



ALDI
FACTORY ADVANCEMENT PROJECT

Introduction



ALDI is committed to promoting human rights in the garment industry. With the ALDI Factory Advancement (AFA) Project, the ALDI SOUTH Group, together with ALDI North, have introduced an effective tool to deliver change in factories that produce our garments in Bangladesh.

Launched in 2013, the AFA Project places factory workers and managers at the centre of its activities to find sustainable solutions for improved workplaces. Its core principle is the promotion of dialogue and cooperation between workers and managers. Only with the commitment and the ownership of both parties can real change be achieved in the long run.

In AFA Project activities, the participants meet to address issues in their workplaces. We support workers and their managers to identify challenges, examine them critically and then create joint visions for the future with tailor-made solutions to reach improvement.

"I realised that my opinion and my ideas are important in order to advance my factory. We learned how to use good communication and dialogue to resolve any problems or conflicts in the factory."

Rabeya, worker of an AFA Project factory

The key to the project's success has been the active involvement of the workers. To date, approximately 85,000 workers and their managers of 40 participating factories have benefitted from the project and experienced positive changes in their day-to-day working environment.

Project Phase 1.0



The first phase of the AFA Project was successfully completed in the summer of 2019. During 450 AFA Project activities, workers, managers and AFA Project trainers discussed various topics such as the establishment of effective communication structures, health and safety in their workplaces, working hours, promotion systems, private financial planning, and quality management as well as productivity. Additionally, six impact assessments were conducted to measure the success of the AFA Project.

Improved workplace cooperation creates sustainable solutions

Workers and managers at each factory identified and addressed a wide variety of different challenges found in their workplaces: from ensuring the use of personal protective equipment, improving the quality of canteen food or setting up structures to prevent inadequate behaviour from supervisors and middle management. Most solutions are within the sphere of improved occupational health and safety or better social benefits.



Case study: Hotline facilitates authorised leave in factories

- **Challenge:** In one AFA Project factory, managers noticed that workers were often absent without giving an explanation. This hampered production and led to overtime for other workers. In one of our first activities, workers and managers discussed the root causes. They found out that workers stayed away from the factory without giving prior notice because the procedure to request leave, e.g. in case of sickness or for vacation, was difficult to understand.
- **Solution:** Managers and workers jointly decided to conduct an awareness campaign on the leave procedure and on which types of leave exist according to the Bangladeshi labour law. Additionally, a “leave hotline” was set up. It serves as an information and grievance channel which workers can approach when they have issues with their leave. Workers can use this hotline mainly for two purposes.
 1. If workers need leave while they are outside the factory, e.g. when they become sick suddenly.
 2. When leave applications were not approved and workers feel that this is unfair. The hotline number and purpose of the leave hotline were prominently announced in the scope of the awareness campaign and posted throughout the factory.
- **Outcome:** Between 15 and 30 workers use the hotline each month. The proportion of workers using the proper leave procedure increased by 50 %.

Effective communication leads to cooperative behaviour and understanding

Poor communication was found to be a major cause of issues in the factories. We found behaviour on the production floor becomes more cooperative, with less stress and conflict, and more mutual understanding when we worked on improving communication at an individual level.

Case study: Rearrangement of line improved work atmosphere and quality

- **Challenge:** When joining the AFA Project, workers of one factory identified the tense situation of one specific work line as the most pressing issue. The line supervisor was unsatisfied with the workers’ performances and pressured workers to improve.
- **Solution:** Workers and managers jointly discussed why the sewing quality of garments and the productivity of this line was below-average. By creating a safe space for everyone to speak up and listen actively, workers started to raise their concerns to the management: The line was located right next to the window where fans were fixed. Consequently, the circulated air blew the fabrics off the work station. This resulted in extra work for workers as fabrics were wrongly sewn or even flew away as a whole. Workers and managers thus decided to rearrange the line away from the fans.
- **Outcome:** The quality and productivity of the line as well as the relationship between workers and managers improved significantly. Workers feel less pressured and are much more satisfied with their working environment.

The untapped potential in workers utilised for change

Throughout the AFA Project, we demonstrated to factory owners that the most important asset of their businesses are the employees. By providing a safe space for workers to discuss challenges, we became aware that their keen observations, creative ideas and influence on peers can play a big part in driving positive change processes in their factories.

Case study: Learning video improves the understanding of payment system

- **Challenge:** One of the main sources of grievances in many factories is the salary of employees, as workers are often unaware of the payslip and confused about the calculation of their salary including all allowances, bonuses, overtime and potential deductions. This often resulted in a large number of complaints at the HR department.
- **Solution:** Workers and managers came up with the idea to produce a learning video in their factory in order to provide awareness about the payslip, the wage structure and salary calculation to workers. Workers were also involved in the production of the video: from writing a script to being

actors. The involvement of the workers in the production of the video ensured that the content of the video was relevant and easily understood.

- **Outcome:** The workers better understand now their monthly pay slip and the composition of their wage. Also, complaints at the HR department decreased.

Improved workplace cooperation increases productivity and quality

Workplace cooperation leads to increased job satisfaction, motivated employees, and improved conditions for workers. This is important in reducing sickness, absenteeism and employee turnover. It was also found to increase innovation, quality, productivity and ensure the long-term competitiveness of factories.

Case study: New boxes ensure tidier and safer factory

- **Challenge:** Workers and managers identified poor housekeeping as a major safety problem in their factory: They used cardboard boxes to store and transport materials from one workstation to another. These boxes blocked aisles and workplaces and increased the risk of fire.
- **Solution:** Sometimes the solution to an issue is something really simply. However, one might need to take a moment to talk and listen to each other in order to discover it: The workers and managers decided to replace the cardboard boxes with plastic boxes. Plastic boxes are less vulnerable to fire and can be stacked better and, due to their size, provided better opportunities to be stored in the designated areas without blocking emergency ways.
- **Outcome:** Workers now feel safer. The solution also resulted in productivity gains: less dirt enters the boxes, which makes the products cleaner and reduces the need for spot removal. This saves time in the production process. Moreover, the boxes can be reused and, hence, reduce costs for the factory in the long run.

Project Phase 2.0



In the second half of 2019, we launched the exciting next phase of the AFA Project – an innovative pilot with a selection of AFA Project factories and business partners. Together we will take the AFA Project to the next level: we have used six years' worth of experience to develop a programme that will make factories independent of the support of AFA Project trainers.

We learned that skilled facilitators are key to creating sustainable solutions. It is the facilitators who provide the tools for dealing with complex challenges and who are driving positive change through workplace cooperation.

“With the AFA Project we do our bit to promote cooperation in factories. Giving workers a meaningful role in establishing solutions is integral to ensuring dignity in production. AFA Project 2.0 will further help us to continuously improve ourselves in creating sustainable solutions on the ground.”

Anke Ehlers (Managing Director Corporate Responsibility International of the ALDI SOUTH Group)

New approach

In AFA Project 1.0, AFA Project trainers have taken on the facilitator role: they guided the dialogue and cooperation between workers and managers.

In AFA Project 2.0, selected workers and managers will take over the former roles of AFA Project trainers. These workers and managers will lead the facilitation of dialogue and cooperation in their factories.

Each factory selects workers and managers who train to be facilitators for workplace cooperation. They will be enabled to assist other workers and managers in their factory to decide on the best ways to address workplace issues in a cooperative manner. They will learn to moderate in their factory in order to find sustainable solutions for workplace issues.

AFA Project PLUS

The AFA Project PLUS addresses the critical need for quality childcare for the children of working parents in factories that produce our textile goods in Bangladesh. ALDI supports selected factories participating in the AFA Project in improving their internal day-care services.

Many workers are reliant on these services due to financial constraints and a lack of alternative care options. Together with local non-governmental organisations, we train caregivers, childcare centre supervisors, nurses and parents working at the factory.

The factories are assisted in enhancing their day-care centres in regard to their individual needs in seven key areas and in establishing corresponding processes and structures.

1. Management of childcare centres
2. Caregivers and caregiving practices
3. Safety of children
4. Health and nutrition
5. Preschool education
6. Equipment and design of childcare centres
7. Provision of information, increased parental engagement and knowledge

A total of 16 production facilities have been included in the AFA Project PLUS.

