

Federal Department of Economic Affairs, Education and Research EAER State Secretariat for Economic Affairs SECO

Swiss Confederation

WEBINAR | JUNE 22, 2023 | 13:30

Webinar Series: Part 4

Establish effective grievance mechanisms, remediate impacts and communicate



The Ten Principles of the UN Global Compact

Corporate sustainability starts with a company's value system. By incorporating the Ten Principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

Companies operate responsibly



1. Businesses should support and respect the protection of internationally proclaimed human rights; and

HUMAN RIGHTS 2. make sure that they are not complicit in human rights abuses.



- 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4. the elimination of all forms of forced and compulsory labour;
- 5. the effective abolition of child labour; and
- 6. the elimination of discrimination in respect of employment and occupation.



- 7. Businesses should support a precautionary approach to environmental challenges;
- 8. undertake initiatives to promote greater environmental responsibility; and 9. encourage the development and diffusion of environmentally friendly

technologies.

Companies contribute to progress









































10. Businesses should work against corruption in all its forms, including extortion and bribery.



4-part webinar series





Understanding child labour risks and impacts in companies value chains



Develop a policy commitment & identify child labour risks and impacts



Take action to cease, prevent or mitigate child labour risks and impacts



Establish effective grievance mechanisms, remediate impacts & communicate







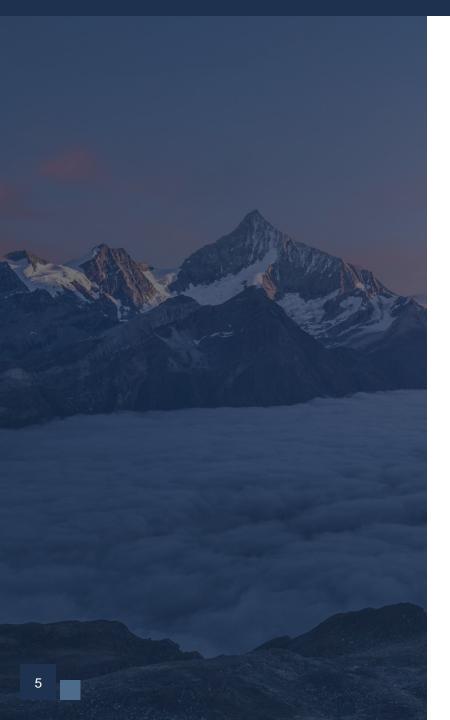
 ILO/IOE child labour guidance tool - Establish effective grievance mechanisms, remediate impacts and communicate

Regula Meng & Dominic Rietmann, senior consultants, focusright

- Company case study Sucafina
 Catherine Rehbinder, Corporate Social Responsibility Manager, Sucafina
- Setting up a functioning grievance mechanism
 Sandra Groth, Sustainable Supply Chains Manager, Save the Children Switzerland
- Remedy in cases of child labour
 Ines Kaempfer, CEO & Winnie Ding, Director of Global CLR, The Centre for Child Rights and Business
- Wrap-up and Closing remarks
 Alice Harbach-Forel, Head of Programmes, UN Global Compact Network Switzerland & Liechtenstein
 Myriam Ait Yahia, Advisor, State Secretariat for Economic Affairs (SECO)





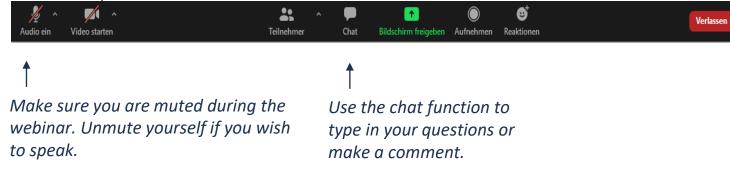




Webinar: Housekeeping

- The session is recorded.
- Slides & recording will be made available by the UN Global Compact Network Switzerland & Liechtenstein after the webinar.
- Please write your questions in the chat.

Activate the video before you make an intervention.





ILO/IOE Child Labour Guidance tool – establish grievance mechanisms, remediate impacts and communicate

Regula Meng & Dominic Rietmann | focusright

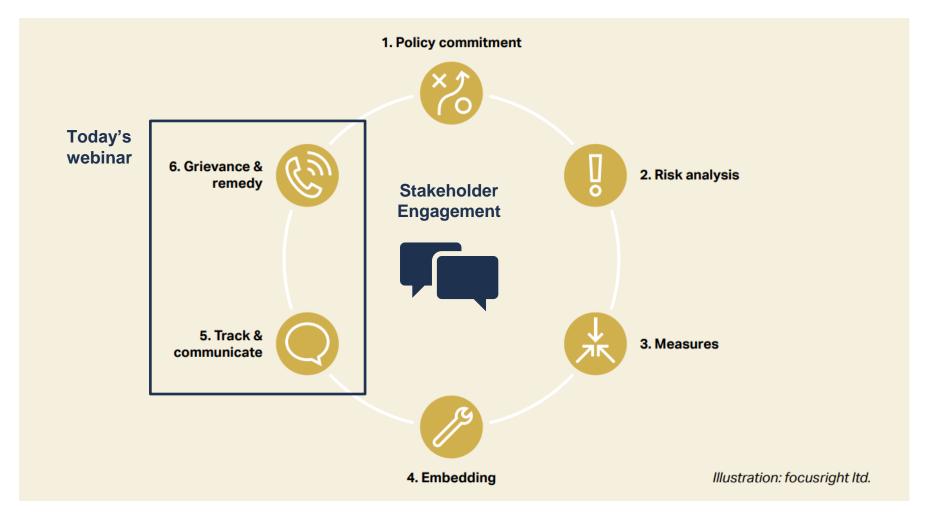




Education and Research EAER State Secretariat for Economic Affairs SECO

A child labour perspective on the 6 core elements of human rights due diligence (HRDD)









focus right

Input Swiss Retail Ltd.*



Company profile

Name of the company: Swiss Retail Ltd.*

No. of employees in CH: 8'500

No. of employees outside CH: 480

Sector: Retail

Location Headquarters: Switzerland

Company description

- Sales of food, personal care, textiles and electronics with a total of approx. 12'000 products
- Sales of own brands and international brands
- Own brands (textiles and food): production in own factories in Switzerland and Germany as well as in factories of suppliers (e.g. textiles, mainly in Bangladesh, Pakistan, China)



^{*}fictive company example



1. Communicate performance on child labour (1/3)

= UN Guiding Principle No. 21

What is expected of companies?

- communicate about company efforts to prevent and mitigate child labour, in particular when concerns are raised by or about potentially affected stakeholders
- report formally on their efforts in case of potential involvement in severe child labour impacts



Requirements & recommendations

- Chose a **form and frequency** that reflect the child labour impacts
- Verify that the **information is accessible** to the intended audiences
- Provide information that is **sufficient** to enable stakeholders to **evaluate the adequacy** of your responses
- Consider any risks to affected stakeholders (children, families) that could result from your communication





1. Communicate performance on child labour (2/3)

Challenges and pitfalls

- **Do** focus on how you address the **salient child labour risks / impacts** that are connected to the company's operations and value chain
- Don't focus on voluntary social investments / philanthropic programmes that are disconnected from issues in which company is involved

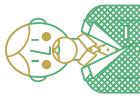
Examples of meaningful information

Findings from research on the prevalence & nature of child labour in your industry / value chain / operating contexts

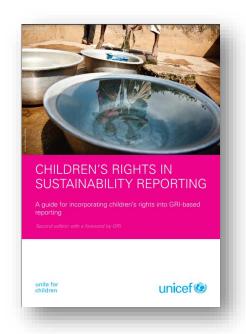
Details about child labour impacts arising in audit findings

Information to evaluate yearto-year performance on the issue, incl. the effect on root causes of child labour Summary of third party assessments of the effectiveness of the company's measures





UN GUIDING PRINCIPLES REPORTING FRAMEWORK









1. Communicate performance on child labour (3/3)

Nestlé Cocoa Plan: Tackling Child Labour Report 2019

Identifying children at risk

The causes of child labor are unique to each child, which makes it a challenging issue to address. While every case must be considered individually, there are some root causes and indicators that can be examined collectively.

→ Identification of root causes of child labour

→ Case study about «building schools» explicitly relating to root causes of child labour in own value chain / operating context

«In 2016, Nestlé built a new school building for Didoko 4. (...) Child labor rates are lower in communities where a primary school is present.»



Nestlé Cocoa Plan **Progress Report 2020**

Activity KPIs	Country	2018	2019	2020
Number of co-op/farmer groups in Child Labor Monitoring and Remediation System (CLMRS)	Côte d'Ivoire	89	87	83
Number of farmers in CLMRS co-op	Côte d'Ivoire	67,074	73,248	79,021
Cumulative total of schools built or refurbished	Côte d'Ivoire	45	49	53
Cumulative total of bridge classes run	Côte d'Ivoire	55	98	131

Definition of KPIs

Evolution of performance 2018-2020

Practice example: formal communication on severe child labour risks in

a prioritised business area / value chain (agricultural

production of cocoa)

Company as a whole: Nestlé Salient Issue Action Plan 2023



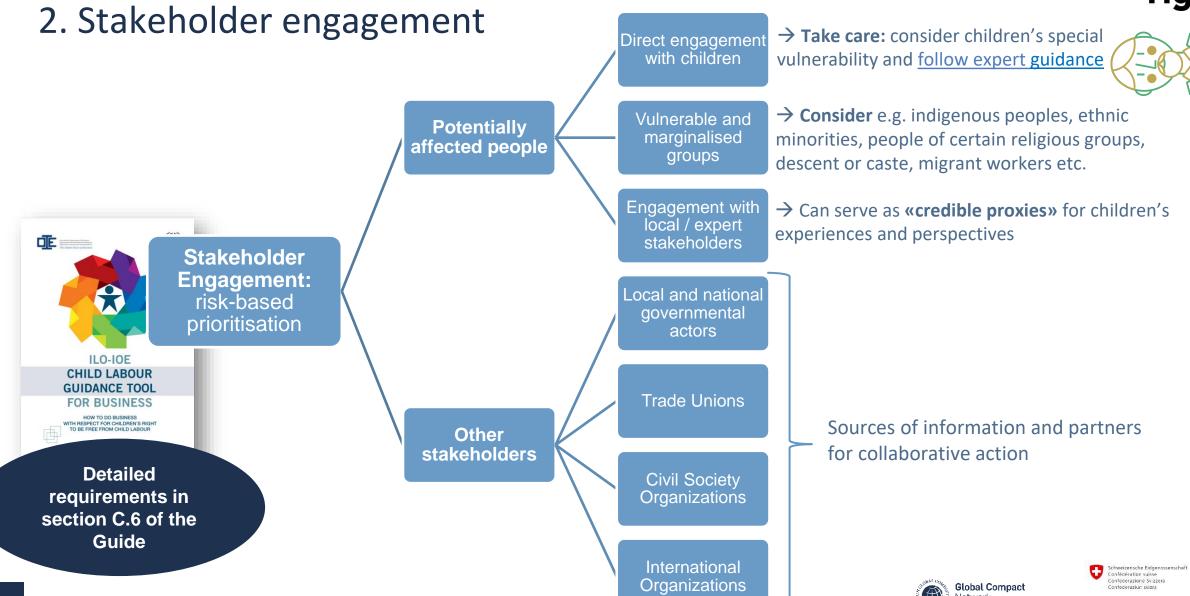






Switzerland & Liechtenstein

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Webinar Series – Child labour due diligence

3. Remedy and grievance mechanisms

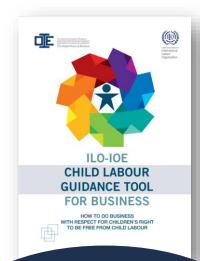
= UN Guiding Principles No. 22, 29, 31

What is expected of companies?

- Establish or participate in operational-level grievance mechanisms to help identify and address child labour
- Ensure the operational-level grievance mechanisms are effective (→ effectiveness criteria in UNGP No. 31)
- Understand, rely on and support existing grievance mechanisms / remediation processes at State level
- When a company has caused or contributed to a child labour impact, it has a responsibility to provide for or cooperate in processes for providing remedy







Detailed requirements in section C.7 of the Guide







3. Remedy and grievance mechanisms – collaborative approaches

Role of business partners

- The party closest to the impact may be best placed to take the lead in providing remedy
- Participate in remedy to the extent of your contribution
- Encourage / require business partners to provide remedy by providing support or incentives

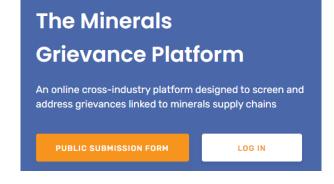
Role of collaborative initiatives at sector level



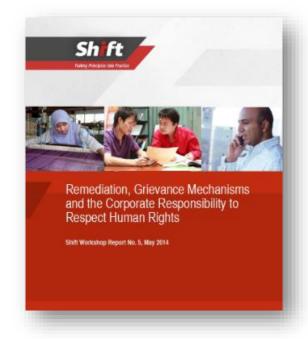
The amfori External Grievance Mechanism

Fair Wear Complaints procedure





More information:







THANK YOU!



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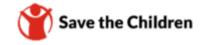


How to set up a functioning grievance mechanism?

Sandra Groth | Save the Children Switzerland Sandra.Groth@savethechildren.ch







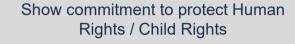
SPIRIT AND PURPOSE

Increase transparency about working/ living conditions within your supply chain

Provide a channel for workers to anonymously share concerns

Comply with legal obligations

Identify Human Rights risks



Build up a trustful relationship with employees, suppliers and communities

Detect room for improvement







Save the Children

Accessibility

- Consultation with rightsholders around the design of mechanisms and channels
- Sharing information about the mechanism

Anonymity and confidentiality

• Safety of complainant

Speed of response

- 24h response in urgent matters
- Frequency of reception control

Management

- Recording feedback
- Assigning responsibility
- Staff training
- Use of technology

Feedback

Closing the loop



Save the Children

TARGET GROUP: CHILDREN

Often grievance mechanism are designed without enough consideration of the local context and what would work in that country or area for children;

- Children and young people are not adequately informed about the existence of feedback channels or how to access them;
- Feedback channels are not available in locations, where children and young people live or access services;
- Feedback channels are not inclusive for children and young people with low literacy levels or disabilities;
- Children and young people think their feedback will not be treated confidentially, and that this might place them or their families at risk;
- Children and young people think that they will not be believed or assisted by those receiving their feedback.







Save the Child

INSTRUMENTS





Feedback/ Complaint Box

- Anonymous feedback and concerns with no costs
- · Dependent on people's ability to read and write
- Does not allow to ask follow-up questions
- Urgent concerns may be not responded to in time

«Community Facilitator»

- Collecting and sharing feedback
- Supporting remediation
- Resource intensive



Pro-active

Feedback Survey/ Interview/ Worker Voice Tools

- Survey/ Platform that collects data on people's satisfaction with working conditions
- Encourages people to share their opinions
- Not always designed to be child-friendly
- People must wait to be asked



Hotline

- Phone number that can be called (within working hours)
- Allows for two-way communication
- Dependent on access to a phone
- Challenge of various languages







Social Media

- Collection of feedback and sharing of information
- Widely used in many countries on a daily basis
- Especially popular among youth
- Allows to close the feedback loop on a community-level





Save the Children

"CLOSING THE LOOP"

Children and adults who share grievances have a right to know how the information has been used and what effect it has had:

- It builds trust and encourages acceptance within the communities.
- If a complaint was provided anonymous, **community-level closing of the loop** ensures that people in a similar situation are still made aware of how feedback has been addressed.
- Plan how you will handle feedback about things that are outside of your control, including mapping out referral pathways, local support services and local reporting procedures.
- Even if you cannot address the grievance, it is import to close the loop by explaining why you cannot do what the person has requested but that you have listened to their feedback.







How to Remedy Child Labour

Ines Kaempfer and Winnie Ding | The Centre for Child Rights and Business





CHILD LABOUR CASES REPORTED TO THE CENTRE



Number of cases reported

Total 846



Age of child labourers

Average 15.3



Prevalence per industry

Garment 506



Gender

Girl 71.0%



Number of cases by country

Myanmar 302



Percentage of cases per work

position

Helper 32.4%



How children were introduced

Relative 43.9%



Use of fake IDs

Yes

Yes 47.9%



Incidences of cases per tier

1st Tier - inDirect 55.7%



How the cases were identified

Audit 51.9%



Audit type

Internal Audit 84.2%



Audit approach

Unannounced audit 56.4%

Child Labour Trends. Updated End of April 2023





DUE DILIGENCE PRINCIPLES FOR CHILD LABOUR REMEDIATION



The Rights of The Child

The rights of the child are always prioritised over commercial or other interests.

Key Elements of Child Labour Remediation Management

- Remediation responds to the needs of the child.
- Remediation responds to the scale and severity of each case.
- Child labour cases are remediated with the professional support from independent child rights experts.
- Access to adequate remedy is provided to ensure appropriate support for each case.



ebinar Series – Child labour due diligence

THE CENTRE FOR CHILD RIGHTS AND BUSINESS

CHILDREN WHO ARE EXPOSED TO HARM HAVE THE RIGHT TO REMEDY

Just as child labour cases are different, the solutions are different.

The Centre's Child Labour Rapid Response Service are being used by +30 international brands to support their remediation efforts with the best interest of the child in focus.

The rapid response service involves:

Discussing solutions with parents, children and companies

Assessing the situation of the child

Identification & Notification

Defining roles and responsibilities of brands, factory managers, children, parents, service providers and The Centre

Defining possible remediation solutions based on the initial suggestions such as vocational schools and other training options, including a budget for enrollment and monthly living stipend Supporting the child, the company and the supplier throughout the remediation process

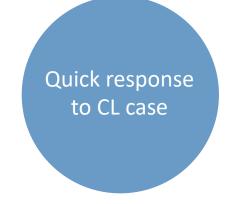
 Linking to third party support and local service providers with rich experience in child labour remediation



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KEY SUCCESS FACTORS IN CHILD LABOUR REMEDIATION



Engagement with key stakeholders

Full understanding of the children's situation & needs

Remediation plan tailored to the unique circumstances of the children

Severity level	Possible remediation plan
Minor	Light remedaition plan (shorter term, light intervention.
Medium	Longer term implementation mostly on group or community level
Severe	Longer term implementation both on individual and on group or community level







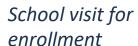
STEP 1: ONSITE ASSESSMENT WITH KEY STAKEHOLDERS







The Centre and Child Rights Focal Points







Meeting with the village leader







STEP 2: REMEDIATION PLAN

Individual remediation



1. Psychological support: counselling with psychologist (onsite & online)



2. Vocational training: makeup



- 3. Financial support
 - Living stipends
 - Counselling fee
 - Tuition fees
 - Training kit
 - Transportation, phone credit and internet quota



4. Ongoing support by child rights focal point and The Centre

Group remediation



- L. Financial support
 - Living stipends
 - Training/consultation fees
 - Material cost
 - Other fees, for delivery, electricity etc.



Income generating activity (set up a fish farm)



Ongoing support by child rights focal point and The Centre





THE CENTRE

STEP 3: MONITOR PROGRESS

Signing consent letter to join the remediation programme



The girl was taking makeup training

Setting up the fish pond for group remediation





Children in fish farming training from a local expert







DEVELOPMENT OF REMEDIATION PLAN

Family visit



Talk with the concerned child



Visit to vocational school



Among 10 underage workers (below 15) and 37 young workers (below 18):

- 16 showed strong interest to continue schooling and were supported with individual remediation plan
- The rest 21 young workers chose to continue working in the factory and were supported with youth care programme.

REMEDIATION PLANS FOR VARIOUS STAKEHOLDERS



After assessments of child labour cases, which included family visits, interview with factory mgt team and workers, document review, and onsite walk through, the remediation plan was developed and initiated within one month:

For underage children



- Financial support for underage CLs
 - Living stipends
 - **Tuition fees**
 - **Transportation**
 - School uniforms & stationary



School research and enrollment for underage CLS



Reenrollment after reaching minimum working age



Ongoing support by The Centre

For young workers



Health check for YWs in hazardous working conditions



YW trainings (inc. occupational heath &safety and soft skills) to young workers



Work reallocation to nonhazardous work to all YWs who decided to keep working there

For factory



Child labour prevention and remediation training to factory management team



YW management training to production supervisors

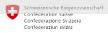


Develop action plan and monitor the progress



Onsite consultation for hiring practice and YW management (inc. grievance mechanism)







EXAMPLES OF ONSITE REMEDIATION WORK

Children studying in vocational school





Child labour prevention and remediation training to fty mgt team

- Young worker training to YWs
- Reallocation of job positions and control of working hours
- Additional shuttle bus for YWs







Wrap-up

- 160 millions children work everyday instead of playing and going to school and 80'000 of them perform work that is dangerous and damaging for their health.
 - → Root causes are manyfold and need to be understood
- Zero tolerance policies are not purposeful to solve the issue of child labour and can even worsen the situation of the children. A good child labour due diligence process is one that helps find the cases, understand and remediate them and not one that can say that no child labour case has been found.
 - → We need to change our perspective
- Company policies and processes especially purchasing practices can put high pressure on the suppliers and foster the exploitation of children.
 - → A closer look on the inside and a review of the company processes is necessary

All the efforts to end child labour should put the best interest of the child in the center





Outlook

There are many good guides and tools to help companies for their child labour due diligence:

- The Children's Rights and business principles (<u>link</u>)
- ILO-IOE child labour guidance tool for business (<u>link</u>)
- Children's Rights and Business Atlas (<u>link</u>)
- Supplier guidance on preventing, identifying and addressing child labour (<u>link</u>)
- Child Rights Risks in Global Supply Chains: Why a 'Zero Tolerance' Approach is Not Enough (<u>link</u>)
- Introducing New Due Diligence Principles for Child Labour Remediation (<u>link</u>)
- Addressing Children's rights in Business: an assessment from Switzerland and Liechtenstein (<u>link</u>)



Closing remarks

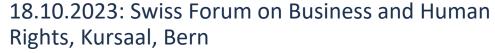
Myriam Ait Yahia | SECO





Upcoming Events





Workshops on child labour due diligence in DE and FR Free of charge

Registrations are now open on www.nap-bhr.admin.ch



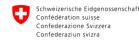
29-30.11.2023: Child Labour Platform annual meeting in Geneva

Swiss companies invited as observers

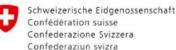
Free of charge

In case of interest, please contact us at info.dain@seco.admin.ch









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WEBINAR SERIES CHILD LABOUR DUE DILIGENCE

May 11 | May 25 | June 1 | June 22