



OUT OF THE SHADOWS

A spotlight on exploitation in the fashion industry

September 2020

FASHION
CHECKER 

Clean
Clothes
Campaign 

September 2020

The Clean Clothes Campaign (CCC) is a global network of labour and human rights organisations, including unions. It campaigns and advocates for the improvement of working conditions in the apparel and sportswear industry. CCC uses action-oriented research to inform its campaigning, advocacy and lobbying strategies in its quest for a human rights compliant garment manufacturing industry. The human right to a living wage lies at the core of its activities because it is the core of workers' grievances.

"Filling the Gap: Achieving Living Wages through improved transparency" is a 3-year project co-funded by the European Commission (DG DEVCO). It involves 17 CCC partners from all over Europe (*The Netherlands, Belgium, Germany, Austria, Croatia, Finland, Italy, Poland, Czech Republic, Hungary, Sweden*) as well as partners from Indonesia, China and India.

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SUMMARY

This short report is designed as a guide to the Fashion Checker tool (FashionChecker.org) and highlights what is missing in regards to brand commitments and practices in paying a living wage to workers in their supply chains. Both draw upon research undertaken in 2019 and early 2020.

Brand research:

We contacted 108 brands and retailers (companies) from 14 countries (Belgium, Denmark, Finland, France, Ireland, Italy, Japan, Luxembourg, Netherlands, Poland, Spain, Sweden, United Kingdom and the United States of America), asking them a series of questions about key areas of action needed to ensure that a living wage is delivered. Most companies responded – only 35 gave no response. The areas of action are broadly based on worker consultations that resulted in the CCC ‘Roadmap to a Living Wage’, published in 2013 and a further set of questions developed in 2018 for the CCC *Tailored Wages - The state of pay in the global garment industry 2019*.

Field research:

In tandem with this global survey of brands, CCC Partners undertook field research in China, Indonesia, India, Ukraine, and Croatia. Researchers on the ground surveyed over 490 workers in 19 factories making clothes for 40 different companies, including major brands such as H&M, Zara, Primark, GAP, Nike, Adidas, New Balance, Hugo Boss, Esprit, s.Oliver, Puma, Reebok, C&A, Carrefour and Asics. Workers were asked questions about their working hours, wages (both net and gross), contracts, payslips, and conditions of work as well as other questions on their domestic work, travel times and ideas on how to improve their working conditions.

FashionChecker.org currently holds data from 259 workers working in 13 different factories: 194 women and 65 men. Brands reported by the workers buying from these factories included Schiesser, Benetton; Sisley, Olymp; Okmal, Marez, Escada, Hugo Boss, Windsor, Elfs, Adidas, Esprit, s.Oliver, Gerry Weber, Asics, Saucony, Disney, New Balance, Nike, Reebok, Puma, C&A, H&M, Old Navy, Gap, Zara. The majority of workers we interviewed were between 21 and 30, almost two-thirds were aged 21-40.

Findings:

Sadly, we found that not a single one of these brands paid a living wage to all workers in their supply chain despite numerous pledges to do to. Not even with extensive overtime did workers achieve an amount corresponding to a living wage.

Covid-19 responses:

In addition to this research, during the spring of 2020, we gathered information on working conditions during the Covid-19 crisis and the impact on workers in producing countries of brands failure to pay for orders and cancelling future orders. In particular, we assessed the amount of unpaid and underpaid wages in the global garment industry as a result of brand and industry responses. Many of the brands that we surveyed for this report were also guilty of cancelling orders, asking for discounts from orders fulfilled or in progress and/or asking for delayed payment during the Covid-19 crisis. Brands in the FashionChecker which have made no commitment to pay in full and on standard payment terms for orders completed and in production include Arcadia, Bestseller, C&A, Levi Strauss & Co., Primark and Walmart (Asda George).

The findings of this research, as contained in the FashionChecker, clearly reveals the almost total divide between the claims of garment brands and the actual realities faced by workers in production countries.

CONTEXT AND THE NEED FOR A LIVING WAGE

In the past decade or so, after extensive global pressure, global brands sourcing clothing from low wage countries around the world have acknowledged on paper that wages paid to workers should be enough to meet their basic needs and many state they are now 'committed' to paying living wages.

Yet, most workers and their families remain in poverty. The garment industry continues to use workers' low-cost labour to make mass profits. These 'commitments' by brands to ensure proper wages have in fact made little or no real difference to workers.

Big fashion companies wield huge power and millions of dollars of business every year in the garment industry. They have the freedom to pick and choose from low-cost and low-wage economies and in these markets, brands can dictate prices, quantity, and quality, with little consideration for the impact on supplier factories and their workers. The dominant business model pits country against country, and supplier against supplier in a global race to the bottom. In the face of the huge downward pressure on price and wage, almost all initiatives to tackle poverty wages have been unsuccessful.

The garment industry's business model of seeking ever low prices and setting up competition amongst suppliers is the key reason that workers – the majority of whom are women of colour – remain mired in poverty. Poverty wages remain a critical issue that is at the centre of systematic exploitation in the global garment industry.

Legal minimum wages in garment-producing countries all over the world fall short of a living wage, meaning garment workers are unable to provide the most basic needs for themselves and their families. The gap between the legal minimum wage and a living wage is ever growing. In Asia, the minimum wage can range from 21% (Bangladesh) to about 46% (China) of a living wage (research 2019). In European production countries, we see sometimes even larger gaps, from 10% (Georgia) to 40% in Hungary.

Conversely, the right to a living wage could be a key in bringing about a global shift. Solutions to this issue cascade to solutions to a whole list of associated problems for workers such as excessive overtime, poor housing, poor nutrition and health risks, risk of child labour, and more.

In 2014, the Clean Clothes Campaign carried out a study – *Tailored Wages: Are the big brands paying the people who make our clothes enough to live on?* where we looked at the promises from brands that they were working on delivering a living wage. Five years on, we looked again at 20 big brands to see whether any of the brand promises we evaluated then had resulted in the payment of a living wage – how many workers are actually now being paid a living wage as a result of brands' supposed commitments? We found that every brand surveyed failed to give evidence showing that any workers in Asia, Africa, Central America, or Eastern Europe are being paid a living wage.

Now, with the launch of the FashionChecker and our field and brand research we looked at a whole range of brands – big and small – to see how much

progress was being made. Sadly, the answer is very little in terms of actual concrete wages paid at a living wage level.

Indeed, our current research has again concluded that there is an almost total disconnect between policy on paper and actual outcomes for workers. Most brands listed have had a commitment to ensure that wages are enough to meet basic needs in their policies for years. Yet our outcomes-based assessment showed that no brand can yet prove that they are progressing towards workers being paid enough to live on.

This time we have also included a spotlight on transparency and a transparent supply chain. Transparency is not the end goal but is a vital tool in being able to assess the situation for workers on the ground.

The key issues that must be tackled to meaningfully address the current reality of poverty wages in the garment industry include

- A lack of coherent information and knowledge on wages in specific supply chains prevents citizens/consumers, brands, retail companies and policymakers from making informed choices, changing their practices, or developing effective policies.
- A lack of awareness of international Human Rights frameworks and knowledge of their own rights at work for workers.
- A lack of transparency in the garment and footwear industry which leads to the inability to trace which brands are producing which items and where. Without this, it is not possible to build an accurate picture of the working conditions in each brand's supply chain, nor is it possible for workers at different parts of the supply chain to jointly demand meaningful improvements.

Our Fashion Checker enables the user to see at a glance which fashion brands and retailers have the largest gaps between their public commitments on wages, what workers are actually paid, and what they should be paid to be earning a living wage in their country context.

With this Fashion Checker, we aim to empower workers and workers' organisations to advocate for their rights, to equip citizens and consumers with the knowledge/evidence to make responsible and sustainable shopping decisions and to hold brands accountable. In the future, we hope this new tool will be open for workers around the world to enter new data on wages in their workplaces. We hope that this new tool, with its focus on transparency and traceability, the concrete details of wages actually paid in factories, along with the ability of workers, trade unions and others to add their own data will lead to concrete improvements in the wages paid in global supply chains.

"Workers' wages have been regularly delayed for a month or two since the beginning of 2019. We complained and they paid, but yet again, this month we did not receive our wages. The factory director says it is because the firm didn't pay. But we did our job."

A WORKER IN UKRAINE

STEPS TO A LIVING WAGE

A living wage is a fundamental right

The payment of a living wage is a human right, established in the UN Universal Declaration of Human Rights. 'Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity' (Universal Declaration of Human Rights, Article 23). This is reinforced by ILO definitions of decent work and widely accepted as a human rights standard. However, despite this definition of the right to a living wage, garment, and sportswear workers all over the world are paid a wage far below this level and live in deep poverty.

Companies have a duty to respect a living wage

In 2011, the UN Human Rights Council endorsed the UN Guiding Principles on Business and Human Rights, which go further to state that there is a state and corporate duty to protect and respect these rights, and that the company duty exists "independently of states' ability and/or willingness to fulfil their own human rights obligations. And it exists over and above compliance with national laws and regulations protecting human rights." In the context of the right to remuneration that ensures human dignity, this means that even if state governments fail to pass minimum wage legislation at a level that protects workers and ensures they are able to live with dignity, brands have a duty to ensure that workers receive living wages nonetheless.

HOW TO DEFINE A LIVING WAGE

A Living Wage is a wage paid that is sufficient to meet the basic needs of a worker and her family and to provide some discretionary income.

Specifically, this wage

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours *
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a worker and their dependents (for Asia this can be defined as 3 consumption units, where an adult = 1 and a child = 0.5. For other regions, a calculation to define a family is needed to reflect differing family size and expenditure patterns.)
- Includes an additional 10% of the costs for basic needs as discretionary income.

* 48 hours is the standard working week as defined by ILO convention on Hours of Work, 1919 No.1. However the Forty-hour Week Convention, 1934 No. 47, Article 1A, directs states to reduce the standard working week to 40 hours. Where this happens CCC believes the living wage must be earned in the standard 40 hours, in line with ILO's own instructions that 'The introduction of the 40 hour week should not result in a reduction in the standard of living for workers'

HOW TO GET TO A LIVING WAGE

There are several key steps to achieve the payment of a living wage

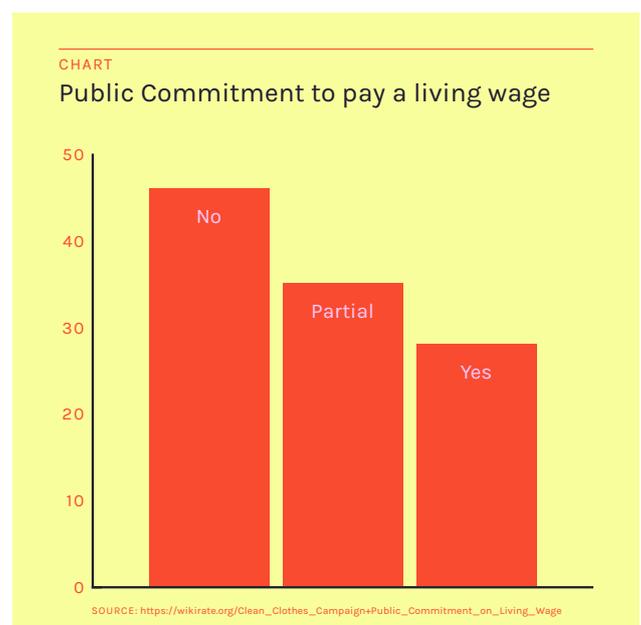
HOW TO GET A LIVING WAGE PAID TO WORKERS

- ✓ Calculate the Living Wage for the region or factory by using a credible **benchmark**.
- ✓ Make a **brand commitment** to pay a Living Wage throughout the whole company.
- ✓ **Isolate Labour Costs**. Estimate how much of your price covers wages and make sure it is enough to pay a living wage and not just the minimum wage.
- ✓ Make a public **timebound plan**, so everyone knows what will be done and when.
- ✓ Ensure **payment** of a Living Wage to all workers.

Commitment to paying a living wage

What we see in reality is that out of the 108 brands surveyed, only 28 have published a clear commitment to ensure a living wage is paid across its supplier network. We found some commitments by an additional further 35 brands but in these instances, the brand's definition does not meet all the criteria for a living wage (for example it does not cover a family).

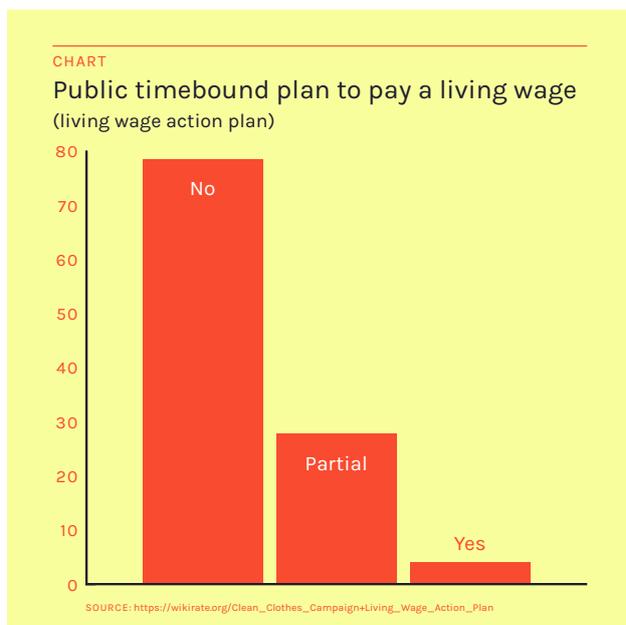
However, we could find no commitment to ensure a living wage is paid across the supplier network of 46 Brands. These brands include global retailers like Amazon, Aldi, and Lidl as well as Puma and Levi's and a host of smaller brands.



Public time-bound plan to achieve living wages

Despite the fact that 63 brands in total have made some sort of public commitment, 79 have no actual public plan describing how to improve wages for workers across its supplier network. From years of research and collaboration with unions and workers on the ground, we have found that there can be no improvement on living wages without an actual plan.

Only three brands have published a time-bound, public action plan describing how they will achieve a living wage for workers in their supply chains – Belconfect, Kings of Indigo, Stanley-Stella. All these three are members of the Fair Wear Foundation. 27 others say they are working on improving wages for workers across their supplier network.



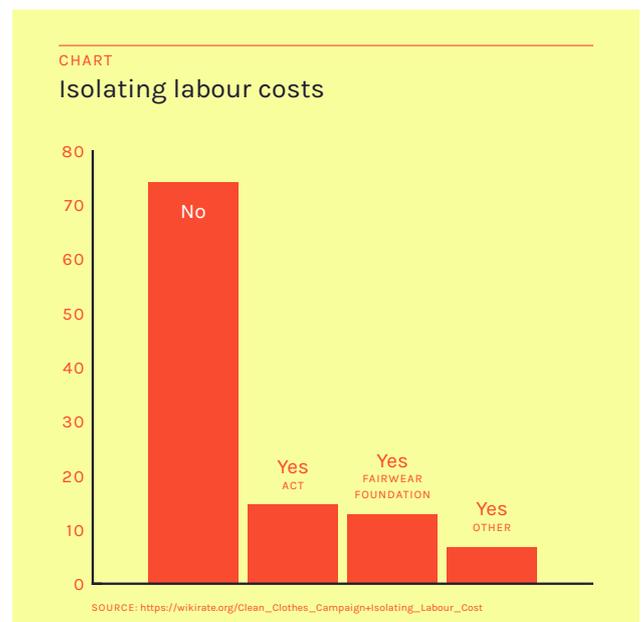
B&C, Bel and Bo, BP, Carrefour, CKS, E5 Mode, Engelbert Strauss, JBC, Kuyichi, Mayerline, Van de Velde, Van Heurk all say they have a commitment to paying a living wage but, in fact, have no published time-bound plan for doing so.

Taking the next step towards paying a living wage – isolating labour costs

While commitments on paper are seemingly easy to make, the next step to making sure you pay a living wage is to assess whether your purchasing practices – and in particular pricing – can enable suppliers to pay a living wage. A key part of this is to ensure that the brand knows the labour cost of production at its suppliers.

Labour cost is the cost incurred by the employer in the employment of its workers, this includes wages, overtime, bonuses, taxes, etc as well as social security/pension costs and can also include costs like food, housing, travel, uniforms, etc.

We asked if companies have a method for isolating this cost as a step towards paying prices that enable paying a living wage and understanding how much labour costs involve. Usually, the actual labour costs are only a tiny fraction of the total retail price, but without knowing how much labour costs actually are, it is difficult to know how much wages need to increase to reach a living wage and to check prices are enough to cover this increase. What we found was that 75 companies have no mechanism for isolating labour costs, while 34 had established some method.



Living wage benchmarks

Another key step in realising a living wage is to actually calculate a living wage. What a living wage is differs from country to country and region to region within a country's borders. In order to pay a living wage, it is necessary that a living wage is concretely defined – in each country and often in each region. Many brands have claimed to be committed to a living wage but have no benchmarks on which to base this goal upon. Benchmarks take living wages from an abstract concept to a deliverable goal. To do this, companies need to commit to benchmarks for a living wage based on a cost of living methodology in each of their sourcing countries or regions and use these figures (or ladders) to drive progress. A living wage benchmark must be in place in order to measure if wages paid in the supply chain are enough to meet a worker and his/her family's basic needs.

There are a number of living wage benchmarks available, based on differing methodologies. For the table on page 9, we applied several different benchmarks to highlight the gaps between wages received and the living wage.

In our company survey, we found that over half of the companies did not use or have a credible living wage benchmark at all.



Photo: Taslima Akhter

LIVING WAGE PAYMENTS

We asked companies to provide evidence to show how many workers in their supply chains were being paid a living wage. Most were unable to show any evidence. Out of 108 companies, 100 were given an E rating for their Living Wage results (on a scale from A to E) – meaning that in fact no living wages were paid to workers in their supply chain. Examples of these brands range from e-retailers like Missguided and Boohoo to high street brands like adidas, H&M, Zara, Primark, M&S and Uniqlo.

Seven brands got a D rating meaning that the brand has shown evidence that at least between 1% and 25% of its suppliers are paying the company's stated living wage and that it has started to contribute towards the payment of a living wage, including paying higher prices to all suppliers to cover the higher labour costs, and evidence is public. (Jack Wolfskin, Mayerline, Salewa, Schijvens, Stanley-Stella, Engelbert Strauss and Belconfect.

Only one brand – Gucci – received a C rating. Gucci claims that 50% or more of its suppliers are paying the company's stated living wage to all their workers, some plausible explanation is

given, but the evidence is not public. Gucci says that 95% of their manufacturers are based in Italy, and they pay a wage value negotiated in a national collective bargaining agreement at all the suppliers, but this wage only covers a living wage in a limited number of cases. Unfortunately, Gucci only received one star in its transparency rating as it does not disclose any details of its suppliers.

Living wage reported by workers

These findings are mirrored by the results of our field research which found that none of the workers surveyed were earning a living wage. Indeed 27% of surveyed workers were paid below regional or national statutory minimum wage level without working overtime. The table below shows the difference between what we found workers were being paid, the estimated living wage (according to credible benchmarks relevant to each location) and the legal minimum wage. The data reveals the huge gap between the actual minimum wage and what a living wage would be. It also reveals the fact that many workers have to work overtime in order to even reach that minimum wage.

	Net 2019 minimum wage in local currency	Living Wage (monthly)	Benchmark	Net Wage range (monthly)	Average net without overtime
Croatia	3000	9,260	CCC LW Calculation 2020	2720 - 4100	3101.67
Ukraine	3359	19,944	CCC LW Calculation 2020	3500 - 4120	3630
India (Tamil Nadu)	339 per day - 8475 based on a 25-day working month	29,323	Asia Floor Wage Alliance (AFWA)	6351 - 9200	8208.94
Indonesia (Banten)	3,366,512	7,249,086	AFWA	2,040,752 - 3,934,194	3,500,478
China	1720	5410	AFWA	1660 - 2815	2123

There are also significant differences in the wage level in different factories within a single country. In Indonesia for example, at the PT. Shin Hwa Biz factory, the average wage is Rp3,069,278 (Indonesian rupiah) per month, which is 13% lower than the average of the researched factories and below regional statutory minimum wage.

Working hours and wages

A living wage should be paid for work undertaken during a normal working week – no more than 48 hours. Instead, we see that in reality – even a minimum wage is not earned during that time. In fact, most garment workers must either reach unrealistic daily quotas to earn their wages or work long hours of overtime. Generally, most countries have labour laws mandating higher rates of pay for overtime, but in practice, these are not followed.

"My job is exhausting. Every day I need to do 18 hours. Many workers cannot finish the production target from the factory, so they are fired. I have to work hard to finish the production target to keep my job."

A WORKER IN CHINA

Overtime

In our worker surveys, we found that all workers in China reported working more than 100 hours of overtime (OT) in the previous month. Only 2 of them then earned an amount equal to living wage even with these overtime hours – in effect working two jobs.

50 of our surveyed workers reportedly work 27 days per month or more. Half of them have children to take care of. 23 workers reported working 30 days per month. In China, the average amount of overtime was 122 hours per month while in India it was 23.

Often overtime should be paid at 150% (for example on weekdays) or at 200% (for example on weekends) or sometimes even at 250% (on national holidays) of the usual hourly rate. However, the researchers from India, Indonesia and China all confirmed that most workers are just paid the normal wage rate for overtime hours.



Photo: Martin De Wals Will Baxter

Quotas

Workers often have quotas of work they must finish to earn their wages each day. Sometimes, to fulfil these quotas workers must work overtime – but this may not be counted as overtime at all. For the most part, workers complain that these quotas are unrealistic and unreachable. We found that almost all workers in our survey had quotas to meet.

"On average, the workers from Shahi (India) reported that they are capable of meeting 80% of the target but still they have to meet the target in 8 hours by cutting time for lunch and toilet breaks."

138 surveyed workers say they finish between 0 – 80 % of their daily targets without overtime, which means that they all must work overtime to meet their daily targets.

Gender

The garment and footwear industry is a highly gendered industry. The vast majority of garment workers – approximately 80% – are women. This is not by chance, but the result of discriminatory practices from start to finish. Women are desirable workers in the garment industry because employers take advantage of cultural stereotypes – to which women are often obliged to adhere – that portrays women as passive and flexible. Economic, reproductive, and domestic responsibilities such as cleaning, cooking and childcare constrain women's ability to seek other types of employment. Often, they do not have the time or opportunity or power to improve their working conditions or

"We are verbally abused at work. There should be women supervisors with women workers and we need better pay so that we can look after our children."

A WORKER IN INDIA

to speak out about the abuses they face daily. Gender discrimination runs deep in most of the garment production countries. Women are frequently subjected to verbal and physical abuse and sexual harassment. They also work under the fear of perhaps being assaulted or raped on their way home from work late at night. Women are also discriminated against once they decide to start, or already have, families. In some garment factories, women applicants are asked if they are married or are planning to have children.

Gender discrimination within factories means women are more affected by low wages; supervisor positions and jobs paid on an hourly-, instead of piece-, basis tend to be occupied by men and contracts are often not renewed when a woman gets pregnant, depriving them of their social security. Migrant women workers are especially prone to exploitation with their status and identity as workers subject to constant legal and economic insecurity, creating a whole tier of workers subjected to conditions akin to modern slavery. Gender discrimination can also be seen when comparing average wages in the different manufacturing sectors. While the gender pay gap in garment and footwear factories is a serious problem, it should not be forgotten that in most countries these sectors have, the lowest wages relative to other manufacturing industries.

In our company survey, not even one of the brands surveyed provided evidence or public information on overall gender pay gaps in its supply chain. Gucci has participated with other luxury brands in a Kering group study looking at gender issues in their suppliers in Italy.

While on the ground, our field research showed that in India for example, the average wage for the male workers surveyed in India was 9053 (Indian rupees) while the average wage for female workers was 7959 – in effect the women there are earning on average only 88% of what men are earning.

It is important that when developing and implementing a living wage policy, that a gender-sensitive approach is chosen – that places the specific situation of women at the centre of the discussion in order to ensure that the living wage calculation reflects the multiple poverty-related and gender-specific burdens.

TRANSPARENCY

Why transparency?

The global garment supply chain is complex, and the details are hidden. Unsafe working conditions, extremely low wages and suppression of unions are found across the industry. No one wants to know that their clothes have been made in life-threatening conditions and by workers receiving poverty wages. But without knowing where they were made, we cannot make informed choices or hold brands to account for these conditions. A lack of publicly available information on the supply chains of garment brands and retailers is a significant barrier to the improvement of human rights in those supply chains.

Greater transparency would identify the different actors within each supply chain and hold all levels of the garment industry responsible for upholding human rights. From places where raw materials are processed, to the production sites where garments are made by workers, to brands and retailers that are selling products, and finally, to consumers, more data is needed.

Supplier disclosure

We found that out of the 108 brands surveyed, only six brands achieved the highest rating for five stars – meaning that the brand discloses the name, address, parent company, type of product and number of workers for most production units fully in line with the Transparency Pledge, provides additional information and makes data available in a machine-readable format. These brands were adidas, Benetton, Esprit, G-Star Raw, H&M and Nike. The vast majority of brands (42) had only one star meaning that they did not disclose any names and addresses of their suppliers.

"We never saw data about brands' payments, what prices they really pay. The factory director always says that we are at a loss. According to him, we should work even more. He tells us that we are drones, a bunch of idiots."

A WORKER IN CROATIA

WHY SEARCHABLE DATA IS IMPORTANT:

There is currently no "centrally available public repository that tracks which apparel companies are publicly disclosing information about their supplier factories" that would enable comparison of brands on their actual performance on workers' wages, and that would clearly present the gap between what is a living wage in each production location and the actual wages paid at the production factories. The information that does exist is scattered across many websites or only accessible behind a paywall. The information is also widely varied in format, quality, and depth, making any form of comparison impossible. In addition crucial gendered data are missing, whereas direct contacts with workers, trade unions, local researchers and other relevant stakeholders as well as aggregated research findings point to the fact that women are typically paid less and have fewer opportunities for pay rises and promotion.

Wage Information

On wages, knowing the average wages of workers on different grades within a factory and across similar factories would allow for a union to scrutinise whether wages are fair and enough to live on. Elsewhere in the garment supply chain, women homeworkers play an essential role stitching and embroidering our clothes and shoes, but they are often invisible, their rights ignored, and they are at the mercy of their employer - even more so than factory workers. Brands must identify and recognise homeworkers and give them the same rights as any other workers.

Out of the 108 brands and retailers surveyed, 100 did not disclose any information publicly on the wages paid at their suppliers. For the remaining eight companies, we found that German companies BP, Vaude, and Englebert Strauss along with Finnish brand Kesko and global brands Puma, adidas, H&M and Zara publicly disclosed some data about wages currently paid to workers at their suppliers.

Payslips

A worker's payslip should show them exactly what they have earned, how they earned it (overtime, bonuses etc) and how long it took them. Payslips are a basic indicator to enable the worker to understand their wages and can reveal if a factory is paying them the correct wages or not. In many instances, factories can use false payslips or reduce the actual wages (but possibly increase other earnings) to avoid paying higher social security payments. This can be important if and when a worker needs to claim these benefits.

The "wage slip is just a farce. Mostly, the payslip and the wage that workers receive make no sense at all and that is why workers don't take the wage slip into account. Most of the workers in SCM have to work a night shift every Saturday and Wednesday, for which they will be paid normal wages. The payslip is just for the official documentation purpose, but nothing that is mentioned there will match with the workers' actual pay."

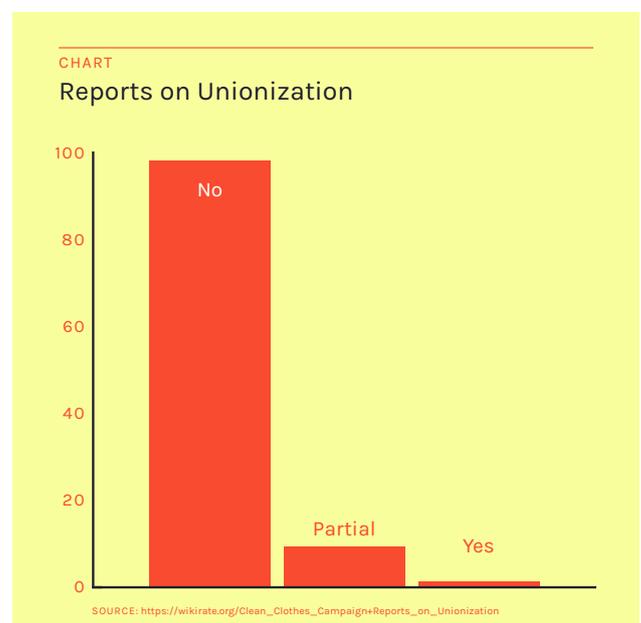
Our research found that many workers did not fully understand their payslips or feel they were correct. Indeed, in India and Indonesia, the information on payslips is so unreliable that many workers do not even know how what they receive actually relates to what is on their payslip.

Evidence of worker organising

If brands demand information on unions and collective bargaining agreements in supplier factories it can send a clear signal to factories and producer countries that the brands support the workers' rights to empowerment. With more information publicly available, unions and human rights defenders will be able to identify brands' suppliers and inform and organise their workers to ensure the wages and conditions are fair .

We asked whether the company publicly reports information on unions and collective bargaining agreements in their supplier operations. We found that 98 of the companies did not report at all. Nine companies provided partial information. However, while H&M provided some public information, they do not make the important distinction between unions and worker committees.

In terms of worker responses on the presence of collective bargaining agreements, we found that 122 workers said they thought there was a CBA in place. Of these, the majority were in Indonesia (85 workers). Almost 50 workers said they did not know while 88 said no. In effect, well over half said they either did not know if one existed or there was no existing CBA.



COVID-19: A VERY PUBLIC DISREGARD FOR WORKERS' WAGES

The COVID-19 crisis exposed for all the world to see the grossly unequal power relations within global garment supply chains, with workers paying the price.

From March onwards, the world's major garment companies, responded with their customary reflex to push risk and costs down the supply chain by cancelling orders and delaying payments. This has left many factories without the financial means to pay workers their wages, even for work already done. Millions of workers are now without income and job security, at a time of already extreme anxiety about health risks. In Bangladesh alone, an estimated ten million workers (April 2020) have lost their jobs. The COVID-19 crisis has shown what little regard brands have for the wellbeing of their supply chain workers – despite the years of platitudes and promises.

The crisis has hit garment workers particularly hard because of the legacy of decades of poverty wages. Workers live from month to month and have been unable to save. Most cannot afford to save for emergencies – let alone save enough to pay for essentials while unemployed in a crisis. Producing countries have relied on their citizens as a source of income from the garment trade and failed to support worker campaigns to develop social security and social protection systems. Brands too have lobbied governments hard to keep down wages and in turn governments have failed to ensure supplier adherence to what scant social protection mechanisms there are. This must change.

We hope that [fashionchecker.org](https://www.fashionchecker.org) and the accompanying series of policy papers and further analysis from our research will help change the reality of poverty wages and bring about real progress towards a living wage for workers in the garment sector, thereby lifting millions of girls, women and migrants out of poverty, and pursuing the overall objective of decent work and a sustainable industry.



RECOMMENDATIONS

Our demands to brands
and policymakers

OUR DEMANDS TO BRANDS

Brands need to do more to change the power dynamic in the garment industry. Workers should not have to fight for basic human rights. It's time to demand change.

OUR WAGE DEMANDS

Pay a living wage

We want brands to pay more for their orders. Suppliers will only be able to pay living wages when they are able to bargain for prices that can adequately cover labour costs.

Brands need to commit to paying a living wage contribution on every order they place, sufficient to close the wage gap for all workers in their supply chain by 31 December 2022.

Using living wage benchmarks

If brands are going to pay living wages to all workers across their supply chain they need to know how much labour should cost. There are many tools to help brands do so.

Brands need to commit to using transparent and robust living wage benchmarks.

Pay the women who make our clothes

Brands need to do more to reduce gender inequality in the garment supply chain. Women are routinely hired in roles that pay less than their male counterparts which is detrimental to their health and safety and ability to provide for their families.

Brands need to commit to reducing the gender pay gap in their supply chain by at least 30% by 31 December 2022.

COVID-19 - Pay UP!

COVID-19 shook the world but it has left the garment industry in ruins. Millions of workers have been without full pay for months. Many of them were already waiting on unpaid wages from before the pandemic hit. For the vast majority of workers, receiving anything less than their full pay means they cannot afford to buy food.

Brands need to publicly commit to a wage guarantee for all workers in their supply chain. Ensure and enable that all workers who were employed at the onset of the COVID-19 crisis receive their full salaries or, in the case of factory closure, receive severance pay.

OUR TRANSPARENCY DEMANDS

A transparent supply chain

We want all brands to commit to a completely transparent supply chain by signing the Transparency pledge. The Transparency Pledge sets a baseline for what information garment companies should disclose to the outside world about the factories they are producing in. The standard was launched in 2017 by a coalition of nine trade unions and labour rights organizations and has been further elaborated on in two reports in 2017 and 2019.

Brands that haven't already need to sign the Transparency Pledge as soon as possible.

Assessable data on women, migrants and unions

Not only do brands need to be collecting specific data on the working conditions in their supply chains, but they also need to release this data in a format that activists and unions can work with. We want to know where women and migrants work in the supply chain and whether the people who make our clothes are able to stand up for themselves.

Brands must disclose data using machine-readable supplier lists, including gender breakdown of roles in each factory, migrant workers as a share of the workforce in each factory, and the presence of unions or worker committees in each factory.

Wages at the bottom of the supply chain

We want to know what the lowest-earning workers in the supply chain earn. Brands must disclose data on the lowest wage level paid by each supplier in each production country, for a full working week, excluding overtime, benefits and bonuses. This is not something brands disclose or even check. This needs to change.



Photo: Future in Our Hands

OUR DEMANDS TO POLICYMAKERS

It's not just brands that are responsible for ensuring workers in the garment industry are treated fairly and equally. Governments play a vital role in creating a level playing field for all parties involved.

OUR WAGE DEMANDS

We call for minimum wages in production countries to be fixed in accordance with reliable international living wage standards and for transparent and robust benchmarks to be included in policies and agreements.

We call for the EU to ensure that minimum wages for workers in the EU are fair and guarantee a decent living, and are fixed in accordance with reliable international living wage standards, and enable access to adequate social protection regardless of employment relationships and reduce social exclusion and inequalities

OUR TRANSPARENCY DEMANDS

We call for the EU to require supply-chain disclosure from, at the very least, companies in high-risk sectors where violations are rife. The supplier list should also include machine-readable information on all production units and processing facilities, as well as the name, address, parent company of the site business, type of products made and the number of workers at each site.

We call for mandatory disclosure of data on the lowest wage level paid by each supplier in each production country, excluding benefits and bonuses and by gender, migrant workers and employment status with awareness of risks and rights all the way down the supply chain.

We call to advance human rights due diligence legislation at EU level to put in place an obligation on companies to respect human rights in their operations and supply-chains, including transparency on the due diligence process, on the supply-chain and on wages paid in the supply chain, with awareness of risks and rights all the way down the supply chain, and according to the 'leave no-one behind'-principle.

We call to set an information system in place for companies to report and disclose adequate and transparent information on factory-level and on product-level. Access to this information system should be free, unlimited and according to established open data standards.

We call for increased transparency at the product level to empower citizens: expand the type of information on labelling of textile to include information on the manufacturing process and life cycle.