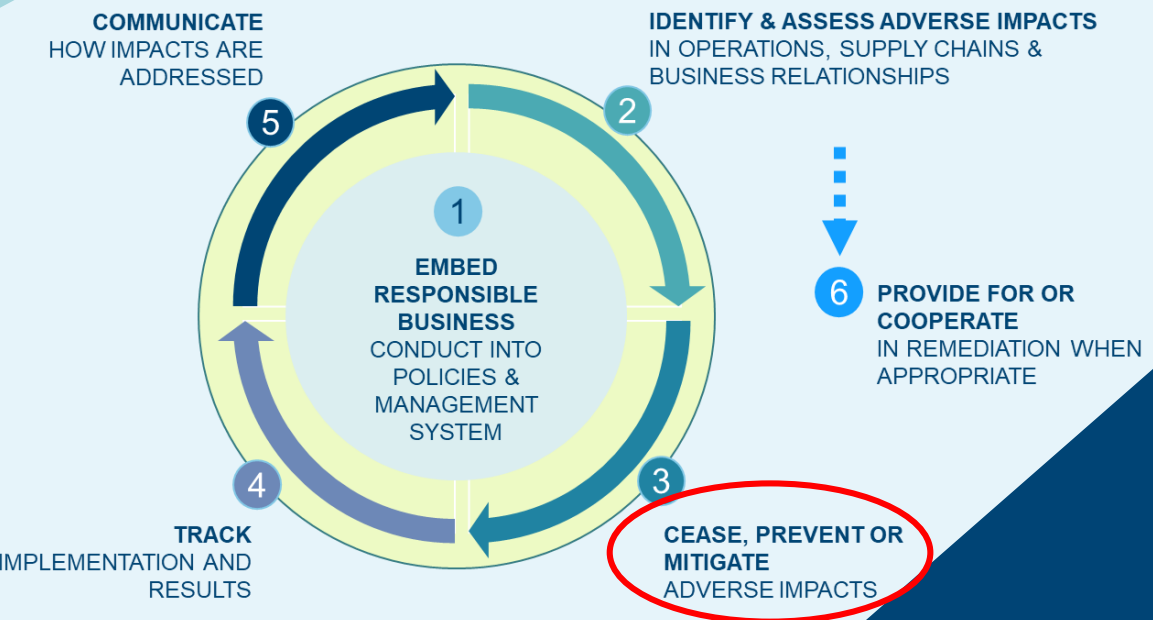
LUNCH

12:45 – 13:45



ENERGIZER

-13:45 – 14:00 -



STEP 3

14:00 – 14:30



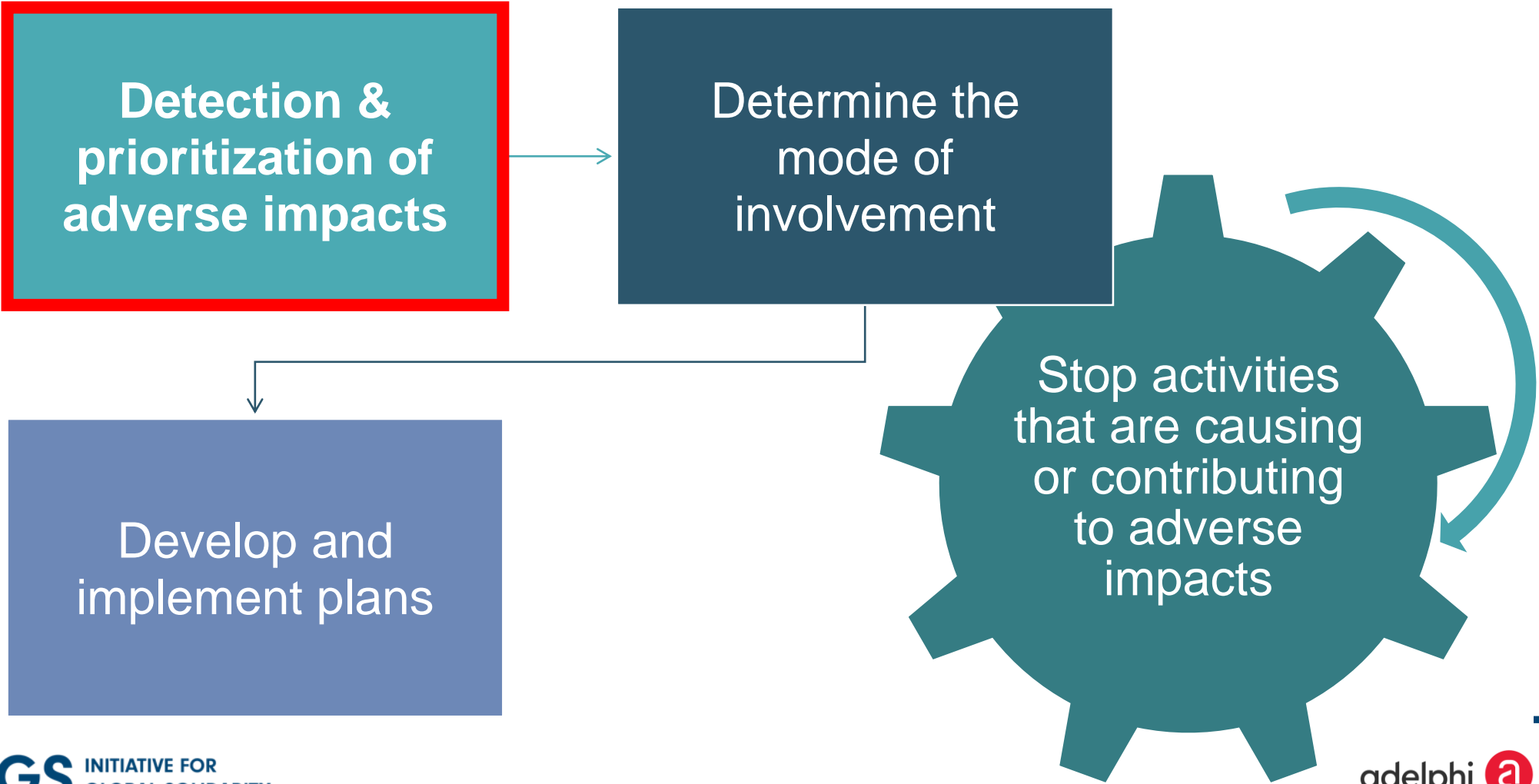
3

**CEASE, PREVENT
AND MITIGATE
ADVERSE IMPACTS**

THE DUE DILIGENCE PROCESS

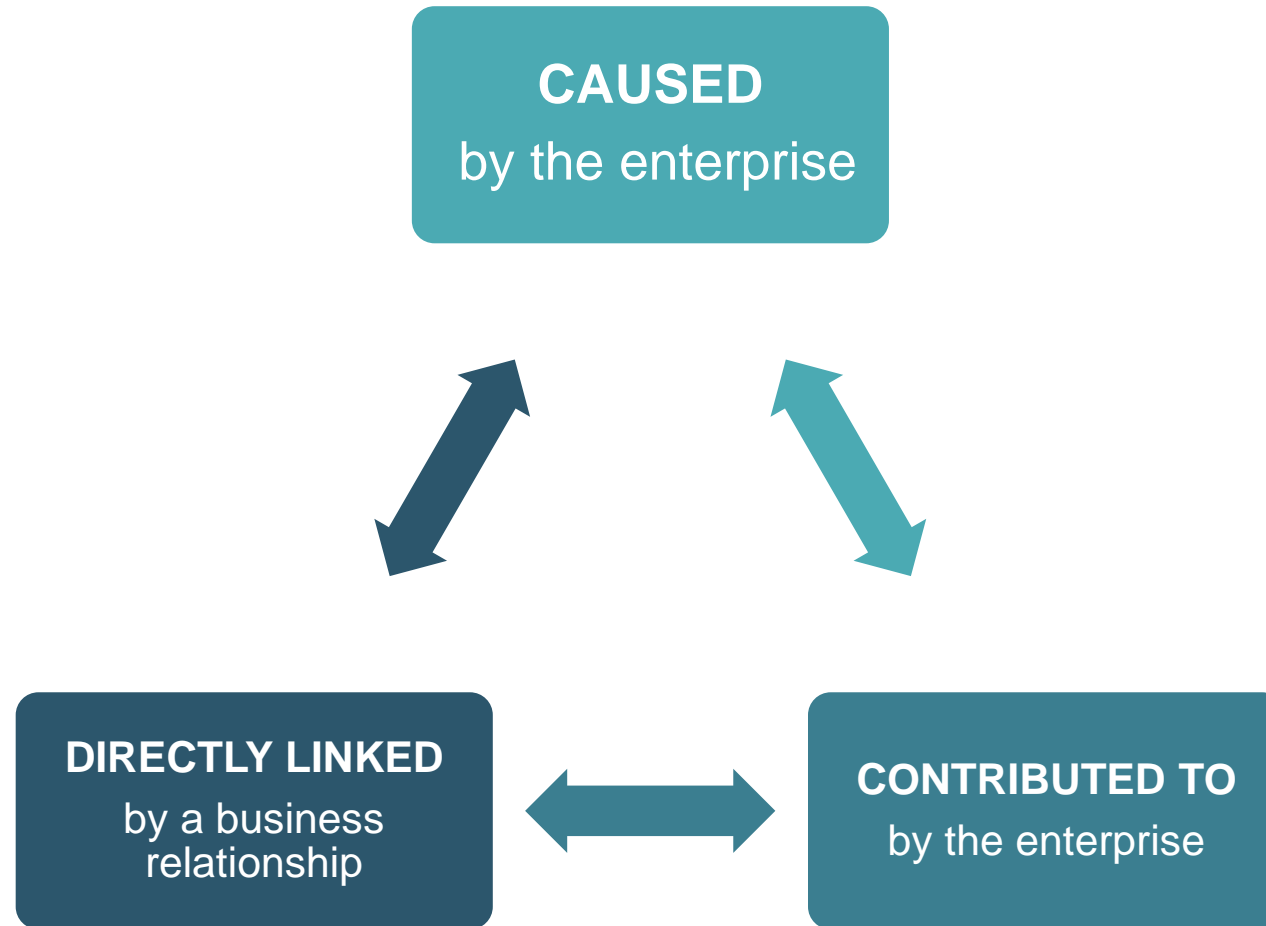
CEASE, PREVENT AND MITIGATE ADVERSE IMPACTS

Steps to Follow

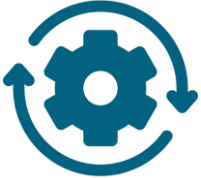


CEASE, PREVENT AND MITIGATE ADVERSE IMPACTS

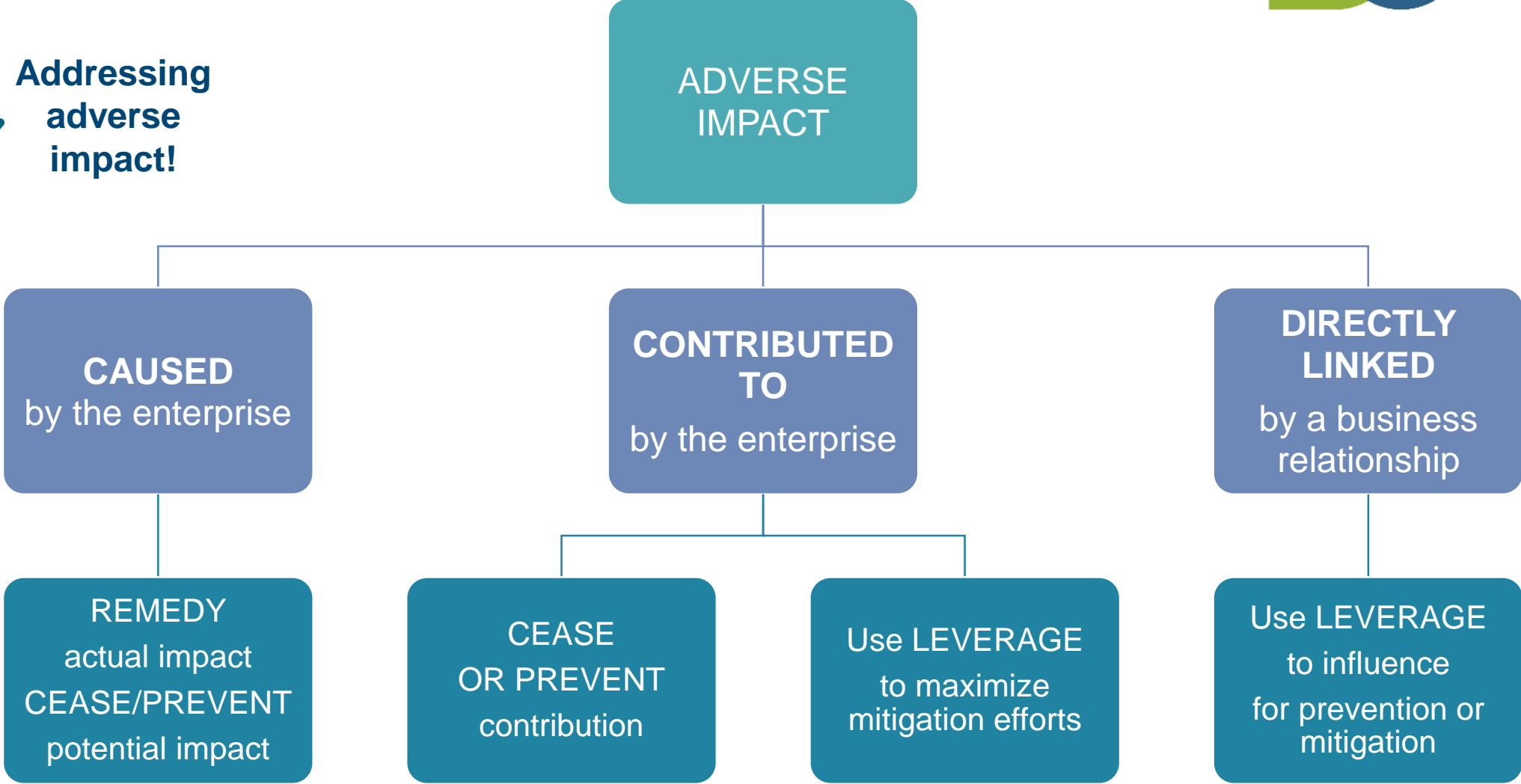
Mode of Involvement



CEASE, PREVENT AND MITIGATE ADVERSE IMPACTS



Addressing
adverse
impact!





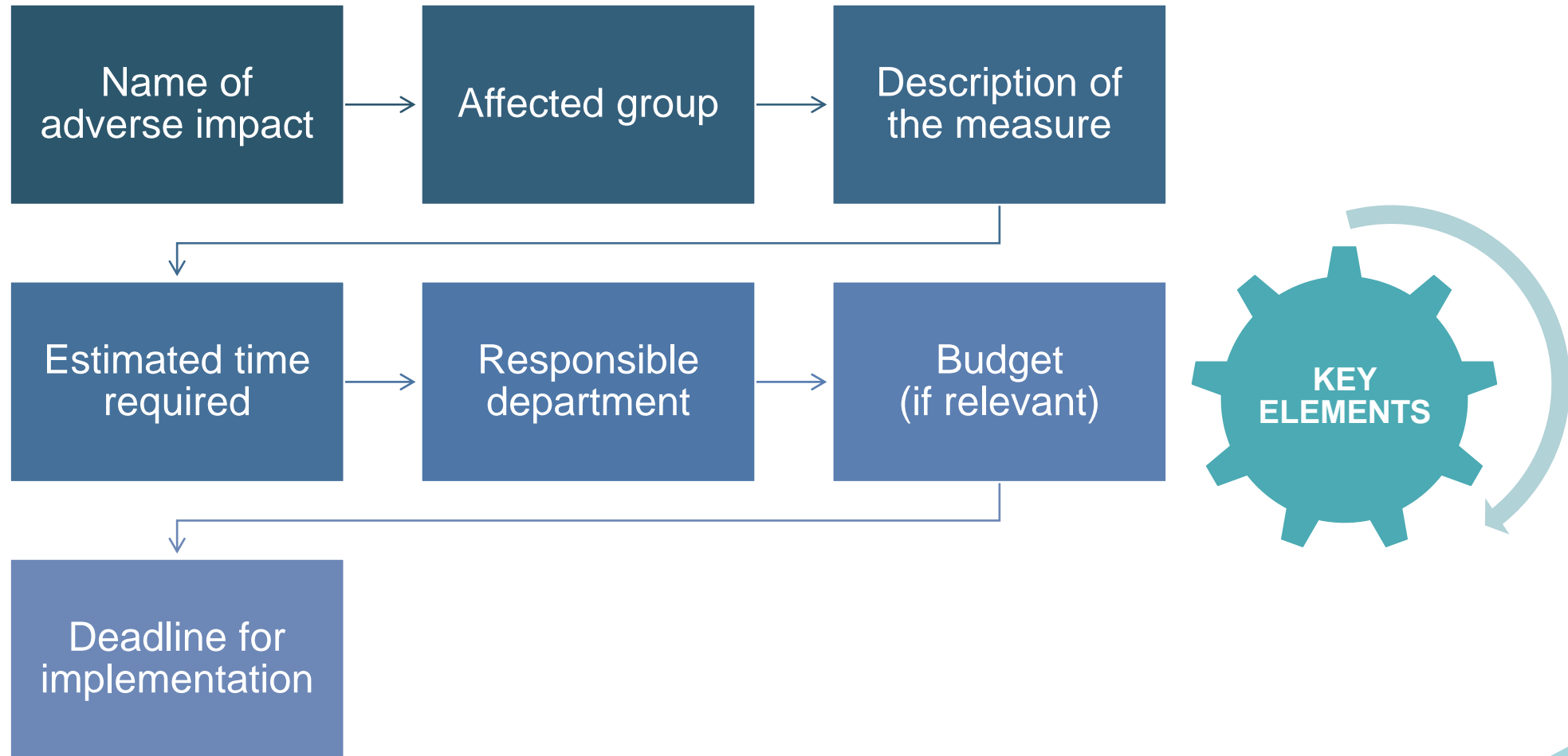
Prevention

Activities that are intended to avoid an adverse impact occurring in the first place (e.g. which reduce the risk of an adverse impact occurring)

Mitigation

Activities that reduce the impact when an adverse impact does occur. Prevention is the primary goal of due diligence.

CEASE, PREVENT AND MITIGATE ADVERSE IMPACTS



CEASE, PREVENT AND MITIGATE ADVERSE IMPACTS

GROUP WORK: Address adverse impacts

- Factory workers are exposed to hazardous working conditions without adequate safety equipment;
- Your company is the sole or main source of pollution in a community's drinking water supply due to chemical effluents from production processes.
- You are changing product requirements for suppliers repeatedly without adjusting production deadlines and prices, thus pushing suppliers to breach labour standards in order to deliver.
- Several companies in an area release harmful effluents into a river. Each release is under the legal limit but, together, they lead to the water becoming so polluted that people downstream can no longer use it, impacting their livelihoods.
- Embroidery on a retail company's clothing products being sub-contracted by the supplier to child workers in homes, counter to contractual obligations.
- An enterprise pays a bribe to a public official.
- A retailer sets a very short lead time for delivery of product despite knowing from similar products in the past that the production time is not feasible, and restricts the use of previously approved sub-contracting.

30 min



Addressing
adverse
impact!

Task:

Determine your company's **mode of involvement** in one of these adverse impacts and develop an action plan to address it:

- Has your company caused or contributed to or is it linked to these adverse impacts?
- What can your company do to cease, prevent or mitigate these adverse impacts?

Time:

15 min + 3 min each group for presentation to plenary

Objective:

Understand how companies (buyers and/or suppliers) can be linked to negative human rights or environmental impacts and learn about their options to address them.

CEASE, PREVENT AND MITIGATE ADVERSE IMPACTS

Practical Actions



Assign senior responsibility to cease and prevent activities that may cause or contribute to adverse impacts.



Create a roadmap for stopping complex or challenging activities causing adverse impacts, involving legal counsel and affected stakeholders.



Update the enterprise's policies to provide guidance on how to avoid and address the adverse impacts in the future and ensure their implementation.



Provide training for the enterprise's relevant workers and management.

CEASE, PREVENT AND MITIGATE ADVERSE IMPACTS

Practical Actions



Draw from the findings of the risk assessment to update and strengthen management systems.



Consult and engage with impacted and potentially impacted stakeholders to devise appropriate actions and implement the plan.



In the case of collective or cumulative impacts, seek to engage with other involved entities through industry initiatives and engagement with governments.

CEASE, PREVENT AND MITIGATE ADVERSE IMPACTS



How can businesses prevent and reduce negative impacts directly linked to their operations, products or services?

- Modifying business operations or activities to prevent and mitigate adverse impacts that linked to the enterprise's business relationships.
- Using leverage to affect change in the practices of the entity that is causing the adverse impact(s) to the extent possible
- Supporting business relationships in the prevention or mitigation of adverse impact(s)
- Disengaging from the business relationship.
- Addressing systemic issues.

CEASE, PREVENT AND MITIGATE ADVERSE IMPACTS

Purchasing practices

- Unfair purchasing practices can have harmful effects, particularly for SMEs and weaker suppliers
- Suppliers often find themselves in situations where they are pressed to violate workers' rights to meet buyers' demands

What does CSDDD say?
Purchasing, design, and distribution practices should not contribute to negative impacts on human rights and the environment

How can Responsible Purchasing Practices help prevent adverse impacts?

- Pricing considers direct and indirect labor costs, incl. costs for sustainability, living wages and income
- Lead times consider capacity and potential negative impacts
 - Refuse to produce under the imposed conditions if you fear negative impacts for rightsholders (e.g. workers)
 - Refuse subcontracting if this leads to negative impacts

- Avoid short-term changes
 - Short-term changes of lead times and product specifications only with due consideration of supplier's capacity and potential negative impacts
 - Place regular orders and use booked capacities
- Long-term contractual relationships
- Provide incentives for good sustainability performance

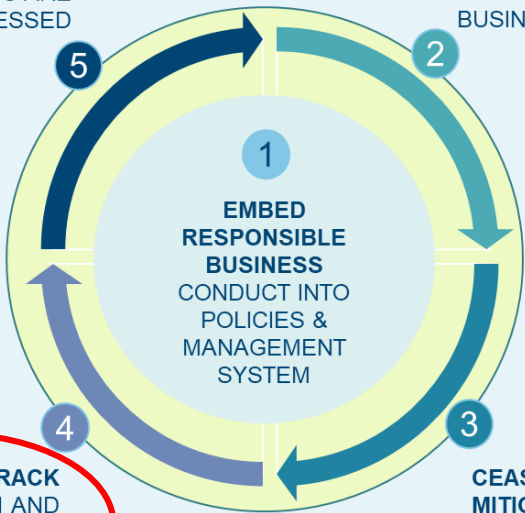


COFFEE BREAK

15:00 – 15:15

COMMUNICATE
HOW IMPACTS ARE
ADDRESSED

IDENTIFY & ASSESS ADVERSE IMPACTS
IN OPERATIONS, SUPPLY CHAINS &
BUSINESS RELATIONSHIPS



6
PROVIDE FOR OR COOPERATE
IN REMEDIATION WHEN
APPROPRIATE

TRACK
IMPLEMENTATION AND
RESULTS

CEASE, PREVENT OR MITIGATE
ADVERSE IMPACTS

STEP 4

15:15 – 15:45



4 Track Implementation and Results

THE DUE DILIGENCE PROCESS



- Assess whether adverse impacts have been effectively addressed
- Carry out periodic assessments of business relationships
- Seek to consult and engage impacted or potentially impacted rightsholders
- Uncover overlooked risks for future due diligence
- Integrate lessons learned for better future due diligence

TRACK IMPLEMENTATION AND RESULTS

How to verify, monitor and validate progress on due diligence

Verify

- Confirm that requirements have been met (e.g. CAP within timeframe)

Monitor

- Monitor qualitative and/or quantitative indicators to track progress (e.g. internal periodic assessments)
- Monitor knowledge levels, behavioural change, conditions of the workplace or implementation of systems rather than the mere number of people trained
- Monitoring provides a more comprehensive picture of the situation at the factory site than a one-time audit

Validate

- Determine whether the actions taken to prevent the impacts are effective
- Verification and monitoring data feed into validation
- Seek external support if in-house expertise is not available

How to verify, monitor and validate progress on due diligence

Challenges

- Too many audits → audit fatigue
- Impacts have not been addressed or technical expertise is not available in-house
- Many high risks have been found

...and how to deal with them?

- Shared audits → request your buyers to collaborate to support recognition of joint measures (e.g. through MSI)
- Seek support from buyers to improve monitoring
- Assign clear responsibilities and make sure actions are taken
- Engage external experts to address impacts
- Verification, monitoring and validation depends on how severe the impact is → prioritize according to where the risk of harm is most severe

TRACK IMPLEMENTATION AND RESULTS

What information is tracked under due diligence?

% of affected rightsholders satisfied with addressed impacts

Action points implemented (%) on planned timelines

% of impacted stake-/rightsholders satisfied with channels for raising grievances

Rate of recurring issues related to the identified adverse impact(s).



BRAINSTORMING

TRACK IMPLEMENTATION AND RESULTS



- Internal audit reports
- Survey among employees, suppliers, and community members
- Records of training, grievance, accident/incident, etc.



BRAINSTORMING



GROUP WORK

15:45 – 16:15

Task:

Your company has initiated several activities to identify, prevent and mitigate adverse impacts. One year later, it is time to review those practices:

- **How can you track progress** of how well adverse impacts have been addressed?
 - **What documents** do you review?
 - **Who is involved** in tracking results within your company?
- Give **examples of three adverse impacts** that could have been identified and how these cases could have been handled.

Objective:

Understand how companies can track implementation of measures

RECAP DAY 1 – WHAT HAVE WE LEARNED?

1. Step 1: How to set up a responsible business policy
2. Step 2: How to identify, assess and prioritize risks
3. Step 3: How to cease, prevent and mitigate risk
4. Step 4: How to track implementation and results
5. Effective learning



DAY 2 – CHECK OUT MENTIMETER



**1. Go on
www.menti.com**

**2. Insert code:
1563 1067**

**3. Take part in the
voting**

END OF DAY 2



WELCOME TO DAY 3

AGENDA – DAY 3

Time	Headline
09:00 – 09:30	Recap Day 2, Introduction to Day 3
09:30 – 10:00	Step 5: Communicate how impacts are addressed
10:00 – 10:45	Group work/exercise
10:45 – 11:15	Coffee Break
11:15 – 12:00	Step 6: Provide for or cooperate in remediation when appropriate
12:00 – 12:30	Group work/exercise
12:30 – 13:30	Lunch
13:30 – 14:30	Roadmap for implementation of trainings on Due Diligence
14:00 – 14:45	Exercise: plan a training event on due diligence
14:45 – 15:00	Coffee + Closing Remarks



INTRO DAY 3

Recap Day 2

- Understand how the DD steps 1 to 4 are implemented
- Learn about effective training methods

Expectations

Learning Goals Day 3

- Learn how to communicate how impacts are addressed
- Learn what makes a grievance mechanisms effective (Step 6)
- Develop a roadmap for implementing trainings on due diligence



DAY 3 – CHECK IN MENTIMETER

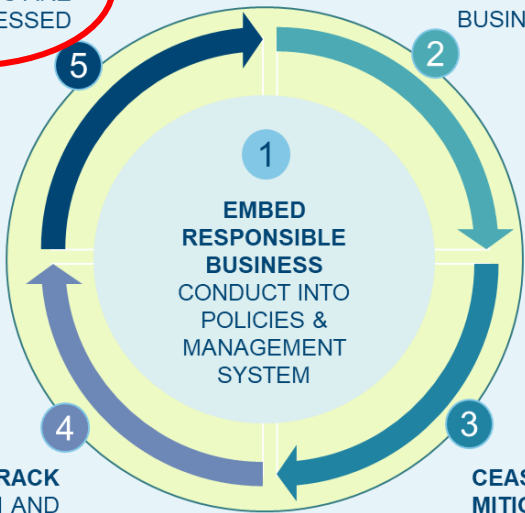


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www.menti.com**

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8496 826**

**3. Take part in the
voting**

COMMUNICATE
HOW IMPACTS ARE
ADDRESSED



STEP 5

9:30 – 10:00



5 COMMUNICATE

HOW IMPACTS ARE ADDRESSED

THE DUE DILIGENCE PROCESS

What should be communicated?

- Policies on responsible business conduct (RBC)
- How due diligence is embedded into decision making process
- Areas of significant risks identified
- Significant adverse impacts identified
- Actions taken to prevent or mitigate prioritized risks
- Measures to track implementation and results
- Provision of or co-operation in any remediation

How can it be communicated?



- Stakeholder consultation
- Public disclosure
- Stakeholder engagement
- Virtual communication
- Electronic communication



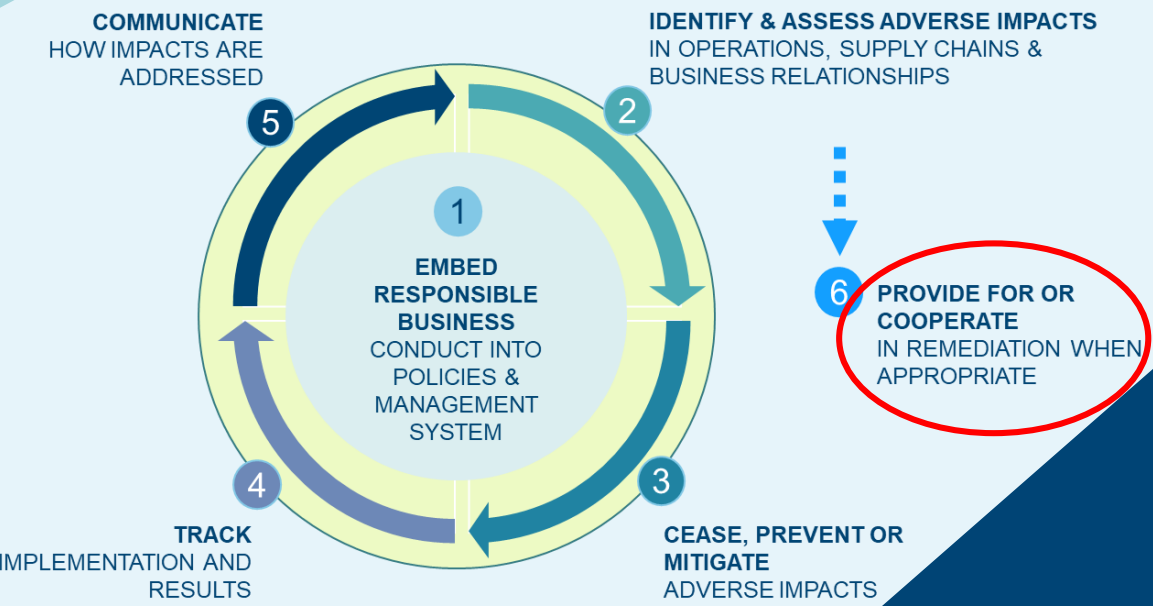
BRAINSTORMING

Guiding Questions for Communication Method Selection

- What is the capacity of the audience (language, literacy, location, time, availability, technical competence)?
- How can the audience access information?
- Are there privacy or safety issues?

Key points to remember

- Make info accessible: website, premises, local languages
- Timely communication with impacted rightsholders



STEP 6

09:45 – 10:45



6

**PROVIDE FOR OR
COOPERATE
IN REMEDIATION WHEN
APPROPRIATE**

THE DUE DILIGENCE PROCESS

PROVIDE FOR OR COOPERATE IN REMEDIATION WHEN APPROPRIATE

“Remediation” and “remedy” refer to both the processes of providing remedy for an adverse impact and to the substantive outcomes (i.e. remedy) that can counteract, or “make good”, the adverse impact.

OECD Due Diligence Guidance for Responsible Business Conduct, p.88.

PROVIDE FOR OR COOPERATE IN REMEDIATION WHEN APPROPRIATE

Requirements

→ Obligated companies

- need to provide remediation to actual adverse impacts
- need to provide access to effective remedy when rights are violated or an adverse impact occurs
- are not allowed to shift their obligations down the chain
- can set up their own internal grievance mechanism or an external (third-party operated) grievance mechanism

What does CSDDD say?

- If company causes or jointly causes negative impact, it is obliged to remediate.
- If negative impact is caused only by business partner, company is not obliged to remediate, but can use its ability to influence business partner to provide remediation
- Company is expected to carry out effective engagement with stakeholders

PROVIDE FOR OR COOPERATE IN REMEDIATION WHEN APPROPRIATE



PROVIDE FOR OR COOPERATE IN REMEDIATION WHEN APPROPRIATE

PRACTICAL ACTIONS

- Strive for full restoration and proportional remediation
- Follow the law and international guidelines for remediation
- Consult impacted rights holders on remedies
- Check complaint process satisfaction

GRIEVANCE MECHANISM

- Hotline
- Email address
- Suggestion box
- Open door policy
- Employee surveys
- Stakeholder engagement
- Designated contact person
- grievance committee
- Sector / sustainability initiatives

Who is the target group of a grievance mechanism?

Rightsholders in your company

- Internal employees
- External employees (service providers such as cleaning or security staff)

Rightsholders outside your company

- Employees at direct and upstream suppliers
- Neighboring communities at production sites
- Customers
- Affected individuals in the broader sense (e.g. through environmental impacts that go beyond local impacts)



BRAINSTORMING

Identify vulnerable groups among the potentially affected persons

- Migrant, temporary and seasonal workers
- Women, children and young people
- People with physical or mental disabilities
- People of different sexual orientations
- Ethnic or religious minorities
- Indigenous groups
- Unskilled/non-literate people
- People in extreme poverty

Effective Grievance Mechanism: Key Features

Applicable to the needs of an organisation

Simple, defined and prompt

Trusted by the workers and the management staff

Suited to solve grievance within an organisation

Fact oriented

Understanding towards cultural differences

Managed by competent staff

(optional) supported through external services

Open and non-threatening

A sound channel of communication

Regularly reviewed and continuously improved

PROVIDE FOR OR COOPERATE IN REMEDIATION

Effective Grievance Mechanism: Key Requirements

Requirement	Indicator
Confidential and reliable	Independent system outside standard hierarchies, appeal mechanism
Must be known to all employees	Availability in all languages Solutions for illiterate workers available
Must be accessible to all employees	Through confidential handlers (oral complaints) or other suitable options
System must be suited to avoid retaliatory use	Through a defined system checking for plausibility of grievance
Regular review of systems applicability	Defined review process and assigned personnel
Transparency	Communication about ongoing processes and records about previous grievance
Defined steps, defined end	Available in writing, compliance with national and international requirements

Grievance mechanism: Practical Actions

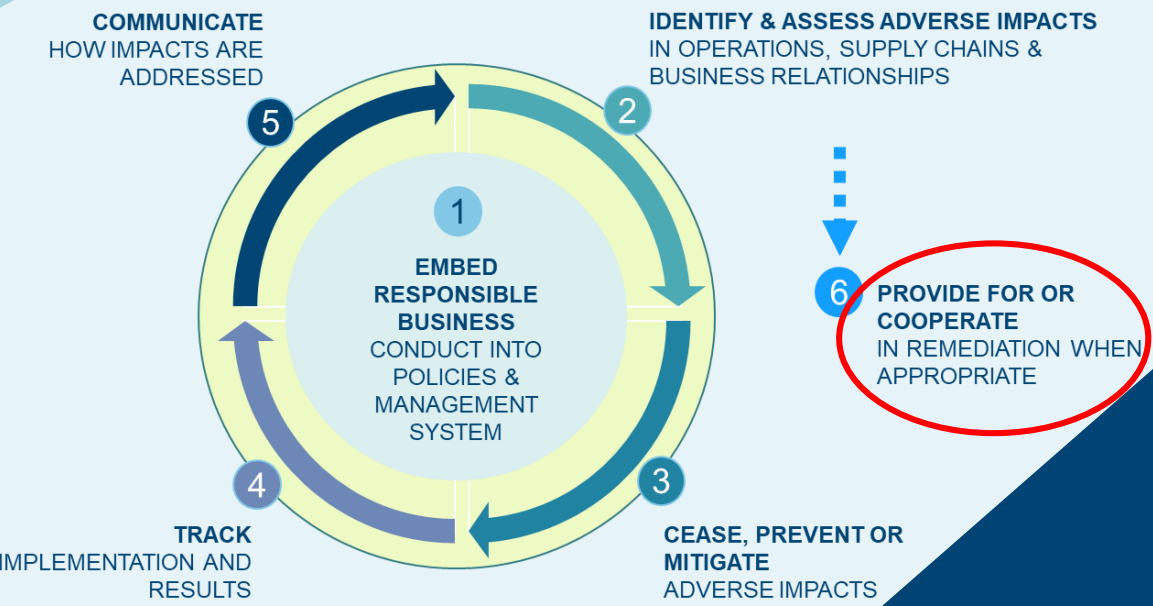
- Develop legitimate grievance mechanisms for stakeholder complaints
- Verify if every potential affected group can utilize the grievance mechanism.
- Ensure experienced Staff for Grievance Procedure
- Ensure the consolidation of information from different sources.
- Ensure potential users are familiar with the process.
- Develop indicators to measure the implementation status of the grievance mechanism.
- Make sure that the users stay informed about the progress of the procedure.
- Provide remediation to individuals who filed grievances.

PROVIDE FOR OR COOPERATE IN REMEDIATION



Types of remediation?



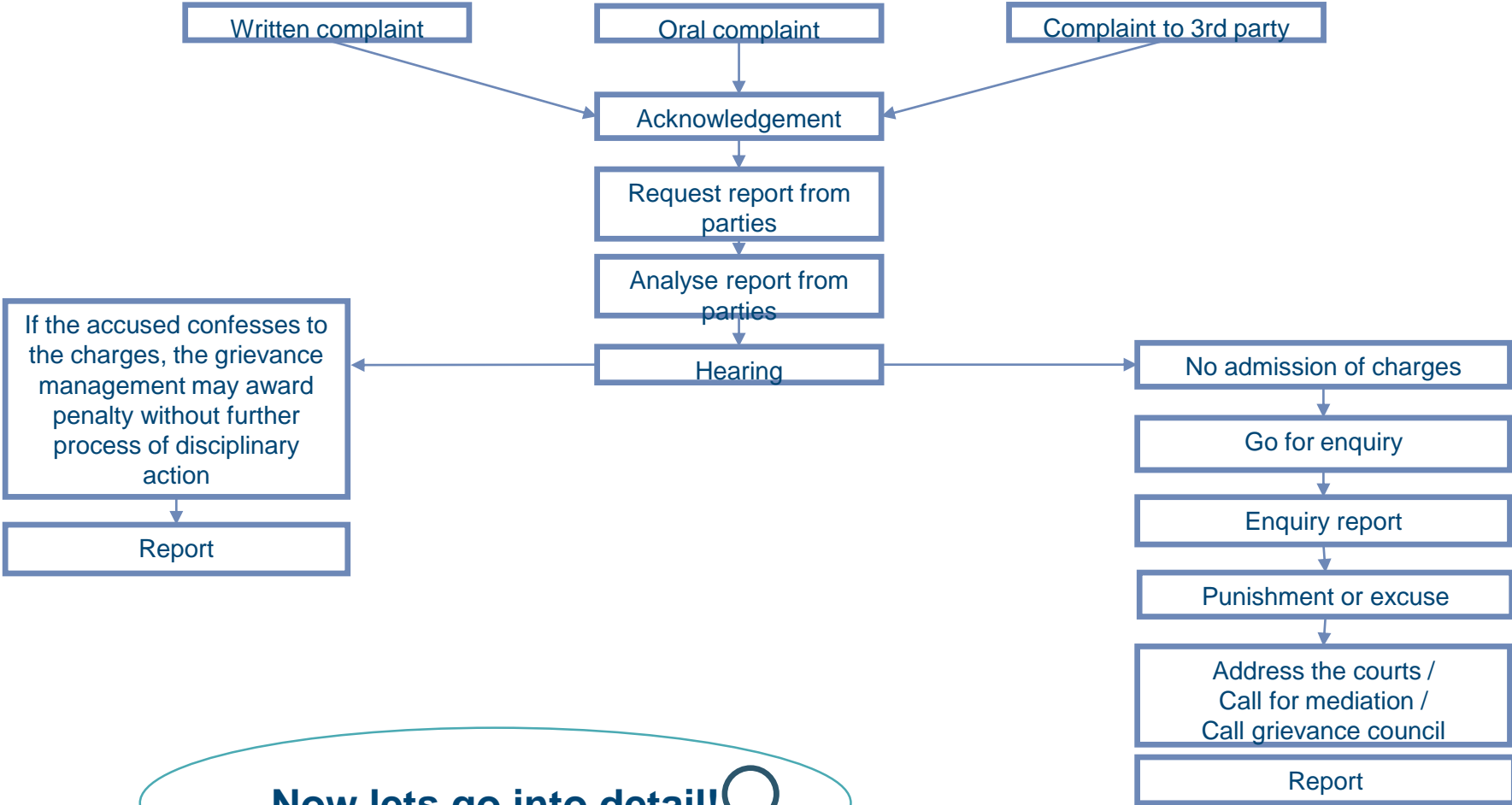
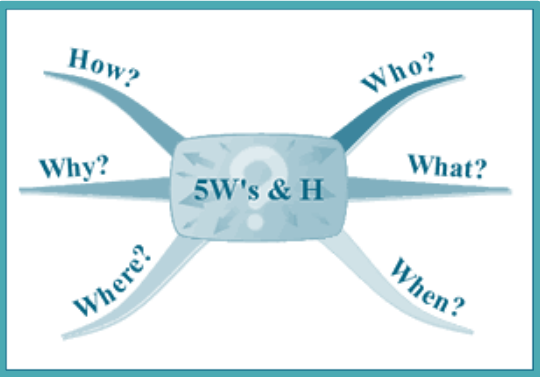


STEP 6

10:45 – 12:30

FORMAL GRIEVANCE PROCESS

Characteristics

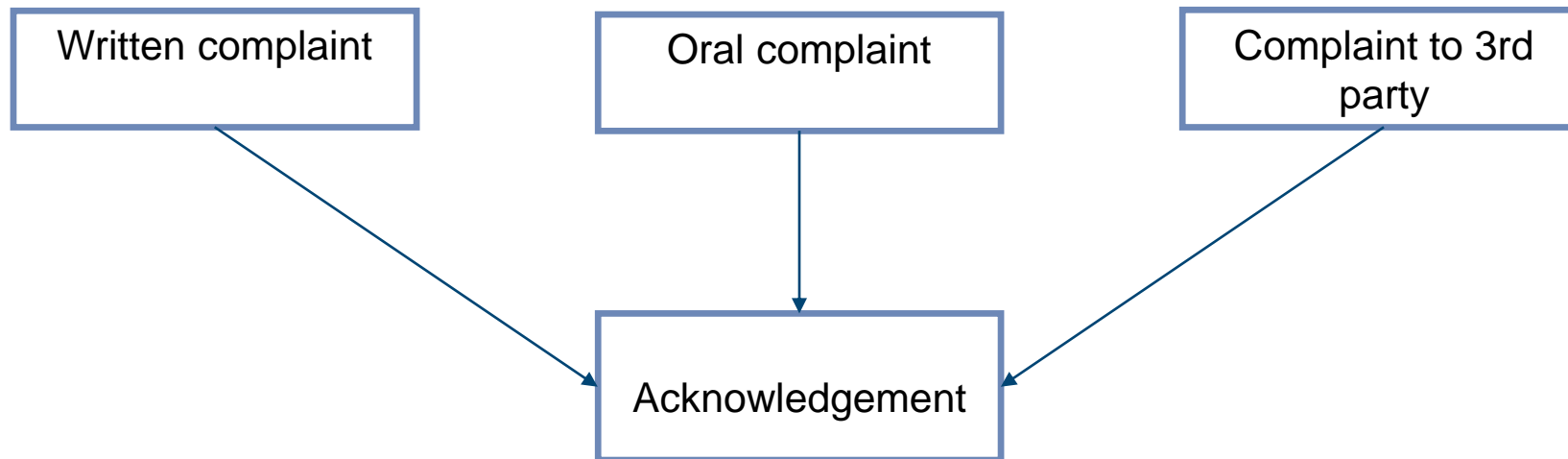


Now lets go into detail! 🔍

FORMAL GRIEVANCE PROCESS

Acknowledging grievance

- The system must be set up for workers to express their grievance:
 - Written complaint – e.g. email, complaint boxes
 - Oral complaint – e.g. open door policy of grievance managers, grievance council
 - Complaint to a 3rd party – e.g. NGO, MSI, hotline
- Either option should initiate the grievance handling process



Requirements

Written complaints

- Email
- Complaint box
 - must be installed at a place that allows anonymity
 - Must be accessible to all workers
 - Access must be clearly defined, ideally involving an independent party
- With the grievance manager/council

Oral complaints

- Must be accessible to all workers (gender, religion, cultural background)
- Can be any person of trust of the worker who is raising the grievance (→mixed team of grievance managers important)

Third party

- Must be recognised by the organisation
- Must be independent

FORMAL GRIEVANCE PROCESS

Processing grievance

Report from parties

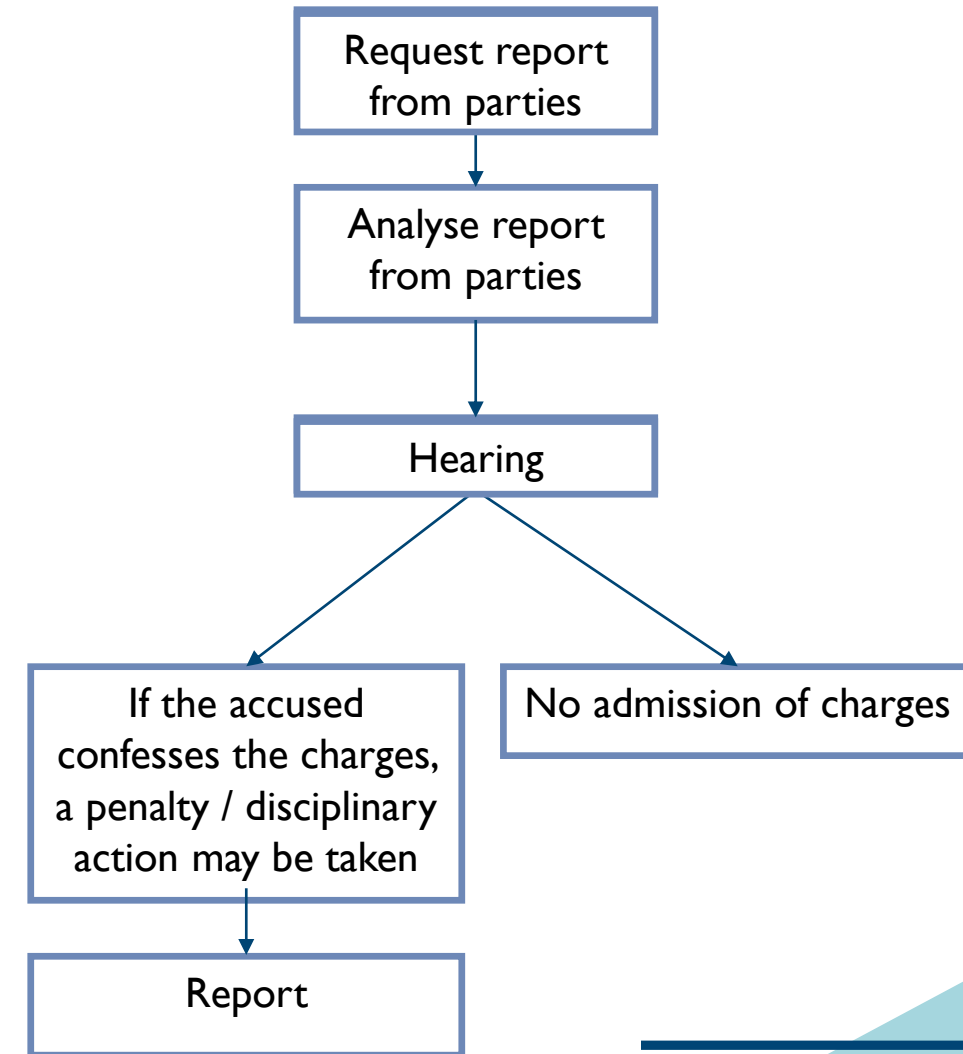
- All involved parties must be heard
- Either through verbal statements or in writing
- Third parties must be allowed to speak on behalf of the aggrieved/accused parties (e.g. association, lawyer, trade union)

Analyse the reports received

- Proceed meticulously and carefully
- Avoid retaliatory grievance
- Request further information if deemed necessary

Hearing

- Unbiased hearing to clarify the charges, i.e. the question of responsibility
- If fault/responsibility is acknowledged/admitted, a decision can be made by the grievance council/manager or a representative



FORMAL GRIEVANCE PROCESS

Unsolved grievance 1/2

If the accused assumes no responsibility, an enquiry into the incident must be started

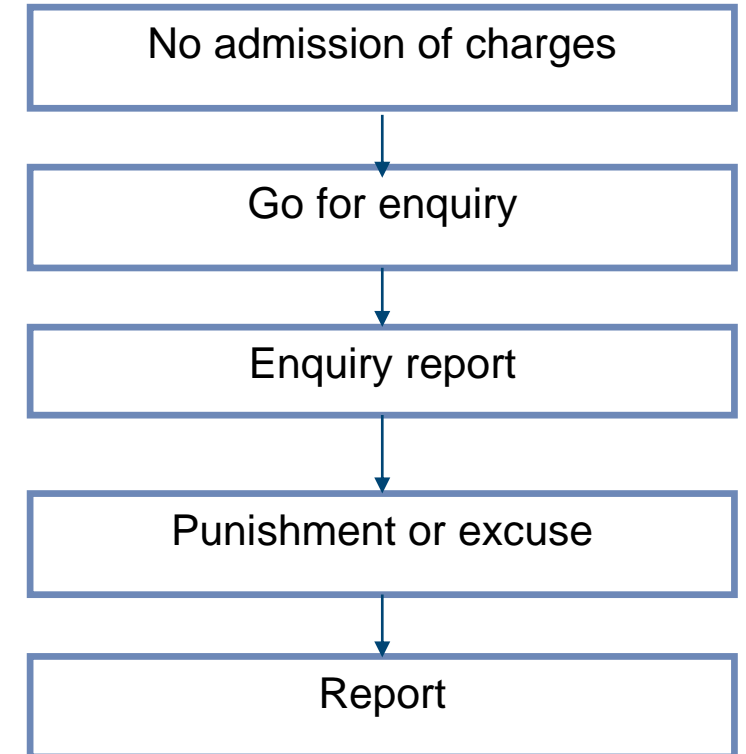
- Enquiry must be independent and should be supervised
- Enquiry should come to a solution within a defined timeframe
- A report with recommendation needs to be issued

The accused should be punished or excused

- Sanctions must be in line with the national legislation or customer conduct

Issue a report

- Report should state facts and results, not names
- Report to be shared with involved parties



FORMAL GRIEVANCE PROCESS

Unsolved grievance 2/2

Appeals

- There should be defined steps of an appeal process for the inferior party to appeal to
- Should clearly be stated **who the inferior party can appeal to**:
 1. Top management representative
 2. HR department
 3. Someone who is capable of making a decision
- Employers are informed about the grounds for appeal in writing.
- Appeal should be dealt with impartially, i.e. by a manager who has not previously been involved in the case
- If there is still no resolution of the grievance, both parties may address an external appeal option, such as
 1. Court
 2. External mediator

FORMAL GRIEVANCE PROCESS

Recommendation for involved parties

**Grievance
council**

**Grievance
managers**

**Grievance
handlers**

**Mediators
and other
third parties**



INVOLVED PARTIES

Mandatory

Grievance council or grievance manager

- Guide through the grievance process step-by-step
- Manage and monitor the compliance of the process
- Inform management about grievances if necessary
- Coordinate the process and ensure its integrity
- Coordinate the measures with the relevant parties
- Coordinate the reporting and compliance with the grievance management certification
- Carry responsibility to meet grievance system requirements

INVOLVED PARTIES

Mandatory

Grievance council

- Composition of council to ensure independence from workers and management

Grievance handlers

- If the size of the organisation requires assistance for the grievance managers, handlers may be appointed or chosen by the workers
- They address and handle grievances according to a defined and written process

INVOLVED PARTIES

Optional

Third party

- May be involved if necessary – either in the beginning of the process or when to monitor parts of the process/reporting
- Parties involved in grievance may submit a proposal to third party
- May be called upon in case grievance cannot be handled internally
- May be called upon if independency of the system must be assured

Mediator/Arbitrator

- May be called upon in case grievance system cannot be handled
- Both parties can submit a proposal for a mediator or an arbitrator
- Has the right to make decisions



GRIEVANCE COMMITTEE

HR Manager	Recruit new staff; document, employee files
Social Compliance Officer	Set and check code procedures, knowledge in labour laws and related regulations
Production Manager	Conduct production forecast, plan production, communicate production requirements
QC Manager	Set and check quality standards and offer trainings
OSH Manager	Set and check OHS standards and offer trainings
Worker's Representative	Communicate worker concerns and ideas
3 senior workers	From different sections, independent from workers' representations



COFFEE BREAK

10:45 – 11:00

MANAGING GRIEVANCES

Objectives

Increase your personal and practical capacities – and not just theoretically

Understand communication and learn to communicate

Increase your management capacities

Develop the understanding of soft skills required to handle grievance

MANAGING GRIEVANCES

Communication

Communication capacities are critical to handling grievances

They are the underlying foundation of criticism, decision making, empathy, authority and conflict resilience

It also is the underlying foundation of grievance



MANAGING GRIEVANCES

What is communication?

The **verbal** or **non-verbal exchange** of opinions, feelings, information

In this particular case

- Addressing the parties appropriately
- Acknowledging grievance
- Guiding and leading the involved parties
- Interacting with the parties properly
- Making decisions
- Listening

Throughout the whole process



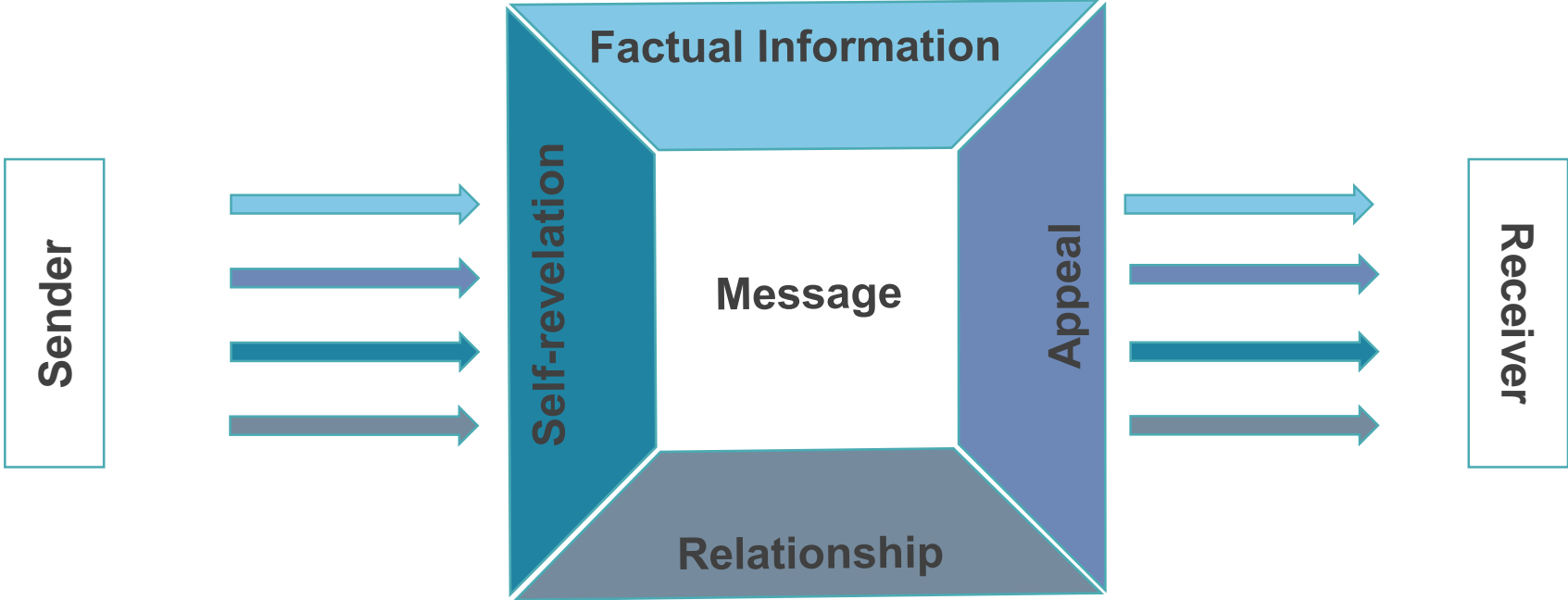
MANAGING GRIEVANCES

How to improve communication?

- **Highlight** existing **communication problems** in factory
- Use **real-life examples** of effective communication mechanisms
- **Emphasise** potential **liabilities and benefits** of communication
- Use games to **demonstrate the importance of communication** (e.g. four sides of a message, role plays)

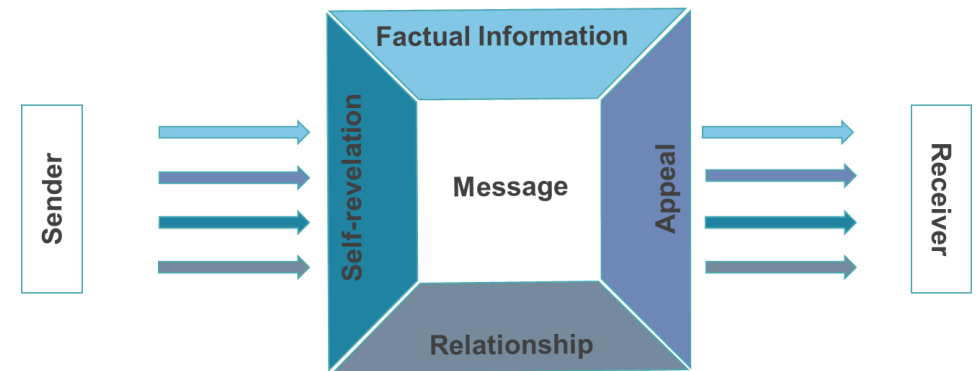


FOUR SIDES OF A MESSAGE



FOUR SIDES OF A MESSAGE

- **Factual information**
 - What am I informing about?
- **Self revelation**
 - What am I telling about myself?
- **Appeal**
 - What do I want from you?
- **Relationship**
 - What may I think of you or about the job you are doing?



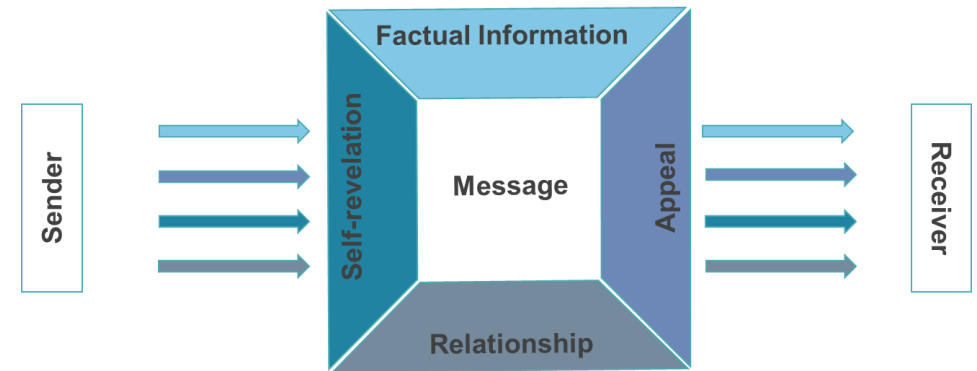
FOUR SIDES OF A MESSAGE

Situation

A worker is coming into your office and says that supervisor XY is shouting at them.

What is he/she telling you?

- Factual information
- Self revelation
- Appeal
- Relationship



Keep in mind that communication can be verbal and non-verbal

FOUR SIDES OF A MESSAGE

Solution

Factual information

- There is a supervisor shouting at me.

Self-revelation

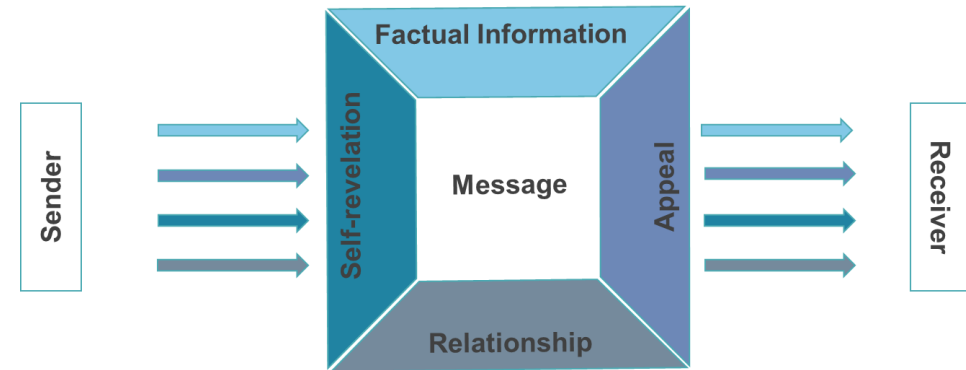
- I am unhappy about the supervisor shouting at me.

Appeal

- *Please investigate the situation and do something about it.*

Relationship

- *He/she trusts in your capacities and your role*

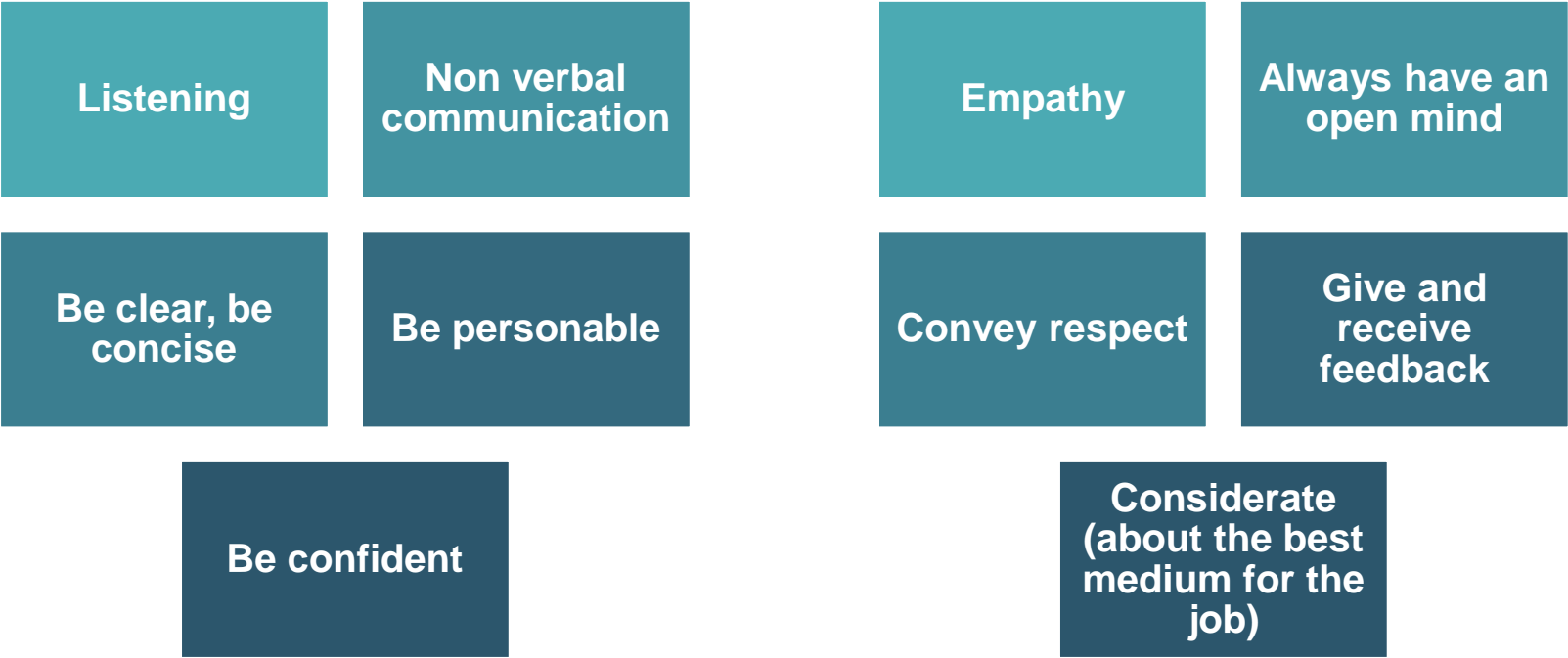


Keep in mind that communication can be verbal and non-verbal

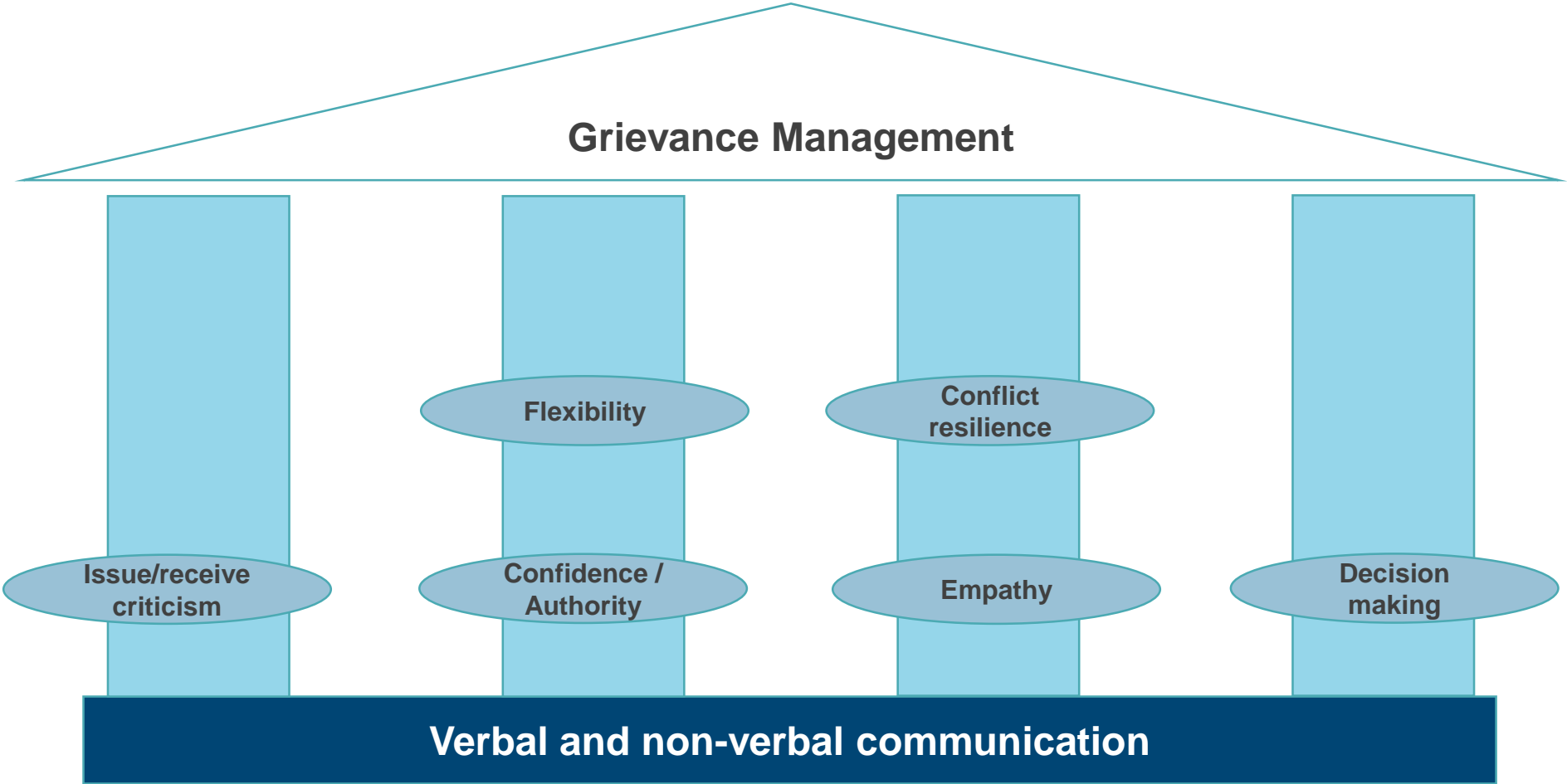


TOP SKILLS FOR AN EFFECTIVE COMMUNICATION

Effective Communication



Communication skills are critical to effectively handling grievances in the workplace



AVOIDING GRIEVANCE

Benefits

Avoiding grievance leads to

- Significant improvement of working climate
- Less resources for lengthy grievance process
- A more healthy relationship between workers and management
- An increased level of internal control
- Less negative impacts in general



EXERCISE

Effective Communication



Group

Groups by 4-5

Mission

“What practices in the workplace cause dissatisfaction to the workers?”

Task

Find six major practices and write on each card. Put the pieces together on a flip chart. Collect ideas to resolve the grievance.

Time

5 min

SCENARIO – PREPARING TO TAKE A GRIEVANCE CASE

When handling grievances, it is important:

To ask questions

- **WHEN?** - date and time
- **WHO ?** - people involved
- **WHERE?** - place of problem
- **WHAT?** - the nature of the problem
- **WHY?** - the reason for the problem

To find out facts and information

To work out plans and strategies to deal with management and workers

Analyse the problem:

- Is it a grievance?
- Is this an individual problem or a collective issue?
- Sometimes the issue is complex and needs a longer-term solution.

Individual grievances lead to grievance procedure

Problems that affect most of the workers should end up being dealt with collectively (e.g. union)

EXERCISE

Grievance Mechanism Role Play



Participants

- One grievance manager, to moderate through the hearing
- One worker with grievance // one worker accused of a grievance
- Observers, to evaluate the hearing

Task

- Choose one of the four scenarios. Imagine you are a grievance manager and need to deal with a grievance that has been filed. Invite the aggrieved and the accused worker to a hearing and decide how to proceed.

Objective

- Practice and understand the grievance hearing

Time

- 15 min

Scenario 1

- A worker complains to you that she has been paid only time and a half for Sunday overtime.

Scenario 2

- Waseem is a worker in the dyeing department of XY factory. He works regularly with washing powders, bleach, and dyeing chemicals. On 16th October Waseem approached the Grievance Manager with a complaint. He complained that he constantly gets headaches and feels dizzy. The headaches started only after he was transferred from the ironing and packing section of the laundry department a few months before. He feels that the headaches and dizziness are caused by the chemical fumes in his department. He went to see the factory medical service who gave him some headache tablets and told him it'll pass and he shouldn't worry about it.

Scenario 3

- An employee accuses a supervisor for making sexual advances, asking her for her number and repeatedly inviting her for lunch, although she clearly told him several times that she is not interested. She seeks you out to accuse him of sexual harassment.

Scenario 4

- A worker recently joined the cutting section in your garment manufacturing company. He has been working everyday without using hand gloves and masks until he showed symptoms of a chronic respiratory disease (e.g. allergic bronchitis, asthma). The constant coughing interrupts his sleep and tires him out. The medical service of the factory has told him that it has nothing to do with the working conditions. The worker files a grievance with you.



Lunch

12:30 – 13:30



Roadmap for implementation of trainings on HREDD in Pakistan



EXERCISE

13:30 – 14:30

Plan a training event on due diligence

- Participants form groups (industry, association, service providers) and develop an action plan for implementing their own trainings on due diligence and CSDDD
- Participants explain each step (who, why, when, where, what, what for, how)



COFFEE BREAK

14:45 – 15:00



DAY 2 – CHECK OUT MENTIMETER



**1. Go on
www.menti.com**

**2. Insert code:
4198 6778**

**3. Take part in the
voting**

END OF DAY 3