

Quality Control Checkpoints

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1. INTRODUCTION

The purpose of the Quality Control Checkpoints – QCC is to help companies from the CBC area (MK-BG) to improve their image about the quality of working conditions and organizational culture as a starting point for establishment of consistent and long term partnership (internal and external). The developed QCC checklist will help companies to establish supply chains based on trust where producers from the region will work together offering standardized services.

The establishment of QCC will contribute to providing safe and satisfactory working conditions to employees and provide equality among them. To comply with current market requirements, the QCC are developed based on the requests from national and EU legislation, as well as general principles from UN for human and business rights.

The expected benefit for the companies from the QCC is to allow companies to be recognized as highly reliable partners that are socially responsible towards their employees and community and are respecting principles of ethical working.

The checklist is expected to be used by the companies themselves as self-assessment tool in order to assess the existing gap between the current practice in the company and the basic principles for human and business rights.

1.1. Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework

The general guiding principles on business and human rights are documented in UN document called Implementing the United Nations “Protect, Respect and Remedy” Framework¹. This document is used as basis for development of the QCC.

These Guiding Principles are grounded in recognition of:

- a. States’ existing obligations to respect, protect and fulfil human rights and fundamental freedoms;
- b. The role of business enterprises as specialized organs of society performing specialized functions, required to comply with all applicable laws and to respect human rights;
- c. The need for rights and obligations to be matched to appropriate and effective remedies when breached.

These Guiding Principles apply to all States and to all business enterprises, both transnational and others, regardless of their size, sector, location, ownership and structure.

Below are basic corporate responsibilities towards respect of human rights:

A. FOUNDATIONAL PRINCIPLES

¹ http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

1. Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.
2. The responsibility of business enterprises to respect human rights refers to internationally recognized human rights—understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.
3. The responsibility to respect human rights requires that business enterprises:
 - a. Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur;
 - b. Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.
4. The responsibility of business enterprises to respect human rights applies to all enterprises regardless of their size, sector, operational context, ownership and structure. Nevertheless, the scale and complexity of the means through which enterprises meet that responsibility may vary according to these factors and with the severity of the enterprise’s adverse human rights impacts.
5. In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including:
 - a. A policy commitment to meet their responsibility to respect human rights;
 - b. A human rights due-diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;
 - c. Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

B. OPERATIONAL PRINCIPLES

Policy commitment

6. As the basis for embedding their responsibility to respect human rights, business enterprises should express their commitment to meet this responsibility through a statement of policy that:
 - i. Is approved at the most senior level of the business enterprise;
 - ii. Is informed by relevant internal and/or external expertise;
 - iii. Stipulates the enterprise’s human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services;
 - iv. Is publicly available and communicated internally and externally to all personnel, business partners and other relevant parties;
 - v. Is reflected in operational policies and procedures necessary to embed it throughout the business enterprise.

Human rights due diligence

7. In order to identify, prevent, mitigate and account for how they address their adverse human rights impacts, business enterprises should carry out human rights due diligence. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. Human rights due diligence:
 - a. Should cover adverse human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships;
 - b. Will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations;
 - c. Should be ongoing, recognizing that the human rights risks may change over time as the business enterprise's operations and operating context evolve.
8. In order to gauge human rights risks, business enterprises should identify and assess any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships. This process should:
 - a. Draw on internal and/or independent external human rights expertise
 - b. Involve meaningful consultation with potentially affected groups and other relevant stakeholders, as appropriate to the size of the business enterprise and the nature and context of the operation.
9. In order to prevent and mitigate adverse human rights impacts, business enterprises should integrate the findings from their impact assessments across relevant internal functions and processes, and take appropriate action.
 - a. Effective integration requires that:
 - i. Responsibility for addressing such impacts is assigned to the appropriate level and function within the business enterprise;
 - ii. Internal decision-making, budget allocations and oversight processes enable effective responses to such impacts.
 - b. Appropriate action will vary according to:
 - i. Whether the business enterprise causes or contributes to an adverse impact, or whether it is involved solely because the impact is directly linked to its operations, products or services by a business relationship;
 - ii. The extent of its leverage in addressing the adverse impact.
10. In order to verify whether adverse human rights impacts are being addressed, business enterprises should track the effectiveness of their response. Tracking should:
 - a. Be based on appropriate qualitative and quantitative indicators;
 - b. Draw on feedback from both internal and external sources, including affected stakeholders.
11. In order to account for how they address their human rights impacts, business enterprises should be prepared to communicate this externally, particularly when

concerns are raised by or on behalf of affected stakeholders. Business enterprises whose operations or operating contexts pose risks of severe human rights impacts should report formally on how they address them. In all instances, communications should:

- a. Be of a form and frequency that reflect an enterprise's human rights impacts and that are accessible to its intended audiences;
- b. Provide information that is sufficient to evaluate the adequacy of an enterprise's response to the particular human rights impact involved;
- c. In turn not pose risks to affected stakeholders, personnel or to legitimate requirements of commercial confidentiality.

Remediation

12. Where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes.

Issues of context

13. In all contexts, business enterprises should:

- a. Comply with all applicable laws and respect internationally recognized human rights, wherever they operate;
- b. Seek ways to honour the principles of internationally recognized human rights when faced with conflicting requirements;
- c. Treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever they operate.

14. Where it is necessary to prioritize actions to address actual and potential adverse human rights impacts, business enterprises should first seek to prevent and mitigate those that are most severe or where delayed response would make them irremediable.

2. QUALITY CONTROL CHECKPOINTS

The checklist for QCC will give answers if companies:

- Are responsible towards their employees;
- Are responsible towards the society and the environment;
- Have social-corporate responsibility;
- Are reliable partners and integral part of the supply chain.

The QCC are divided in the following 9 areas:

1. Management systems;
2. Labor standards (Employment and freedom of association);
3. Health and safety standards;

4. Child labor;
5. Wages and other employee benefits;
6. Working hours;
7. Discrimination;
8. Environmental issues;
9. Business ethics.

Each of the areas covers several sub-areas with specific questions and given indicators against which the self-assessment should be done. The QCC are designed to cover both legal requirements as well as general principles for human and business rights. In case the legal requirements are weaker than the general principles for human and business rights.

Management systems

The first area – Management systems covers the general behavior of the company towards the implementation of the UN principles for human and business rights. This means compliance with the UN principles, communication of the principles with the employees, policy statement for human and business rights, risk management of its operation towards issues covered with UN principles, suppliers' and stakeholders' management.

Labor standards (Employment and freedom of association)

The area covering labor standards covers topics like freedom of association, forming trade unions, communication with the union representative and top management, etc. It also stress the involvement of the associations and trade unions in the company decisions.

Health and safety standards

Health and safety area mainly covers the legal requirements for implementation of actions regarding health and safety of the employees on their working positions. Most EU countries have more or less similar regulation for health and safety, so the basis for this area is the legal regulations for H&S. This area also covers the working conditions in the company, meaning access to toilet facilities, drinking water, sanitary facilities, etc.

Child labour

Area of child labor is focused on recruitment of child labor in the company and compliance of the company with the policies for prevention of child labor.

Wages and other employee benefits

Each employee should have wages and benefits paid for the standard working week at least within a minimum of the national legal standard. Also written and understandable information should be provided for each employee about the paid wages and applicable deductions.

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Working hours

Working hours must comply with national laws and collective agreements if any. Overtime work is voluntary and must be paid at least 125% of the regular payment rate. Working hours and overtime work must be regulated in the employment contract.

Discrimination

No discrimination in hiring, payment, access to training, promotion, termination of retirement is allowed based on any element – race, nationality, religion, age, disability, gender, marital status, sexual orientation etc.

Environmental issues

Requirements of the national and relevant international laws related to environmental issues must be met. For companies with bigger influence on the environment valid permits apply.

Business ethics

Business ethics covers the general understanding and attitude against conducting business ethically, meaning without bribery, corruption or any type of fraudulent business practice.

3. ANNEX 1 – QUALITY CONTROL CHECKLIST