

# Remediation Plan Guidance

## Expectations:

The FLA expects that our affiliates achieve a high level of remediation in their factories once an assessment has been completed. The three below areas are vital to achieving this goal. Guidance on how to achieve these aims will be included in this document.

1. **Coordination:** The action plan should be created through coordination between the FLA affiliate and the factory.
2. **Polished:** The remediation plan should be in a complete state that is easily understood in the context of the factory's unique situation.
3. **Complete:** the remediation plan needs to cover all issues identified in the assessment and potential root causes.

## Coordination:

To achieve a high level of coordination between the factory management and FLA affiliate, the affiliate must be willing to invest time and effort in to creating and updating their remediation plans.

1. The factory should not be responsible for submitting an action plan to the affiliate without any initial input, and should not be abandoned to their own knowledge and expertise. At the same time the FLA affiliate should not simply dictate to the factory what needs to be done, as they do not have direct knowledge of the factory's wider context. We recommend that the affiliate and the factory management have a call to discuss the findings and potential remediation after the assessment is complete. Then they create a comprehensive remediation plan based on this initial consultation. Finally the affiliate should review the final remediation plan prior to agreeing to the actions.
2. **Best practices for engaging with your factories include:**
  - a. Direct calls with the management of the factory.
  - b. Having a company representatives shadow internal assessments.
  - c. Maintaining ongoing contact around remediation through meetings or phone calls.
  - d. Engagement with civil society organizations in the region, to better understand the wider social context of the factory.

## Evaluating a Report and Creating Action Plans

To create a complete action plan it is important to consider what structural factors might be causing the issue in the factory. Thankfully the SCI methodology integrates many items that would be generally be considered root causes as findings. For Example:

1. Based on all available time cards, 20% of workers from the sewing section worked as much as 71 hours per week in July 2017 and June 2018, and 30% of workers from the embroidery section worked as much as 66 hours per week in February, March and May 2018.[HOW.1.3]
2. There are no policies and procedures on Hiring and Personnel Development, Retrenchment and Industrial Relation. In addition, there is no procedure on Hours of Work. [ER.28, ER.30]
3. The factory has not developed policies and procedures on the review process to ensure

updates are made according to local law and FLA Workplace Code requirements.

So the immediate action finding in the report is the first issue regarding overtime. Which can be traced to the lack of procedures governing hours of work, in turn partially caused by the lack of a review system. So simply addressing the findings in an SCI report brings you close to a comprehensive remediation system at a factory.

The next step is to evaluate how to implement a comprehensive system in the factory. What are the direct actions that need to be taken? How will the factory implement them? What procedures need to be created? Who will oversee these procedures? How will the factory ensure that the system is communicated and updated for all of the relevant personnel? If all of these questions can be answered by reading the action plans, you have achieved a high quality system for remediation.

A comprehensive remediation plan must go beyond simply stating that the problem has been fixed. The general theory that the FLA recommendation for remediation plans is the idea of consistent, sustainable, remediation. To achieve this the factory must go deeper than addressing just the surface issue identified in the assessment. We have four categories of remediation plan based on the sustainability of the action plan.

1. **Insufficient:** This type of action plan either does not address all of the issues in the finding, disputes the finding, or outright refuses to fix the problem. These action plans would have been rejected by the FLA in an SCI report.
2. **Basic:** These address the specific finding in the report in a fairly simple manner. Often they state that the issue has been fixed or that it will be fixed at a future date without providing any details. While these would have been accepted by the FLA review, they are considered barely acceptable and are often in danger of being insufficient.
3. **Advanced:** Remediation plans that meet the advanced level should include a plan of action in addition to the intent to remediate the issue. This plan should include steps and procedures to ensure that it is fully implemented in the factory. There might also be some general commitment to creating procedures around the issue.
4. **Complete:** At this level the remediation plan should include steps to ensure sustainability in remediation, so that the issue does not reappear. This should involve policies and procedures to maintain the actions taken, and person(s) responsible for ensuring the implementation of these procedures.

We understand that not every factory is at the same level of social compliance or has the same relationship to our affiliates, therefore, the FLA wishes to see gradual improvement in the quality of remediation plans from affiliates and factories. To achieve this our affiliates should work to improve the quality of remediation from a factory over time. When you receive a remediation plan, you should evaluate its level of quality and work to improve it, regardless of the level. So if you receive an action plan that is already advanced, you should work with the factory to bring at least some of the remediation plans up to the complete level.

## **Finding**

1. Twenty-five (25) out of the 45 sampled workers in the sewing, finishing and packing sections worked more than 60 hours per week, ranging from 62 to a maximum of 71.5 hours in November 2017. Moreover, 14 of them worked daily excessive hours, exceeding the legal limit of 12 hours per day for up to a maximum of 13.75 hours. HOW.1, HOW.8
2. There are no policy and procedures to identify pregnant and lactating women in hours of work records to ensure they receive legally-entitled protections. HOW.5

## **Insufficient Remediation Plan**

1. Due to rush orders and the production year, it is not possible to guarantee that overtime will never exceed 60 hours per week. However we will work to reduce overtime in the busiest months.
2. There are no pregnant or lactating workers at our factory therefore there is no need to create these procedures.

### **Basic Remediation Plan**

1. We will reduce overtime gradually with a goal of eliminating all overtime in excess of 60 hours within one year. We have immediately created limits to ensure that workers are not permitted to work more than 12 hours per day.
2. We have created these procedures.

### **Advanced Action Plan**

1. The company is making efforts together with the factory to reduce working hours gradually within three years, in order to meet local laws and FLA requirements. The factory is working together with CSR and HR dept. to create a feasible production plan, and ensure regular overtime-working hours are not included in the production plan. The factory implements the production plan strictly according to the FLA fair labor and responsible production practice code of conduct. We have immediately created limits to ensure that workers are not permitted to work more than 12 hours per day.
2. The company has established a policy to track the situation of pregnant workers and put into practice. The factory informs the workers during the orientation training that when the workers are sure that they are pregnant, they should submit the Pregnancy test report to the factory HR department for record. The HR staff track according to the report regularly every month.

### **Complete Remediation Plan**

1. The factory is making efforts to reduce working hours gradually within three years, in order to meet local laws and FLA requirements. The factory work together with CSR and HR dept. to create feasible production plan, and ensure regular overtime working hours are not included in the production plan. The factory implements the production plan strictly according to FLA fair labor and responsible production practice code of conduct. The *COMPANY* team together with the factory's CSR/HR management team are coordinating on the following topics to help the factory address the excessive hours issue: How to provide better order forecasts to the factories; Possible workshops/consultancy for the factory on how to improve productivity/quality; Steps that factory management must follow if OT is inevitable (steps for how to communicate with the parent company's Sales, Production and Social Compliance teams). We have immediately created procedures to ensure that workers are not permitted to work more than 12 hours per day.
2. The factory has established a policy to track the situation of pregnant workers and put into practice. The factory informs the workers during the orientation training that: When the workers are sure that they are pregnant after check, they should submit the Pregnancy test report to the factory HR department for record; The HR staff track according to the report regularly every month. The HR staff track according to the report regularly every month. If the pregnancy period is 28 weeks, the HR staff should report to the supervisor and the factory manager to monitor the worker not to work overtime and should rest one hour during work time every day.
3. The factory has created an internal monitoring program to evaluate the implementation of these issues. The factory has also assigned the HR manager and production planning supervisor to oversee the program and be responsible for its implementation. Additionally the factory will conduct an annual review of the program and make the needed

adjustments.