

**PAY A
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Salarios Dignos

**¿El salario que pagan las
marcas a las personas
que confeccionan nuestra
ropa es suficiente como
para costearse la vida?**

**Campaña
Ropa Limpia**



SALARIOS DIGNOS

¿El salario que pagan las marcas a las personas que confeccionan nuestra ropa es suficiente como para costearse la vida?

Marzo de 2014

LA CAMPAÑA ROPA LIMPIA

Es una alianza internacional que trabaja para mejorar las condiciones y apoyar el empoderamiento de las trabajadoras de la industria textil mundial. La CRL desarrolla campañas nacionales en 16 países europeos, tiene una red de 250 organizaciones a nivel mundial y una secretaría internacional con base en Ámsterdam. cleanclothes.org

ASIA FLOOR WAGE ALLIANCE

Es una alianza internacional de sindicatos y activistas de derechos laborales que trabajan juntos para exigir que a las trabajadoras de Asia del sector textil se les pague un salario digno. Liderada por sindicatos de los principales países asiáticos productores del sector textil, Asia Floor Wage Alliance representa las preocupaciones y las necesidades de las propias trabajadoras. En 2011, la alianza publicó por primera vez el cálculo del Salario Digno de Asia. Los miembros de esta alianza utilizan las cifras del Salario Digno de Asia como herramienta para negociar con las compañías y los gobiernos y avanzar hacia el pago de un salario digno. asiafloorwage.org

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RESUMEN

La industria textil mundial es responsable del bienestar de millones de personas en todo el mundo. Las cadenas que unen a las tiendas de moda como H&M, Zara y Marks & Spencer y a las personas que confeccionan la ropa que venden atraviesan todo el mundo.

Un salario digno es un derecho humano. Pero la escandalosa verdad es que la mayoría de las trabajadoras de la industria textil global no puede permitirse una vida digna, ya que no ganan más que 6€ al día en una industria que mueve más de 34.000 millones de euros en Europa.¹ La Campaña Ropa Limpia cree que ninguna compañía puede afirmar que trabaja de forma ética si las personas que confeccionan su ropa cobran menos de un salario digno.

Comenzamos este estudio para proporcionar a las personas consumidoras información transparente sobre este asunto que creemos que debe estudiarse en profundidad: es decir, si las personas que fabrican la ropa de las marcas a las que compramos cobran o no un salario digno que les permita vivir una vida digna a ellas y a sus familias. Investigamos a un total de 50 compañías del sector textil líderes de Europa para ver qué pasos están dando para asegurar el cumplimiento del pago de salarios justos.

Desgraciadamente, comprobamos que pocas compañías hacen lo suficiente. Sólo cuatro de las 50 compañías con las que contactamos (Inditex, Marks & Spencer, Switcher y Tchibo) pudieron probar que están dando pasos que consideramos que, con el tiempo, pueden llevar a un aumento salarial significativo, y ninguna de las compañías estudiadas paga actualmente salarios dignos.

Pero se están consiguiendo ciertos progresos limitados. Desde que Asia Floor Wage Alliance estableció en 2009 un parámetro real de lo que supone un salario digno, las compañías ya no pueden eludir su responsabilidad de garantizar su pago diciendo simplemente que no existe una definición de salario digno. Siete compañías (Best-seller, G-Star, New Look, Puma, Switcher, Takko Fashion

y Tchibo) han adoptado lo que consideraríamos un instrumento de evaluación comparativa creíble en torno a los salarios dignos, lo cual es vital para informar sobre el objetivo hacia el que trabajan y para cuantificarlo. Se están consiguiendo otros progresos respecto a los precios, con siete compañías que ahora informan de los costes de elaboración de cada producto, e incluyen dicha información prorrateada. Una compañía, Switcher, también está probando un método que implica pagar una “bonificación adicional” salarial que equivale a un aumento de un 1% en el precio pagado a la fábrica, que va directamente a las trabajadoras.

Pero en general, el cambio no está llegando lo suficientemente rápido y la situación salarial está llegando a un punto crítico. Las trabajadoras de los países que se encargan de la producción textil en todo el mundo están luchando cada vez más contra la opresión económica. En los últimos meses, han estallado varias manifestaciones en Camboya, donde cientos de miles de trabajadoras, que no han tenido más remedio que salir a la calle, han exigido un salario mínimo mensual de 160 dólares americanos. Asimismo, miles de trabajadoras de Bangladesh se han manifestado para conseguir salarios mejores y fábricas más seguras.

Durante más de diez años, las marcas han prometido a las trabajadoras y a los consumidores que se pagarán salarios dignos, aunque la realidad refleja lo contrario. Se ha hecho esperar a las trabajadoras, diciéndoles que las marcas tienen que definir lo que significa un salario digno y buscar la forma de garantizar que no pagan su coste. Se ha dicho a las personas consumidoras que no se preocupen, que las marcas se preocupan y están haciéndolo lo mejor que pueden. El problema es que no es suficiente, y las trabajadoras no pueden esperar más. Es hora de garantizar que la industria textil no da cualquier trabajo sino un trabajo decente a los millones de mujeres y hombres que confeccionan la ropa que vestimos.

¹ http://ec.europa.eu/enterprise/sectors/textiles/documents/saxion_task7_synthesis_en.pdf, última visita el 26.02.2014

SALARIO DIGNO

PARA LAS TRABAJADORAS DEL SECTOR TEXTIL



Una trabajadora debería poder permitirse:



Un salario digno es un derecho humano de todas las personas de todo el mundo



www.ropalimpia.org

LA SITUACIÓN SALARIAL

Cuando la Campaña Ropa Limpia, junto con Asia Floor Wage Alliance, se dispuso a descubrir lo que están haciendo las compañías para garantizar que las trabajadoras cobran un salario digno, estábamos impacientes por ver lo que se estaba consiguiendo. En unos pocos casos, comprobamos que algunas marcas han empezado a hacer cosas interesantes y que es

cierto que están consiguiendo que los salarios de las trabajadoras crezcan. Sin embargo, en general, nos decepcionó ver que el progreso no está más que en fase de prueba y que las iniciativas que hacen que los salarios suban son inusuales. En realidad, son muy pocas las empresas que han tratado de avanzar hacia un salario digno en su trabajo comercial.

INFO WANTED COMPAÑÍAS QUE NO RESPONDIERON A NUESTRO CUESTIONARIO

Armani, Asda, Benetton Group, Celio, Desigual, Diesel, Hugo Boss, Kik, Levi Strauss & Co., LPP S.A., Mexx, Replay, S.Oliver, Tod's, Vuitton

COMPAÑÍAS QUE NO HACEN CASI NADA PARA GARANTIZAR QUE SE PAGA SUFICIENTE COMO PARA VIVIR A LAS TRABAJADORAS

Aldi, Carrefour, Charles Vogële, Decathlon, Esprit, Gucci, IC Companys, Mango, Orsay, Pimkie, Pentland, Promod, VF Corporation, Versace, WE Fashion

COMPAÑÍAS QUE RECONOCEN QUE EL SALARIO DIGNO ES NECESARIO, PERO HACEN POCO PARA HACERLO REALIDAD

Asics, Bestseller, C&A, Gap, G-Star, Lidl, New Balance, Nike, Next, Takko Fashion, Tesco

COMPAÑÍAS QUE AFIRMAN QUE TRABAJAN EN EL TEMA DE LOS SALARIOS DIGNOS, PERO DE MOMENTO NO ES CONVINCENTE

Adidas Group, H&M, Primark, Puma, New Look

COMPAÑÍAS QUE HAN TRABAJADO ALGO PARA AUMENTAR LOS SALARIOS, PERO TODAVÍA NO ES SUFICIENTE

Inditex, Marks & Spencer, Switcher, Tchibo

LA NECESIDAD DE UN SALARIO DIGNO

¿POR QUÉ CONCENTRARSE EN EL DERECHO A UN SALARIO DIGNO?

Un salario digno, por definición, es un salario con el que una trabajadora puede mantenerse a sí misma y a su familia. La noción de salario digno está incluida en el discurso internacional sobre los derechos humanos. La Declaración Universal de los Derechos Humanos de las Naciones Unidas dice lo siguiente en su artículo 23.3:

“Toda persona que trabaja tiene derecho a una remuneración equitativa y satisfactoria, que le asegure, así como a su familia, una existencia conforme a la dignidad humana y que será completada, en caso necesario, por cualesquiera otros medios de protección social”.²

Sin embargo, a pesar de esta definición tan clara del derecho a un salario digno, la realidad de la mayoría de las trabajadoras del sector textil es, ante todo, la pobreza.

Los salarios mínimos legales de los países productores de la industria textil están lejos de llegar a un salario digno, y por culpa de eso, las trabajadoras de ese sector no pueden costearse ni sus necesidades básicas, ni las de sus familias. La distancia entre el salario mínimo legal y el salario digno sigue creciendo, como muestran las cifras de 2013 de Asia Floor Wage Alliance. Además, los retos diarios a los que se enfrentan las trabajadoras que cobran sueldos de pobreza no sólo están relacionados con los apuros económicos. Si el salario estándar semanal que cobra una trabajadora no basta para cubrir sus necesidades y las de su familia, tanto ella como su familia sufren los problemas relacionados con la pobreza, como la baja ingesta de calorías, el acceso limitado a servicios de salud adecuados, falta de seguridad social, condiciones pobres de vivienda, acceso limitado a la educación y participación limitada en la vida cultural y política.

Durante muchos años, la industria textil global ha justificado la ubicación de la producción en economías empobrecidas subrayando las oportunidades de empleo que da la industria, y resaltando que las mujeres en particular se benefician del trabajo que ofrece la industria textil. De hecho, es cierto que la gran mayoría de las personas que trabajan en las fábricas textiles de todo el mundo son mujeres, y su trabajo

es el sustento para millones de personas y para sus familias, incluso si se trata de un sustento muy pequeño y débil.

Sin embargo, la realidad refleja que las fábricas textiles no ofrecen a las trabajadoras las ventajas económicas prometidas por la globalización, y muchas de las que entran en el sistema quedan atrapadas en la pobreza. Las personas trabajadoras, especialmente las mujeres (que suponen el 80% del empleo de la industria textil), no obtienen una parte justa del valor que generan en la cadena de suministro y no reciben un salario suficiente como para vivir, y mucho menos para ahorrar y romper su ciclo de pobreza. Al contrario, se ven atrapadas en el círculo vicioso de los salarios bajos, las excesivas horas extra, el endeudamiento y la dependencia extrema, que las hace vulnerables como empleadas. La Organización Internacional del Trabajo (OIT) indicó lo siguiente en noviembre de 2013 en un informe sobre Bangladesh. “Bangladesh ha experimentado un periodo sostenido de crecimiento económico, determinado principalmente por las

EL DERECHO A UN SALARIO DIGNO EN LOS ACUERDOS INTERNACIONALES

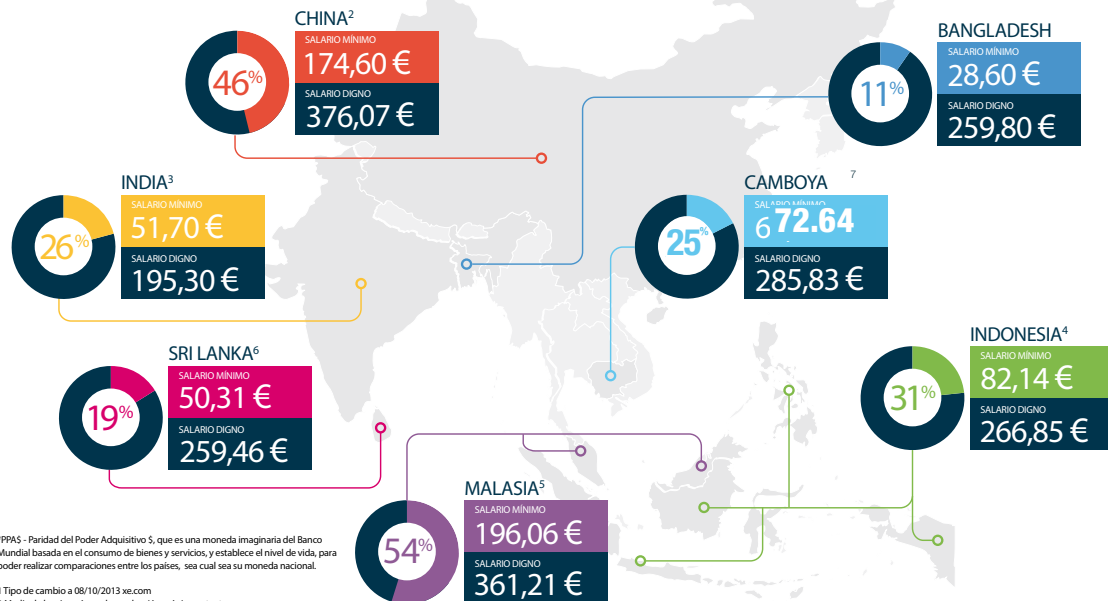
Además de en la Declaración Universal de los Derechos Humanos de las Naciones Unidas, el concepto de salario digno está establecido en el Pacto Internacional de Derechos Civiles y Políticos (ICESCR, 1966), artículo 7 (a): “Los Estados Partes en el presente Pacto reconocen el derecho de toda persona al goce de condiciones de trabajo equitativas y satisfactorias, que le aseguren en especial: ... (ii) Condiciones de existencia dignas para ellas y para sus familias conforme a las disposiciones del presente Pacto; ...”

² La Declaración Universal de los Derechos Humanos está disponible en: <http://www.un.org/en/documents/udhr/index.shtml#a23>, última visita el 18.12.2013

SALARIO MÍNIMO VS. SALARIO DIGNO

La diferencia entre el salario mínimo¹ y el salario digno.

El salario digno se ha calculado en base a la cifra del Salario Digno de Asia de 2013, de 725PPAS*.



*PPAS - Paridad del Poder Adquisitivo 5, que es una moneda imaginaria del Banco Mundial basada en el consumo de bienes y servicios, y establece el nivel de vida, para poder realizar comparaciones entre los países, sea cual sea su moneda nacional.

1 Tipo de cambio a 08/10/2013 xe.com

2 Media de las cinco áreas de producción más importantes

3 Media de las regiones más importantes: Tamil Nadu, West Bengal, Maharashtra (no cualificado, Zona III)

4 Media de todas las provincias

5 En julio de 2012 el gobierno de Malasia anunció que los trabajadores de Malasia recibirían salarios mínimos de 900 RM (291 dólares americanos) en la Malasia peninsular y 800RM (259 dólares americanos) en Sabah y Sarawak

6 El salario más bajo para el primer año, grado IV y sin ningún tipo de bonificaciones

Lili, una trabajadora de Camboya, dijo:
“Mis gastos aumentan día a día.
¿Y si tengo una boda o una ceremonia,
o si me tengo que encargar de mis
abuelos, de mi madre o de mis hijos?
¿Cómo podría mantenerles también a
ellos? A pesar de que todas comemos
juntas en una habitación pequeña y las
demás me dan dinero, sólo podemos
gastarnos una pequeña cantidad cada
una, porque todas tenemos que preo-
cuparnos de cómo podremos enviar
dinero a nuestras familias”.

exportaciones del sector textil. Además, la creación de empleo se ha concentrado en el sector de la producción y los servicios y el empleo agrícola se ha reducido. Las mujeres de Bangladesh han formado parte de esta transformación y han sido una pieza fundamental en la reducción de la pobreza y en el desarrollo rural. Sin embargo, a pesar de las grandes ganancias en crecimiento económico de los últimos años, no ha habido mejoras en el mercado respecto a las condiciones de trabajo, y en especial, en el caso de las millones de trabajadoras del sector textil”.³

El salario digno es vital para que la transformación hacia una economía global cumpla las promesas de beneficio económico en los países de producción y desarrollo duradero.

El derecho a un salario digno se establece en varias declaraciones y pactos de la OIT⁴:

- Constitución de la OIT, 1919: Preámbulo de la Carta.
- La Declaración de Filadelfia, Conferencia Internacional del Trabajo, 1944.
- La Declaración de la OIT sobre la Justicia Social para una Globalización Equitativa, 2008.
- Convención nº 131 y 156 (indirectamente) y Recomendaciones nº 131 y 135 (indirectamente).

¿QUÉ ES UN SALARIO DIGNO?

La Campaña Ropa Limpia, como parte de Asia Floor Wage Alliance, define el salario digno de la siguiente forma:

“Los salarios y ganancias pagados por un trabajo estándar deben cumplir al menos los estándares salariales legales o industriales mínimos, y siempre deben bastar para responder a las necesidades básicas de las trabajadoras y de sus familias y proveer ingresos extra”.

En concreto, el salario digno:

- Se aplica a todas las trabajadoras, es decir, no existe ningún salario por debajo del nivel de vida
- Se debe ganar en la semana laboral estándar, de no más de 48 horas
- Es el salario básico neto, después de haber pagado los impuestos y (si se aplican) sin bonificaciones, asignaciones ni horas extras
- Cubre las necesidades básicas de una familia de cuatro miembros (dos adultos, dos niños)
- Incluye un 10% adicional de los costes de las necesidades básicas como ingresos extra

3 www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_229105.pdf, p.V, última visita el 23.01.2014

4 Fair Wages: Strengthening Corporate Social Responsibility”, Daniel Vaughan-Whitehead, 2010, p.203

El Salario Digno de Asia

La Campaña Ropa Limpia forma parte de Asia Floor Wage Alliance (AFW), la alianza de sindicatos y grupos laborales de Asia que ha calculado la fórmula del salario digno. Creemos que es la cifra y la metodología más firme actualmente disponible para el cálculo independiente del salario digno, y es una herramienta clave para establecer los parámetros que las compañías y los gobiernos deberían tratar de alcanzar respecto a los salarios de las trabajadoras.

Se calcula en base a ciertas suposiciones que creemos que siempre deberían ser fundamentales para un salario digno:

- **Un salario digno es siempre un salario de familia.** En la mayor parte de los países productores, las pensiones y los seguros no son suficientes y a menudo los servicios públicos no existen. Un salario digno debe tener en cuenta y cubrir, al menos parcialmente, las necesidades básicas de las personas cuidadoras del hogar.
- **Un salario digno debe permitir ahorrar.** Si no, las trabajadoras se quedan en una situación de vulnerabilidad, no son capaces de realizar planes a medio o a largo plazo y se arriesgan a terminar endeudadas cuando tienen gastos financieros adicionales imprevistos.
- **Un salario digno tiene que considerarse un mínimo, y no un máximo, respecto al pago salarial, y debe garantizar unos ingresos mínimos para todas las trabajadoras.** Lo ideal sería que el salario digno se enfocara a nivel de Asia, para evitar aumentar la competencia salarial entre países, amentando el sueldo base para todas las trabajadoras.

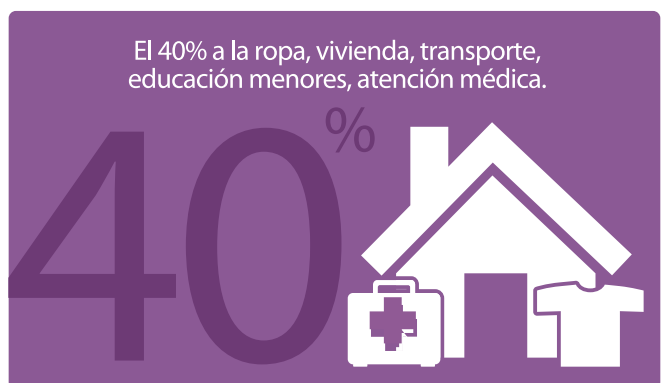
Asia Floor Wage Alliance basa sus cálculos en las siguientes suposiciones:

- Una trabajadora debe ser capaz de mantenerse a sí misma y a otras “unidades de consumo” (una unidad de consumo = un adulto o dos niños).
- Un adulto requiere 3.000 calorías al día para poder realizar su trabajo.
- En Asia, los gastos en comida suponen la mitad de los ingresos mensuales de las trabajadoras.

El Salario Digno de Asia se calcula como PPA\$ - Paridad del Poder Adquisitivo \$, que es una moneda hipotética del Banco Mundial basada en el consumo de bienes y servicios, y establece un estándar de vida para poder realizar comparaciones entre los países, sea cual sea su moneda nacional.

Asia Floor Wage Alliance realiza regularmente investigaciones sobre la cesta de comida en Asia para calcular las nuevas cifras del Salario Digno de Asia. Basándose en esas investigaciones, y a través de negociaciones llevadas a cabo entre los sindicatos que forman parte de Asia Floor Wage Alliance, se establece una cifra media de poder adquisitivo para Asia. Los estudios más recientes sobre la cesta de comida se realizaron en 2013, y la nueva cifra del SDA se estableció en 725\$ PPA en octubre de ese año.

Los salarios de pobreza, por supuesto, no se limitan a la industria textil de Asia. A veces, los salarios mínimos legales de los países de Europa Oriental son aún más bajos que los salarios de Asia, y en muchos países de Europa Oriental, los salarios mínimos legales no llegan ni siquiera al nivel de subsistencia establecido por sus respectivos gobiernos. La reivindicación del salario digno es la reivindicación para que se pague una parte justa de las ganancias, y por ello, en este estudio hemos analizado las políticas, las prácticas y las estrategias que aplican las compañías en toda su cadena de suministro a nivel mundial.



¿QUIÉN ES RESPONSABLE DEL PAGO DE UN SALARIO DIGNO?

En 2011, el Consejo de Derechos Humanos de las Naciones Unidas respaldó de forma unánime los Principios Rectores de Naciones Unidas sobre los Negocios y los Derechos Humanos (Principios Rectores de Naciones Unidas), que establecen claramente el papel y las responsabilidades de los negocios y los estados.

Los Principios Rectores de Naciones Unidas se basan en tres pilares:

1. El deber del Estado de proteger los derechos humanos
2. La responsabilidad empresarial de respetar los derechos humanos
3. Acceso a la compensación

Así, se establece un principio de responsabilidad compartida entre el estado y las empresas, es decir, los estados están obligados a establecer un salario mínimo a un nivel de subsistencia para proteger el derecho humano a un salario digno, y las empresas, por su parte, deben respetar el derecho humano de pagar los salarios correspondientes.

Sin embargo, también se establece que la responsabilidad de respetar los derechos humanos “existe independientemente de la capacidad y/o interés que tengan los Estados de cumplir sus propias obligaciones respecto a los derechos humanos, y no reduce dichas obligaciones. Y existe más allá del cumplimiento de las leyes nacionales y los reglamentos que protegen los derechos humanos”.⁵

En otras palabras, en los casos en los que el estado no cumple su deber de proteger los derechos humanos —por ejemplo, cuando el salario mínimo legal no cumple el nivel mínimo de

subsistencia (salario digno)—, las empresas siguen teniendo la obligación de respetar el derecho humano a un salario digno.

Los Principios Rectores de Naciones Unidas establecen la responsabilidad de la cadena de suministro, lo que significa que las compañías son responsables de los derechos humanos en la cadena de suministro, independientemente de dónde ocurra el impacto negativo (es decir, ya sea en sus propias instalaciones o en las de sus proveedores, en las de los proveedores de sus proveedores o respecto a las personas que trabajan desde su hogar). Por lo tanto, a pesar de que la producción textil se deje en manos de terceros, las empresas siguen teniendo su responsabilidad y no pueden delegarla y dejarla en manos de los terceros de su cadena de suministro.

Principio nº 13: “La responsabilidad de respetar los derechos humanos supone que las empresas:

- (a) Eviten provocar o contribuir a los efectos negativos sobre los derechos humanos en sus actividades, y reconozcan dichos impactos cuando existan;
- (b) Traten de prevenir o mitigar los impactos negativos sobre los derechos humanos en lo que esté directamente relacionado con sus operaciones, productos o servicios, mediante sus relaciones comerciales, incluso si no han contribuido a dichos impactos”.

Visto lo indicado, parece más que claro que la responsabilidad comercial de pagar un salario digno, que a menudo se discute o se pone en segundo plano como responsabilidad de las marcas de moda y de los comerciantes minoristas, no es negociable.

⁵ <http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf>, p.13, última visita el 01.01.2014

EL CONTEXTO ACTUAL DEL DEBATE SOBRE EL SALARIO DIGNO

Durante las tres últimas décadas, cada vez más países han empezado a competir en el negocio de la exportación del sector textil internacional, en el mercado de la producción de prendas de vestir y de calzado. Como consecuencia del exceso de oferta global, el precio de la fabricación de prendas de vestir y calzado está bajando continuamente. “La supervivencia del más barato” se ha convertido una máxima, tanto en los países productores como en los mercados de consumo. La más mínima amenaza de traslado basta para que los gobiernos de los países productores adecúen sus políticas laborales y comerciales a las expectativas y exigencias de los compradores globales. En la práctica, esto significa que, por ejemplo, la actividad sindical se suprima de forma notable y se establezcan salarios mínimos legales muy por debajo del nivel mínimo de subsistencia y no se actualicen según la inflación.⁶

Durante y después de la crisis financiera, la situación de las trabajadoras del sector textil empeoró. La explosión de los precios del arroz y del petróleo tuvo un especial efecto sobre las trabajadoras, ya que la comida supone una gran parte de sus gastos domésticos. Los salarios mínimos, que ya eran extremadamente bajos, no se ajustaron según la inflación, así que los salarios reales se redujeron aún más. Sus consecuencias se reflejan en la preocupante malnutrición que se está extendiendo entre las trabajadoras del sector textil de Bangladesh y en los desmayos en masa de las fábricas textiles de Camboya provocados por la falta de alimentación apropiada. Recientemente, cientos de trabajadoras de muchos países productores han salido a la calle y han organizado huelgas para exigir sueldos más altos, desesperadas por la situación en la que se encuentran.

REALIZAR INSPECCIONES NO CAMBIA NADA

Ha quedado claro que durante la última década las inspecciones no han sido capaces ni de evaluar la situación real de las fábricas de Asia, ni de provocar cambios sistemáticos en la industria. Las inspecciones comerciales atribuyen el cumplimiento de las responsabilidades sociales a los proveedores, y no tienen en cuenta los hábitos de compra de las empresas compradoras, aunque a menudo, el origen de las excesivas horas extra y los bajos sueldos de las fábricas se encuentra en los bajos precios de compra y en los cortos plazos de entrega.

Las empresas compradoras recurren a todo tipo de excusas para no comprometerse a pagar salarios dignos, diciendo que es responsabilidad de los proveedores o de los gobiernos, que es imposible pagar dichos salarios porque los dejaría fuera del mercado, que los consumidores no quieren pagar más, que no hay consenso en torno al cálculo del salario digno, etc. Pero aunque los servicios se pueden delegar, la responsabilidad de respetar los derechos humanos y pagar un salario digno, como hemos explicado anteriormente, sigue correspondiendo al comprador.

Como respuesta al fracaso de las inspecciones comerciales, algunas compañías se han unido a Iniciativas de Múltiples

Interesados (IMI), como la fundación Fair Wear (FWF) o la Iniciativa de Comercio Ético (ETI).

Estas dos IMIs están comprometidas con el avance hacia la aplicación del salario mínimo, y una condición para ser miembro es que las marcas se comprometan con el principio del salario digno en sus políticas. Sin embargo, se debe hacer mucho más para promover la aplicación del salario digno de forma efectiva, y las IMIs deberían tener un papel mayor en este campo.

Las tragedias como la del derrumbamiento de la fábrica del Rana Plaza han reflejado sin ambigüedades hasta dónde puede llevar la moda barata, y también que las inspecciones no son suficientes. El Rana Plaza fue inspeccionado varias veces antes de que se derrumbara el 24 de abril de 2013 provocando la muerte de más de 1.100 personas, pero ninguna inspección detectó el deterioro del edificio. El Acuerdo sobre Seguridad de Bangladesh (legalmente vinculante) alcanzado entre sindicatos y más de 100 marcas recoge una importante nueva vía respecto a lo que pueden significar la responsabilidad empresarial y la colaboración.

⁶ “Stitching a Decent Wage Across Borders”, J. Merk, CCC/AFW, 2009, www.asiafloorwage.org/Resource-Reports.html, pp.30–35, última visita el 26.02.2014

MIEMBROS DE LA FEDERACIÓN NACIONAL DE TRABAJADORAS DEL SECTOR TEXTIL SE MANIFIESTAN EN LAS CALLES DE DHAKA. DHAKA, BANGLADESH, JUNIO DE 2013



DECODIFICANDO LA JERGA DE LAS COMPAÑÍAS

El debate internacional sobre el salario digno ha experimentado un considerable impulso durante los dos últimos años. Varios agentes han tratado de desviar esta cuestión y redefinir los términos para impulsar estándares inferiores o definiciones menos rigurosas en torno al salario digno. Las compañías también han empezado a responder públicamente a las exigencias de las personas consumidoras y de las campañas sobre el salario digno. Algunas de estas respuestas han sido de ayuda, pero otras han tratado de desviar el problema o de engañarnos. Para ayudar a cualquier persona que lea los perfiles de las compañías de este estudio, hemos tratado de explicar la jerga que utilizan con mayor frecuencia (debajo) y resumir brevemente la posición de la Campaña Ropa Limpia en torno a la eficacia de ciertas iniciativas:

Iniciativas con Múltiples Interesados (IMI)

Son organizaciones que reúnen a empresas, ONGs y sindicatos para divulgar los problemas de las cadenas de suministro. Algunas, como la fundación europea Fair Wear, actúan como verificadores independientes de las condi-

ciones de trabajo; otras, como la Iniciativa del Comercio Ético, funcionan como foros para el intercambio de las mejores prácticas.

La Fundación Fair Wear (FWF): La FWF exige a sus miembros que se comprometan a pagar un salario digno, y está impulsando algunos trabajos interesantes probando métodos para implementarlo. La fundación ha establecido una herramienta de monitorización transparente y relevante para evaluar el salario digno y para definir el nivel salarial de las fábricas (ver "escala salarial", debajo). Sin embargo, de momento la FWF no tiene un plan de acción con hitos claros y un calendario claro para que sus miembros implementen un salario digno.

La Iniciativa de Comercio Ético (ETI): La ETI exige a sus miembros que se comprometan a pagar un salario justo, pero no desarrolla esta definición respecto al número de familiares que debe cubrir este salario. En los últimos años se ha hecho poco internamente para definir parámetros o emprender proyectos colectivos para ayudar a las compañías a pagar un salario digno, aunque algunos miembros han sido bastante activos compartiendo sus propios proyectos.

Fair Labor Association (FLA): La FLA establece en su código que los ingresos deben “bastar para responder a las necesidades básicas de las trabajadoras”, pero en su política no menciona el término “salario digno”. La FLA también tiene un sistema de inspección, pero no hay evidencias de que sus inspecciones midan la diferencia que existe entre los salarios actuales y los salarios dignos o los que cubren las necesidades básicas. Y tampoco hay ninguna prueba ni se está trabajando para promover el pago de un salario digno.

Iniciativas impulsadas por el sector privado

La Business Social Compliance Initiative (BSCI) es distinta a las IMIs descritas arriba, ya que las ONGs y los sindicatos no participan en su núcleo de decisión. La BSCI cuenta con una plataforma social compartida de inspección y actúa como un organismo consultivo sobre políticas. También organiza mesas redondas y actividades de formación en los países productores. Y aunque tiene un código para sus miembros, que se actualizó en febrero de 2014 para incluir el texto sobre las “necesidades básicas”, no exige a sus miembros que paguen un salario digno. La BSCI tampoco exige a sus miembros que adapten sus políticas y hábitos de compra para permitir el pago de un salario digno a las trabajadoras de las fábricas. Confía principalmente en la inspección comercial para promover el cambio (aunque se ha visto reiteradamente que no es un método eficaz), y no ha mostrado ningún esfuerzo concreto para promover la implementación de un salario digno en las cadenas de suministro de sus miembros.

Fair Wage Network

La Fair Wage Network (FWN) fue creada por profesionales de la Organización Internacional del Trabajo (OIT) y el anterior presidente de la FLA (pero no se trata de una iniciativa de la OIT ni de la FLA). Se creó para trabajar junto con las compañías y explorar lo que pueden hacer conjuntamente para aumentar los salarios. Mediante una serie de proyectos y estudios piloto, la FWN está explorando “las dimensiones del salario digno”, definido como “prácticas empresariales dirigidas al desarrollo de salarios sostenibles”. Bajo el concepto de salario digno, proveerá una serie de herramientas o sistemas que se podrán utilizar en las compañías para aumentar los salarios hasta un nivel sostenible. El salario digno se define como una de las “12 dimensiones del salario justo”.

Nuestras preocupaciones respecto a esta iniciativa son que las compañías están utilizando su implicación para desviar la atención de la necesidad de trabajar para lograr el pago de un salario digno.

En conjunto, la Fair Wage Network puede resultar útil para ayudar a las compañías a tener una imagen de la situación salarial de su cadena de suministro y para identificar los problemas que se deben reconocer. Sin embargo, la posibilidad de que el salario digno se consiga a través de estos análisis depende totalmente de la voluntad política y del compromiso de las compañías y proveedores involucrados. El simple hecho de “participar en el FWN” no garantiza el pago de un salario digno.

Productividad

Varias compañías han mencionado que participan en proyectos para mejorar la productividad. Esto adopta varias formas, algunas buenas y otras malas. Para algunas, implica realizar trabajos de ingeniería en torno a los equipos y a la forma en la que el producto se mueve en la fábrica, para minimizar el número de personas involucradas y el tiempo que se utiliza para fabricar los productos. Para otras, implica evaluar al personal y las estructuras de gestión y formar a las trabajadoras para realizar tareas más diversas, para disminuir el número de personas que se deben involucrar en la producción. Una filosofía de productividad llamada “Lean” se concentra en eliminar el despilfarro y en implicar al personal en la detección de problemas e ineficiencias y en el desarrollo de soluciones. La idea es conseguir que las fábricas sean más eficientes y así consigan más beneficios en menos tiempo, lo cual es bueno para el comprador y para la dirección de la fábrica, y puede reducir las horas de trabajo del personal y mejorar sus salarios. Nuestra opinión sobre los planes sobre la productividad es que aunque a veces consiguen mejoras limitadas y aumentan ligeramente los salarios, las ganancias que pueden generar no corregirán la diferencia que existe entre el salario mínimo y el salario digno. Asimismo, existe el riesgo de que terminen por presionar aún más a sus empleados y empleadas respecto a las tarifas por pieza, y no hay garantías de que las ganancias financieras vayan a suponer una mejora de las pagas.

Escalas salariales

La Fundación Fair Wear ha sido pionera respecto a una idea que han adoptado ya varias compañías para tener una visión en torno a los salarios de un país en concreto. Las escalas salariales consisten en una serie de parámetros sobre los salarios, incluyendo los niveles de salarios mínimos, los estándares industriales, las exigencias de los sindicatos y el Salario Digno de Asia, entre otros. Las compañías pueden utilizar esta información para planificar los salarios que se pagan en sus fábricas, y como herramienta para que las fábricas “suban en la escala”, dando pasos hacia el cumplimiento de los estándares del salario digno. Algunas compañías se valen de estas escalas durante las inspecciones para explicar cuáles quieren que sean sus salarios. Creemos que son una herramienta útil.

El certificado SA8000

Muchas compañías descritas en este informe utilizan la certificación SA8000, que indica que las fábricas certificadas deben pagar un salario digno. El salario digno se define como “suficiente como para responder a la mitad de las necesidades básicas de una familia media, tomando como referencia los precios locales cercanos al lugar de trabajo”. La certificación SA8000 incluye la afirmación de que “las instalaciones que obtengan el certificado SA8000 deben llegar a pagar un salario digno en un plazo de entre 18 y 24 meses dentro del ciclo de certificación, dependiendo de su tamaño y diferencia entre sus actuales salarios y el salario digno”.

A pesar de que en teoría estas estipulaciones suenan bien (aunque no sean ideales), la efectividad de la estrategia

depende de cómo se calcula el salario digno y qué parámetros se utilizan. Entendemos que el cálculo del certificado SA8000 se basa en entrevistas realizadas al personal sobre las necesidades básicas, y se valen de esas entrevistas para valorar los costes del hogar y el salario digno. El método de cálculo es público, pero los parámetros individuales del salario digno forman parte de informes de inspección y, por lo tanto, sólo están accesibles para entidades certificadas.

En la práctica, la falta de información públicamente disponible sobre los parámetros de este método significa que cuando el parámetro no se cumple, las trabajadoras no pueden exigir su derecho a un salario digno, y no hay rendición de cuentas o un control democrático sobre la efectividad del cálculo o sobre si se está implementando.

La presión sobre los precios y los plazos que se imponen a los inspectores también pueden tener impactos negativos en los cálculos que se realizan. El método SA8000 se basa en gran parte en la capacidad del inspector de calcular el salario digno y verificar la información en la región. Un cálculo del certificado SA8000 del salario digno proporcionado confidencialmente a la CRL mostró que el "salario digno" evaluado era incluso menor que el salario legal de su región.

Además, el salario digno SA8000 no cubre más que a la mitad de la familia estándar que debería cubrirse con un salario digno. En la práctica, eso suele significar que el salario debe ser suficiente para una trabajadora y otra persona más. Pero en realidad, las familias de los países productores son mucho mayores, el desempleo y el trabajo precario están extendidos, y los sistemas de pensiones y de seguridad social son, a menudo, inexistentes o demasiado escasos para las personas que dependen de ellos. En las

raras ocasiones en las que los dos adultos tienen empleos estables, a menudo hay otra persona cuidadora implicada impagada, que cuida de los niños o de las personas mayores o enfermas. Un cálculo real del salario digno tiene que tener en cuenta estos aspectos. Nos parece esencial que el salario digno sea la base para garantizar que las trabajadoras de todo tipo de familias cubren sus necesidades básicas. Lo cual incluye a las madres solteras o a las trabajadoras sin pareja que apoyan a dos familiares mayores con un solo salario.

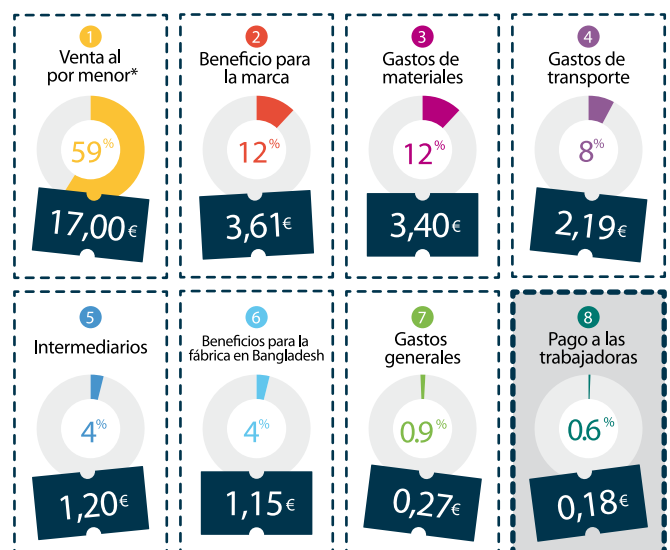
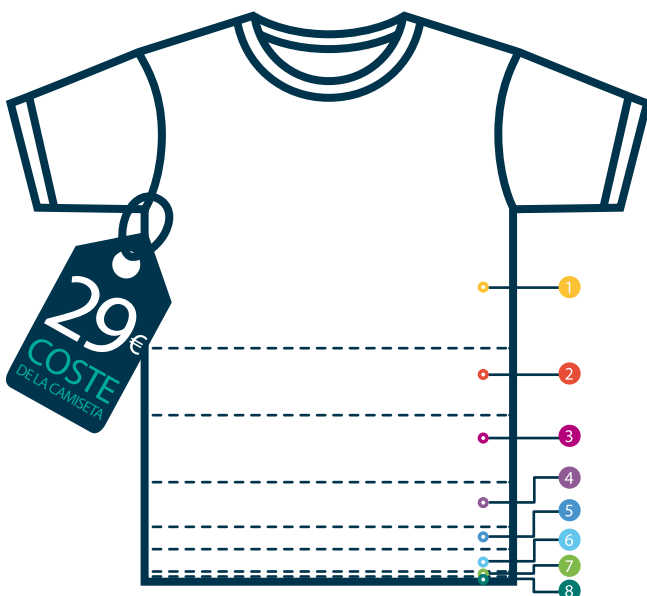
Para Campaña Ropa Limpia, una evaluación real del salario digno debe:

- Tener un método y conclusiones transparentes
- Se debe revisar con regularidad para garantizar que la inflación se tiene en cuenta
- Se debe establecer negociando con sindicatos nacionales o regionales
- Debe bastar para cubrir las necesidades básicas de una familia, como base, así como permitir ahorrar (ver definición anterior del salario digno)

El método de cálculo SA8000 no está disponible para poder cumplir estos tres criterios.

Además, de forma más general, nos preocupan los certificados, porque son propensos a la corrupción y se pueden basar en falsas promesas (como demostró el reciente incendio mortal de una fábrica paquistaní que tenía el certificado SA8000).

DESGLOSE DE LOS GASTOS DE UNA CAMISETA



* Incluye todos los costos del comercio, incluido el personal, alquileres, beneficio de la tienda, IVA, etc.

CÓMO LLEGAR A UN SALARIO DIGNO

LA NECESIDAD DE DEFINIR PARÁMETROS

Para conseguir un salario digno, las compañías deben ir en contra de las tendencias actuales. Aunque muchas compañías se han comprometido a pagar un salario digno, la mayoría de los salarios en realidad solo están un poquito por encima del salario mínimo, por falta de interés para dar el primer paso.

Las marcas dicen que depende de los proveedores y de los gobiernos del país de producción aumentar los salarios para garantizar que ganen suficiente. Y sin embargo, los proveedores afirman que no pueden hacerlo porque no tienen suficiente margen para subir los salarios, y los gobiernos dicen que no pueden subir los salarios mínimos de forma significativa, porque si no, la producción global simplemente se reubicaría en otro lugar. Esta situación solo se puede cambiar si las marcas se comprometen con una cifra.

Las cifras deben cumplir los parámetros del salario digno por muchas razones. Definiendo la cifra del salario digno, el coste laboral se puede calcular e incluir en los precios desglosados, y las compañías pueden utilizar esto para asegurarse de que los proveedores cobran lo suficiente como para pagar salarios dignos. Si suficientes compañías lo hicieran, los gobiernos de los países productores entenderían que subir el salario mínimo no supondría un riesgo para el negocio. El compromiso de las compañías respecto al salario mínimo también abriría un espacio para la negociación salarial entre las trabajadoras y los dueños de las fábricas. Actualmente, estas negociaciones a menudo consiguen poco, porque los dueños de las fábricas dicen que no pueden pagar más, por los bajos precios que pagan los compradores. Pero si los sindicatos de trabajadoras saben que las marcas para las que trabajan en sus fábricas están comprometidas con una cifra de salario digno concreta, estas negociaciones se abren y el salario digno se convierte en una posibilidad.

LO QUE EXIGIMOS A LAS COMPAÑÍAS

El marco de esta investigación está basado en las exigencias desarrolladas por Asia Floor Wage Alliance. Su “Hoja de ruta para un salario digno”, publicada inicialmente en 2011, establece 10 pasos clave que creemos que las marcas y los minoristas deben dar para mostrar que están dispuestos a cumplir su obligación de pagar un salario digno a sus trabajadoras. Estas recomendaciones que se proponen no se deben tener en cuenta de forma individual, sino combinada, para formar una hoja de ruta. Desgraciadamente, no hay una varita mágica para implementar un salario digno, pero debería ser el resultado de un compromiso serio con varias (si no todas) de estas recomendaciones.

LOS 10 PASOS PARA LLEGAR A UN SALARIO DIGNO

Las compañías deben:

- Apoyar el principio del salario digno en la política de su compañía
- Respetar la libertad de asociación
- Dialogar con los sindicatos y con grupos de derechos laborales
- Comprometerse públicamente con el salario digno
- Cambiar sus hábitos de compra
- Realizar programas piloto involucrando a proveedores, sindicatos y grupos de apoyo laboral
- Abogar por que los gobiernos de los países proveedores apoyen los salarios mínimos dignos
- Actuar de forma transparente
- Colaborar con otros interesados
- Presentar una hoja de ruta con un cronograma concreto para llegar al pago de un salario digno

Estas exigencias, en general, versan sobre cuatro áreas principales que la CRL y sus socios creen que se deben abordar:

1. El empoderamiento del trabajador/trabajadora:

La libertad de asociación y el derecho a la negociación colectiva son “derechos habilitadores” clave. Esto significa que cuando se respetan estos derechos, las trabajadoras pueden hacer uso de ellos para asegurarse de que otras normativas laborales, incluyendo la del salario digno, se cumplan. Un salario siempre debe ser negociado, y creemos que el empoderamiento de las trabajadoras es vital para lograrlo. Desgraciadamente, las trabajadoras tienen muchos obstáculos para formar o participar en sindicatos y negociar de forma colectiva. Muchos gobiernos restringen, minan, obstaculizan o incluso ilegalizan los sindicatos independientes. Las empresas a menudo se muestran hostiles respecto a los sindicatos, y con frecuencia, recurren a varias tácticas para evitar su formación, como la intimidación, la discriminación, el despido, la creación de listas negras e incluso la violencia física. Las marcas deben dar pasos proactivos para prevenir este tipo de tendencias y garantizar que la libertad de asociación se respete.

Las evidencias que buscábamos para ver que se están dando pasos reales incluían: una comunicación clara de una política para apoyar la libertad de asociación y el derecho a la negociación colectiva de todos los interesados; formación en torno a estos derechos para una número significativo de trabajadoras y para los gerentes; el reconocimiento del derecho a organizarse de las trabajadoras y la promoción de acuerdos de acceso sindical con proveedores; la adopción de mecanismos fiables y debidamente utilizados para tramitar las quejas; y el trabajo para limitar el uso de contratos a corto plazo, que a menudo se utilizan para coartar la libertad sindical.

2. Hábitos y parámetros de compra

Las estrategias de compra de los compradores internacionales y la presión para reducir los costes contribuyen a menudo a la reducción de los salarios y a generar infracciones salariales, abusos por parte de los gerentes y jornadas de trabajo largas. Se presiona mucho a los proveedores con respecto a los precios, lo cual dificulta cada vez más la posibilidad de exigir y facilitar mejoras salariales, incluso en los lugares en los que ya hay sindicatos.

La Campaña Ropa Limpia considera que los proveedores deben recibir una compensación justa por los costes que supone responder a los pedidos. Pero para eso es necesario que los hábitos en torno a los precios no les impidan ser unos empresarios decentes. Los compradores deben asegurarse de que los precios que pagan cubran al menos el pago de un salario digno. Al mismo tiempo, los compradores internacionales también deberían mostrarse dispuestos a establecer relaciones a largo plazo con sus proveedores. Los plazos y la capacidad de las fábricas también se deben tener en cuenta, para garantizar que las horas extra no se vuelvan una práctica habitual. Es decir, los compradores pueden dar pasos positivos para dirigir el cambio, dando incentivos a aquellos proveedores que tengan mejores prácticas

Las evidencias que buscábamos para ver que se están dando pasos reales incluían: la aplicación de cifras de salario

digno en los principales países productores y pruebas de su uso; que cuenten con sistemas de compra que desglosen el precio de “franco a bordo” (FOB) para incluir los costes laborales especificados; que tengan una estimación abierta de los costes respecto a los proveedores; que sus sistemas de compra den prioridad a las fábricas con estándares salariales altos o a las que apoyen la creación y la actividad de sindicatos independientes; y que trabajen para consolidar la cadena de suministro.

3. Colaboración

La solución para el problema de los salarios bajos incluye que varios agentes clave de las cadenas de suministro quieran trabajar juntos, concretamente las marcas, los proveedores, los sindicatos (locales, nacionales e internacionales), federaciones de empresarios y gobiernos. Para eso, hace falta confianza y colaboración entre todas las partes, lo cual se va formando con el tiempo. La disposición para ser transparente también es clave. Es fundamental que las marcas cumplan su parte para formar asociaciones con corporaciones y agentes empresariales. Además, es de vital importancia que las trabajadoras se impliquen en el diseño y la implementación de cualquier proyecto para aumentar los salarios. Muy a menudo, estas partes se suelen pasar por alto o se les suele consultar muy poco.

Las evidencias que buscábamos para ver que se están dando pasos reales incluían: que existan proyectos de asociación con sindicatos locales e internacionales independientes; implicación de las trabajadoras en todos los proyectos; colaboraciones con otras marcas; afiliación a IMIs fiables; trabajo para apoyar de forma pública las exigencias nacionales dirigidas a los gobiernos de los países productores para aumentar los salarios mínimos; divulgación de las listas de proveedores y compromiso para trabajar de forma transparente.

4. La estrategia para proporcionar un salario digno

La falta de un enfoque global respecto a la implementación de un salario digno sigue siendo un obstáculo para conseguir progresar. Algunas compañías ya han incluido un estándar de salario digno en sus códigos de conducta, pero desgraciadamente, muy pocos compradores internacionales han elaborado un plan global para su implementación. Para conseguir cualquier progreso, es vital que las compañías adopten estrategias transparentes y fiables dirigidas a cumplir sus compromisos respecto al salario digno. Un objetivo articulado claramente permite una comunicación clara entre todos los agentes de la cadena de suministro en torno a qué cambios habrá y a cuándo y cómo se darán.

Las evidencias que buscábamos para ver que se están dando pasos reales incluían: el compromiso público para proporcionar un salario digno en un momento específico y una estrategia detallada para hacerlo; la consulta y negociación con sindicatos y grupos de trabajadoras en torno a esta estrategia; la inclusión de trabajadoras que estén en una situación de vulnerabilidad; la existencia de proyectos piloto que muestren incrementos salariales reales que permitan conseguir mejoras y crear modelos que se puedan copiar en otras fábricas.



**LAS TRABAJADORAS DEL SECTOR TEXTIL
SE CONGREGAN EN EL PARQUE DE LA
LIBERTAD PARA EXIGIR LA DIMISIÓN DEL
PRIMER MINISTRO HUN SEN Y UN SALARIO
MÍNIMO DE 160 DÓLARES AL MES.
PHNOM PENH, CAMBOYA, DICIEMBRE DE 2013**

¿QUÉ TAL LO ESTÁN HACIENDO LAS COMPAÑÍAS EN REALIDAD?

VISIÓN GENERAL DE PROYECTOS DESTACADOS QUE SE ESTÁN LLEVANDO A CABO

Los Principios Rectores de Naciones Unidas establecen que las compañías deben conocer y demostrar que respetan los derechos humanos. Esto significa que las compañías deben identificar y evaluar sus efectos reales y potenciales sobre los derechos humanos. Respecto a los salarios, hace falta evaluar si y hasta qué punto se quedan cortos los salarios actuales a la hora de responder a las necesidades básicas de las trabajadoras y de sus familias, y si se identifica un problema, para mostrar cómo se puede solucionar.

Algunos proyectos destacados subrayados en este informe muestran distintos niveles de innovación y progreso hacia este objetivo de “conocer y demostrar” que las compañías han hecho suficiente para respetar el derecho a un salario digno. Más adelante se ha recogido un resumen sobre quién está haciendo qué y cuánto en este campo.

El coste de la mano de obra y las novedades respecto a los precios:

“Conocer” el salario digno

El primer paso para garantizar el cumplimiento del derecho a un salario digno es “conocer” lo que es un salario digno y comprender claramente lo que se está pagando actualmente en la cadena de suministro.

Siete de las 50 compañías de este estudio han adoptado ya lo que podríamos considerar una herramienta fiable para evaluar el salario digno, poniendo cifras reales a lo que supone un salario digno, y permitiendo así a las compañías cuantificar y comunicar el objetivo hacia el que están trabajando. Bestseller, G-Star, New Look, Puma, Switcher, Takko y Tchibo han empezado a recurrir a escalas salariales, que incluyen el Salario Digno de Asia. Este progreso ha sido faci-

litado en gran parte por la escala salarial de la fundación Fair Wear, que ha compilado parámetros salariales para varios países proveedores incluyendo los niveles de salario mínimo, los estándares industriales, las exigencias de los sindicatos locales y el Salario Digno de Asia. Algunas de estas marcas utilizan esta herramienta en su proceso de inspección, para discutir con los proveedores sobre cómo ascender en la escala salarial.

Respecto a los hábitos de compra, cinco compañías (M&S, Primark, Pentland, Asda y Tchibo) nos enviaron información sobre el trabajo que están realizando para calcular el coste laboral de cada producto, para “conocer” cuánto tienen que reservar en su proceso interno de establecimiento de precios. Asda, que ha estado trabajando en el cálculo del Valor Estándar por Minuto y en la apertura de la estimación de costes, afirma que está a punto de terminar “modelos de costes estándares” para los compradores para sistematizar este trabajo, a través de un proyecto titulado Costura Fácil. Sin embargo, Asda no ha adoptado un salario digno de referencia, y por lo tanto, no tenemos claro el coste que está suponiendo. Switcher también ha hecho un trabajo de desglose similar y nos ha informado de que, a partir de 2014, planea publicar en su informe anual el cálculo del tiempo de costura y el “salario de costura” para cada producto que fabrica. Tchibo también nos dijo que ha estado trabajando en la definición de los costes del salario digno, realizando “simulaciones internas en torno a las implicaciones que tendría sobre precio de venta y de compra”. Ha estudiado una muestra de 70 fábricas para ver lo que supondría aumentar los salarios hasta el Salario Digno de Asia y ha simulado el impacto que tendría en los precios, con la promesa de trabajar para llevarlo a cabo.

“Demostrar” el salario digno

El segundo paso adelante para garantizar el derecho a un salario digno es “demostrar” que se está pagando un salario digno. Parte de ello consiste en comprometerse públicamente con el salario digno. En 2013, H&M se unió, junto con M&S, a la lista de las compañías que se han comprometido públicamente para conseguir un salario digno, apoyándolo con estrategias. Además, ambas marcas se han comprometido públicamente a analizar la posibilidad de una subida en los precios que pagan a los proveedores, para cubrir la diferencia que existe. Las estrategias de ambas compañías están basadas en una combinación de negociación con las empleadas, eficiencia, cálculo y ajuste de precios, y una mejor gestión de los recursos humanos. Sin embargo, H&M no se ha comprometido con ningún estándar claro de salario digno, y M&S todavía tiene que revelar las cifras relacionadas con sus instrumentos de evaluación comparativa.

Hay otras marcas que están llevando un enfoque distinto. En el informe de este año han salido a relucir varios proyectos de “marcas que dan bonificaciones”, que están basados en iniciativas para pagar sumas adicionales a las trabajadoras para aumentar sus salarios hasta un nivel salarial más alto/digno. La marca suiza Switcher ha sido líder en este campo. Switcher es miembro de la fundación Fair Wear (FWF), y en colaboración, han trabajado con un proveedor de Bangladesh para tratar de pagar un salario digno. Fue una decisión que se tomó tras consultarlo con las trabajadoras de las fábricas. El método Switcher ha consistido en la creación de un “fondo solidario” interno, en el que se deposita un 1% adicional del FOB de cada pedido, y se calcula que duplicaría el salario de las trabajadoras si tuviera el 100% de participación en la fábrica. El fondo se distribuirá en junio, como una bonificación adicional para las trabajadoras de la fábrica, y después se hará lo mismo una vez a año. El proyecto no da a las trabajadoras un salario digno (ya que Switcher sólo constituye un 6% de la producción de la fábrica, e incluso si toda su producción fuera de Switcher, el Salario Digno de Asia de Bangladesh quintuplica el salario mínimo, no es solo el doble). Creemos que esta idea tiene cierto mérito y permitirá a Switcher demostrar que ha avanzado hacia unas mejores prácticas. La FWF espera llevar adelante esta iniciativa después de concluir la primera ronda de pago, y tiene un conjunto de aprendizajes muy completo desde el que trabajar. Esperamos que la fundación adopte parámetros fiables al inicio de la segunda ronda. Takko afirmó que participará en la siguiente ronda, y Lidl mencionó un proyecto similar, llevado a cabo junto con GIZ (la Deutsche Gesellschaft für Internationale Zusammenarbeit). Desde 2011, en una fábrica de Bangladesh, Lidl ha pagado cada seis meses una suma aproximadamente igual a la paga de un mes, como bonificación adicional a los salarios de las trabajadoras. No está claro cómo se calculó el importe y si forma parte de un proyecto más amplio para aumentar los salarios también en otras fábricas.

Iniciativas de libertad de asociación:

“Demostrar” un compromiso claro respecto a la libertad de asociación

La libertad de asociación se mina sistemáticamente en la industria textil. Hay varias marcas que están realizando una labor importante para dar pasos proactivos para cambiar esta tendencia participando en acuerdos oficiales. Para empezar, el Protocolo sobre la Libertad de Asociación de Indonesia es un acuerdo público oficial que firmaron seis marcas muy importantes de ropa deportiva mencionadas en este informe (Adidas, Nike, Pentland, Asics, Puma y New Balance) con sus proveedores y con sindicatos de Indonesia. El acuerdo establece compromisos para aplicar la libertad de asociación en sus fábricas de ropa deportiva de Indonesia. Se firmó en 2011, después de dos años de negociaciones, y recoge varios pasos prácticos que los proveedores y sindicatos aceptaron dar para apoyar y defender los derechos de los sindicatos en los centros de trabajo. Lo que incluye: el deber de los proveedores de informar a las trabajadoras sobre la libertad de asociación; el uso de espacio de oficina y reunión dentro de las fábricas; un acuerdo para liberar de sus obligaciones a los líderes sindicales para que puedan realizar su labor sindical y facilitar reuniones durante el horario laboral; el uso de los vehículos de la compañía; exponer banderas sindicales en las fábricas; que los proveedores ayuden a deducir las cuotas sindicales de la nómina; y colocar tablones de anuncios para colocar los anuncios de los sindicatos en lugares significativos de las fábricas, etc. La ejecución de este acuerdo está actualmente en progreso. Otros acuerdos formales para garantizar la libertad de asociación incluyen el acuerdo de marco internacional firmado por Inditex hace algunos años con el sindicato textil internacional ITGLWF, la actual IndustriALL. El progreso en torno a lo que se está consiguiendo actualmente no está claro.

Entre otros proyectos importantes, cabe mencionar el Programa Joint Turkey, establecido por Arcadia, Next e Inditex junto con IndustriALL, que busca establecer relaciones industriales maduras como vía para aumentar los salarios. Por el momento no hay resultados disponibles.

Un último proyecto que cabe mencionar en este apartado es el compromiso político tomado por Nike para limitar el uso de los contratos temporales por parte de sus proveedores a un 15%. Los empresarios se valen a menudo de estos contratos temporales para evitar que haya aumentos salariales y como amenaza contra la libertad de asociación (muchas trabajadoras que tienen contratos temporales dicen que tienen miedo de unirse a sindicatos porque temen que no les renueven el contrato si lo hacen). Ninguna otra marca se ha comprometido en este sentido, y esperamos tener noticias de progresos en este campo.

CÓMO SE HA REALIZADO ESTE ESTUDIO

METODOLOGÍA

La metodología de investigación seguida en este estudio se desarrolló con el asesoramiento de Asia Floor Wage Alliance, y es un proyecto desarrollado en colaboración con la Red de la Campaña Ropa Limpia. Esperamos que los resultados que se han obtenido sean útiles para que las compañías aprendan del trabajo realizado por otros, y que esta información permita sinergias entre los esfuerzos de las trabajadoras organizadas y las marcas para dar pasos adelante en torno al salario digno. Es importante mencionar que la investigación se limita a evaluar las políticas y las prácticas empresariales dirigidas a aumentar los salarios de las fábricas de los proveedores, pero no tiene en cuenta los niveles salariales reales. La información no se ha verificado de forma independiente.

El cuestionario que se envió a las compañías está directamente relacionado con el documento de los “10 pasos para conseguir un salario digno” que desarrolló Asia Floor Wage Alliance en 2011 (ver anterior alusión). Se pidió a las compañías que proporcionaran información muy práctica y concreta sobre el trabajo que han realizado en varias áreas, que abarcaban desde la formación hasta los incentivos de compra, y desde los parámetros salariales hasta asuntos relacionados con la transparencia. El objetivo era recoger datos prácticos en torno a los pasos que se están dando para conseguir un salario digno, en lugar de concentrarnos en las políticas o en los compromisos ideológicos, porque por nuestra experiencia, a menudo no se aplican en la cadena de suministro. El texto completo de la investigación está disponible en nuestra web www.cleanclothes.org/tailoredwages

Nos pusimos en contacto con cincuenta de las compañías estratégicas de mayor influencia que operan en Europa para que formaran parte de este estudio. Son una mezcla de moda, ropa deportiva, tiendas de gangas y supermercados, así como marcas de moda de lujo. Quince de estas compañías no rellenaron nuestro estudio, pero de todas formas, hemos realizado sus perfiles utilizando la información que está disponible.

Nos pusimos en contacto con las compañías entre junio y septiembre de 2013, y les pedimos que completaran el cuestionario. Los datos se recogieron entre octubre y diciembre de 2013. Tras leer y procesar esta información, cada compañía tiene un evaluado según una lista de criterios, y un perfil redactado de su progreso hacia el salario digno. Enviamos los borradores de estos perfiles a las compañías para recoger comentarios antes de publicarlos, y les invitamos a enviarnos cualquier corrección o comentario. También pedimos algunas aclaraciones. Y se hicieron las modificaciones correspondientes para recoger los comentarios. En nuestra web www.cleanclothes.org/tailoredwages se pueden ver los documentos completos de las compañías y, cuando se ha considerado apropiado, las respuestas que han enviado.

Los documentos de las compañías se puntuaron de cero a 10 según unos criterios previamente acordados en las cuatro categorías que la Campaña Ropa Limpia considera vitales para mostrar la debida diligencia respecto a la responsabilidad empresarial entorno al derecho a un salario digno.

ÁMBITO DE ESTA INVESTIGACIÓN

Creemos que la forma en la que actúa una compañía en el campo de los salarios dignos es un buen indicativo de su compromiso actual en torno a los derechos de las trabajadoras en general. Por esa razón, hemos decidido concentrar este estudio en el tema del salario digno. También se han tenido en cuenta el trabajo para garantizar la libertad de asociación, los hábitos de compra y otros asuntos, ya que el compromiso en esos aspectos contribuye significativamente al cambio.

El estudio se concentra en los derechos de las trabajadoras del sector textil que confeccionan la ropa para las grandes compañías. No trata sobre los derechos de las trabajadoras que venden productos en tiendas de Europa, por ejemplo, que recogen algodón en Uzbekistán o que trabajan en las fábricas que tiñen los tejidos o en las hiladoras. Otros

factores (como el aspecto medioambiental y los derechos de los animales) tampoco están incluidos en este estudio. Varias de las compañías estudiadas podrían estar realizando un trabajo innovador en estas áreas, pero todavía no se ha tenido en cuenta aquí.

También es importante subrayar que varias compañías nos dijeron que están planeando hacer cosas pero que todavía no han empezado. No las hemos puntuado, ya que hemos tratado de basar nuestra evaluación en los cambios que ya se están realizando. Sin embargo, estos planes de futuro se han recogido en los perfiles, cuando se ha considerado importante, y trataremos de mantener la información de nuestra web actualizada con sus progresos, a medida que vayamos sabiendo más cosas.

SOBRE LOS PERFILES

Los perfiles de este informe están basados en la información que las propias marcas y los minoristas han proporcionado, y se ha completado parcialmente con la información que está disponible públicamente.

¡Atención! Nuestra metodología no es perfecta

Nuestros perfiles pueden verse como una evaluación del esfuerzo que algunas personas de las compañías han dedicado a sus respuestas o del esfuerzo dedicado al trabajo realizado realmente. No es algo malo: la transparencia y la responsabilidad de las partes interesadas son una parte importante de la práctica ética. Aún así, es importante consultar otras fuentes de información cuando es posible, para sacar las conclusiones finales. Dicho esto, hemos tratado de verificar toda la información incluida en estos perfiles, poniéndonos en contacto con quienes tienen un conocimiento más detallado sobre cada compañía.

La calificación de los perfiles

Hemos asignado un color a cada compañía y una infografía para ayudarlos a ver hasta qué punto han llegado en la implementación del salario digno. Pero los colores no indican los niveles salariales reales que ganan las trabajadoras de las cadenas de suministro. Mediante esta clasificación, se pueden ver las compañías que están empezando a hacer más para conseguir cambios.

Se ha puntuado a las compañías de cero a diez en cuatro áreas de trabajo que contribuyen a conseguir una estrategia firme de salario digno. Cada puntuación se muestra mediante el límite del área coloreada de cada eje. Hay un total de cuarenta puntuaciones. La puntuación general de las compañías se ha indicado mediante un color, tal como se indica abajo.

Leyenda

INFO WANTED Compañías que no respondieron o que se comunicaron con Campaña Ropa Limpia en torno al estudio pero no rellenaron el cuestionario.

NEGRO: compañías que hacen poco o no hacen nada para garantizar que se paga a las trabajadoras lo suficiente para vivir.

ROJO: compañías que reconocen que el salario digno es necesario, pero hacen poco para hacerlo realidad.

NARANJA: compañías que mencionan que trabajan en torno a los salarios dignos, pero cuyas soluciones no son convincentes de momento.

AMARILLO: compañías que han trabajado algo para aumentar los salarios, pero todavía no están haciendo lo suficiente.

VERDE: compañías que están haciendo un trabajo significativo a favor del pago de salarios dignos y pueden demostrarlo en términos de aumentos salariales.

Hay que tener en cuenta que ninguna de las compañías cuyo perfil se ha definido está pagando actualmente salarios dignos a todas las personas que trabajan fabricando sus productos, y que ninguna compañía ha conseguido la calificación “verde” de momento.

Este gráfico indica que una compañía ha obtenido una puntuación de 1 por su trabajo del área de “empoderamiento de los trabajadores o trabajadoras” y una puntuación de 0,5 en el área de “compromiso y prácticas”. No muestra ningún trabajo ni en “estrategia”, ni “en enfoque colaborativo”. Nuestro análisis general de su trabajo es “negro”: hace poco o nada para garantizar que se paga a las trabajadoras lo suficiente para vivir.

En cada caso se ha provisto un análisis completo textual de las razones de las puntuaciones.



PERFILES DE LAS COMPAÑÍAS



En las páginas posteriores encontrarás los perfiles de las 50 marcas analizadas. Tan sólo se han traducido al castellano los perfiles de las marcas españolas **DESIGUAL, INDITEX y MANGO.**

PERFILES DE LAS COMPAÑÍAS

- | | | | |
|-----------|--------------------|-----------|-----------------|
| 1 | Desigual | 27 | Marks & Spencer |
| 2 | Inditex | 28 | Mexx |
| 3 | Mango | 29 | New Balance |
| ----- | | | |
| 4 | Adidas | 30 | New Look |
| 5 | Aldi | 31 | Next |
| 6 | Armani | 32 | Nike |
| 7 | Asics | 33 | Orsay |
| 8 | Benetton | 34 | Pentland |
| 9 | Bestseller | 35 | Pimkie |
| 10 | C&A | 36 | Primark |
| 11 | Carrefour | 37 | Promod |
| 12 | Celio | 38 | Puma |
| 13 | Charles Vögele | 39 | Replay |
| 14 | Decathlon | 40 | S.Oliver |
| 15 | Diesel | 41 | Switcher |
| 16 | Esprit | 42 | Takko |
| 17 | G-Star | 43 | Tchibo |
| 18 | Gap | 44 | Tesco |
| 19 | Gucci | 45 | Tod's |
| 20 | H&M | 46 | Versace |
| 21 | Hugo Boss | 47 | VF Corporation |
| 22 | IC Companys | 48 | Vuitton |
| 23 | Kik | 49 | Asda (Walmart) |
| 24 | Levi Strauss & Co. | 50 | WE |
| 25 | Lidl | | |
| 26 | LPP | | |

DESIGUAL

Marcas: Desigual



LA POSICIÓN DE LA COMPAÑÍA RESPECTO AL SALARIO DIGNO:

Desigual tiene un código de conducta, publicado en 2009, para sus proveedores. Establece lo siguiente: “Los proveedores y subcontratistas de Desigual deben asegurarse de que el salario de su personal es, al menos, igual al salario legal o al establecido según el convenio de trabajo, si el segundo es mayor. En cualquier caso, deberá ser suficiente para cubrir las necesidades básicas del empleado”.

Igualmente, Desigual establece lo siguiente: “Realizamos inspecciones sociales a través de Intertek, y elaboramos planes de acción que se desarrollan a través de sus propios equipos de consultores, que tienen base en las fábricas”.

LO QUE AFIRMAMOS:

Desigual no respondió a nuestro estudio, pero se puso en contacto más tarde, para enviarnos su código de conducta, así como su informe anual. En su página web no hay información sobre el salario digno, los derechos laborales o el comercio ético. Afortunadamente, hemos constatado que Desigual paga a un consultor para realizar “planes de acción” para responder a sus inspecciones sociales, y esperamos que este trabajo incluya iniciativas para garantizar que los salarios respondan a las necesidades básicas. Parece que Desigual está al principio del camino para asegurar el cumplimiento de este derecho vital.

MÁS DETALLES:

¿Cuenta con parámetros de salario digno?

No.

Visión general de la producción:

Número de proveedores: más de 100.

Los países que se encargan de su producción son los siguientes: China, India, España, Portugal, Marruecos, Bulgaria, Turquía y Vietnam. Desigual no publica la lista completa con los nombres y direcciones de sus fábricas proveedoras.

INDITEX

Marcas: Zara, Bershka, Stradivarius, Pull & Bear, Massimo Dutti, Oysho, Zara Home, Lefties, Uterqüe



LA POSICIÓN DE LA COMPAÑÍA RESPECTO AL SALARIO DIGNO:

Inditex dice lo siguiente: “Los salarios siempre deberían ser suficientes como para responder, al menos, a las necesidades básicas de las trabajadoras y de sus familias, así como a cualquier otra necesidad que se pueda considerar razonable... En el Acuerdo Marco Internacional que Inditex firmó con IndustriALL se establece que el sindicato trabajará con Inditex para asegurar el cumplimiento de los códigos y estándares, incluyendo la Cláusula 5ª del código básico de la Iniciativa de Comercio Ético (ETI, Ethical Trading Initiative): “Se pagarán sueldos dignos”. ... Inditex entiende que cualquier acuerdo colectivo sobre los salarios que se haya negociado libremente entre patronos y representantes sindicales elegidos libremente constituye una referencia salarial justa para un país / región / ciudad / fábrica”.

LO QUE AFIRMAMOS:

El compromiso de Inditex para trabajar con los sindicatos para aumentar los salarios, reflejado en su Acuerdo Marco Internacional, es destacable. Se centra en la libertad de asociación, lo cual se agradece mucho, pero se deberían mejorar y desarrollar las mejoras salariales, para conseguir que el personal de las compañías proveedoras obtenga mejoras concretas en su bienestar económico.

MÁS DETALLES:

¿Cuenta con parámetros de salario digno?

Inditex menciona parámetros respecto a algunos países, incluyendo Marruecos, España y Portugal. Pero no ha establecido ningún parámetro para Asia.



INDITEX

Empoderamiento del trabajador/trabajadora:

Inditex dice lo siguiente: “Los fabricantes y proveedores garantizarán que sus trabajadoras, sin ningún tipo de distinción, tienen derecho a asociarse, a ser miembros de sindicatos y a la negociación colectiva libre. El ejercicio de dicho derecho no debe provocar ningún tipo de represalia, y no se deberá ofrecer ningún tipo de remuneración económica o pago a las empleadas para entorpecer el ejercicio de dichos derechos. De la misma forma, deberán adoptar una actitud abierta y de colaboración respecto a las actividades sindicales. Las personas que representen a las trabajadoras deberán estar protegidas de cualquier tipo de discriminación, y serán libres de ejercer sus funciones de representación en su lugar de trabajo. En los lugares en los que la Libertad de Asociación y de Negociación Colectiva está restringida por ley, se deberán diseñar canales apropiados para garantizar el ejercicio razonable e independiente de dichos derechos”.

Inditex ha trabajado de forma proactiva para promover estos derechos mediante formación y reuniones con sindicatos locales en diversos países productores clave, ofreciendo formación a proveedores en el campo de la libertad de asociación, y promulgando las garantías del “derecho a la asociación” en Turquía, Camboya e India.

Compromiso y prácticas:

Inditex ha empezado a informar de la forma en la que gestiona su cadena de suministro reduciendo su número de proveedores, aumentando la producción para aquellos proveedores con mayores prácticas éticas y dando pasos para reducir la necesidad de subcontratación. Aunque ha empezado a incluir costes laborales en los cálculos de los precios, no hay ningún compromiso respecto a sus prácticas sobre precios (un factor clave para garantizar el cumplimiento de los niveles de salario digno). Inditex tiene que definir parámetros claros sobre el salario digno para todos y cada uno de sus países productores.

Acercamiento colaborativo:

Inditex se ha dado cuenta de la importancia de trabajar en colaboración en estos asuntos. Es la única compañía textil internacional que ha firmado un Acuerdo Marco Internacional con IndustriALL, el sindicato internacional del ámbito textil y de las trabajadoras de la industria de la confección. Se mencionaba el trabajo junto a

IndustriALL en Sudamérica, Europa y Asia oriental. También ha trabajado con sindicatos locales en Camboya, Bangladesh, Turquía, Portugal, Brasil y España. La colaboración con otras marcas también es un aspecto clave de su acercamiento, tanto mediante su afiliación a la Iniciativa de Comercio Ético como en varios programas piloto.

Estrategia:

Inditex está trabajando en varios proyectos piloto relacionados fundamentalmente con problemas en torno a los salarios, incluyendo la libertad de asociación y los contratos a corto plazo. Inditex afirma que está realizando un proyecto en Turquía con Next y Arcadia: “El objetivo del programa es establecer o mejorar un sistema de representación laboral para fortalecer el diálogo social y la comunicación entre los patrones y las trabajadoras... [y] para mejorar la productividad en general y la eficiencia, basándose en la idea de que los beneficios financieros se repartirán equitativamente ...”. Por el momento no hay resultados disponibles.

Inditex mencionó igualmente un acuerdo para trabajar con la Organización Internacional del Trabajo (OIT) en varios proyectos, incluyendo: “Un proyecto para divulgar los Convenios de la OIT en la cadena de suministro; Proyectos en torno al salario digno; el desglose de los costes laborales, el cálculo apropiado de los Salarios Dignos en los distintos países proveedores según lo establecido por la OIT”. Estos proyectos no han comenzado todavía.

A pesar de que Inditex ha identificado el salario digno como “una de las prioridades clave para los próximos años”, hasta la fecha la compañía no ha publicado una estrategia general para lidiar específicamente con el asunto del salario digno, y no existe ningún plazo establecido para mejorar los salarios hasta un nivel específico.

Visión general de la producción:

Número de proveedores: 1.434 proveedores de primer nivel; 2.878 proveedores subcontratados.

Los países que se encargan de su producción son los siguientes: Asia (42%), Europa y Marruecos (55%), el resto del mundo (3%).

Inditex no publica la lista completa con los nombres y direcciones de sus fábricas proveedoras, pero da una lista completa de proveedores a los sindicatos.

Una nota sobre la figura del proveedor subcontratado: Inditex afirma que ha reducido sus proveedores en más de un 30% durante los últimos años, y además, ha aumentado la transparencia interna de la cadena de suministro. La subcontratación tiene un gran peso (y ha aumentado), porque ahora incluye también lavanderías, instalaciones para teñir, el empaquetado y otras unidades.

COMENTARIOS:

Inditex sigue aumentando su responsabilidad para garantizar que las trabajadoras reciban un salario digno y se compromete a respetar la libertad de asociación. Es cierto que la negociación colectiva entre la dirección y los sindicatos es una parte fundamental de la mejora y el mantenimiento de los salarios, pero este acercamiento exige que haya sindicatos fuertes en todos los lugares de trabajo y en los países. Pero no se cumple en muchas regiones en las que se fabrica ropa. La estrategia a largo plazo para apoyar a los sindicatos necesita complementarse con el trabajo para aumentar salarios de forma urgente a corto plazo.

Inditex afirma que cualquier acuerdo colectivo negociado libremente entre patronos y representantes sindicales elegidos cuenta como salario digno. Estamos a la vez de acuerdo y en desacuerdo con esta afirmación. Es cierto que cualquier acuerdo colectivo negociado sobre el salario debe respetarse. Pero incluso donde hay sindicatos, a menudo no cuentan con el espacio político adecuado para exigir salarios realmente dignos a nivel de fábrica o en las negociaciones sobre el salario mínimo, especialmente cuando el punto de partida es un salario mínimo que es apenas una cuarta parte de lo que debería ser. A causa de las presiones de los compradores internacionales para rebajar los precios, las trabajadoras no tienen margen para negociar un salario digno real basado en las necesidades reales.

Es por eso que es fundamental que Inditex desarrolle parámetros basados en el coste real de la vida de las trabajadoras y garantice que se incluyan en el precio que pagan las fábricas. Esperamos que el trabajo con la OIT para “un cálculo apropiado de los Salarios Dignos en distintos países proveedores” sea una parte importante para que Inditex dé este importante paso.

El desarrollo de parámetros no socava y no debería socavar el trabajo de los sindicatos. De hecho, saber que compradores importantes están comprometidos con el avance en la consecución de los salarios dignos puede ser de ayuda para los sindicatos, para realizar exigencias basadas en las necesidades reales de las trabajadoras y abrir espacios en las negociaciones.

Nos sorprendió mucho saber que los parámetros de salarios dignos que proporcionó Inditex (únicamente los de Europa y Marruecos) eran tan bajos, poco más que el salario mínimo.

MANGO

Marcas: Mango, H.E. by Mango, Mango Kids, Violeta



LA POSICIÓN DE LA COMPAÑÍA RESPECTO AL SALARIO DIGNO:

Mango dice lo siguiente en su código de conducta: “Los fabricantes garantizarán que los salarios cumplen de forma estricta con la legislación. Igualmente, el salario mínimo legal se considerará el mínimo legal, pero no un nivel salarial recomendado”.

También nos indicó lo siguiente: “la mayoría de nuestros proveedores tienen sus propias políticas de remuneración que siguen el salario mínimo ... pero que también dan prestaciones por alojamiento, ropa, habilidad, productividad, etc. Apoyamos e impulsamos este tipo de políticas”.

LO QUE AFIRMAMOS:

Mango todavía no se ha comprometido en absoluto para garantizar que las trabajadoras de sus fábricas proveedoras reciban un salario digno, ni siquiera en su código de conducta, pero afirma que está de acuerdo con nuestra definición de salario digno. El salario digno se debe pagar como salario básico, excluyendo cualquier extra o bonificación discrecional, ya que es el salario básico que se debe garantizar a las trabajadoras. “Alentar” a los proveedores no es suficiente para garantizar que los salarios se mejoran hasta llegar a un salario digno.

CON MÁS DETALLES:

¿Cuenta con parámetros de salario digno?

No.

Empoderamiento del trabajador/trabajadora:

Mango dice lo siguiente: “En muchas de nuestras fábricas, hay un porcentaje de trabajadoras que pertenecen a asociaciones de trabajadores o a sindicatos locales. Esto es tradicionalmente más común en algunos países que en otros. Mango apoya siempre que las trabajadoras puedan escoger libremente si quieren asociarse y esto se ve reflejado durante la formación con proveedores y gerentes de fábricas”.

Mango también nos dijo que se reúne con regularidad con el sindicato CCOO para discutir estos asuntos y que está trabajando en su relación con el sindicato internacional IndustriALL.

Compromiso y prácticas:

Hasta la fecha, Mango no se ha comprometido a pagar salarios dignos, y no está analizando sus prácticas de compra.

Acercamiento colaborativo:

Mango mencionó sus planes de realizar un proyecto en Marruecos con CCOO, pero no dio ningún detalle respecto a su objetivo, alcance o plazos. El hecho de que dialogue con sindicatos en España es indicativo de su actitud abierta a un posible compromiso sobre libertad de asociación, pero es necesario que de pasos prácticos y activos para apoyarlo en la realidad.

Estrategia:

Mango no tiene una estrategia a largo plazo para garantizar que las trabajadoras de sus fábricas reciban una remuneración digna.

Visión general de la producción:

Número de proveedores: el 100% de los pedidos se realizan directamente a fábricas proveedoras. En 2012, Mango trabajó con 264 proveedores, y el 70% de los mismos han trabajado para la compañía durante más de cinco años.

Los países que se encargan de su producción son los siguientes: China (42%), Turquía (12%), Corea del Sur (9%), España (8%), Marruecos (6%), Bangladesh (6%), India (5%), Vietnam (4%).

Mango no publica la lista completa con los nombres y direcciones de sus fábricas proveedoras, pero da una lista a CCOO.

COMENTARIOS:

El acercamiento de Mango está basado en un modelo de inspección, que está demostrado que es muy poco efectivo a la hora de abordar problemas de raíz, como el salario digno o la libertad de asociación. Si Mango quiere tomarse en serio los derechos de las trabajadoras, debe llegar más allá de este acercamiento y dar pasos proactivos para abordar estos derechos. Esto incluye tomar compromisos claros en torno al principio de salario digno, el desarrollo de parámetros respecto al progreso, observar los efectos de sus hábitos de compra y trabajar de forma estratégica y colaborando con los sindicatos, las trabajadoras y otras compañías. Hasta que Mango se responsabilice más para abordar los asuntos relacionados con los derechos de las trabajadoras, no esperamos que haya más que muy pocas mejoras en los salarios y en las condiciones de las fábricas proveedoras de Mango.

ADIDAS GROUP

Brands: Adidas, Reebok, TaylorMade, Rockport



COMPANY POSITION ON THE LIVING WAGE:

“The Adidas Group has examined the question of fair wages and has concluded that the best way to improve the general welfare of workers is to work with our business partners at the enterprise level to promote wage-setting mechanisms which are transparent and have been developed with the direct input of workers...”

“Although we value the work that has been done by the labour NGOs to develop the Asian Floor Wage, and acknowledge that it is a useful reference wage, with broad support from civil society and international trade unions, we do not require our suppliers to follow a proscribed living wage methodology when considering the cost of living for workers. We are continuing to explore this subject through our engagement with the Fair Wage Network.”

WHAT WE SAY:

Adidas is engaging in work to assess its wage practices across Asia, but as a company it is still not willing to define what a living wage means in its business. By failing to do this, and passing on responsibility for wages in supplier factories to factory owners, the significant change needed for workers will never happen. Adidas must engage in identifying a living-wage figure and changing pricing in order to enable its payment.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Adidas says: “We encourage our suppliers to maintain a climate of non-interference with trade union activities and to implement effective systems of worker-management communication.”

Trainings for workers and factory management to address freedom of association practices were cited, covering 15% of suppliers. Some experiments with issuing the ‘right to organise’ guarantee were also listed.

Adidas has a worker hotline complaints mechanism, advertised by posters in all approved supplier factories. Hotlines are managed independently by NGOs and complaints followed up by Adidas Asia staff. If the complaint is disputed, workers/unions are encouraged to file complaints with the Fair Labor Association. Adidas is in the process of rolling out an SMS-based complaint service also. Service use is monitored by “Independent third parties”.

Commitment and practices:

Adidas has a “strategic supplier” list through which it places 85% of orders and “do[es] not encourage subcontracting”.

Adidas says: “We conducted in-depth wage studies in selected countries in the past and we have Fair Wage Assessments underway in five different low wage countries globally.”

Adidas currently uses the legal minimum wage or prevailing industry wage as a benchmark to check if its factories are paying a fair wage.

Collaborative approach:

Adidas has worked collaboratively with unions and NGOs in Indonesia to develop and sign a protocol on freedom of association with factory managers and unions, which allows for certain very practical rights to be delivered to workers in its supplier factories.

Strategy:

Adidas says that its work on Fair Wage assessments “will help individual suppliers – and the Adidas Group – to identify management practices required in each of the Fair Wage dimensions. These will be progressively rolled out over the next five years.” This work “includes consideration

of living wage benchmarks.” No evidence was given of what these benchmarks are, or when and how these will be implemented so that real wages can go up.

Production overview:

Number of suppliers: 977 first-tier suppliers, 132 subcontracted suppliers.

Main production countries listed as: China, Vietnam, Japan, Indonesia, Brazil, Other.

Adidas publishes a full public list of the names and addresses of its supplier factories.

COMMENTS:

It is disappointing that a company as large as Adidas has yet to commit to a living-wage strategy, and continues to monitor across its suppliers only that factories pay a minimum wage. Although Adidas says it is “examining the question of fair wages” through membership of the Fair Wage Network, this does not commit it to real action to increase wages on the ground in supplier factories. Gathering data and learning more about the problem is not what is needed now.

Adidas does seem to have robust systems in place, as a company, to deal with its supply-chain responsibility, and its work in Indonesia with unions to sign a freedom of association protocol is admirable. We’d like to see more of this commitment channelled to address poverty pay.

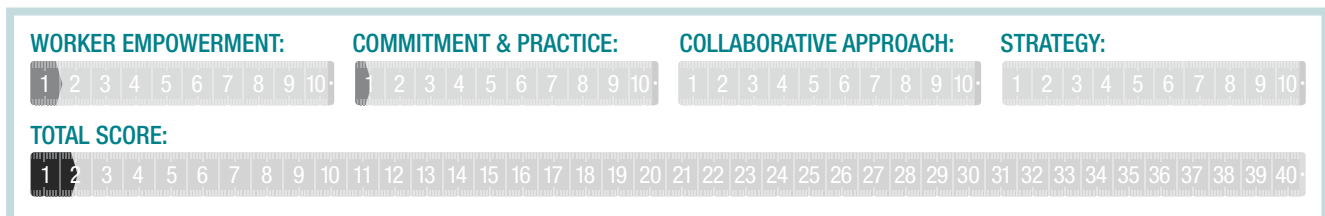
Adidas must use its significant buying power and influence to encourage change among its suppliers by choosing to work with suppliers who pay better wages, and also by addressing its own internal costings to ensure a living wage is set aside for all workers who make its products. For us, it is vital that companies adopt clear benchmarks so that wages meeting workers’ basic needs can be measured, and these aims built into product costings.

Unfortunately, Adidas’s management seem to be heading in the opposite direction: Adidas CEO Herbert Hainer said in a recent article that because the minimum wage had increased so significantly in China, the company plans to grow production elsewhere.¹ This kind of international corporate bullying sends signals to Asian governments that if wages go up; buyers will flee, and drives the race to the bottom on wages in the industry. Adidas needs a change of tack if its commitment to ‘fair wage’ practice is going to become more than CSR rhetoric.

ALDI NORTH & ALDI SOUTH

Brands: Aldi

Please note: Aldi North and Aldi South responded separately to our survey. Their answers were, however, largely the same and these companies appear to do much joint work.



COMPANY POSITION ON THE LIVING WAGE:

“Our code prescribes the payment of the legal minimum wage. This legal minimum wage should be at a level that covers workers basic needs as well as provides some discretionary income. As this is often not the case we support change through BSCI [Business Social Compliance Initiative] work towards the payment of a living wage. We believe it is essential to emphasize the importance of a holistic approach towards the issue of fair remuneration for workers.”

WHAT WE SAY:

Very little evidence was given by Aldi North or Aldi South of any work to address the problem of low pay. Their business model, to source 100% of their goods through agencies, outsources their engagement on human rights (such as the right to a living wage) but does not take away the responsibility to ensure that rights are upheld.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Aldi North and Aldi South say: “This right [freedom of association and the right to collective bargaining] is clearly covered by the BSCI Code of Conduct, which must be displayed prominently in the factory.”

Aldi North and Aldi South also told us about the Aldi Factory Advancement Project, which is “a dialogue programme that involves workers and factory management. The aim of the project is to provide the participants with the ability to apply methods, communication and conflict management techniques in order to solve social problems in their production facilities.” The project started in September 2013.

Commitment and practices:

No living-wage benchmarks were provided.

Aldi North says: “We believe long-term and fair business relations are integral factors in partnering with our suppliers. In this context ALDI NORTH supports its suppliers by providing clear guidelines and instructions. Suppliers are required to fulfill a comprehensive obligation of transparency towards all contracts with ALDI NORTH, thus ensuring that the improvement of conditions at the production facilities can be actively driven and monitored.” Aldi South provided the same quote, with its name replacing Aldi North’s.

Aldi North and Aldi South’s approach is to rely on auditing and the BSCI standard.

Collaborative approach:

Aldi North and Aldi South are members of the BSCI, but no engagement with work on wages was mentioned as being carried out as part of the BSCI.

Strategy:

Aldi North and Aldi South did not provide details of any strategies for ensuring workers in their factories are paid a living wage.

Production overview:

Number of suppliers: Neither Aldi North nor Aldi South disclosed this information.

Main production countries listed as: Neither Aldi North nor Aldi South disclosed this information.

Both companies state that they place 100% of orders through agencies or intermediaries.

Neither Aldi North nor Aldi South publishes a full public list of the names and addresses of their supplier factories.

COMMENTS:

Aldi North and Aldi South state that they have no direct business relationships with any supplier factories. This means their leverage to improve the rights of the people who make their clothes, such as the right to a living wage, is fairly non-existent. This, however, does not remove their responsibility to engage. For us, due diligence on the right to a living wage is a lot more than an auditing model.

The Aldi Factory Advancement Project, which aims to encourage better dialogue between workers and factory management, is encouraging – if a bit unclear what it will achieve. We hope that they are able to involve independent trade unions in this work, and use this new dialogue to support the right to collective bargaining.

Both Aldi North and Aldi South say they support change through the BSCI’s work towards payment of a living wage. To us, it is not clear what work the BSCI is doing on this topic. Furthermore, no evidence was provided of Aldi’s engagement with this work. Both Aldi North and Aldi South need to start to take seriously their own responsibilities, to ensure that wages paid to the people who make their products meet their basic needs and that an appropriate strategy is adopted for paying the living wage in their own supplier factories.

ARMANI

Brands: Giorgio Armani, Armani Collezioni, Emporio Armani, EA7, Armani Jeans, Armani Exchange, Armani Junior



COMPANY POSITION ON THE LIVING WAGE:

We have looked at this company's website and through its code of conduct, and the only information available on this topic says: "We will treat our employees fairly with regard to wages, benefits and working conditions including a safe and healthy environment and we will not do business with any company that does otherwise."

WHAT WE SAY:

This company did not respond to our request for information, and the little information available on its website gives nothing away. It is therefore safe to assume the worst: that it has no engagement with ethical trading.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Production overview:

Number of suppliers: Armani did not disclose this information.

Main production countries listed as: Armani did not disclose this information.

Armani does not publish a full public list of the names and addresses of its supplier factories.

ASDA

Asda is the European subsidiary of Walmart

Brands: George, Faded Glory



Please note: This profile is based on information sent to us from the UK-based company Asda, which is wholly owned by Walmart. Neither Asda nor Walmart were able to submit a response to the survey, so the information in this profile has been taken from communications we have had with the brand. We have not been able to give a mark to this profile as the survey was not filled out.

COMPANY POSITION ON THE LIVING WAGE:

“Suppliers must compensate all workers with wages, overtime premiums, and benefits that meet or exceed legal standards or collective agreements, whichever are higher. Suppliers are encouraged to provide wages that meet local industry standards. Suppliers are encouraged to provide wages and benefits that are sufficient to meet workers’ basic needs and provide some discretionary income for workers and their families.”

WHAT WE SAY:

Asda has implemented an Ethical Sourcing Programme that aims to improve conditions and enforce policies and initiatives that benefit workers. Some work on costing looks promising.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Asda says: “Through our external audit programme, freedom of association is monitored to ensure workers are able to form and participate in worker welfare committee’s that are freely elected and represent the workforce. This covers 700 factories. We have recently embarked on the journey to complete this process within our second tier supply base which engages in Print, embroidery laundry processes.”



ASDA

Commitment and practices:

Asda gave us information about its 'lean manufacturing' philosophy: "LEAN manufacturing is a production methodology which aims to improve workplace conditions and efficiency and ultimately, to deliver greater value for money for end-customers by streamlining manufacturing processes and minimising wastage."

It cited the following results: "Lean now operates in 40 factories in Bangladesh, China, Sri Lanka, Pakistan. On average we have seen workers base wages increase by 17%; Absenteeism reduction of 22%; Labour Turnover reduction of 5%; Factory efficiency improvements of up to 37%."

Asda says it is continuing work on "open costing and the concept of Standard minute value" which it hopes will create a sustainable labour-costing model: "We are currently finalising a series of standard costing templates for our buyers, removing the subjective element of garment costing and look forward to being able to share with you more detail on this new system, called Sew Easy, in the coming months."

Some work on sustainable purchasing practices was cited, including a traffic-light supplier system to give buyers oversight of factory standards.

COMMENTS:

Asda has been working on open costing for a few years now, so it is good to see that the idea of ring-fenced labour costing is now being built into its buying model. This means that it is able to have frank discussions with suppliers about workers' wages as part of its pricing process. However, without living-wage benchmarks it is unclear, for us, what figure this model will use to calculate the separate labour cost. We hope that Asda will make this clear as and when 'Sew Easy' is announced... Given that its policy says a wage should be enough to meet the basic needs of a worker and their family (which a minimum wage does not do), the figures Asda is using will have to be specified. Without benchmarks, there is a risk that this sort of model could be used to drive down prices paid to suppliers.

One concern for us when reading about Asda's approach related to its plan to roll out worker committees in the majority of its factories. As previously stated, although worker committees create the illusion of freedom of association, actual freedom of association is often

Collaborative approach:

Asda is a member of the Ethical Trading Initiative. No other work in this field was mentioned.

We would also like to note that Walmart, Asda's parent company, has not engaged in (and on a number of occasions has deliberately blocked) progress on factory health and safety with other brands in Bangladesh, following the Rana Plaza disaster in which more than 1,200 people died when a building housing factories producing Walmart goods collapsed.

Strategy:

Asda says it aims to grow its 'lean manufacturing' programme so it covers 80 factories by the end of 2015.

Production overview:

Number of suppliers: Asda did not disclose this information.

Main production countries listed: Asda did not disclose this information.

Asda does not publish a full public list of the names and addresses of its supplier factories.

blocked by the promotion of these 'parallel means' in countries such as Bangladesh where there is already a functioning trade union movement. By taking on the role normally carried out by independent trade unions, worker committees give the impression of providing worker representation, while in reality removing any real power. Worker committees do not have the right to collectively bargain on anything aside from fringe benefits; to take industrial action to back up their position; or to hold independent elections. Worker committees are also usually restricted to individual workplaces, meaning members cannot take part in campaigning aimed at improving wages and conditions on a sectoral, regional or national level. These committees rarely play any more than an advisory role and can be listened to or ignored at the whim of management.

All in all, Asda seems to be taking steps forward. We look forward to hearing more about its Sew Easy programme – and the living-wage benchmark that we hope this implies.

ASICS

Brands: Asics, Onitsuka Tiger, Haglöfs



COMPANY POSITION ON THE LIVING WAGE:

“ASICS recognizes the issues around fair wages in our industry as well as the need for a clear fair wage mechanism going beyond a strict living wages scope. ASICS does not yet have a company definition of living wage in particular as we believe a broader approach to wages is advisable...”

“As a group, however, we would, rather than pursuing only one of the current definitions of a living wage, like to see a clear consensus around fair wages which include a wider range of worker rights and labor practices which could include what one might call a living wage. ILO [International Labour Organization] conventions and definitions regarding fair wages form an important starting point of our company on this subject...”

“For 2014 the subject of fair wages is a priority subject within the ASICS Groups approach to Corporate Responsibility.”

WHAT WE SAY:

Asics accepts the principle of a living wage, but in practice applies the legal minimum wage or industry benchmark. Good intentions are two a penny, actual commitment is needed. As for a “broader approach to wages”, what is more important than the fact that a wage should be enough to live on? This is surely the starting point.



ASICS

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Asics says: “In addition to compliance to our policies, including freedom of association, we also expect our suppliers to ensure workers understand and are aware of our standards and their rights. This can mean posting our policy in local language in the facilities but also by providing training to new employees and periodic refreshment trainings, distributing worker rights and policies in print or other. We provide trainings to factory management ourselves (e.g. during factory audits) but these can also be facilitated by local partner organizations such as Better Factories Cambodia.”

Commitment and practices:

No living-wage benchmarks were provided. Asics says that its buying teams work closely with its CSR teams, but no detail was given on what this entails or how it improves wages.

Collaborative approach:

Asics has worked collaboratively with unions and NGOs in Indonesia to develop and sign a protocol on freedom of association with factory managers and unions, which allows for certain very practical rights to be delivered to workers in its supplier factories. Haglöfs, an Asics-owned brand, is a member of the Fair Wear Foundation and recently took part in a survey into living-wage engineering.

Strategy:

Asics says: “At this stage, we have not publicly communicated our specific strategy on living or fair wages”.

Production overview:

Number of suppliers: 228 suppliers

Main production countries listed as: China, Vietnam, Indonesia, Japan, Cambodia

Asics does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

No real evidence was given of work to improve wages, let alone reach a living wage for workers in Asics’ supply chain. Asics seems to be hinting that it may be putting together a strategy on living wages at some point in the future. We hope that it does and that it is able to include in its policy, as a first step, a commitment to paying over the minimum or industry standard, which keeps workers in poverty.

Asics has carried out work in Indonesia with local unions to sign a freedom of association protocol, which is admirable. We’d like to see more of this commitment channelled to address poverty pay.

BENETTON GROUP

Brands: United Colors of Benetton,
Undercolors of Benetton, Sisley, Playlife



COMPANY POSITION ON THE LIVING WAGE:

“BG [Benetton Group] Business Partners shall ensure that wages paid for a standard working period shall always satisfy as a minimum the basic statutory minimum wage, the prevailing industry wage or the wage negotiated in collective agreements. The wage shall be sufficient to meet at least the basic needs of workers, their families and any other reasonable additional needs. Wages must be paid regularly, on time, and must reflect the experience, qualifications and performance of the worker.”

WHAT WE SAY:

This company did not respond to our request for information and has limited information on its website. Benetton has a policy that promises a living wage for workers, however no evidence has been given as to how a living-wage plan is implemented. Without evidence to prove otherwise, we suspect that little is being done to make this a reality.

IN DETAIL:

Has living-wage benchmarks?

No.

Production overview:

Number of suppliers: Benetton did not disclose this information.

Main production countries listed as: Benetton did not disclose this information.

Benetton does not publish a full public list of the names and addresses of its supplier factories.

BESTSELLER

Brands: Jack & Jones, Vero Moda, Only, Name It, Pieces, Selected, Outfitters Nation, Object Collectors Item, Vila Clothes, Junarose, Mamalicious



COMPANY POSITION ON THE LIVING WAGE:

“The employees are entitled to at least the statutory minimum wage, or the standard benchmark rate in the industry, whichever is higher, and should be enough to meet basic needs. Suppliers are expected to be open, and to actively work on reaching a sustainable solution to providing living wages ... When Bestseller mentions living wages we use the same definition as Asia Floor Wage.”

WHAT WE SAY:

Bestseller recognises the principle of a living wage, but as a company it has a long way to go if this is to become a reality for workers in its supplier factories. No evidence was given of work to increase wages above the minimum wage, aside from trainings for management and staff.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Bestseller says: "In order to communicate the right to freedom of association and collective bargaining to workers in our supply chain we have developed a poster and booklets describing Rights and Responsibilities according to our Code of Conduct. The posters has been distributed to all production units and the booklets have been distributed to 50.000 workers in China, 20.000 workers in Bangladesh and 10.000 workers in Turkey. In Bangladesh we also made an illustrated version for those workers who are illiterate. On the posters there is a contact phone number in case of grievances according to the working environment."

Some training has also been given to the management of Bestseller's top 25 suppliers about freedom of association.

Commitment and practices:

No living-wage benchmarks were provided. Bestseller says it is in the process of developing a wage calculation matrix so it can measure and compare wages in different countries.

Bestseller adopted a new strategy in November 2013 that will guide its sustainability work towards 2020. As part of this, it announced the following goal: "We will have a clear process in place that will enable our suppliers to pay a fair living wage." No further information was given on what this entails.

Collaborative approach:

Bestseller is a member of the Danish Ethical Trading Initiative, but no work as part of this was mentioned.

Strategy:

Bestseller has no strategy for ensuring workers in its factories are paid a living wage.

Production overview:

Number of suppliers: Bestseller did not disclose this information.

Main production countries listed as: Bestseller did not disclose this information.

Bestseller does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

It is positive that Bestseller recognises a living wage should provide for a family and meet their needs. We hope that in its coming work to establish wage matrices for its production countries, the Asia Floor Wage standard will feature prominently. Bestseller now needs to come up with a methodology for delivering this sort of promise into the pockets of workers – not an easy task. Its 2020 commitment is a positive step towards this, although now needs content. We look forward to monitoring this progress.

C&A

Brands: Yessica, Yessica Pure, Your Sixth Sense, Angelo Litrico, Westbury, Canda, Clockhouse, Baby Club, Palomino, Here & There, Rodeo Sport



COMPANY POSITION ON THE LIVING WAGE:

“C&A Code of Conduct says: Wages and benefits must be fully comparable with local norms, must comply with all local laws, and must conform with the general principle of fair and honest dealings ... We generally agree with the basic intention [of a living wage], but there is still some ambiguity in that there is still no generally accepted definition of what a living wage is, nor is it clear how a living wage should be measured.”

WHAT WE SAY:

C&A is doing very little to ensure that a living wage is paid to workers in its supply chains. It does not accept that there is a definition of a living wage (although it is fairly clear to us), and as such has failed to embed this in its company practice – disappointing.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

C&A says: “Our contractual Supply Partners, by signing their acceptance of our CoC are obligated to respect Freedom of Association and the right to Collective Bargaining insofar as the national law of each respective country sets the legal framework for such rights. It is the responsibility of our contractual Supply Partners to respect workers rights to Collective Bargaining. The C&A audit process checks whether Freedom of Association and Collective Bargaining are respected in the production unit.”

Commitment and practices:

The C&A Foundation partnered with GIZ (the Deutsche Gesellschaft für Internationale Zusammenarbeit) on a programme to improve productivity and social conditions in a number of supplier factories. The project aimed to “increase productivity, improve wages, and contribute to better social conditions.” C&A worked with 13 factories and 18,683 workers in Indonesia, Cambodia, India and Bangladesh. The programme “achieved significant increases in wages for the workers as the HR systems and incentive schemes were improved for the workers.” Actual figures were not provided.

Collaborative approach:

C&A is working with Terre des Hommes in India on a three-year partnership to “remove thousands of former Sumangali workers from the [forced labour] scheme, or prevent young women from joining a scheme. The work involves village outreach to educate parents of vulnerable young women of the danger of their agreeing to their daughter’s accepting such a contract.”

C&A is a member of the Ethical Trading Initiative (ETI) and has done some work on setting fair piece rates for homeworkers to ensure salaries are sufficient.

COMMENTS:

C&A says that there is ambiguity about the definition of a living wage, and so it is not clear how a living wage can be delivered. To this we say that the debate has moved on. The Asia Floor Wage Alliance set out a figure to define what a living wage means in terms of purchasing power in 2009, and since then a number of nuanced systems have emerged which allow companies to compare the wages paid by their suppliers to a ladder of benchmarks and thus measure progress. This excuse for not engaging in proactive work to pay a living wage is no longer valid.

C&A has renounced responsibility for ensuring freedom of association, saying this is the job of supplier factories. We disagree. Many factory managers are anti-union and will deliberately repress this human right. It is vital that buyers engage in actively upholding this right if a sustainable wage increase is ever to be achieved.

C&A says: “We are part of a group of 18 brands currently, mainly, but not exclusively built around ETI members, who have met on a number of occasions and who are now trying to agree on a set of ‘enabling principles’ which will outline what we believe to be the responsibilities of all the parties involved, including the brands, with respect to a ‘living wage’.”

Strategy:

C&A says: “C&A is currently developing an enhanced Capacity Building Programme which will be introduced in 2014. This will include internal awareness training with regard to purchasing practices.”

C&A says it is also in the process of developing a strategy for implementing a living wage.

Production overview:

Number of suppliers: C&A said it does not have this level of data available.

Main production countries listed as: Bangladesh (32%), China (31%), India (12%), Turkey (9%), Cambodia (6%)

C&A does not publish a full public list of the names and addresses of its supplier factories.

C&A’s project to improve productivity and conditions in 13 factories seems to have made some progress. C&A says: “We can demonstrate success in the factories in which this has been adopted in terms of higher wages now being paid,” but no figures were given, so we don’t know how effective this was. In general, our experience of productivity improvement projects is that gains are often not all passed on to workers, and they can result in more intense and stressful workplace environments, with unreachable targets – unless unions are involved to feedback worker experiences. They are also not the solution to paying workers a living wage, as the level of gains achieved rarely allow a significant enough wage increase.

We hope that as C&A develops its new strategy for implementing a living wage, it will take into account some very important points raised by this report.

CARREFOUR

Brands: Tex



COMPANY POSITION ON THE LIVING WAGE:

“Our company doesn’t own any factory; hence we don’t pay workers wages in the factories which supply us. Carrefour’s role is to ensure the worker’s salary is paid as per the law of the country in the factories where we buy products and that the salary paid also includes overtime and bank holidays premium and required benefits as defined in the law. This is a minimum and unavoidable requirement.”

“We can find many different definitions of a living wage from different organization and will leave the debate in their hands. Although it is a very important debate, we, as a retailer company have no legitimacy in defining it and haven’t set up any calculation formula. As far as we are concerned our definition is written in our charter: Wages and compensation for regular working hours shall meet basic needs and provide some discretionary income for workers and their families.”

WHAT WE SAY:

Global brands such as Carrefour cannot wash their hands of the responsibility to work out how to pay a living wage, while acknowledging the fact that a wage should meet basic needs. Carrefour has chosen to engage in global trade, and so has chosen to take on the responsibility that comes with it. Saying it doesn’t directly employ the workers who make its clothes is not a responsible answer when the company’s activity clearly has an impact on the lives of thousands of workers making its products.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Carrefour says: "Freedom of Association and Collective Bargaining are clear requisites in our supplier charter."

Carrefour has: developed a poster in local languages to communicate to workers at its supplier factories the rights laid out in its charter; made five films about rights, which have been shown to workers in India; and worked with suppliers on setting up worker-participation committees in some countries in South Asia, in collaboration with other brands.

Commitment and practices:

Carrefour has not taken part in work to calculate living-wage benchmarks. Evidence of work directly linked to improving purchasing practices, which is crucial to allow the payment of a living wage, was also very weak.

Carrefour says: "In practice we don't manage the factories so we don't pay the workers wages and unfortunately we have no insurance that can guarantee that 1€ more paid for a Tee-shirt will be 1€ more for the workers."

Carrefour adds: "Our requirement to our suppliers is, as a first step, to respect the minimum wage set up in the country and we take it into account when setting up prices with suppliers."

For example in Bangladesh, where the minimum wage has increased by 70% in 2013, we have had the following actions:

Ensuring that our suppliers were applying the wage increase in due time

Taking into account the impact of the increase on the prices and including such increase in our commercial discussions with our suppliers."

Collaborative approach:

Carrefour signed a partnership agreement with the International Federation for Human Rights (FIDH) in 2003. As a company, Carrefour feels that it has a role to play in putting pressure on governments to increase minimum wages. It signed a letter to the government of Bangladesh in 2012, alongside other global brands, to ask for an increase in the minimum wage.

Strategy:

Carrefour has few specific strategies, aside from issuing and promoting its supplier charter, for ensuring workers in its supplier factories are paid a living wage.

Production overview:

Number of suppliers: Carrefour did not disclose this information.

Main production countries listed as: Brazil, China, Bangladesh, India, European Union

Carrefour does not publish a full public list of the names and addresses of its supplier factories, although it says this move is being discussed.

COMMENTS:

Although Carrefour seems to accept the principle that a wage should be enough to meet the basic needs of a worker and their family, its approach is woefully lacking in actual commitment to do something about it and a solid internal policy to make this possible. Such a policy should include work on improving purchasing practices and moving towards paying FOB (free on board) prices that will allow the payment of a living wage to workers.

Carrefour states that it is not its place to define a living wage. We disagree. For workers, there is no point in making statements about wages being enough to meet basic needs if the minimum wage, which is often only a quarter of the living wage, is the standard a company endorses. Policy statements supporting basic-needs wages are useless unless backed up by figures and a strategy to ensure they can be implemented. Carrefour needs a strategy that lays out how and when it will be possible for workers to earn a wage that meets their basic needs – thus making sense of its public commitment and the facts.

While Carrefour seems to be taking some sporadic actions, such as providing information for workers on their rights (for example, the films mentioned earlier) or exploring grievance mechanisms, these actions are inefficient if they are not included in a global strategy with the objective of implementing a living wage.

Carrefour has significant buying power around the globe. As the world's second biggest retail group, behind Walmart, Carrefour must step up its game and take a leading role in developing good practice on the living wage, by setting an example that other retailers could follow. With great power comes great responsibility – we see little evidence of this so far.

CELIO

Brands: Celio



COMPANY POSITION ON THE LIVING WAGE:

We have looked at Celio's website, and through its code of conduct, and no information relating to the living wage or labour standards was found.

WHAT WE SAY:

Celio did not respond to our request for information and has no relevant information available on its website. It is therefore safe to assume the worst: that it has no engagement with ethical trading at all.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Production overview:

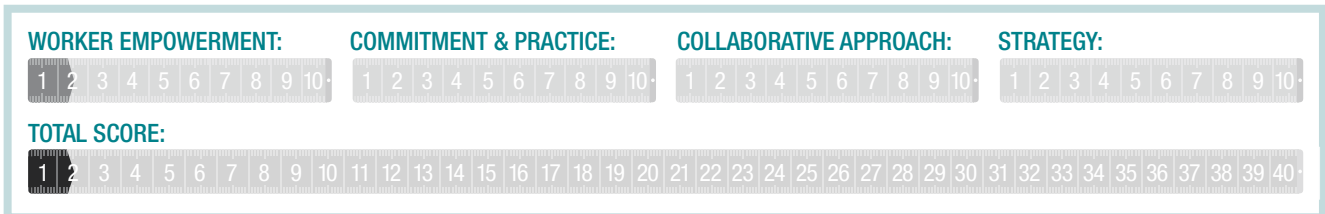
Number of suppliers: Celio did not disclose this information.

Main production countries listed as: Celio did not disclose this information.

Celio does not publish a full public list of the names and addresses of its supplier factories.

CHARLES VÖGELE TRADING AG

Brands: Charles Vögele



COMPANY POSITION ON THE LIVING WAGE:

“We implement the BSCI [Business Social Compliance Initiative] Code of Conduct in our international supply chain. This Code prescribes the payment of the legal minimum wage. This legal minimum wage should be at a level that covers workers basic needs as well as provide some discretionary income. As this is often not the case we support through BSCI work towards the payment of a living wage.”

“We believe it is essential to emphasize the importance of a holistic approach towards the issue of fair remuneration for workers. In this context, it is important to address the qualitative aspects of wages as well as quantitative aspects ... such as the way of payment, timely and formal payment of wages, reflecting skills and education of workers in the level of wages, and equal treatment of full-time employees, part-time, and piece-rates workers.”

WHAT WE SAY:

Charles Vögele has simply repeated back to us the answers provided by the BSCI, without engaging in the issues. It has chosen to hide behind the BSCI and outsource responsibility for the respecting of labour and human rights to the initiative. Nothing in the answers provided by this company indicates to us a serious engagement in improving the wage situation in its supply chain and increasing pay to a living-wage level.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Charles Vögele referred us to the BSCI Code of Conduct, which includes statements on freedom of association. This code is displayed in its supplier factories.

Charles Vögele says: “Due information and training of factory workers [about freedom of association and the right to collective bargaining] is the responsibility of factory management, the honouring of which is a requirement for BSCI Code of Conduct compliance.”

No details of the content of the trainings nor whether the company's suppliers actually participate in BSCI trainings that are offered to factory management were known.



CHARLES VÖGELE TRADING AG

Commitment and practices:

Charles Vögele says: “The calculation of the local living wage forms part of the BSCI audit and is calculated according to the SA8000 methodology. They are used for the gap analysis and in the Corrective Action Plans that are issued to factories after each BSCI audit, indicating steps to be taken in order to arrive at the level of a living wage.”

The company did not answer any further questions on the actual level of wages at supplier factories or on purchasing policies and practices. Charles Vögele says that this information is privileged and confidential.

Collaborative approach:

Charles Vögele referred us to the position papers on the BSCI website. On living wage, it is stated:

“BSCI believes that a sustainable way to increase wages for workers is through the local legislation and based on discussions among local social partners. To foster the importance of this concept, BSCI is engaged in a network of Round Tables ...” No details are known on the content of these round tables, or whether suppliers of Charles Vögele participate.

Charles Vögele does not engage with any multi-stakeholder initiatives, trade unions or NGOs in work to concretely deliver a living wage. The company does not publicly report on the wage situation or on any measures taken and progress achieved regarding higher wages in its supply chain.

Strategy:

Charles Vögele says: “The payment of a living wage is a long term goal and is pursued on factory level. Through BSCI we work with each factory individually, because some factories are closer to achieving the living wage and more able to attain this goal than other factories that require different measures and interventions. Overall, the strategy is a step-wise development approach as outlined by BSCI. BSCI is an active member of the Fair Wages Network and believes in a holistic approach to the improvement of working conditions and remuneration practises for workers.”

Neither Charles Vögele nor the BSCI have publicly communicated a clear strategy, with measurable benchmarks and a timeline, for achieving a living wage.

Production overview:

Number of suppliers: Charles Vögele says that this information is privileged and confidential.

Main production countries listed as: Asia (90%) – broken down into China (17%), Bangladesh (41%), India (9%), Pakistan (1%), Indonesia (2%), Other Asian Countries (19%) – Europe (10%)

Charles Vögele does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

Charles Vögele largely outsources its responsibility for due diligence and the respect of human rights to the BSCI.

The BSCI generally accepts the right to a living wage, but at the same time does not demand that its members deliver a living wage in their supply chains. In its publicly available position papers, the BSCI refers to the responsibility of governments, trade unions and NGOs for the implementation of a living wage. However, in order to deliver a living wage, companies have to analyse their own purchasing practices and adapt their pricing structure and lead times so it becomes possible on a factory level to pay living wages. The BSCI is not making any efforts in this aspect.

The BSCI wants to focus on addressing “the qualitative as well as quantitative aspects” of wage payment. It is important, yes, to pay workers on time and ensure wages reflect how skilled workers are, but the salaries today are so low that the main issue for most factory workers is that they cannot afford to even cover their most basic needs, such as sufficient food. A significant wage increase is needed in garment, shoe and textile factories globally, and therefore, brands have to commit to paying higher prices to their supplier factories to contribute to a wage hike. Neither the BSCI nor Charles Vögele are committed to such steps.

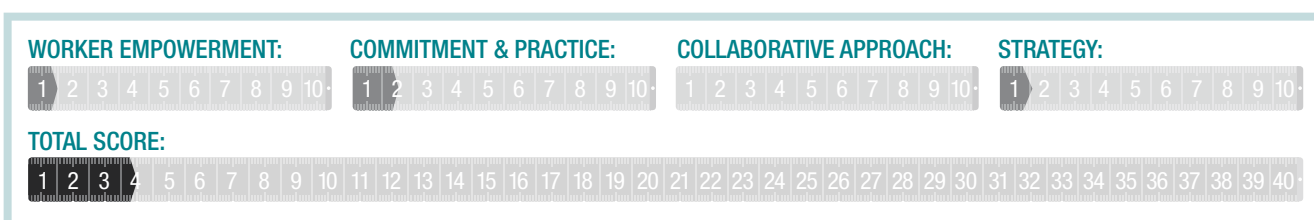
Nothing in the answers of Charles Vögele suggests that the company – in partnership with suppliers, workers, trade unions and NGOs – is striving for practical steps towards a living wage in its own supply chain. The company hardly engages in the empowerment of workers’ rights in its own global supply chain.

Charles Vögele relies entirely on the positions, standards, activities and audits of the BSCI and shows no individual commitment concerning living wage. To achieve real changes in supplier factories, it is not enough to outsource responsibility to a scheme such as the BSCI. Charles Vögele needs to take personal responsibility for its global supply chain and invest in ensuring that the rights of all workers are respected within that supply chain, including the right to a living wage.

DECATHLON

Brands: Artengo, B'twin, Caperlan, Decathlon, Domyos, Equarea, Flx, Fouganza, Inesis, Kalenji, Kipsta, Nabaiji, Newfeel, Novadry, Oxelo, Quechua, Rockrider, Simond, Solognac, Stratermic, Tribord, Wed'ze

Please note: Decathlon is the main retail arm of the Oxlane network. Oxlane, which manages the buying for these brands, responded to this survey.



COMPANY POSITION ON THE LIVING WAGE:

“Our company approach on any compliance program is a step by step approach aiming at improving life and working conditions within our supply chain. We agree with the principle of payment of a living wage throughout our supply chain.”

WHAT WE SAY:

A large company such as Oxlane cannot afford not to have a defined position on the crucial issue of living wage – a human right that the UN guidelines mandate companies to uphold. Acknowledging the principle of a living wage is not enough. Oxlane must develop a responsible policy that will allow the payment of a living wage to workers making its products, including work on responsible purchasing practices.



DECATHLON

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Oxylane says: “During audits, we check that the workers are free to join any union or collective bargain activities, and that there is a H&S committee as per law, or if there is no law we ask our suppliers to implement such a committee between workers representative and the management to set up social dialogue within our supply chain”.

Oxylane also gave a few other specific examples of actions to promote freedom of association or worker empowerment – beyond auditing and provision of information for workers.

Commitment and practices:

Although Oxylane acknowledges the principle of a living wage, the company has not adopted any living-wage benchmarks to measure this.

Oxylane says it has checked the Fair Wage Approach and considers itself to be “in line” with the recommendations.

Collaborative approach:

Oxylane gave no indication of work on the living wage with any other stakeholders.

Oxylane signed a joint public statement sent to the prime minister of Bangladesh in June 2012, asking for a regular rise in the minimum wage.

Strategy:

Oxylane says that it has a programme, based on a step-by-step approach, to ensure that fair wages are paid to workers. This programme uses a system of ranking the company’s suppliers from E to A. No more specific information was given on the implementation of this, or how it has helped to improve wages.

Oxylane says it plans to launch a study in 2014 to “analyse the need to go further” on the wage issue. It hopes this will give definition to its living-wage commitment.

Oxylane also says it has decided to focus work on safety issues.

Production overview:

Number of suppliers: Oxylane has over 1,000 suppliers.

Main production countries listed as: Asia, Northern Africa, Europe

Oxylane does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

With more than 1,000 shops and 53,000 employees all over the world, plus a chiffre d’affaires of more than €7billion in 2012, a large retailer such as Decathlon has a responsibility to develop stronger CSR policies.

Oxylane says it takes a “step by step” approach to achieving a living wage, but this evasive language and the lack of detail to its programme make us think that not a lot is happening in practice. Oxylane seems to base the core of its strategy on audit systems. We didn’t see much evidence of work on purchasing practices or pricing commitments that allow payment of a living wage. We hope that Oxylane can start to take a more proactive approach to its responsibility to uphold the right to a living wage, rather than wait for its suppliers or other actors to start to pay more.

Oxylane seems to have taken into account the need to work on wages as a priority, but it currently lacks any strategy as to how it could use its role as a major buyer to bring about change. A strong definition of what the living wage should be and a strong policy to ensure its payment must be developed as soon as possible.

We look forward to reading the results of Oxylane’s own study on wages, as soon as these are available, and hearing about the strategy that will be implemented.

DIESEL

Brands: Diesel, Diesel Black Gold, 55DSL, Diesel Kid



COMPANY POSITION ON THE LIVING WAGE:

We have looked at Diesel's website, and through its code of conduct, and no information relating to the living wage or labour-standards policies was found.

WHAT WE SAY:

Diesel did not respond to our request for information, and has no relevant information available on its website. It is therefore safe to assume the worst: that it has no engagement with ethical trading at all.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Production overview:

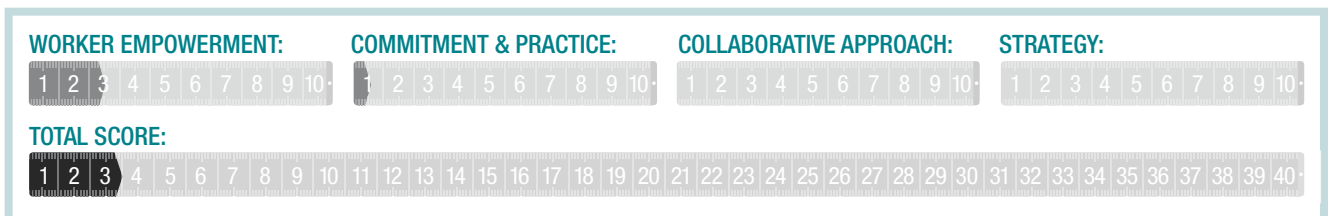
Number of suppliers: Diesel did not disclose this information.

Main production countries listed as: Diesel did not disclose this information.

Diesel does not publish a full public list of the names and addresses of its supplier factories.

ESPRIT

Brands: Esprit, Esprit Casual,
Esprit Collection, Esprit Sports, Edc



COMPANY POSITION ON THE LIVING WAGE:

“We implement the BSCI [Business Social Compliance Initiative] Code of Conduct in our international supply chain. This Code prescribes the payment of the legal minimum wage. This legal minimum wage should be at a level that covers workers basic needs as well as provide some discretionary income.”

“We believe it is essential to emphasize the importance of a holistic approach towards the issue of fair remuneration for workers. In this context, it is important to address the qualitative aspects of wages as well as quantitative aspects ... such as the way of payment, timely and formal payment of wages, reflecting skills and education of workers in the level of wages, and equal treatment of full-time employees, part-time, and piece-rates workers.”

WHAT WE SAY:

Sound familiar? Like Lidl, Aldi, WE and others, Esprit has simply repeated back to us the answers provided by the BSCI, without engaging in the issues. Very little evidence was given of any work to address the problem of low pay. Nothing in the answers provided indicated to us a serious engagement with the need to increase pay to a living-wage level.

IN MORE DETAIL:

Has living-wage benchmarks?

No.



ESPRIT

Worker empowerment:

Esprit says: “Communicating information about the rights and freedoms of workers, including freedom of association, is a requirement of the BSCI Code of Conduct. As stated in the terms of implementation, the Code must be translated into the local language(s) and displayed prominently in a factory in order to be BSCI-compliant.”

Esprit gave information about its direct involvement in ensuring collective bargaining rights on two occasions in 2013 where suppliers had refused to engage with worker representatives.

It says: “Esprit has a team of 11 people based in China, Hong Kong, Bangladesh, India and Turkey that perform Esprit internal audits, and develop corrective action plans for our supplier factories.”

Commitment and practices:

On living-wage benchmarks, Esprit says: “The calculation of the local living wage forms part of the BSCI audit and is calculated according to the SA8000 methodology. They are used for the gap analysis and in the Corrective Action Plans that are issued to factories after each BSCI audit, indicating steps to be taken in order to arrive at the level of a living wage.”

Collaborative approach:

Little information was given of collaborative projects or work with unions or NGO groups, aside from Esprit's attendance at the European Conference on Living Wages in Berlin.

Strategy:

There was no information given on a strategy towards wage and working-condition improvements beyond the BSCI reports referenced above.

Production overview:

Number of suppliers: 455 first-tier suppliers

Main production countries listed as: China (54%), rest of Asia (9%), Bangladesh (8%), Turkey (8%), Vietnam (6%), Other (15%)

Esprit does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

Another giant in the global market, Esprit has over 1,000 shops worldwide, employing more than 10,000 people directly, and a turnover exceeding €2.3 billion annually – yet it has little oversight of its supply chain and has developed no strategy for improving wage or working conditions in its supplier factories. Instead it references work being carried out by the BSCI and relies on an outdated auditing model. This ‘tick box’ approach to dealing with company responsibility for labour rights will not bring about the change that is vitally needed.

Our take on the BSCI focus on addressing “the qualitative as well as quantitative aspects” of wage payment is that this is somehow sidestepping the main point. It is important, yes, to pay workers on time and ensure wages reflect how skilled workers are, but the main issue for most factory workers is that they cannot afford to feed their children. We are not saying that the qualitative issues are not important and should not be addressed, just that the quantitative issues are immeasurably more important. The repeated protests that take place around the world in garment-producing countries all call for a significant quantitative wage increase. The focus on other aspects of wage payment must not become a distraction from the pressing and urgent issue of poverty. Given a list of 12 things to do, one of which is ‘pay more’, every supplier will do the other 11 first.

Esprit has a small CSR team, aside from its work with the BSCI, but no evidence was given on how this team is working to improve wages.

Esprit needs to take personal responsibility for its global supply chain and invest in ensuring that the rights of all workers within that supply chain are respected.

G-STAR

Brands: G-Star Raw Denim



COMPANY POSITION ON THE LIVING WAGE:

"G-Star supports the living wage principle as well as further research and exploration on defining 'what is a living wage'. We have not endorsed the living wage standard in our Code of Conduct ... Our code is actionable and we made the decision ... to only include actionable aspects that we can deliver at that/this moment in time.

"Our current, but not public definition is that living wage is defined as a wage paid for a standard working week meeting basic needs of workers and their families and to provide some discretionary income."

WHAT WE SAY:

G-Star needs to make the leap of commitment towards a living wage. It is great that it is monitoring the wages it pays against real living-wage figures, but unless it puts this into its company policy, this support for the principle of a living wage is meaningless and the gap will not be bridged.



G-STAR

IN MORE DETAIL:

Has living-wage benchmarks?

Yes.

Worker empowerment:

G-Star says: "The right to Freedom of association and collective bargaining has been incorporated in the G-Star Code of Conduct ... G-Star is a buying partner of Better Work program Vietnam (8% of the supply chain). In conferences, supplier training and supplier assessments the topic of Freedom of association and collective bargaining is actively raised and acted upon."

Commitment and practices:

G-Star has adopted a wage ladder to internally monitor its progress towards payment of a living wage. G-Star is using this ladder to carry out "internal overviews of wages by suppliers in comparison to the different wage levels - minimum wage, living wage, Asian floor wage."

G-Star says: "We are working internally on a project to further control prices vs wages paid."

Adding: "Currently we are doing research and investigate the topic of Living Wage in our supply chain. Based on the research G-Star has the intention to do a Living wage pilot at one of our suppliers in Q3-4 of 2014."

Collaborative approach:

G-Star is involved in the Better Work programme. It has also taken part in an initiative in the Dutch textile and clothing sector, together with other brands, focusing on a living wage.

Strategy:

G-Star has no strategy for ensuring workers in its factories are paid a living wage.

Production overview:

Number of suppliers: G-Star did not disclose this information.

Main production countries listed as: Bangladesh (36%), China (31%), India (17%), Other (16%)

G-Star does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

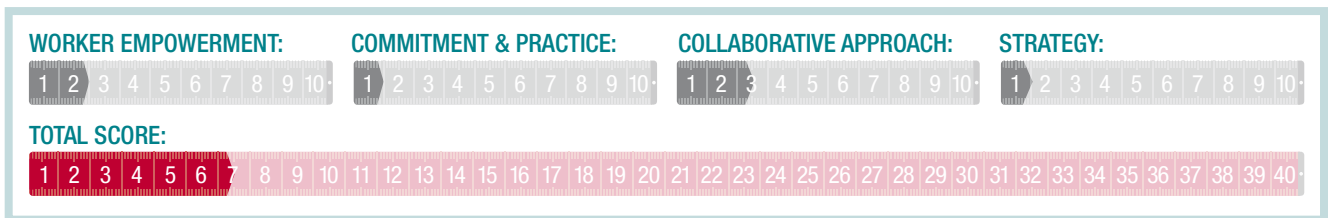
We are pleased that G-Star has started using a wage ladder to evaluate the wages paid to workers against figures that show how much it really costs to live with dignity in the countries where the company sources its goods. This is a good first step. Intriguingly, G-Star says it is also working on a project to control prices vs wages paid. We look forward to hearing more about this as it develops. It is vital that companies commit to addressing the price they pay to supplier factories when seriously considering how to bridge the gap between minimum and living wages. It will be important that G-Star takes this into account in its project. Simply gathering figures will not solve the problem.

G-Star demonstrates little evidence of working collaboratively with unions, NGOs or other companies to take forward work on a living wage. There is also little sign of work to combat the very real barriers to freedom of association and collective bargaining in its supply chains. Progress in these areas must go side by side with benchmarks if change is to be sustainable.

G-Star has yet to incorporate a commitment to pay the living wage in its code of conduct, although the company let us know when we sent it this profile that it plans to do this in early 2014. Our experience is that without this public policy statement in place, it is difficult to get a whole company on board with changes at all levels. We hope this will be addressed soon.

GAP INC

Brands: Gap, Banana Republic, Old Navy, Piperlime, Athleta, Intermix



COMPANY POSITION ON THE LIVING WAGE:

“We remain committed to the principle that wages for a standard working week should meet the basic needs of factory workers and provide them with discretionary income. We want to do our part to help ensure workers are being treated fairly and that their compensation reflects that ... While there is no universally agreed-upon calculation for a living wage, we have made it a priority to ensure that our suppliers comply with legal wage and benefits laws, the violation of which is an ongoing problem in the apparel industry.”

WHAT WE SAY:

Gap’s submission, although containing many fine words and sentiments, shows little proof of real work that will improve wages for workers making its clothes. This is disappointing. Gap’s proposals to look into productivity projects and ensure it is paying the minimum wage are also sadly insufficient.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Gap says: “We use a wide range of approaches to ensure that FOA [freedom of association] rights are respected and communicated clearly with both management and workers. These range from supporting open dialogue between factory workers and managers to partnering with workers’ rights groups and trade unions when appropriate. We believe that helping ensure FOA in both principle and practice is important to laying a foundation for increased wages.”

Gap says factory managers are obliged to inform workers of unions operating in the factory, provide their contact details and display or distribute a copy of any collective bargaining agreement.

Commitment and practices:

Gap has no system for monitoring its ‘living wage’ commitment as it has not developed internal benchmarks. Some work was mentioned about meeting with strategic vendors to develop “tailored programs to address the needs of individual factories.” This included discussion of timing and planning of orders to minimise the negative impact of buying practices on workers.



GAP INC

Collaborative approach:

Gap is a member of the Ethical Trading Initiative (ETI). It is part of an ETI working group – with other companies, NGOs and unions – looking into the Sumangali forced-labour scheme in India.

It also cited work as part of the “Americas Group”, addressing precarious labour problems in Central America and Mexico in partnership with unions and NGOs. A partnership with IndustriALL to provide FOA trainings to 14 suppliers in Sri Lanka and India was also mentioned.

Strategy:

Gap gave information about its P.A.C.E. (Personal Advancement & Career Enhancement) programme, which “provides female garment workers with the foundational life skills and enhanced technical skills needed to advance in their personal lives and in the workplace.” Anticipated outcomes include wage increase as a result of career progression. To date, 20,000 women have participated in the programme in seven countries.

COMMENTS:

For more than 10 years, Gap has been a member of the ETI, with the commitment to a living wage written in its code of conduct, but it still has yet to define what this means in terms of real wage figures and check if this is being paid to the workers making its clothes. It is very disappointing, if not shocking, that a brand of this size and influence can avoid its responsibility for so long and continue to endorse global poverty pay.

The P.A.C.E programme seems to have trained a significant number of workers. However, not everyone can become a supervisor. It isn't clear how this scheme helps the majority of workers to move up the pay scale. We suspect that this sort of training may focus on teaching workers to manage their very limited personal finances better – a bit patronising as the main problem isn't workers massively overspending on Big Macs, but rather the fact that they aren't paid enough to buy enough rice for their families.

On the productivity programmes strategy, Gap is pursuing the wrong project. Productivity, although helpful as part of a package of measures to boost wages, will never increase profits enough to cover the quite significant gap between the minimum wage and living wage in most countries where Gap sources. Countless researches show this (including the figures from some pilot projects highlighted in this report). There is also the risk that

Gap also says that it is considering productivity improvement programmes as a strategy: “We see particular promise in pilots focused on enhancing productivity with an aim to share some of the gains with workers in the form of improved wages. This approach holds the potential to help secure workers' human rights in a way that can be economically stable over the long-term.” The company added that it has developed a “framework for laying the foundation to increase wages”. This framework has three aims: ensuring compliance with the minimum wage, ensuring freedom of association and promoting effective management systems.

Production overview:

Number of suppliers: Gap says: “We purchase private label and non-private label merchandise from over 1,000 vendors. Our vendors have facilities in about 40 countries.”

Main production countries listed as: China (26%), US (2%), Other (72%)

Gap does not publish a full public list of the names and addresses of its supplier factories.

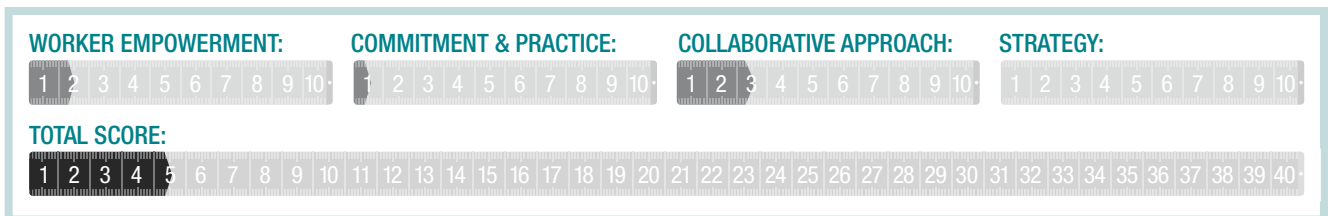
workers, who are already working hard enough, are set ever-higher targets and see only a fraction of the financial gains. Another way to achieve “economically stable” wage increases is for Gap to agree to pay more and find a system that ensures this dividend gets to the workers. Just a thought.

Gap says that while there is no universally agreed living-wage figure, it has focused on ensuring the minimum wage is paid. For us, this is no longer a valid excuse for not engaging. The Asia Floor Wage Alliance set out a figure to define what a living wage means in terms of purchasing power in 2009, and since then a number of nuanced systems have emerged which allow companies to compare the wages paid by their suppliers to a ladder of benchmarks and thus measure progress. Many companies in this report are now doing this. Gap could do a lot worse than to join this trend.

We hope to see Gap re-engage in the living-wage debate in the coming year. We challenge the company to develop its “framework for laying the foundation to increase wages” in order to take its next steps and commit to how the wages will increase. More needs to be done than ensuring the company is obeying the law and paying the minimum wage. A buyer of this size and influence has the potential to make a difference and lead the way in improving the lives of workers around the world.

GUCCI

Brands: Gucci



COMPANY POSITION ON THE LIVING WAGE:

“GUCCI is SA8000 certified since 2007. In this standard the compliance with the Living Wage is one of the requirements that has to be satisfied. Then this requirement is also incorporated in the Social Responsibility Policy of our Brand and in the Principles of Sustainability on which we ask the commitment of our suppliers.”

WHAT WE SAY:

Gucci says it produces 100% of its goods in Italy, where it says rights are upheld. However, the company has more than 3,000 subcontracted suppliers and it is unclear to us what its policy is for upholding rights in these workplaces. Previous case work found some Gucci products (uniforms for employees) being made in Turkey. More effort than a simple statement in a policy document is needed.



GUCCI

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Gucci says: “The Right to Freedom of Association and Collective Bargaining is clearly communicated through our supply chain ... We training periodically (at least yearly) all of our direct suppliers on our Social Responsibility Policy. This kind of activity has been shared with the main Unions on the basis of an agreement signed in 2004.”

Commitment and practices:

Gucci uses the Italian minimum wage as a living-wage benchmark. It says that this is a suitable figure because it was established by national collective agreements.

Collaborative approach:

Gucci signed agreements in 2004, 2009 and 2012 with the Italian trade union confederations CGIL, CISL and UIL.

Gucci has had proactive and productive dialogue with the Italian branch of the Clean Clothes Campaign regarding a number of issues, including sandblasting.

Strategy:

None.

Production overview:

Number of suppliers: 400 first-tier suppliers, 3,600 subcontracted suppliers

Main production countries listed as: Italy (100%)

Gucci does not publish a full public list of the names and addresses of its supplier factories, but this list is shared confidentially with unions.

COMMENTS:

Gucci says its production is entirely based in Italy, where rights are upheld. However, we would not consider Italy to be a ‘low risk’ country in terms of rights. Indeed, in December 2013, a fire in a subcontractor’s factory in the town of Prato killed seven Chinese migrant workers, and unions said the health and safety problems that caused the disaster were common in the area. Due to a significant use of the informal sector and migrant labour in Italy, Gucci’s production needs to be carefully monitored if the company is to be sure that wages are enough to meet workers’ basic needs and ensure their rights.

We have questions about the fact that there is such a high volume of subcontracted work in Gucci’s supply chain, and suspect that some of these subcontractors may be outside Italy. No information was given about how this subcontracting is monitored or how workers’ rights are upheld in these factories. It is crucial that Gucci engages in its subcontracting policy and takes responsibility for rights in these factories also.

H&M GROUP

Brands: H&M, Cos, Monki, Weekday, Cheap Monday, & Other Stories



COMPANY POSITION ON THE LIVING WAGE:

“A Fair Living Wage, covering workers basic needs, should be paid by all our commercial goods suppliers. A Fair Living Wage should be measured as the workers’ perception of receiving a wage that covers their basic needs.”

“We do not endorse a specific definition [of a living wage], since we believe that this is for workers representative to decide, and conclusion on what specific wage level to bring to wage negotiations.”

WHAT WE SAY:

H&M has taken some big steps forward in its work in the last 6 months, and has come out in support of a ‘fair living wage’. However, its strategy lacks a living wage benchmark. The wage increases that are currently possible at a factory level through negotiation, when the starting point is only a fraction of the amount needed, will not reach an actual living wage sufficient to feed and support a family. The other elements of H&M’s strategy – capacity building with suppliers, advocacy for increased minimum wages, and adjustments in purchasing practices – may help, but the crucial commitment to a living wage benchmark is a necessary next step for making living wages possible.



IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

H&M delivered a social dialogue project in Bangladesh. The pilot initially covered five factories, but this is being scaled up during 2014 to cover 15% of H&M's supplier factories in Bangladesh, and 100% of its supplier factories by 2018. The pilot has so far achieved the election of three worker-participation committees, and dialogue with management has covered compensation issues such as bonuses and wage-payment dates.

H&M has a limited grievance mechanism, in which phone numbers and email addresses of H&M staff are given to workers during interviews.

H&M has also started a project with the Swedish union IF Metall in Cambodia.

Commitment and practices:

H&M's new 'Fair Living Wage' plan includes the following commitments on purchasing practices:

- By 2014: Improved pricing method, ensuring true cost of labour; improved purchasing plans to reduce production peaks
- By 2018: Reduction of average overtime by 35%; 90% of suppliers to perceive H&M as a fair business partner

H&M's commitment also includes this statement: "We are willing to pay more so that suppliers can pay higher wages." It currently uses open costings with suppliers, but does not break down labour cost as part of pricing.

H&M has a buying tool called the 'Index of Code of Conduct', which "ranks suppliers, and provides incentives for improvement. This is a weighted index, where by FoA [freedom of association] and CB [collective bargaining] together with compensation and working hours is given a higher weight."

Collaborative approach:

H&M is collaborating with Fair Wage Network consultants on its new pilot projects. Some consultation with unions, NGOs and workers was carried out on these plans. An advisory board to oversee the project has some high-level union presence but little involvement of local unions.

Strategy:

H&M says: "H&M will support factory owners to develop pay structures that enable a fair living wage, ensure correct compensation and overtime within legal limits. This will be explored by implementing the Fair Wage Method in our role model factories ..." This will start in 2014 with work on two 'model factories' in Bangladesh and one in Cambodia. At these factories, H&M will have a 100% buying share.

It says: "H&M's strategic suppliers should have pay structures in place to pay a fair living wage by 2018. By then, this will reach around 850 000 textile workers."

It adds: "By 2014, we will expand our existing social dialogue project so that 15% of H&M's suppliers are trained in social dialogue and have freely elected Workers Participants Committees, with the intention to reach 100% by 2018."

Production overview:

Number of suppliers: 785 first-tier suppliers, 1,013 subcontracted suppliers

Main production countries listed as: Far East incl. China, Indonesia and Cambodia (42%); South Asia incl. Bangladesh (28%); Europe, Middle East and Africa (30%)
H&M publishes a full public list of the names and addresses of its supplier factories.

COMMENTS:

We are disappointed that H&M's newly announced Roadmap to a Fair Living Wage fails to clearly state a living-wage benchmark. Although there are many good elements to what H&M has developed, without such a definition it is impossible to create a 'road map' to achieving the payment of such a wage or measure the road map's success.

A key part of H&M's strategy is promoting negotiations at a factory level, based on wage levels proposed by workers. We obviously support the need for wages to be negotiated – this is key. However, factory-level negotiations alone will not achieve 'fair living wages'. The wage increases that are possible at factory level, when the starting position is a minimum wage that is only a quarter or a sixth of a living wage, will never reach an actual living wage sufficient to feed and support a family. A commitment must come from H&M to raise the wage significantly via a benchmark. Such a commitment may open the space in negotiations for trade unions to make wage demands that represent the real needs of workers.

H&M's statement that, in order to achieve a fair living wage, it is willing to pay more to its suppliers marks a commitment that is essential at the heart of any wage improvement. This is welcome. It is also encouraging that H&M is committed to improving its purchasing practices to decrease overtime.

H&M says that as part of the worker assessments of perceived living wage, which will be carried out to calculate wage levels in its new model factories, the following parameters will be assessed: "Food, Accommodation, Health, Education, Clothing and Vacation/leisure." We are concerned that this limited list – which omits family care, transport and discretionary income – will give an inaccurate picture of what a real living wage is. The fact that some workers have to support elderly relatives and children must play a central role in the calculation (a living wage may be three times the amount that an individual needs to survive).

On top of the factory-level negotiations, H&M must go further in ensuring the inclusion of local unions, whose role is critical. Signing the Indonesia Protocol would be a good step and a learning experience. This agreement, already signed by a number of major sportswear brands in Indonesia, is delivering some very concrete actions to enable better workplace representation across many suppliers, and is proving a groundbreaking test bed for how to ensure freedom of association in the industry. H&M could also consider broadening its advisory board to ensure local trade unions have more direct representation.

H&M's statement that it plans to scale up a project to create Worker Participation Committees in 100% of its key supplier factories is a bit worrying. Although helpful for improving factory-level communication at times, these committees can act as a parallel means to worker empowerment and, in fact, prohibit the engagement of local unions in factory processes. Worker committees should only be used in places where trade union rights are prohibited, otherwise local unions engage in these processes via access agreements and issuance of the 'right to organise' guarantee. We hope that H&M will take this important point on board.

We are keen to follow H&M's progress as it moves forward with its commitment to a 'fair living wage'.

HUGO BOSS

Brands: Hugo Boss



COMPANY POSITION ON THE LIVING WAGE:

“Our supplier contracts are based on the norms of the International Labour Organization (ILO). They contain requirements that all employees are covered at least by the legal minimum wage, the legally defined minimum leave and the defined maximum working hours. If there is no, or no adequate, legislation in the country concerned, our HUGO BOSS Social Standards set the standard to ensure appropriate working conditions for the employees.

“Safety at work, the prohibition of child labor and the payment of fair wages are just a few of the mandates that we set for our producers. However, far from relying exclusively on legal covenants, we actively monitor compliance with our social and ecological guidelines during regular visits to the sites, together with an external consultancy.”

WHAT WE SAY:

Hugo Boss has basic information on minimum-wage payment within its code of conduct and a section on sustainability in its 2012 annual report. Other than this, there is no evidence of any work being done within supply chains to ensure workers are being paid a living wage. All in all very disappointing for such a high-profile brand.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Production overview:

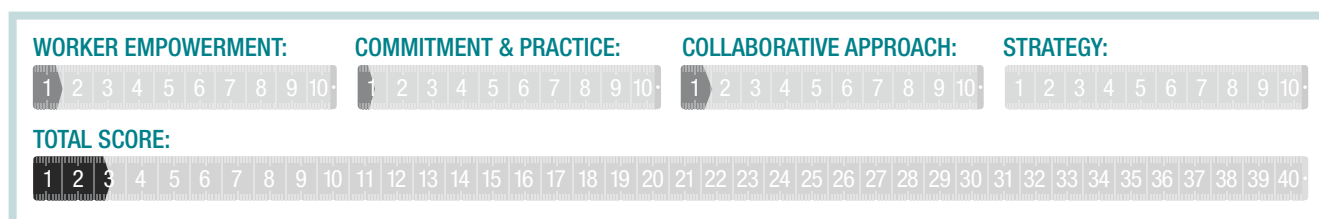
Number of suppliers: Hugo Boss did not disclose this information.

Main production countries listed as: Hugo Boss did not disclose this information.

Hugo Boss does not publish a full public list of the names and addresses of its supplier factories.

IC COMPANYS

Brands: Peak Performance, Tiger of Sweden, By Malene Birger, Soaked in Luxury, InWear, Part Two, Saint Tropez, Designers Remix, Matinique



COMPANY POSITION ON THE LIVING WAGE:

“We implement the BSCI [Business Social Compliance Initiative] Code of Conduct in our international supply chain. This Code prescribes the payment of the legal minimum wage. This legal minimum wage should be at a level that covers workers basic needs as well as provide some discretionary income.

“We believe it is essential to emphasize the importance of a holistic approach towards the issue of fair remuneration for workers. In this context, it is important to address the qualitative aspects of wages as well as quantitative aspects ... such as the way of payment, timely and formal payment of wages, reflecting skills and education of workers in the level of wages, and equal treatment of full-time employees, part-time, and piece-rates workers.”

WHAT WE SAY:

As with Lidl, Aldi, WE and others, IC Companys has simply repeated back to us the answers provided by the BSCI, without engaging in the issues. Very little evidence was given of any work to address the problem of low pay. Nothing in the answers provided by this company indicated to us a serious engagement in the need to increase pay to a living-wage level.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

IC Companys says: “Due information and training of factory workers is the responsibility of factory management, the honouring of which is a requirement for BSCI Code of Conduct compliance.”



IC COMPANYS

Commitment and practices:

IC Companys says: “Our Supplier Scorecard which we use as a dialogue tool to improve conditions in the factories, includes remuneration as well as a number of other CSR issues.”

On living-wage benchmarks, IC Companys says: “The calculation of the local living wage forms part of the BSCI audit and is calculated according to the SA8000 methodology. They are used for the gap analysis and in the Corrective Action Plans that are issued to factories after each BSCI audit, indicating steps to be taken in order to arrive at the level of a living wage.”

Collaborative approach:

IC Companys works with the Danish Ethical Trading Initiative (DIEH) to “promote social dialogue as an important tool to improve wages.”

Strategy:

IC Companys says: “As part of our consolidation of suppliers, our supplier scorecard, our work with DIEH and Sustainable Apparel Coalition we will be working even closer with our suppliers also on wages.” No more information was given about what this work would entail.

Production overview:

Number of suppliers: IC Companys did not disclose this information.

Main production countries listed as: China (63%), Other Asia (11%), Europe (24%), Africa (2%)

IC Companys does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

IC Companys can demonstrate very little evidence of work towards defining and paying a living wage for workers in its supply chain. Without this, its policy commitment to ensuring wages cover workers’ basic needs will remain a paper promise. A repeated reliance on membership of the BSCI as an answer to important questions regarding due diligence on human rights is, to us, very disappointing.

Our take on the BSCI focus on addressing “the qualitative as well as quantitative aspects” of wage payment is that this is missing the point. It is important, yes, to pay workers on time and ensure wages reflect how skilled workers are, but the main issue for most factory workers is that they cannot afford to buy shoes for their children. The repeated protests that take place around the world in garment-producing countries all call for a significant quantitative wage increase. The focus on other aspects of wage payment is a distraction from the pressing and urgent issue of poverty. Given a list of 12 things to do, one of which is ‘pay more’, every supplier will do the other 11 first.

IC Companys gave no evidence of any attempt to engage with workers, suppliers or NGOs in an effort to improve workers’ wages or conditions.

IC Companys needs to take personal responsibility for its global supply chain and invest in ensuring that the rights of all workers within that supply chain are respected.

KIK TEXTILES

Brands: Kik



COMPANY POSITION ON THE LIVING WAGE:

We have looked at this company's website. Its code of conduct is not available to download and no information relating to the living wage or labour standards policies was found.

Kik does say it is involved in some charitable work in Bangladesh.

On education, Kik says: "To break the vicious circle of lack of education and poverty and to effectively and sustainably improve the working conditions in the textile industry in the producing countries, we promote a local school project of the non-governmental organization GSS ... Through our support currently received more than 1,600 children in six schools a school education."

On healthcare, Kik says: "We have developed a project to ensure basic medical care in collaboration with the Awaj Foundation. At several locations in Dhaka one day a week a practicing physician is available to meet with workers. This service also delivers health care education in addition to treating acute ailments."

WHAT WE SAY:

This company did not respond to our request for information and makes little data available on its website about labour rights or living wages.

Charitable work to patch up holes caused by the extreme poverty that exists in the fashion industry is not the kind of response that is needed from global buyers. Help for education and healthcare projects in Bangladesh is all very well, but only in addition to serious engagement in improving low wages for workers. The need to pay a living wage is the primary responsibility of global buyers, and information on how Kik is progressing towards this goal is the sort of thing we would hope to read on the 'responsibility' page of its website in the future.

The fact that there is no information available about work to increase wages currently leads us to assume the worst: that none is being undertaken.

Has living-wage benchmarks?

No.

Production overview:

Number of suppliers: Kik did not disclose this information.

Main production countries listed as: China, Bangladesh

Kik does not publish a full public list of the names and addresses of its supplier factories.

LEVI STRAUSS & CO.

Brands: Levi's, Dockers, Denizen, Signature by Levi Strauss & Co.

Please note: This company did not respond to the questions in our survey and this profile has been written using publicly available information.



COMPANY POSITION ON THE LIVING WAGE:

"Levi Strauss & Co. (LS & Co.) believe everyone who works has the right to wages ensuring a standard of living adequate for the health and well-being of themselves and of their family, including food, clothing, housing and medical care and necessary social services."

Referring to wages, LS & Co.'s Terms of Engagement state that it "will only do business with partners who provide wages and benefits that comply with any applicable law and match the prevailing local manufacturing or industry standards."

WHAT WE SAY:

Levi Strauss & Co.'s new strategy on, among other things, 'economic empowerment' lacks any real commitment to increase wages – the thing that workers need the most. Healthcare, maths classes and meal programmes are all very well, but these needs could be met by paying a living wage. LS & Co. need to re-evaluate and get back on track.



LEVI STRAUSS & CO.

IN MORE DETAIL:

Has living-wage benchmarks?

No

Worker empowerment:

LS&CO. says: “[We] strongly support the worker’s right to establish and join organizations of his or her own choosing, including unions.”

LS & Co. cites successful work in Cambodia, Haiti and Mexico, working with NGOs and trade unions to address violations of freedom of association and issues with factory management. Worker education on issues including freedom of association is provided in some cases by LS & Co. assessors and in others by the Levi Strauss Foundation funding local NGOs. Supplier meetings and trainings are held to discuss topics including freedom of association.

LS & Co. has a complaints mechanism, advertised by auditors during assessments, who share their contact details with workers and/or union representatives. Auditors and direct managers are responsible for handling over worker complaints.

Commitment and practices:

LS & Co. says it is working to “Improve our business practices that may impact suppliers’ social performance and implement programs that provide mutual benefits to Levi Strauss & Co. and our suppliers.” This includes, in the main, “supplier productivity programs to improve issues related to work hours and wages”.

Collaborative approach:

LS & Co. says: “In a globally competitive economy, we cannot unilaterally raise wages. We have to work closely with governments, unions, industry associations, and other stakeholders to figure out how we can raise wages across the industry. We look forward to a robust dialogue with our stakeholder group on this topic to find potential solutions we can pilot in the new Terms of Engagement.” It was not clear how LS & Co. is using these engagements to raise wages.

LS & Co. is not a member of a multi-stakeholder initiative developing work on living wage. It participates in Better Factories Cambodia and supports the International Labour Organization’s Better Work Programmes in Haiti, Indonesia, Lesotho, Nicaragua and Vietnam.

Strategy:

LS & Co. launched a new approach entitled ‘Improving workers well-being’ in 2011 and started to implement it in 2012 through pilots in Cambodia, Bangladesh, Egypt, Haiti and Pakistan. The strategy, based on the UN Millennium Development goals, focuses on five areas: “Economic empowerment; Good health and family well-being; Equality and acceptance; Education and professional development; and Access to a safe and healthy environment.”

The economic empowerment aspect of the strategy is still being developed. The first step has been to identify worker priority needs. A related survey in 2013 revealed fair wages were top of the list. LS & Co. says that the next step of its strategy is to set indicators for progress; to develop programmes in factories, together with its suppliers, to address worker needs; and to team up with industry stakeholders, local NGOs and other retail customers at these pilot sites. No more info was available about the detail of this.

Production overview:

Number of suppliers: 619 suppliers in 40 countries

Main production countries listed as: China (34%), India (9%), Argentina (5%), Italy (5%), Vietnam (5%), Sri Lanka (4%), Mexico (4%), Turkey (4%), Portugal (3%), Thailand (3%), Cambodia (2%), Japan (2%), Republic of Korea (2%), Bangladesh (2%), Dominican Republic (2%), United States (2%)

LS & Co. publishes a full public list of the names and addresses of its supplier factories.

COMMENTS:

LS & Co. is doing very little to directly combat wage issues in its supply chain, which is disappointing. The limited work the company is promoting with suppliers, aiming to improve “worker well-being”, is based on a ‘return on investment’ approach and looks mostly for results in terms of productivity increases. This can be a good incentive for supplier involvement in such programmes but current work does not seem to have direct impact on worker wages. No concrete figures showing if wages are being improved by this initiative are documented.

The focus of LS & Co.’s new well-being strategy seems to miss the point. Companies are welcome to undertake charitable work in countries where they source their goods, but this does not remove the responsibility they have to ensure that core human rights are upheld. It seems that effort is being poured into health provision, maths classes and free meals, which workers do need – but work is needed first to address freedom of association and the right to a living wage.

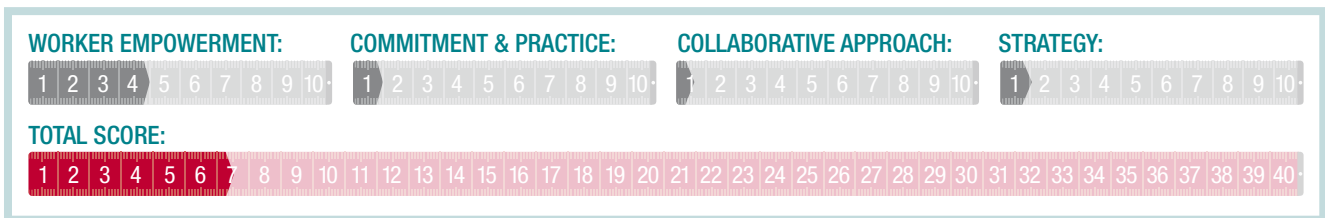
Many of the programmes listed in this profile were developed and funded through the Levi Strauss Foundation, which the company says leads “pioneer” work for LS & Co. It seems to us that this foundation, in return, avoids raising questions about the core business practice of the company by separating off ethical practice from business decisions. We do not see corporate social responsibility as the work of charitable foundations, but rather as something that should be ingrained in a business model. There was little evidence found of work to address purchasing practices.

LS & Co., despite supporting the concept of a living wage, is unable to demonstrate any work to define or deliver this figure, it seems. The company says that because there is a lack of an internationally recognised benchmark or consensus between brands, it is not possible to move forward. To this, we say that the debate has moved on. The Asia Floor Wage set a figure defining what a living wage means in terms of purchasing power in 2009, and since then a number of nuanced systems have emerged that allow companies to compare the wages paid to their suppliers against a ladder of benchmarks and thus measure progress. This excuse for not engaging in proactive work to assess a living wage and move towards its payment is no longer valid. We hope that LS & Co. can take this on board and start monitoring progress against real benchmarking.

We would like to see more evidence of LS & Co. taking responsibility for its own business practices, including pricing, taking practical steps to support freedom of association in its supplier factories and working with others to design and implement programmes that aim to deliver real, measurable changes for workers producing Levi Strauss goods.

LIDL

Brands: Lidl



COMPANY POSITION ON THE LIVING WAGE:

“The aim of paying ‘living wages’ is clearly stated in our Code of Conduct, which is a fixed part of all contracts with business partners.

“In accordance with its cooperation in ILO’s [the International Labour Organization’s] Fair Wage Network, BSCI stresses the importance of including qualitative aspects such as the way of payment, timely and formal payment of wages, reflecting skills and education of workers in the level of wages, and equal treatment of full-time employees, part-time, and piece-rates workers. Thus, it is important to address the quantitative aspects of wages as well as qualitative aspects. Focusing on the quantitative level of the wage earned by workers alone is not enough.”

WHAT WE SAY:

This might all sound familiar if you’ve read the statements of many other BSCI members in this report. Like a number of these companies, Lidl has mostly repeated the answers given to it by the BSCI. However, some further information provided by the company highlights interesting project work in Bangladesh, on top of business-as-usual BSCI compliance.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Lidl says: “We expect all supplier factories to comply with the ILO core conventions. For risk countries in general, Freedom of Association and Collective Bargaining is part of all audits being conducted under the Scheme of the BSCI Auditing Process.”

In addition to this, Lidl also cites a “Supplier Qualification Programme” (SQP) that it is running in Bangladesh in partnership with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit): “SQP, which involves in the current phase eight factories with more than 26 000 workers in total, has one module on FoA and CB and clearly communicates these rights and the advantages of an organized labor force to the management and workers of the participating supplier factories ... The dialogue approach that we use as a basis for our trainings though has been developed at the Round Table Codes of Conduct together with trade unions and NGOs.”

Commitment and practices:

As part of the same project in Bangladesh, Lidl has been working to improve wages through two methods: firstly, by ensuring overtime is properly paid and that workers are correctly classified for the work they do. Secondly, it says: “...In Bangladesh, we commissioned GIZ to organize the payment of direct bonuses to workers in one supplier firm in recognition of their quality work. We implement this pilot measure in order to gauge whether such a system can be incorporated into the existing structures and to determine if other textile buyers can be encouraged to implement similar measures.”

This payment amounts to “more than a month salary per cash disbursement in addition to the normal monthly wage paid by factory”, and has taken place twice a year since October 2011.

Collaborative approach:

Lidl is a member of the business initiative BSCI, and has collaborated with German federal enterprise GIZ on its pilot project in Bangladesh.

Strategy:

Lidl gave no information of any internal strategy for improving the conditions for workers within its supply chain beyond its pilot project in Bangladesh. Although this project has been in operation since 2011, Lidl gave no indication of an intention to extend this project to other parts of its supply chain.

Production overview:

Number of suppliers: Lidl did not disclose this information.

Main production countries listed as: Lidl did not disclose this information.

Lidl does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

Lidl’s work in Bangladesh is interesting and its commitment to make a significant payout to workers twice a year is hopeful. However, this project leaves us with a lot of questions. Is this payout a trial to see if this system works? Is the payment system one that Lidl hopes to scale up as a supply-chain practice? How was the bonus amount calculated? Without commitments or more information on what this idea means for the company it is difficult to judge whether this has the potential to bring about change for Lidl workers. We hope to hear more.

Lidl’s repeated reliance on its membership of the BSCI as an answer to important questions regarding its due diligence on human rights, however, seems to be the main element of the company’s work. While projects outlined by Lidl in this survey are of some value, there is little by way of a strategy within the company to ensure the respect of human rights within its supply chain.

Our take on the BSCI focus on addressing “the qualitative as well as quantitative aspects” of wage payment, is that this is missing the point. It is important, yes, to pay workers on time and ensure wages reflect how skilled workers are, but the main issue for most factory workers is that they cannot afford to buy shoes for their children. The repeated protests that take place around the world in garment-producing countries all call for a significant quantitative wage increase. The focus on other aspects of wage payment is a distraction from the pressing and urgent issue of poverty. Given a list of 12 things to do, one of which is ‘pay more’, every supplier will do the other 11 first.

With a revenue of more than €18 billion in 2012, this retail giant needs to take responsibility for its global supply chain and invest in ensuring the rights of all workers within that supply chain are respected.

LPP S.A.

Brands: Reserved, House, Sinsay, Mohito, Cropp, Promostars



COMPANY POSITION ON THE LIVING WAGE:

We have looked at this company's website and no information was available relating to the living wage or labour standards policies.

WHAT WE SAY:

This company did not respond to our request for information and makes no information available on its website. It is therefore safe to assume the worst: that it has no engagement with ethical trading at all.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Production overview:

Number of suppliers: LPP did not disclose this information.

Main production countries listed as: LPP did not disclose this information.

LPP does not publish a full public list of the names and addresses of its supplier factories.

MARKS & SPENCER

Brands: M&S Collection, Limited Collection, Per Una, North Coast, Portfolio, Indigo Collection, Autograph, Classic, Blue Harbour, Collezione, Savile Row Inspired, Big & Tall



COMPANY POSITION ON THE LIVING WAGE:

“Our public commitment on living wages is detailed in our Plan A commitment 17.1: ‘Implement a process to ensure our clothing suppliers are able to pay a fair living wage in the least developed countries we source from, starting with Bangladesh India and Sri Lanka by 2015.’”

WHAT WE SAY:

Marks & Spencer (M&S) is undertaking significant work to make sure that the prices it pays are enough to ensure the basic needs of its workers are met. The company’s ‘Plan A’ commitment to pay a living wage is commendable. M&S has yet to disclose the figures it is using to benchmark a living wage and much of its model relies heavily on purchasing practices – without real data we remain unsure about the real progress being made.

IN MORE DETAIL:

Has living-wage benchmarks?

Yes, but refuses to disclose these.

Worker empowerment:

M&S says: “Our training commitment 17.2 ‘to work with our suppliers and partners to provide a training and education programme for 500,000 workers by 2015 covers employees roles, responsibilities and rights...’ We have included specific sections to cover freedom of association and collective bargaining in our training modules: Induction training; Rights roles and responsibilities; and our Effective Worker & Management communication programmes. To date over 391,000 workers from around the world have been trained.”



MARKS & SPENCER

Training programmes have followed different models in different countries:

India: "... we have developed the Effective Worker Management (EWM) Programme. This programme includes a Freedom of Association module and focuses on creating a conducive environment for exercising rights. This is implemented by the Centre for Responsible Business... GIZ India." This also was delivered in Bangladesh – 38 factories were reached.

Bangladesh: "... we have rolled out the Ethical Model Factory (EMF) programme which includes Worker Rights training and HR systems and Industrial Relations Management training for middle management and HR personnel." This programme also focuses on productivity training and industrial engineering, and has seen a wage increase of 12-42% in participating factories.

Bangladesh and India: "... the Benefits for Business and Workers (BBW) project ... includes a training module focused on the importance of worker/management dialogue."

Turkey and Egypt: A workplace-communication training programme with Partner Africa was cited: "This is a two day course explaining the importance of workplace communication and uses experiences from leading ethical suppliers to illustrate mechanisms for improving workplace communication. A DVD is used to support the training, highlighting how welfare committees and unions have improved communication between management and workers within leading companies."

M&S has worker hotlines in China for workers to express grievances. It is also trialling a mobile-phone feedback mechanism: "Using mobile technology, we are carrying out quantitative surveys direct to workers. Workers listen to questions on their mobile phones in a local language, and respond using their touch-tone keypad. This returns anonymous results ... we have already tested the technology with 13 suppliers in India and Sri Lanka, surveying over 2,000 workers ... we will now roll out the service to 30 factories and 22,500 workers in India, Sri Lanka and Bangladesh, gathering feedback on subjects such as working conditions, job satisfaction and training."

Commitment and practices:

M&S says: "For the last 5 Years we have been using a costing model within our buying practices which breaks down the cost price of garments into every area and specifies Direct and Indirect Labour costs. We have been implementing our cost price model across our supply base in 14 global sourcing countries. The model identifies

and ring fences the actual labour cost during cost price negotiations. It is based on standard minute values, actual work-study minutes taken, efficiency as well as, cost of living and a theoretical wage calculation."

M&S calculates the living wage using the following methodology:

$$\text{Living Wage} = (\text{Basic Food Basket per Person}) \times (1/\text{Fraction of Average Household Income Spent on Food}) \times (\text{Household Size/Number of Wage Earners}) \times 1.10$$

To collect the information required to apply the above formula, for each area in which we carry out living wage research, we:

Surveyed 20 individuals living and working around the factory. Respondents represented a cross-section of the community including factory workers, owners of stalls and small businesses in the area, retired people, housewives etc.

Surveys focused on Household Size; Number of Wage Earners; Contents and cost of an essential food basket; Fraction of average household income spent on food."

M&S also uses wage ladders, updated each year by Impactt Ltd., to monitor progress.

On purchasing practices, it says: "...we have developed a process which awards outstanding factories the status of 'Ethical Excellence'. The process identifies factories which demonstrate world class working conditions and that they pay living wages. This is motivated in the business as the buying teams annual bonus is measured against how many Ethical Excellence factories they have used – this is really driving factories to increase pay to meet this target."

Collaborative approach:

The Ethical Model Factories Programme, Benefits for Business and Workers (BBW) programme and involvement in a piece of research on 'Capturing the Gains' were cited. The BBW programme is a collaborative piece of work involving Impactt, the Department for International Development and eight other brands.

M&S has also been working on a piece of 'financial inclusion' work, where it has provided training to workers in India about savings and the use of bank accounts: "With M&S, geosansar has completed some 60 financial inclusion training programmes inside factories supplying us. This has resulted in educating some 10,000 unbanked workers directly and a further 3,000 indirectly. Approx. 4,500 workers have gone onto open bank accounts and the conversion rate is growing."

Strategy:

M&S says: "...through Plan A we are the first retailer to publish our commitment to implement a process to ensure our suppliers are able to pay a fair living wage by ensuring the cost prices we pay our suppliers are adequate. We have committed to achieve this in Bangladesh, India and Sri Lanka by 2015. We report annually on this in our Plan A Report. It will remain a Plan A commitment for the foreseeable future."

COMMENTS:

M&S has finally sent us its method for calculating a living wage. This reassures us that the work is being done to verify what this really means for the company internally, and that a process is in place to update and monitor whether this is enough for a worker to live on – even if M&S still refuses to give us actual figures. This has, however, raised for us a number of questions. The method calculates a living wage based on figures of what the current average situation is (which from what we know is a poverty level) – why not instead base these elements on what it should be? The number of calories covered by the food basket, which M&S says is based on the Social Accountability International (SAI) extrapolated basket methodology, was not disclosed and is not available on the SAI website. For us, this is also crucial, as recent research has shown that many workers are currently seriously malnourished, due to inability to buy nutritious food.

One of the other concerns that M&S's submission raised for us was about a worrying rhetoric focusing on worker committees rather than work to endorse real freedom of association. No collaborative work in partnership with trade unions, rather than NGOs, was mentioned. This came through in both its involvement in the BBW project and the Ethical Model Factory programme.

Neither project, as part of its worker empowerment focus, seems to have engaged with the trade union movement, and there is no reference to freedom of association or trade unions in the training materials. The BBW programme has focused on "building towards the idea of Freedom of Association" by trying to overcome obstructionist attitudes to collective worker representation in management. This has involved training programmes and getting management to engage with legally required worker-committee models in Bangladesh. Although this may be helpful in the short term, worker committees are not the solution to the worker empowerment issue in our opinion. Engaging in this runs the risk of promoting 'parallel means' to management as a way to avoid engagement with functioning trade union movements. Worker committees do not have the power to collectively bargain on anything aside from fringe benefits or minor wage increases, do not have the right to

Production overview:

Number of suppliers: 2,000 first-tier clothing, food and homeware suppliers globally

Main production countries listed as: M&S did not disclose this information.

M&S does not publish a full public list of the names and addresses of its supplier factories.

take industrial action to back up their position, often can't hold independent elections, and are usually restricted to individual workplaces – meaning members cannot take part in campaigning aimed at improving wages and conditions on a sectoral, national or regional level. All in all, not so great for workers or long-term change. A commitment or strategy to transition the work on worker empowerment in both projects towards collaboration with trade unions would be a good step.

We are also sceptical about M&S's reliance on productivity as a tool for increasing wages from minimum to living-wage level. Both the Ethical Model Factory programme and the BBW project give productivity improvements a primary focus, but as we have always held about productivity gains, very small wage changes are often the only achievement, while big leaps in wage levels are what's needed. For example, the 7% wage increase achieved in Bangladesh by the BBW project is very small, given that the minimum wage was put up by 80% (after this project ended) – and this still isn't anywhere near a living-wage figure. As such, we aren't keen to call this a living-wage project. However, even if the project doesn't achieve a living wage, some of the trust-building exercises carried out with management may yet be preparing the way for improvement.

We are pleased to see M&S has been doing work to make sure there are financial incentives for buyers to source from factories that M&S says pay living wages. This is a good step forward. Although we don't see this as a grievance mechanism, it seems M&S is also doing interesting work on using mobile-phone technology to get feedback from workers.

All in all, interesting progress seems to be being made. It is impossible to judge the real benefit to workers making M&S clothes because no figures have been disclosed. M&S could do a lot more to support wage improvement globally by becoming more transparent in its business practice and by sharing data. This would lead the way for other brands to also commit. Without this, it could all still be smoke and mirrors.

MEXX

Brands: Mexx



COMPANY POSITION ON THE LIVING WAGE:

We have looked at this company's website and searched for its code of conduct and no information relating to sourcing or labour standards policy was found.

WHAT WE SAY:

This company did not respond to our request for information and makes no information available on its website. It is therefore safe to assume the worst: that it has no engagement with ethical trading at all.

Has living-wage benchmarks? No.

Production overview:

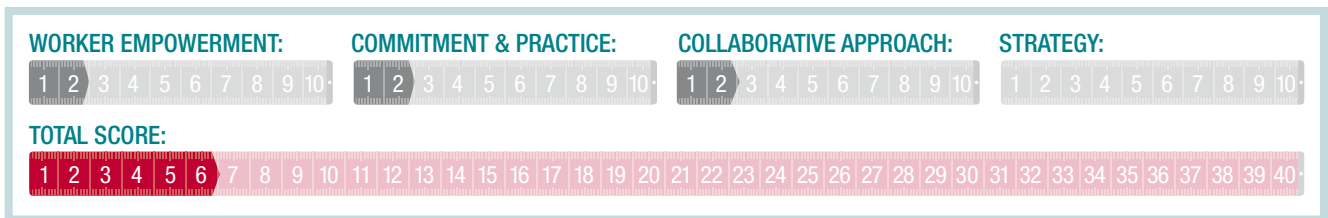
Number of suppliers: Mexx did not disclose this information.

Main production countries listed as: Mexx did not disclose this information.

Mexx does not publish a full public list of the names and addresses of its supplier factories.

NEW BALANCE

Brands: New Balance, Aravon, Warrior, Brine, PF Flyers, Dunham, Cobb Hill



COMPANY POSITION ON THE LIVING WAGE:

“New Balance is committed to aligning our program with the Standards on the FLA [Fair Labor Association] Code of Conduct. The FLA Code states that ‘every worker has a right to compensation for a regular work week that is sufficient to meet the worker’s basic needs and provide some discretionary income ... Where compensation does not meet workers’ basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.’”

WHAT WE SAY:

New Balance (NB) is doing very little to ensure that a living wage is paid to workers in its supply chain. Without any definition of what a living wage is, or projects to work towards this, its commitment to making sure a wage meets workers’ basic needs remains a paper promise.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

New Balance says that suppliers must respect freedom of association (FOA) because it is part of supplier agreements. It adds: “In Indonesia, we have taken additional measures on Freedom of Association by signing the national-level FOA Protocol and also requiring our footwear suppliers to sign and implement the FOA Protocol.”



NEW BALANCE

Commitment and practices:

On pricing, New Balance says: “Footwear costing policy includes a specific calculation for labor rates.”

Collaborative approach:

New Balance has been working with other buyers on social insurance payment in Chinese suppliers: “NB has taken a strict position on social insurance, particularly in China where underpayment of social insurance is common ... In cases where footwear and apparel factories are shared with other brands, NB has sought to enlist the help of other brands to help ensure that social insurance benefits are paid.”

Strategy:

New Balance says: “NB recognizes the importance of progressive realization of the wage standard in the FLA Code of Conduct. To this end, NB plans to join the Fair Wage project through the FLA in 2014 to encourage evidence-based research on the implementation of each of the Fair Wage elements in a diverse group of suppliers.”

Production overview:

Number of suppliers: Approximately 200 first-tier suppliers

Main production countries listed as: US, China, Vietnam, Indonesia

New Balance publishes a full public list of the names and addresses of its supplier factories.

COMMENTS:

New Balance has recently adopted wording from the FLA about wages being enough to meet basic needs. We hope that this will now become ingrained in the company’s practice as it starts to work out how to ensure a living wage is being paid to the people making its products. Currently, work towards this goal is fairly non-existent.

Plans to work with the Fair Wage Network will help. We hope that this new work will focus primarily on the most important dimension of putting wages up to a living-wage level, rather than the distraction of other wage payment concerns.

It is good that New Balance is already detailing a specific labour rate as part of its product cost. We assume that this rate is currently the minimum wage. As New Balance’s work towards making sure a wage meets workers’ basic needs progresses, this practice will form a good basis for ensuring costs are enough to meet living-wage levels too.

It is also good that New Balance has signed the Indonesia Protocol. If it can use the learnings from this in other parts of its supply chain, in collaboration with other buyers, this would help to move forward its work in this area.

We hope to see New Balance progress over the next year. It is at the very start of the road.

NEW LOOK

Brands: New Look



COMPANY POSITION ON THE LIVING WAGE:

“We believe in taking an incremental approach to increasing wages towards living wage standards, concentrating on developing methodologies and approaches that actually deliver higher wages. These wages do not reach living wage levels in many contexts, however, we have real evidence of significant increases which are reaching workers’ pockets.”

WHAT WE SAY:

New Look has started to use wage ladders to benchmark wages, and is doing interesting work in China and Bangladesh. More work is needed on pricing commitments.

IN MORE DETAIL:

Has living-wage benchmarks?

Yes.



NEW LOOK

Worker empowerment:

New Look says: “We provided training to managers at 100% of our 50 factories in Bangladesh and training to workers at 24 factories on worker rights and FOA [freedom of association]. We also supported 49 factories to set up worker committees. In China we supported 9 factories to set up worker committees, while in India we delivered training to workers on their labour rights at 20 factories.”

In addition, New Look is “currently working on freedom of association training for nearly 100 factories and suppliers in Bangladesh, India and Turkey.”

New Look also has a worker hotline complaints mechanism.

Commitment and practices:

New Look has started to use the Fair Wear Foundation wage ladder to benchmark living wages. This includes the Asia Floor Wage (AFW) benchmarks. In China, New Look has been doing strategic work with 12 factories using the AFW as a benchmark. Results show that 75% of the factories’ average monthly wages are now higher than the AFW.

Work on purchasing practices includes supplier-base consolidation, and the use of an internal ethical scorecard to support buying choices.

On short-term contracts in North India, New Look says: “Over the last 2 years we have worked with 8 factories to address the issue of short term contracts ... As a result of this work, some factories have started to improve the package offered to contract workers by enrolling them in Provident Fund and ESI [Employees’ State Insurance], and working with the local government offices to ensure that paperwork is correctly completed.”

Collaborative approach:

Some meetings with Cambodian unions were mentioned, where New Look’s intervention resulted in certain union demands being met by factory management.

New Look is a member of the Ethical Trading Initiative.

New Look says: “11 of our factories participated in the Benefits for Business and Workers (BBW) programme 5 in Bangladesh and 6 in India. This is a collaborative project, involving 8 retailers, with support from the Department of International Development’s RAGS [Responsible and Accountable Garment Sector] Challenge Fund, and managed by Impactt ... Overall, in

Bangladesh average monthly take-home pay increased by 7.63% ... In India, monthly take-home pay increased by 5.09%.” Working hours were also reduced. These gains were achieved via trainings and productivity improvements.

Strategy:

New Look says: “We address the issue of low wages through a combination of approaches:

1. We train our buyers to understand how their buying practices impact upon workers ...
2. Importantly we develop long term relationships with our suppliers ...
3. We run many factory improvement projects and trainings for workers and supervisors across our key sites which develop their understanding of worker’s needs and improve the skills and capacity of management to meet them.

“We are also implementing 2 projects in India and Bangladesh giving workers access to bank accounts – this is a vital corollary to work on increasing wages, since access to banking reduces costs for workers and enable fairly priced remittances and access to savings products.”

New Look adds: “We worked with one factory in the UK to trial a methodology for increasing workers’ wages through increasing skill levels and paying skill increments. This is a work in progress, and we look forward to reporting on results in the future.”

New Look has set itself the following targets for the coming year: “Work with 30 key factories in China to establish wage improvement targets; Continue to work with the 12 factories in the RAGS BBW [Benefits for Business and Workers] programme in India and Bangladesh to monitor and support wage improvements with a target of 10% increase in average pay per hour; Support 2 factories in China to improve average pay per hour by 10%.”

Production overview:

Number of suppliers: 917 first-tier suppliers

Main production countries listed as: China (48%), Cambodia (14%), Bangladesh (12%), UK (7%), Moldova (5%), Turkey (3%), India (3%), Vietnam (2%), Pakistan (2%), Romania (2%), Other (2%)

New Look does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

New Look has been engaging in the Benefits for Business and Workers project (in partnership with the consultancy Impactt, and other brands), which aims to build factory capacity and improve communication and problem-solving in factories. One of the outputs of the BBW project is that wages have gone up through productivity improvements, but as we have always held about productivity gains, the improvement to wages has been minimal. The 7% wage increase achieved in Bangladesh by efficiency improvements is an increase, but given that the minimum wage was recently put up by 80% (after the project ended) and this still isn't anywhere near a living-wage figure, we aren't keen to call this a living-wage project. However, even if the project doesn't achieve a living wage, New Look and Impactt are keen to say that the 'transformational change' and 'worker empowerment' aspects are worthwhile. We aren't so sure.

Our second concern with the project is that the entire worker-empowerment emphasis has failed to engage with the trade union movement, and there is no reference to freedom of association or trade unions in the training materials provided. The programme has focused on "building towards the idea of Freedom of Association" by trying to overcome obstructionist attitudes to collective-worker representation in management. This has involved training programmes and getting management to engage with legally required worker-committee models. Although this may be helpful in the short term, worker committees are not the solution to the worker-empowerment issue in our opinion. Engaging in this runs the risk of promoting 'parallel means' to management as a way to avoid engagement with functioning trade union movements. Worker committees do not have the power to collectively bargain on anything aside from fringe benefits or minor wage increases, do not have the right to take industrial action to back up their position, often can't hold independent elections, and are usually restricted to individual workplaces – meaning members cannot take part in campaigning aimed at improving wages and conditions on a sectoral, national or regional level. All in all, not so great for workers or long-term change. A commitment or strategy to transition the work of BBW towards collaboration with trade unions would be a good step.

Beyond the BBW programme, New Look is carrying out other work on freedom of association and other factory projects, which is good. It has been doing some work on short-term contracts (STCs) in North India, which sounds interesting. We hope this learning will be used more widely in its Cambodian factories (where STCs are an issue).

We are pleased also that New Look has started to use the Fair Wear Foundation wage ladder to benchmark living wages in its supplier countries. Work in China actually paying a living wage is also impressive. We hope that New Look will work towards rolling this out more widely and seriously engaging in projects to meet these figures. It seems to be on this path, which is positive. It is now vital that New Look makes a real commitment to address pricing and internal calculation of costs to ensure these living-wage levels can be paid.

NEXT

Brands: Next



COMPANY POSITION ON THE LIVING WAGE:

“As a long standing and active member of ETI [the Ethical Trading Initiative], NEXT is fully committed to the Living Wage principle ... We are well aware that we (as many other global organisations) do not have an internationally accepted definition of a living wage, or a methodology for calculating one. Whilst the Asia Floor Wage Campaign offers strong discussion and benchmark figures, we continue to believe that less emphasis should be placed on finding a universal formula and more on how to ensure wages and worker benefits are increased sustainably through workers and employers engaging in dialogue enabling mature systems of industrial relations to develop.”

WHAT WE SAY:

Next is taking a collaborative approach to the living-wage issue by working on improving freedom of association (FOA) in Turkey. However, this long-term strategy still lacks living-wage benchmarks and any commitment to address price, which is disappointing.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Next says: “Our strategy to implement living wages has worker management dialogue as a key / crucial pillar as the Turkey programme (see below) highlights. This collaboration will allow us to build relationships with local suppliers and the global and local unions to ensure capacity has been created to facilitate the scaling up of this work.”

Systematic training for workers and management in Turkey was detailed as part of Next’s Joint Turkey Programme: “Trainings will be provided by Trade union and NGO partners at all levels of the factory, moving into more focused work with management and workers separately and together to identify shortfalls in the workplace against FOA requirements.”

Next has a well-used worker hotline complaints mechanism in China with the NGO Inno.

Commitment and practices:

Next uses the minimum wage as a benchmark on wages. No living-wage benchmark has been developed.

Next has a system in place for working with suppliers “beyond simply auditing”: “We provide training materials, example documentation, and importantly, reasons why certain requirements are necessary, along with guidance on how to use specific tools to address particular issues.”

Collaborative approach:

Next says: “During 2012/2013 we have partnered with IndustriALL as part of the Joint Turkey programme with a clear future ambition to expand this work globally, as well as initiate multi-stakeholder social dialogue discussions.”

Next is an active member of the ETI. Work with various NGO partners and unions was mentioned both on a local and international scale, as was ongoing involvement in homework supply-chain mapping. Next participated in the Berlin Living Wage conference, and is involved in a collaboration with a group of ETI companies working on a living-wage process.

Strategy:

Next says: (about its Joint Turkey Programme): “We aspire to work towards a living wage, but not in isolation. Our Joint Turkey Programme addresses HR Management systems, FOA and wages.” Work will “holistically link worker management dialogue with productivity/efficiency.

COMMENTS:

Next’s Turkey project is interesting and a step forward. We are glad it has made freedom of association a central tool for achieving wage improvement. It is also great that Next is working collaboratively with two other retailers, and with the global union IndustriALL, as wage improvement will only ever work if information is shared and change brought about by many.

However, the project isn’t ambitious enough. Next and others have failed to set living-wage benchmarks, so its aspiration to “work towards a living wage” cannot be quantified. KPIs that “ensure wages are enhanced” could go a lot further, as simply getting wages above the minimum is no longer revolutionary. Establishing living-wage benchmarks sets clear parameters for the problem, and will show that a living-wage level is many times more than the minimum-wage level. Next says that while it sees the Asia Floor Wage as a useful tool for provoking discussion, without a universally agreed benchmark it intends to focus more on simply boosting wages. We disagree that this is an either/or situation. Since 2009, when the Asia Floor Wage Alliance defined what a living wage means in purchasing power, a number of nuanced systems have emerged that allow companies to compare the wages paid to their suppliers against

Each work stream has its own KPI’s [key performance indicators]. The KPI’s in the wages work stream are set to ensure workers wages are enhanced and incentive schemes/targets are realistic and have employee involvement.”

The scheme is a partnership between Next, Arcadia Group and Inditex, and will cover three factories and 3,000 workers in its initial phase.

Next also mentioned some collaborative work with manufacturers this year: “There are manufacturers that have established high levels of competitiveness by retaining high quality workers through excellent conditions and payment. It is NEXT intention this year to seek a limited number of successful manufacturers that have achieved the above to partner & achieve understandings for future replication.”

Production overview:

Number of suppliers: 2,118 first-tier suppliers

Main production countries listed as: China (44%), India (9%), Sri Lanka (8%), Turkey (7%), Bangladesh (7%), Other (25%)

Next does not publish a full public list of the names and addresses of its supplier factories.

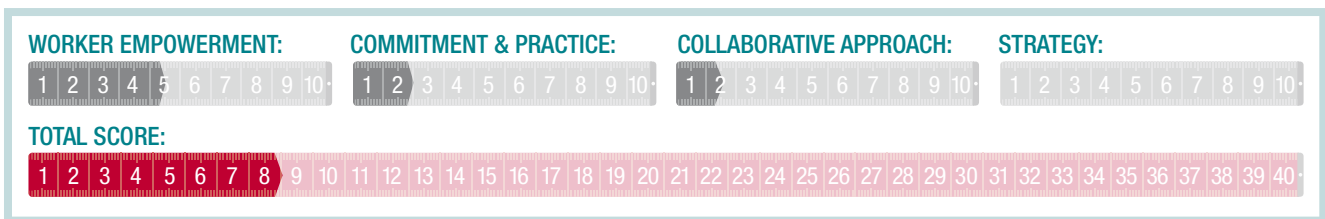
a ladder of benchmarks and thus measure progress. Without a “universally agreed formula”, many companies in this report have engaged in the benchmark process and measured the gaps between the minimum and living wages, allowing them to mark progress against a scale. Next could do a lot worse than to join this trend.

We also have concerns about the focus of the project on productivity. If Next had established some benchmarks or even wage goals of the project, it would see that the sort of gains that can be made by productivity improvements mostly do not bring about the mass increase that wages need in order to reach a level that will cover a worker’s basic needs and those of their family. Productivity improvements, worked out in collaboration with workers and unions, are an important piece of the puzzle, yes. But a clear commitment from buyers to also increase their prices is vital. The global race to the bottom has gone so far that buyers, who have the money, must contribute substantially to any real change. The acknowledgement of this responsibility is sadly missing from Next’s project.

We hope that Next can build this sort of commitment into its work in the coming year.

NIKE

Brands: Nike, Nike Golf, Jordan, Hurley, Converse



COMPANY POSITION ON THE LIVING WAGE:

“We support ongoing work to study and understand wages and impacts on workers and communities. Nike firmly believes that responsibility for long-lasting, systemic change must be shared by governments, manufacturers, NGOs, brands, unions, and factory workers. We remain committed to working closely with our contract factories and investing in their capability to comply with Nike’s Code of Conduct requirements and meet the health and safety needs of the workers they employ.”

WHAT WE SAY:

Nike supports the principle of a living wage, but in practice little is as yet being done to increase wages above the minimum level.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Nike has signed the Freedom of Association Protocol in Indonesia and was part of its development.

Nike is also delivering a "...Human Resources Management training program, which includes training on freedom of association." So far, this has been delivered in 76 factories in Vietnam, China, Indonesia, Sri Lanka, India and Thailand, representing 422,000 workers.

Nike has a policy on short-term contracts that caps the use of these contracts (often used as a barrier to freedom of association) at 15% of a workforce.

Commitment and practices:

Nike uses a supplier performance ranking system as part of its buying decisions, which includes labour standards. Incentives are given for suppliers to rank higher on this system, including priority ordering and access to training. Nike is also working towards sourcing from factories that comply with the Fair Wage Assessment criteria. This will be in the form of a new audit tool.

When asked whether the cost of a living wage is taken into account in the company's pricing, Nike said: "Yes, our costing model includes legally required wage rates required per our Code of Conduct."

Nike has no living-wage benchmarks.

COMMENTS:

Nike's long-term plan to increase wages seems to be that suppliers should be asked to lead on this, which isn't going to work. Gone are the days when it was appropriate to just give a code of conduct to a supplier factory and expect everything in it to happen. Even with buying systems to encourage suppliers to up wages, downward price pressure will always win out. For this reason, we have consistently said that brands must adopt internal living-wage benchmarks and pay enough to allow suppliers to pay this figure to workers. This commitment to build-in price increases is vital. Nike has so far failed to do this.

Nike has done some work on its short-term contracts policy, which is a good thing. These contracts are a barrier to accessing benefits and rights in many countries, and a strong message about caps on the number of these contracts used is important for many of the unions we work alongside. We hope Nike will continue to work on implementing this policy in its supplier base and will share learnings from the findings.

Collaborative approach:

In collaboration with the Fair Labor Association's Fair Wage working group, the company says: "Nike is also beginning to test with factories how they can increase workers' wages while maintaining a financially competitive business. We do not know the answers but are working with non-governmental organizations, academics, factories and other businesses to find out how this can work."

Strategy:

In addition to the Fair Wage Assessment engagement mentioned above, Nike has "set an expectation that our Contractors commit to developing and implementing a process that incrementally moves employee compensation (wages and benefits) over time toward meeting employees' basic needs including some discretionary income."

Production overview:

Number of suppliers: 774 first-tier supplier factories

Main production countries listed as: Nike produces in 42 countries worldwide. See <http://nikeinc.com/pages/manufacturing-map> for the full map.

Nike publishes a full public list of the names and addresses of its supplier factories.

Nike has signed the Indonesia Protocol, which is great. Work to implement this and monitor its effectiveness needs to be at the heart of the work to improve wages in Indonesia.

Work on Fair Wage Assessments was mentioned in a number of places. We are pleased that Nike is engaging in the debate about what a 'fair wage' means, but hope that this won't become an opportunity to get sidetracked from the main problem: that workers are currently being paid significantly less than the amount on which it is possible to live with dignity. The Fair Wage Assessment places an equal value on a number of 'how wages are paid' issues as 'how much the wage is' issues. For us, and for workers joining protests around the world, the latter is always massively more important. Given a list of 12 things to do, one of which is 'pay more', every supplier will do the other 11 first. As Nike develops this work, we would encourage it to take this priority into account.

ORSAY

Brands: Orsay

WORKER EMPOWERMENT:



COMMITMENT & PRACTICE:



COLLABORATIVE APPROACH:



STRATEGY:



TOTAL SCORE:



COMPANY POSITION ON THE LIVING WAGE:

“We are about to implement payment of the living wage. This fall our revised Code of Conduct will be distributed to all our suppliers.”

WHAT WE SAY:

Orsay has just added language about a living wage into its policy. This is a good first step but there is a long way to go.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Orsay says: “It is the right of workers to set up or join workers’ organisations of their choice (including unions) for collective bargaining.”

So far, no credible work has been done to check if this right is being upheld.

Commitment and practices:

Orsay has started to identify the gap between the minimum wage and living wage by collecting minimum and maximum pay data as part of audits. It says it is able to “compare now those incomes with the amount stated in AFW [Asia Floor Wage] in order to define gaps and build a strategy to improve the situation.”

Collaborative approach:

Orsay is a member of the Ethical Trading Initiative.

Strategy:

Orsay says: “We are about to define a time scale and detailed strategy on how implementing the living wage by 2015.” This is called the ‘Roadmap 2015’.

Production overview:

Number of suppliers: 155

Main production countries listed as: Turkey (16%), China (16%), Poland (16%), India (12%), France (7%), Great Britain (6%), Tunisia (4%), Morocco (4%), Hong Kong (3%), Bangladesh (2%)

Orsay does not publish a full public list of the names and addresses of its supplier factories.

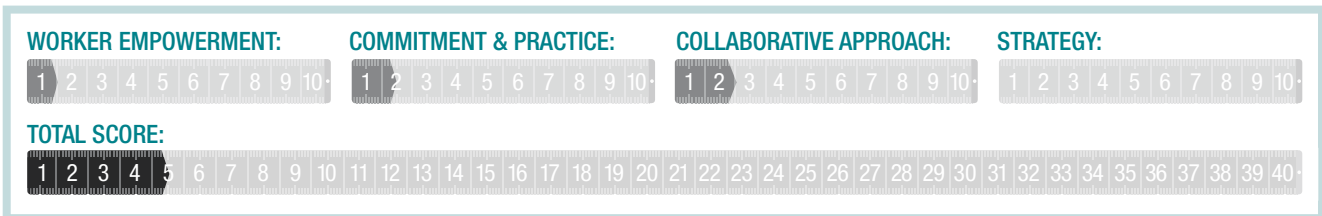
COMMENTS:

Orsay is at the very beginning of the road towards paying a living wage. Joining the ETI and making a change in its code of conduct to include wording on a living wage is a good start. Little else is as yet happening to make this a reality, but we hope that its new Roadmap 2015 will help the company move forwards in a productive way. It would be good for Orsay to link up with the work that smaller companies are doing on living-wage projects, as part of the Fair Wear Foundation, and share ideas.

PENTLAND BRANDS

Brands: Berghaus, Boxfresh, Brasher, Canterbury, Ellesse, Kangaroos, Mitre, Prostar, Red or Dead, Speedo.

License holders for Lacoste Chaussures, Ted Baker footwear and Kickers in the UK and Ireland



COMPANY POSITION ON THE LIVING WAGE:

“Our Code states that living wages must be paid, that working hours must not be excessive, and that overtime must be voluntary. Suppliers must comply with any applicable laws and regulations, including those on minimum wages.”

WHAT WE SAY:

Pentland says in its code that “living wages must be paid” but in practice, as a company, it only pays the minimum wage. We hope that mooted collaborative work on living wages progresses soon.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Pentland says: “We are a signatory to the FOA [freedom of association] Protocol in Indonesia (further information below). We also discuss freedom of association in the worker interviews that form part of our factory ethical trade assessment process, however at present we do not have a broad programme of communicating directly with workers about these topics. We would welcome suggestions as to how this might best be done.”

Commitment and practices:

Pentland has no living-wage benchmarks. It says it pays the minimum or industry-standard wage, but “would welcome an industry-agreed benchmark for living wages in our manufacturing markets.”

On costings, Pentland says: “We are looking at opportunities to increase our use of open costing. For one product category we have already introduced semi-open costing to guarantee specific piece rates, which have been collectively bargained.”

Collaborative approach:

Pentland is a member of the Ethical Trading Initiative (ETI). No further work on wages as part of this multi-stakeholder initiative was detailed.

Pentland also takes part in the Better Work programmes, works with Chinese NGO Inno on worker interviews in China, and provides trainings via the Red Cross on worker health and safety.

Strategy:

Pentland says it is “currently investigating further opportunities for collaborative work involving other brands and specialist local organisations, to look at living wages in our manufacturing markets,” in collaboration with other ETI member companies.

Production overview:

Number of suppliers: Pentland did not disclose this information.

Main production countries listed as: China (55%), Vietnam (9%), India (9%), Indonesia (6%), Thailand (4%), Other (17%)

Pentland does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

Pentland says that it requires suppliers to pay wages that are sufficient to meet basic needs, but it failed to make any effort to define what this really means. Without this knowledge, it has taken the easy option: default to payment of the minimum wage, which, it is clear to everyone, doesn't meet basic needs. If Pentland doesn't put work into defining what its wage benchmark is then the term 'living wage', which is written into its code of conduct, will remain a paper commitment and workers making its products will continue to live in poverty.

It is great that Pentland has signed the Indonesia Protocol. Other work in the area of freedom of association is, however, fairly non-existent, with no evidence of training for management or workers, or work in collaboration with local unions on the topic. It would be good for Pentland to take away learning from the Indonesia Protocol – what works and what doesn't – and discuss with other companies how to take this process forward in other countries where it sources products.

We were pleased to read that Pentland is doing some work on open costings, and calculating collectively bargained wage figures into these. This is a good step forward.

We hope that the investigations that Pentland is currently working on with other ETI brands into living wages will progress swiftly.

PIMKIE

Brands: Pimkie

WORKER EMPOWERMENT:



COMMITMENT & PRACTICE:



COLLABORATIVE APPROACH:



STRATEGY:



TOTAL SCORE:



COMPANY POSITION ON THE LIVING WAGE:

“To date our audits allow us to verify the application of the minimum wage set in each country where we produce. Although we consider that it is the role of the government to define minimum wage levels, we are sensitive to the living wage and will start to work on it shortly, based on the AFW [Asia Floor Wage] road map to a living wage ”

WHAT WE SAY:

Although we welcome the ‘sensitivity’ felt by Pimkie towards the living wage, not enough is yet being done to make this a reality. There is also no evidence of a strategy in place by which Pimkie can work towards the implementation of a living wage within its supply chain.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Pimkie says: “This right has been communicated and is explained to our suppliers through our code of conduct, which each supplier should know, understand and accept ... The completion of social audits is also an opportunity to remind suppliers of our expectations in terms of compliance with social legislation.”

Commitment and practices:

There was little mention by way of practical activity on promoting either freedom of association or benchmarking of wage improvements for workers.

Pimkie relies on its code of conduct as a contractual agreement with its factories, using third-party auditors to both assess and train its suppliers in the implementation of these rights. While Pimkie states its “sourcing policy favours long-term relationships with [our] suppliers” in order to “ensure a process of ongoing social progress”, there is no criteria by which this progress can be measured.

No work on purchasing practices was submitted.

Collaborative approach:

Pimkie cites its membership of the Initiative Clause Sociale (ICS), a French business-led initiative whose main objective has been to encourage suppliers to comply with universal human-rights principles and local labour regulations in its supply chain. The ICS shares audit results with its members but makes no requirement for members to engage in change.

Pimkie also indicated that it will start a pilot project on the issue of wages in Morocco with the organisation Yamana in early 2014.

Strategy:

Pimkie has not yet developed any strategy for implementing the living wage in its supply chain.

Production overview:

Number of suppliers: Pimkie has more than 161 suppliers within its supply chain.

Main production countries listed as: China (37%), Turkey (16%), Morocco (13%), Tunisia (13%), India (12%), Bangladesh (5%), Other Countries (4%)

Pimkie does not publish a full public list of the names and addresses of its supplier factories, but says it is willing to make the list accessible to NGOs such as the Clean Clothes Campaign and local organisations.

COMMENTS:

With more than 750 shops, 6,000 employees and a turnover in excess of €560million, it is astonishing that such a large retailer has operated up to now with so little oversight of its own supply chain. An over-dependence on third parties, such as auditors, to assess issues of significant importance including living wages and freedom of association – and the lack of any benchmarking scheme to track, reward or collaborate on the implementation of these rights – are just a few examples.

Pimkie needs to move beyond pointing to its code of conduct and take action to implement some of these rights.

Pimkie has told us that it recognises it has been late to adopt credible CSR policies vis-à-vis its supply chain. It has indicated to us in meetings that a new supply-chain policy was launched in 2013, which includes important details on the auditing of its entire supply chain. The first part of this programme has already been implemented and more financial means have been dedicated to monitoring Pimkie’s supply chain. The company has set priorities for 2014 relating to monitoring and “rationalizing” its supply chain, and engaging in pilot projects based on productivity issues. We acknowledge Pimkie’s efforts to engage with us on this. This plan is a step forward.

However, Pimkie and its shareholders, who are linked to one of the wealthiest people in France, should know that they are starting from a point that is not acceptable for such a group. Now that Pimkie has accepted the principle of a living wage, it must develop a serious policy based on improving purchasing practices to deliver on this vital right for the workers who make its clothes.

PRIMARK

Brands: Primark, Atmosphere, Cedarwood State, B&W, Denim Co., Love to Lounge, Young Dimension, No Secret, Ocean Club, Secret Possessions



COMPANY POSITION ON THE LIVING WAGE:

“We agree with the principle that a living wage should cover basic needs, provide for discretionary income and savings, and cater for dependants. We acknowledge the inherent challenges in defining and calculating a living

wage figure and have concluded that the negotiated approach remains the most practical and sustainable, and therefore support the development of mature industrial relations in achieving this.”

WHAT WE SAY:

Primark’s submission shows some proof of real work that will improve wages for workers making its clothes and a high level of commitment and practice. However, at a

strategy level, projects are still at pilot or research stage and rely heavily on Ethical Trading Initiative (ETI) base code rather than long-term building blocks to pay a living wage.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

of IndustriALL Global Union], ILO [the International Labor Association], audit companies, and other experts”, and hopes to use this to set standards.

Worker empowerment:

Primark says: “We fully recognize the importance of FOA [freedom of association] as an enabling right for workers to achieve a living wage, and have included this as a key aspect in our strategy. This builds upon our work to date to fully understand the complexities of freedom of association, the spectrum of approaches, the legal contexts underpinning it, and the roles and responsibilities of stakeholders including Primark as a responsible retailer.” Primark has commissioned research into what good practice on FOA looks like “in consultation with TUC [the Trades Union Congress], ITGLWF [now part

Primark says it has “several pilots that incorporate training for workers on FOA”. It has been running a programme in South India since 2009 that provides education to workers on “workplace rights, labour laws, trade unions, and FOA.” This has been delivered in non-factory discussion-group settings in association with the NGO SAVE (Social Awareness and Voluntary Education).

Primark is developing hotlines in North India and Bangladesh to act as grievance mechanisms. A hotline in South India is already in place.

Commitment and practices:

Primark says: “Our current focus is consolidating our supply base with the aim of strengthening relationships with existing strategic suppliers and developing strong relationships with those newer suppliers who demonstrate an ability to efficiently grow their business whilst pro-actively engaging on key performance issues, including ethical trade issues.”

Primark has a factory-ranking system that “enables buyers to continuously assess suppliers’ performance in relation to all aspects of our Code of Conduct including wages, and to move production towards those suppliers demonstrating improved and sustained ethical performance.” It is also developing a scorecard system to further aid buyers.

Primark states that: “Open costings with suppliers are becoming standard practice within our business. We have developed cost models for all product types which provide clarity on a factory’s costs, including labour and overhead costs ... In this way we have visibility of the payment of fair wages to factory workers at all production sites.”

Collaborative approach:

Primark is a member of the ETI, and is taking part in work with other ETI corporate members on the living-wage topic. Primark has worked with IndustriALL and the IndustriALL Bangladesh Council on short-term relief and long-term compensation for the victims of Rana Plaza – although this is not wage-related work.

Strategy:

Primark is working on pilot projects in seven factories in Bangladesh and China, in collaboration with various consultants, government bodies and manufacturers associations. Projects focused on “worker needs assessments, training and support on productivity enhancements, human resources, compliance, worker-management dialogue and negotiation, and workplace resolution.” Results in terms of actual wage increases were not given. Primark says this is because results varied from factory to factory: “at one factory workers negotiated increases in piece rates on three separate occasions through the skills and training they had received in the pilot. Similarly, another factory initiated a new bonus scheme whereby 1% of profit was distributed to the entire workforce.”

Primark says: “Primark is developing a holistic strategy to look at wages, with country-specific approaches. The strategy builds upon our pilot programmes and research conducted over the past two years, and will focus on key areas including, but not limited to, worker empowerment, factory improvements, stakeholder engagement and benchmarking supplier performance.”

Production overview:

Number of suppliers: Primark did not disclose this information.

Main production countries listed as: Primark did not disclose this information.

Primark does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

Primark is a member of ETI, with the commitment to a living wage written in its code of conduct, but it still has yet to define what this means in terms of real wage figures and check if this is being paid to the workers making its clothes. For a company that has a lot to prove, when it says that it is not exploiting its workers by selling things so cheaply, more needs to be done.

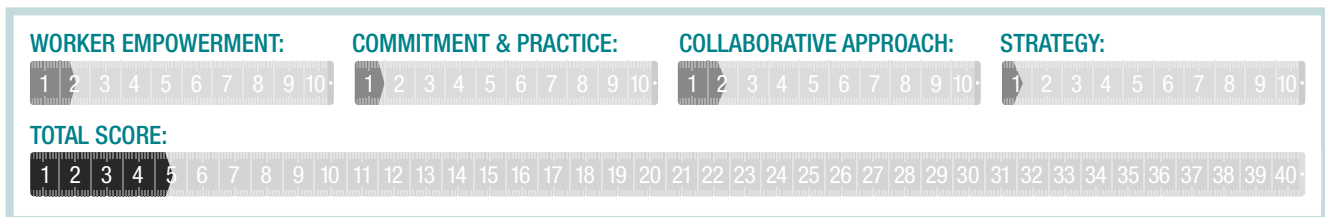
Primark says its approach to paying a living wage is to support “the negotiated approach”, by which it means that it supports unions to negotiate better wages. However, there was little evidence of work with, or in consultation with, local unions given, and little evidence of work with international unions outside of the Bangladesh disasters. Its research into developing a standard of good practice on FOA sounds good, but without a solid plan or timescale for putting this in place we will wait to hear more.

Primark says that because there are “inherent challenges” in calculating a living-wage figure, it has chosen instead to adopt a negotiated approach. For us, it is not an either/or situation, but a both/and. There is a pressing need to define a goal in any commitment, because without putting a real figure on the commitment how will you know if you have achieved it? A living-wage commitment can only be an effective performance indicator if it is measurable. The negotiated approach is the ‘how’ of delivering a living wage, and the definition of the figure is the ‘what’. Without either of these, the commitment is meaningless. We hope that Primark will consider this and work towards adopting a living-wage benchmark – the Asia Floor Wage springs to mind. Primark indicated some work on starting “open costings” with suppliers. This is a step in the right direction. Transparency about the labour cost of each product will lay the ground for work to cost a living-wage figure into pricing.

Primark currently lacks a strategy for delivering a living wage. The various current pilot projects cited give little data about real wage improvements and no indication of plans to use the learning gained in other parts of the supply chain, which is disappointing. Primark informed us at the last minute that it is now working on a strategy. We look forward to reading more about this as it progresses.

PROMOD

Brands: Promod



COMPANY POSITION ON THE LIVING WAGE:

“Promod’s first aim is to ensure that all its suppliers strictly respect local laws in terms of minimum wages and Health & safety regulations in their factories ... Payment of a living wage could be the next step. We are discussing with the French branch of CCC to study how to include this program in future and, much important, how to gather a sufficient number of brands around this project to have a real influence.”

WHAT WE SAY:

We are pleased that Promod is willing to work on the question of a living wage and recognises it as the next step in its CSR supply-chain policy. Linking this to increased productivity can be an incentive for buyers, but this cannot be the only answer offered to workers, who have to be paid a decent wage regardless of the need for companies to meet market prices.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Promod says that freedom of association and collective bargaining are included in the document signed every year by its suppliers around the world, and that this commitment is checked through audits. No other incentives or training for either workers or suppliers were cited on this issue.

Commitment and practices:

No living-wage benchmarks have been set.

Promod seems to be making an effort to develop long-term relationships and stable orders with its suppliers, to prevent subcontracting. Purchasing practices seem to be taken into account too, to avoid excessive pressure on suppliers.

Collaborative approach:

Promod has engaged in a programme with a French initiative, Yamana, in Morocco, on work around wages, social benefits and the improvement of productivity, in collaboration with factory owners.

COMMENTS:

Promod is clearly showing an interest in starting work on the issue of the living wage, which is important and commendable. It points to the necessity of working with other big buyers to be able to bring about changes at factory level.

Promod accepts the principle that a wage should be enough to meet the basic needs of a worker and their family. It has shown a willingness to engage in dialogue with civil-society groups and a commitment to transparency, in relation to its suppliers and production countries.

Promod has engaged in a dialogue with the French CCC about wages. It is also showing a clear interest in working with civil society on the issue of living wage, and with other buyers and retailers too.

Strategy:

Promod does not have a strategy for ensuring workers in its factories are paid a living wage. Its strategy relies mostly on audits in relation to freedom of association.

Production overview:

Number of suppliers: 250

Main production countries listed as: China, India, Turkey, Morocco, Tunisia

Promod has made an effort to move towards greater transparency by disclosing to the writers of this report precise information on its production units and sourcing countries. However, this is not publicly disclosed.

Promod does not publish a full public list of the names and addresses of its supplier factories.

Now, good intentions must be turned into action by developing a real policy to ensure that a living wage is paid to workers throughout its supply chain. This must start with work to establish living-wage benchmark figures and a strong policy for improving purchasing practices, to allow the implementation of this fundamental right.

Promod has not developed any work on promoting freedom of association and the right to collective bargaining or ensuring worker empowerment throughout its supply chain. This needs to be addressed and must certainly play a part in any strategy to work towards the payment of a living wage.

PUMA

Brands: Puma, Cobra Golf, Tretorn



COMPANY POSITION ON THE LIVING WAGE:

“Improving wages for factory workers in PUMA’s supply chain remains a core issue in ensuring sustainable workplace improvement ... PUMA does not subscribe to any given definition of a living wage given the varying definitions and formulations that have been provided over several decades.”

WHAT WE SAY:

Puma is engaging in work on a number of topics. It has adopted a credible living-wage benchmark (the Asia Floor Wage) as part of its wage ladder approach. There is still some way to go, though, on strategy for how to deliver this to its suppliers – productivity won’t cut it.

IN MORE DETAIL:

Has living-wage benchmarks?

Yes.

Worker empowerment:

Puma says: “PUMA is a signatory to the FOA (Freedom of Association) Protocol in Indonesia. This requires signatory brands to support the adoption of agreed FOA practices by suppliers to ensure that factory workers are free to form unions and organize.”

Puma displays posters on FOA in its supplier factories; a pocket guide is provided for workers, distributed by sourcing offices and licensees; a briefing is given to new workers, which covers FOA; and annual training is advised. Puma also has a complaints mechanism.

Some trainings for suppliers and workers including information on FOA were detailed. This was delivered in collaboration with various union and corporate partners. Training in labour law and national wage-setting mechanisms was given in Indonesia for union leaders.

Commitment and practices:

Puma is using a wage ladder methodology to monitor progress towards payment of a living wage, which includes the Asia Floor Wage benchmark. This was based on a project, called the Jo-In project, which finished some years ago. No work on pricing was mentioned.

Puma has a supplier rating system that takes social compliance into account and affects its purchasing decisions. This system is currently being updated, says Puma: "...we are incorporating incentives for those who show consistent wage practices that are above the minimum wage."

Collaborative approach:

Puma is working with the Fair Labor Association and the Fair Wage Network. Some partnerships with unions were mentioned on specific initiatives. Puma is a signatory of the Indonesia Protocol.

Strategy:

Puma projects:

Human-resource management in China. Work focused on productivity improvements and human-resource management techniques. **Scope:** 12 factories engaged. Delivered in partnership with Impactt. **Impact:** Wage ladder appears to show take-home pay was above the Asia Floor Wage figure for China in 2012, after overtime and benefits.

Human-resource management in Vietnam and Cambodia. The project "seeks to enhance human resource management systems among PUMA factories." **Scope:** 16 factories engaged. Delivered in partnership with the International Labour Organization's Better Work programme.

Fair Wage Network. 28 factories will develop 'road maps' based on Fair Wage methodology, three factories in Indonesia will receive specific technical assistance to increase wages.

Puma says that these various projects form its Better Wage programme: "The aim of this Better Wage program is to implement sustainably fairer wage structures in selected suppliers by 2015. The program does not guarantee that workers in selected suppliers will have increased wage levels, but works towards fairer compensation structures and practices."

Production overview:

Number of suppliers: 203 first-tier suppliers

Main production countries listed as: China (33%), Vietnam (21%), Indonesia (10%), Turkey (10%), Other (26%)

Puma publishes a full public list of the names and addresses of its supplier factories.

COMMENTS:

Puma is engaging in some work to improve wages in its supply chain, but still has some way to go before it arrives at a coherent strategy for paying a living wage to the workers making its products.

Puma's code of conduct states that compensation should be "respectful of basic needs and all benefits mandated by law", but says nothing about the company's position on a wage to support a family. The guidance manual for suppliers states that good practice on wages is: "The factory pays more than the minimum wage." We would hope that this guidance could become more ambitious.

Although it is good that Puma has acknowledged the Asia Floor Wage (a definition developed in Asia by unions and workers), it is unclear to us how this benchmark is used internally in the company. If a wage ladder approach is to be useful, it has to be integrated throughout all sourcing and compliance work that Puma is doing. So far it appears to be an added extra.

Puma has signed the Indonesia Protocol, which is great. Work to implement this and monitor its effectiveness needs to be at the heart of work to improve wages in Indonesia.

We were concerned that Puma says the Better Wage programme "does not guarantee that workers in selected suppliers will have increased wage levels." For us, "fairer compensation structures" (which is the language of the Fair Wage Network too) are intrinsically about wages being enough to live on. This has to mean that wages go up, not just that workers are paid the same amount in a 'fairer' way.

The Better Wage programme focuses largely on productivity improvements, and encouraging worker-management dialogue. This is all fine and good, yet we are sceptical about how far productivity improvements will boost wages in places such as Vietnam or Indonesia, where the gap between the minimum and living wages is significant. No clear indication was given as to whether Puma is willing to pay more to cover wage improvements, or how this plays a part in its long-term strategy. Puma says: "We are currently in the process of refining our costing methodology to assess how compliance standards can be better incorporated." Without this very important piece of the puzzle, we think little will be achieved in terms of real change for the workers who need it most.

REPLAY JEANS

Brands: Replay, Replay & Sons, Red Seal,
We are replay, White Seal

Please note: Replay Jeans is owned by the Fashion Box Group



COMPANY POSITION ON THE LIVING WAGE:

We have looked at this company's website and no information relating to sourcing or labour standards policy was found. Replay later wrote to us and sent us its code of conduct. On wages it says: "Employees must receive at least the legal minimum wage for ordinary working hours as well as for overtime hours according to the standard labour contract. Illegal or non authorized allowances in the wage packet are not permitted."

Replay also says that it works with companies in Hong Kong and Tunisia to "ensure a local presence in those countries where we are active, directly sourcing manufacturers in these territories and conducting spot checks through-out the supply chain (be it for simple components or finished garments). This gives Fashion Box greater transparency and control over its production network and enables us to verify compliance with our code of conduct."

WHAT WE SAY:

Replay does not accept the principle of a living wage in its policy and is doing no work to ensure that workers who make its products earn enough to live on. Simple compliance with the minimum wage is a legal duty, but the human right to a living wage is a responsibility that Replay must take steps to ensure. No evidence of this work is yet available.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Production overview:

Number of suppliers: Replay did not disclose this information.

Main production countries listed as: Replay did not disclose this information.

Replay does not publish a full public list of the names and addresses of its supplier factories.

S.OLIVER

Brands: S.Oliver



COMPANY POSITION ON THE LIVING WAGE:

We have looked at this company's website and no information relating to sourcing or labour-standards policy was found.

WHAT WE SAY:

This company did not respond to our request for information and has no relevant information available on its website. It is therefore safe to assume the worst: that it has no engagement with ethical trading at all.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Production overview:

Number of suppliers: S.Oliver did not disclose this information.

Main production countries listed as: S.Oliver lists these as "Asia, Western- and Eastern Europe"

S.Oliver does not publish a full public list of the names and addresses of its supplier factories.

SWITCHER

Brands: Switcher, Whale



COMPANY POSITION ON THE LIVING WAGE:

“The payment of a living wage is a central element considered before entering into a business relationship with a supplier – we uphold this for all production countries.”

Switcher’s code of conduct says: “Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income.”

WHAT WE SAY:

Switcher is committed to paying a living wage and uses the Asia Floor Wage as a benchmark. The company is collaborating with the Fair Wage Foundation (FWF) on ways to implement payment of a living wage and has initiated a project in Bangladesh to raise wages through creating a solidarity fund. Overall, Switcher has helped push forward the international debate on a living wage and is working on this important topic throughout its supply chain.

IN MORE DETAIL:

Has living-wage benchmarks?

Yes.

Worker empowerment:

Switcher includes statements on freedom of association in its code of conduct, as stipulated in the FWF Code of Labour Practice, which is implemented in supplier factories.

Switcher says it takes part in a ‘Workplace Education Programme’ as part of the implementation of the FWF Code of Labour Practice. This has been jointly developed with local trade unions and labour-rights NGOs. To date, only one Switcher supplier from Turkey has participated in the training.

Switcher also uses the FWF’s grievance mechanism, whereby workers can report problems in the factories with local persons of trust. Incoming complaints are handled by the FWF and outcomes are made public in a report.

Commitment and practices:

Switcher uses the FWF's wage ladders to calculate the difference between the target living wages and the wages actually paid in its supplier factories. Results are integrated into a corrective action plan after the audit.

According to Switcher, four of its suppliers in China currently pay a living wage (as defined by the Asia Floor Wage benchmark).

Switcher provided the CCC with detailed information on the wage structure of its main suppliers. Switcher's supply chain is transparent and publicly accessible.

Before entering into a business relationship, Switcher systematically evaluates the difference between the wages paid and a living wage. Wages play an important role in determining whether or not to source from a specific supplier.

Collaborative approach:

Switcher is a member of the Fair Wear Foundation and is actively engaging, together with other companies, on an initiative to implement a living wage.

Switcher publishes a list of its suppliers and enables traceability of all its products through an online tool (respect-code.org). Switcher also uses Sedex, a database that allows the company to systematically collect information on suppliers and which provides an overview of production sites.

COMMENTS:

Unlike many other companies, Switcher uses a concrete benchmark for the implementation of a living wage. The FWF requires its members to adapt their purchasing policies and practices in order to allow the payment of a living wage at factory level. Any progress towards the realisation of a living wage is documented and published in annual progress reports for each company. The FWF sets out clear requirements for its members, taking it a step further than other standard-setting initiatives. Switcher clearly has a pioneering role – both within and outside of the FWF – when it comes to transparency and sustainability management.

Switcher reacted very openly to the CCC company survey. Its business practices build on transparency, which is a very important prerequisite for the improvement of working conditions in the supply chain and for raising salaries to a living wage.

Moreover, Switcher demonstrates more initiative than other companies regarding the implementation of a living wage. The solidarity fund in Bangladesh, one of Switcher's projects, is internationally acclaimed and has great potential for use in other factories. This fund demonstrates

Switcher says it plans to publish in its next annual report (due March 2014) the calculation of sewing time (in minutes) and 'sewing wage' for each product.

Strategy:

Switcher has initiated a project to raise wages in one of its supplier factories: "Since March 2013, Switcher has implemented a solidarity fund for ALL workers of its unique supplier in Bangladesh, 'Karoooni Ltd', made with 1% added on each unit FOB [free-on-board] price. This amount will be used for the creation of a separated, direct and annual payment to ALL workers of the factory."

This project was put together following a consultation held with local trade unions in Bangladesh.

Switcher is just one of many buyers at this factory, so its payout will not top-up wages very significantly. Switcher says it is trying to convince other companies sourcing from the same factory to commit to the solidarity fund. It hopes the project can be expanded to other factories and countries.

Production overview:

Number of suppliers: 24 supplier factories

Main production countries listed as: Portugal (44%), Romania (19%), China (16%), Bangladesh (12%), India (4%), Turkey (3%), Taiwan (1%)

Switcher publishes a full public list of the names and addresses of its supplier factories.

one possible way in which all the brands sourcing from the same factory can jointly contribute to an increase in wages. The project is still in its infancy, many questions remain and it's unclear whether this will or will not be the way to go in the future. The increase in wages created by the solidarity fund is, as yet, marginal and still a long way off a living wage, due to the fact that Switcher is only one small buyer amongst many other buyers at that factory. This means that the amount of money paid into the fund is very low. It is crucial to convince other companies to commit to the fund. Nevertheless, this is one of few projects aimed at ensuring a living wage that is being implemented in consultation with local trade unions.

Switcher now needs to work systematically on the implementation of a living wage in other areas of its supply chain outside of Bangladesh. According to Switcher, in four out of six of its supplier factories in China, all workers receive a living wage equivalent to the Asia Floor Wage. However, in its supplier factory in Romania, actual wages are far below a living wage. With a purchase volume of more than 20%, Switcher is in a good position to work towards the payment of a living wage in this case.

TAKKO FASHION

Brands: Colours of the World, Flame, Crazy World, Maxi Blue, Chapter, Southern, Crash One, Dognose, Dopodopo



COMPANY POSITION ON THE LIVING WAGE:

“We agree with the payment of living wages to all workers and bind our suppliers by our code of conduct to paying them.

“Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income...”

WHAT WE SAY:

Takko is planning to start some interesting work to move towards payment of a living wage, but hasn't got there yet. It has been given credit for adopting living-wage benchmarks.

IN MORE DETAIL:

Has living-wage benchmarks?

Yes.

Worker empowerment:

Takko says: “The Code of Labour practices and an information sheet for worker (in local language and in English) is displayed in all the supplier factories and subcontractors. We also started trainings to supplier factories employees about Freedom of Association and Collective Bargaining.”

Takko uses the Fair Wage Foundation (FWF) complaints mechanism, which includes a worker hotline for complaints and access to a suggestion box. Complaints are followed up and resolutions made transparent. It is not clear to us how well used this system is, although Takko says there are a growing number of complaints being submitted.

Commitment and practices:

Takko has adopted a wage ladder to monitor progress towards payment of a living wage. This compares wages paid in Asia to minimum wages, regional wage demands and the Asia Floor Wage. Recently, this wage ladder has started to be used actively in audit discussions to reveal wage gaps to factory management.

Takko works with the FWF to deliver a 'Workplace Education Programme' in more than 10% of its supplier factories, developed in collaboration with local unions and workers-rights organisations. Training covers accessing factory grievance mechanisms, gender-based violence and management-worker dialogue.

Takko has also started systematic work with suppliers to improve practices: "After every audit we install a corrective action plan together with the factory in which every breach of the rules of our code of conduct is listed and corrective measures are mentioned."

COMMENTS:

Takko is working towards payment of a living wage in a committed way, but it has some way to go. We are pleased to see that Takko is planning to join the Fair Wear Foundation Bangladesh Wage pilot, which, as we understand, is working out a payment mechanism to allow brands to 'top up' regular wages to a living-wage level by making a separate, regular payout to workers. We hope that Takko will engage fully in this work and involve local NGOs and negotiations with union stakeholders.

Takko, unlike many other brands, is benchmarking its wage payments against a scale that includes a real living wage: the Asia Floor Wage – although no information was disclosed as to whether anyone is being paid this yet (we suspect not). Without a system or plan in place to bridge the wage gap identified by this ladder, Takko won't get far.

Collaborative approach:

Takko is a FWF member. The company didn't mention any union or NGO partnerships in-country outside of this membership, or collaborations with other brands.

Strategy:

Takko is preparing to take part in a project to work towards payment of a living wage in Bangladesh. This is based on a FWF living-wage pilot in two factories to see "how additional money could be allocated to the workers." Local unions were involved in its design.

Production overview:

Number of suppliers: Roughly 345 first-tier factories, 225 subcontracted factories

Main production countries listed as: China (60%), Bangladesh (30%), India (5%), Other (5%)

Takko does not publish a full public list of the names and addresses of its supplier factories.

It is also interesting that Takko is working systematically with factories to create corrective action plans, including assessment against the wage ladder. We hope very much that this approach goes hand in hand with commitment from buyers to address price.

Much of Takko's submission seemed to focus on work being delivered by the Fair Wear Foundation, which is fine, but it is unclear where Takko is performing well; or where the FWF is. Let's hope there are some real results to show sooner or later, with wage improvements in Takko's supplier factories to prove it.

TCHIBO

Brands: TCM (Tchibo Certified Merchandise)



COMPANY POSITION ON THE LIVING WAGE:

“Tchibo is committed to Living Wages and recognizes this in the Tchibo Social and Environmental Code of Conduct (SCoC). As benchmark, we have defined the Asia Floor Wage (AFW) calculations. From our perspective, AFW has credibility, as it is an Asian grown initiative involving local unions and NGOs, though links still need to be made to the employers and governmental stakeholders.”

WHAT WE SAY:

Some promising work. Tchibo has adopted a credible living-wage benchmark and is working systematically with factories to improve relations between management and workers. Some work on calculating how to pay living wage in costings was also mentioned.

IN MORE DETAIL:

Has living-wage benchmarks?

Yes.

Worker empowerment:

Tchibo says: “From our perspective, the AFW should serve as a basis for collective bargaining between the legitimate bargaining partners. Collective bargaining is essential to ensure the growth of mature industrial relations which in turn is essential for the continuous implementation of workers’ rights including living wages, as home-grown initiative.”

Tchibo has been delivering a project called the WE (Worldwide Enhancement of Social Quality) Programme. In participating factories, workers and managers “are trained on how to engage in dialogue and build up participatory structures and practices ... [including] the right to Freedom of Association and Collective Bargaining.” Of its factories outside the EU and US, 23% had received this training by the end of 2012.

Commitment and practices:

Tchibo has adopted the Asia Floor Wage as its living-wage benchmark in China. In Bangladesh, it has adopted a wage ladder that includes AFW, local union demands and living-wage figures calculated by workers as part of training exercises.

On wages, Tchibo says: "In China, wages have significantly increased over the last years and the majority of our factories meet the 2012 AFW when referencing total wage (including overtime)."

Tchibo also says it has been "doing work on living wage costing and engineering. Together, with our suppliers and factories we identify gaps between current wage levels and a living wage and carry out internal simulations on buying and selling price implications with reference to promoting living wages. In 2011 we surveyed 70 sample factories on a potential wage increase with Asia Floor Wage payment and simulated price impacts. These learnings will inform our strategy moving forward."

Collaborative approach:

Tchibo is an Ethical Trading Initiative (ETI) member. The company collaborated with GIZ, the German development agency, on the WE programme, with local WE training carried out by local unions and workers-rights groups. A facilitation process between IndustriALL, BGMEA (the Bangladesh Garment Manufacturers and Exporters Association), BNC (the Bangladesh National Council) and Tchibo suppliers to discuss freedom of association was also mentioned. Tchibo has been involved in the GIZ living-wage process too.

Strategy:

The WE project aims at "establishing fairwage systems. These include dimensions such as actual wage levels, wage payment processes, transparency over wage grading and its relation to job expectations ... Workers' perception as to whether they feel they are receiving a fair wage is emphasized. In combination with quality and productivity gains which arise from the programme, wages are increased for the workforce."

Tchibo aims to receive 80% of buying volume from factories qualified through the WE programme by 2016.

Production overview:

Number of suppliers: 810 first-tier suppliers

Main production countries listed as: China (65%), Germany (7%), Turkey (5%), Bangladesh (4%), Vietnam (3%), Other (16%) (based on 2012 figures)

Tchibo does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

Tchibo is working towards payment of a living wage in a committed way, but it has some way to go. The WE programme, which seems to focus on a broad range of worker-management dialogue processes and labour-rights training, is having some effect on wage improvements. Efficiency and quality gains have played a part in this. But no detailed data was available about the scale of these improvements or how much of the gap between a minimum and living wage has been breached. Tchibo says that the majority of factories involved in WE have increased payments to workers by between 10% and 40%, but as many of these factories are in China (where the sector-wide wage increase has been significant) it is not clear how much has been achieved solely by the programme. Also, without making reference to the gap between the minimum and living wages per country, it is not clear where progress is being made. In Bangladesh and Vietnam anyway, we suspect that there is still a way to go.

It is great that Tchibo has publicly supported the Asia Floor Wage as a benchmark. Disappointingly, no data was available about how many of its supplier factories are paying the current Asia Floor Wage, which must surely be important if this is a company-wide KPI. We hope that the AFW benchmark will soon become integrated into work across the company, particularly on pricing. The work Tchibo mentions around engineering living-wage costing seems to be a start. We await news of the next steps in this area. Without this vital piece of the puzzle – a commitment from buyers to increase prices – it isn't yet clear to us how the gap between minimum and living wages in places such as Bangladesh will be bridged by improved local industrial relations and collective bargaining, however committed the unions are.

TESCO

Brands: F&F



COMPANY POSITION ON THE LIVING WAGE:

“We agree with the principle that wages should allow workers to meet their basic needs and those of their dependents, while also providing them with some discretionary income.

“We focus on practical steps that make a real difference. So in countries where wages are lowest, our first step

is to identify lower-paying suppliers and ensure they progressively raise wages to at least the average for our supply base ... As a safety net, we also strictly enforce compliance with the minimum wage, and exercise zero tolerance where suppliers underpay workers against the legal minimum – for all hours worked.”

WHAT WE SAY:

Tesco’s approach of aiming to pay more than the minimum wage and above average for the industry is a far cry from a living-wage plan. Work on improving

factory efficiency will only improve wages so far. Bigger thinking is needed from a buyer with this sort of market power.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

was also stated. This offers training to lower and middle management on industrial relations. So far, 73 factories in India and Bangladesh have received this training.

Worker empowerment:

Tesco says: “Under our commitment to the ETI [Ethical Trading Initiative] Base Code and mature industrial relations, we require our suppliers to meet the ETI clause on Freedom of Association ... As part of our commitment to the Bangladesh Accord, all suppliers are required to provide free access to Trade Unions.”

Tesco also mentioned the “Tesco Technical Library” and other ethical trading documents that it makes available to suppliers. Tesco’s engagement in a Department for International Development-sponsored project to set up a “not for profit training academy for the whole industry to improve productivity, raise wages and reduce hours”

Commitment and practices:

Tesco says it has internal wage benchmarks for Bangladesh, which are “at least the average wage compared to ... main competitors in the country.” No other benchmarks were provided.

Tesco says about benchmarks: “Our collective view is that agreements on Living Wage should be reached through good faith negotiations between suppliers, employers, workers and their legitimate representatives, at both industry and national level, and that it is not brands’ role to decide the specific amount that should constitute a ‘Living wage.’”

Collaborative approach:

Fourteen Tesco suppliers have been engaging in an initiative with eight other retailers called the Benefits for Business and Workers project, looking at improving factory efficiency in India and Bangladesh. In Bangladesh, monthly take-home pay increased by 7.6% and in India by 5%.

Collective work with international unions and NGOs to combat the Sumangali forced-labour scheme in India was cited. This is a three-year project to “eliminate low pay, long hours of work and improve living and working conditions”.

Tesco has engaged in a multi-stakeholder action plan on living wages, through the European Conference on Living Wages in Berlin in 2013.

Strategy:

Tesco says its strategy for ensuring that workers in its factories are paid a living wage is three-fold:

“Ensuring compliance with local wage legislation as a foundation;

Improving supplier’s capability and capacity to improve wages for workers by improving efficiency and productivity;

Creating a supportive, enabling environment by lobbying Governments and working with other international stakeholders to deliver sustained improvements in wages through better jobs.”

Production overview:

Number of suppliers: Tesco did not disclose this information.

Main production countries listed as: Tesco did not disclose this information.

Tesco does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

Tesco needs to aim higher. For a buyer with this amount of power, and a long-term member of the Ethical Trading Initiative, we would hope to see more engagement in real living-wage discussions.

Tesco’s progress in setting internal benchmarks is interesting, but pegging benchmarks to existing wage payments will not overcome the huge gap between minimum and living wages. Tesco says it is hoping to pay above-average for its supply base. The problem with this is that “industry standard” is, at best, just above the minimum wage, and downward global price pressure means that even the best factories are still paying not enough to live on. Tesco also says that it is not its role to specify the amount that should constitute a living wage. We agree that this is indeed the role of negotiations between supply-chain actors. However, a minimum

living wage is merely a floor on which negotiation must rest. Buyers, who have the freedom and power to do something about the downward global price pressure on wages, must collectively take action to raise the standard in order to underpin real living-wage negotiation. With a living wage being two to four times the minimum wage, the gap will not be closed by simply paying a little above the industry average.

The Benefits for Business and Workers (BBW) project in Bangladesh, which Tesco has taken part in alongside a number of other brands, aims to build factory capacity and improved communication and problem-solving in factories. One of the outputs of the BBW project is that wages have gone up through productivity improvements, which is good. But, as we have always held about productivity gains, the improvement to wages is minimal. The 7% wage increase achieved in Bangladesh by efficiency improvements is an increase, but given that the minimum wage was subsequently put up by 80% (after the project ended) and this still isn’t anywhere near a living-wage figure, we aren’t keen to call this a living-wage project. However, even if the project doesn’t achieve a living wage, Impactt (which implements the BBW programme) is keen to say that the ‘transformational change’ and ‘worker empowerment’ aspects are worthwhile...

Our second concern with the BBW project is that the entire worker-empowerment emphasis has failed to engage with the trade union movement, and there is no reference to freedom of association or trade unions in the training materials provided. The programme has focused on “building towards the idea of Freedom of Association” by trying to overcome obstructionist attitudes to collective worker representation among management. This has involved training programmes and getting management to engage with legally required worker-committee models. Although this may be helpful in the short term, worker committees are not the solution to the worker-empowerment issue in our opinion. Engaging in this runs the risk of promoting ‘parallel means’ to management as a way to avoid engagement with functioning trade union movements. Worker committees do not have the power to collectively bargain on anything aside from fringe benefits or minor wage increases, do not have the right to take industrial action to back up their position, often can’t hold independent elections and are usually restricted to individual workplaces – meaning members cannot take part in campaigning aimed at improving wages and conditions on a sectoral, national or regional level. All in all, not so great for workers or long-term change. A commitment or strategy to transition the work of BBW towards collaboration with trade unions would be a good step.

Tesco’s general approach of engaging in projects with a number of other brands is a good first step. Perhaps working together with these brands to achieve a defined living-wage figure or progress up a wage ladder towards real living-wage benchmarks could be its next step.

TOD'S

Brands: Tod's, Hogan, Fay, Roger Vivier



COMPANY POSITION ON THE LIVING WAGE:

We have looked at this company's website and no information relating to sourcing or labour standards policy was found.

WHAT WE SAY:

Tod's did not respond to our request for information, and makes no information available on its website. It is therefore safe to assume the worst: that it has no engagement with ethical trading at all.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Production overview:

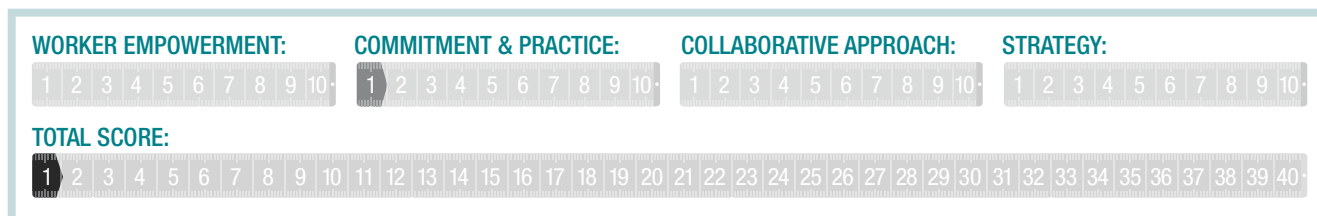
Number of suppliers: Tod's did not disclose this information.

Main production countries listed as: Tod's did not disclose this information.

Tod's does not publish a full public list of the names and addresses of its supplier factories.

VERSACE

Brands: Versace



COMPANY POSITION ON THE LIVING WAGE:

“Versace complies with all the Labor laws, as fore-casted into the policy of Versace Ethic Code.”

Versace makes no reference to a living wage in its ethical code.

WHAT WE SAY:

Versace says it produces 82% of its goods in Italy, 7% in other European countries and just 2% in Asia. However, we would not consider Italy to be a ‘low risk’ country in terms of labour rights. Little evidence was given of work to ensure that workers making Versace products have their rights respected. More engagement is needed than issuing a paper code of conduct.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Versace says: “Both the Ethic Code and the Framework Supply Agreements state that anyone who has relationships with Versace in any way has to fulfill with all the Versace ethic values, including expressly those related to the Laws and Rules in force in the countries where Versace acts, Labor Laws included.”

Commitment and practices:

Versace has no identifiable monitoring in place to ensure rights are upheld for workers in its supply chain. There are no incentives in place for buyers to show preference to suppliers who promote better wages or are demonstrating better practices, and the company has no policy in place to limit the use of short-term contracts or subcontracting.

Versace says the Asia Floor Wage is being paid to workers in its four Chinese and Indian supplier factories.

Collaborative approach:

Versace has had no involvement with any multi-stakeholder initiatives or trade unions in Italy or anywhere else.

Strategy:

None.

Production overview:

Number of suppliers: 167 first-tier suppliers

Main production countries listed as: Italy (82%), Other European Countries (7%), India (1%), China (2%)

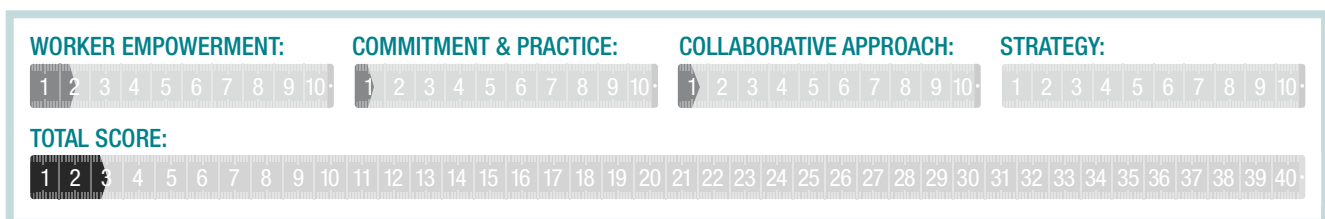
Versace does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

Although most of Versace’s production takes place in Italy itself, Versace displays a startling lack of engagement in the need to ensure rights for workers making its products. Due to a significant use of the informal sector and migrant labour in Italy, Versace’s production needs to be carefully monitored if it is to be sure that wages are enough to meet workers’ basic needs and ensure their rights. Little evidence was shown of this. Health and safety in Italian factories has repeatedly cropped up as an issue. Indeed in December 2013, a fire in a subcontractor factory in the town of Prato killed seven Chinese migrant workers, and unions said the health and safety problems that caused the disaster were common in the area – an area where Versace has factories. More needs to be done to safeguard rights than simply having an ethical code and hoping factories comply with the law.

VF CORPORATION

Brands: 7 For All Mankind, Ella Moss, Bulwark, Lee, Rustler, Majestic, Nautica, JanSport, Wrangler, Eagle Creek, The North Face, SmartWool, Riders By Lee, Reef, Kipling, Red Kap, Horace Small, Splendid, Timberland, Lucy, Napapijri, Eastpak, Vans



COMPANY POSITION ON THE LIVING WAGE:

“All VF Authorized Facilities must compensate their employees fairly by providing compensation packages comprised of wages and benefits that, at the very least, comply with legally mandated minimum standards or the prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.”

WHAT WE SAY:

VF doesn't recognise the principle of a living wage as part of its responsibility or policy. Company engagement in local education and health projects is all very well, but does not solve the problem of poverty. It is embarrassing that a company of this size is not engaging in this important issue.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

VF ensures that a poster explaining freedom of association (FOA) and the right to collective bargaining is displayed in all its factories.

Some reactive training for suppliers with FOA violations was mentioned.

Commitment and practices:

VF does not support the principle of a living wage in its policy and has no living-wage benchmarks, only the minimum wage.

VF is currently undertaking a review to verify wage levels against Social Accountability International's SA8000 standard on the basic-needs wage. It says: "Our initial review process in sample factories in the regions where we have facilities has provided some positive indications, and we will continue to expand the scope of these reviews and take the necessary measures. We are choosing to not disclose this data publicly until all research is complete."

Collaborative approach:

VF says: "VF is working in collaboration with other brands and various NGO's, government representatives, industry associations, and trade unions to address a variety of issues related to social compliance." No specific collaborative work on the living wage was mentioned.

Strategy:

VF says: "We ... believe that higher wages alone do not necessarily create improved living conditions. It is within this context that we have defined our approach to support and facilitate sustainable living by addressing the environment (societal infrastructure) that workers live within rather than focus on wages alone. While we recognize that in some countries or regions the legal minimum wage is insufficient to support sustainable living, what we don't know is whether simply raising wages for workers will ensure that their basic needs are met. What if the issue involves more complex questions, such as the cost and accessibility of basic human services like health care or education?" As a result of this position, Timberland is working with some local and international partners on financial-literacy courses for workers, plus education and clean-water projects.

VF has no strategy for delivering a living wage to workers who make its products.

Production overview:

Number of suppliers: 2,300 suppliers, both first-tier and subcontractors

Main production countries listed as: China (26%), US (21%), India (7%), Vietnam (5%), Bangladesh (4%), Mexico (4%), Turkey (2%), Pakistan (2%), Other (29%)

Timberland publishes a full public list of the names and addresses of its supplier factories. The rest of VF's brands do not publish a full public list of the names and addresses of their supplier factories.

COMMENTS:

VF states in its submission that it recognises the minimum wage is not enough to cover workers' basic needs, yet it is failing to take any action to increase wages to solve this. The VF policy requires payment of the minimum wage only, with no reference to a need for wages to meet basic needs – this falls some way behind even the most basic policy commitments that other companies featured in this report have made.

Instead VF (or rather Timberland – no evidence was given of any other VF brand engagement) has invested effort in a programme to provide "sustainable living environments" for some of its workers. This involves some projects on clean-water provision and education for workers and their children, as well as healthcare.

To this, we say that VF is getting confused as to its responsibility and role in the supply chain. It is not the responsibility of companies to provide schools and healthcare for workers, although if they want to contribute to charity to help struggling Asian communities that is their choice. However, it is the primary responsibility of a brand to ensure that the wage that is paid to the people who make its products is enough to cover basic needs.

For us, meeting basic needs is about giving people who work the liberty to choose the way those needs are met. This is done through an income that is sufficient to allow this to happen. By trying to manage the way needs are met, this liberty is removed.

It is good that VF is carrying out some sort of benchmarking exercise to try to define its commitment to a basic-needs wage. We look forward to hearing more about this as it progresses. We would hope to see VF, in the future, engage in work that acknowledges both the need for a real living wage and its own role in this process.

VUITTON

Brands: Louis Vuitton

INFO
WANTED

WORKER EMPOWERMENT:

1 2 3 4 5 6 7 8 9 10

COMMITMENT:

1 2

APPROACH:

7 8 9 10

STRATEGY:

1 2 3 4 5 6 7 8 9 10

TOTAL SCORE:

1 2 3 4 5 6 7 8 9 10 11 12 13

27 28 29 30 31 32 33 34 35 36 37 38 39 40

COMPANY POSITION ON THE LIVING WAGE:

We have looked at this company's website and no information relating to sourcing or labour standards policy was found.

WHAT WE SAY:

Vuitton did not respond to our request for information, and makes no information available on its website. It is therefore safe to assume the worst: that it has no engagement with ethical trading at all.

Has living-wage benchmarks? No.

Production overview:

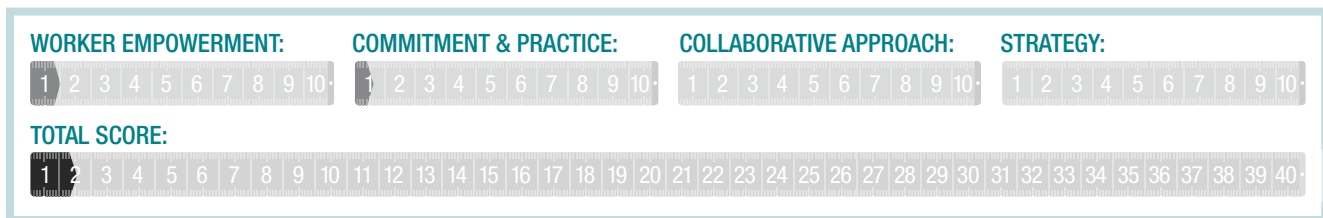
Number of suppliers: Vuitton did not disclose this information.

Main production countries listed as: Vuitton did not disclose this information.

Vuitton does not publish a full public list of the names and addresses of its supplier factories.

WE FASHION

Brands: WE, Blue Ridge



COMPANY POSITION ON THE LIVING WAGE:

“We implement the BSCI [Business Social Compliance Initiative] Code of Conduct in our international supply chain. This Code prescribes the payment of the legal minimum wage. This legal minimum wage should be at a level that covers workers basic needs as well as provide some discretionary income.

“We believe it is essential to emphasize the importance of a holistic approach towards the issue of

fair remuneration for workers. In this context, it is important to address the qualitative aspects of wages as well as quantitative aspects... such as the way of payment, timely and formal payment of wages, reflecting skills and education of workers in the level of wages, and equal treatment of full-time employees, part-time, and piece-rates workers.”

WHAT WE SAY:

Sound familiar? Like Lidl, Aldi, IC Companys and others, WE has simply repeated the answers provided by the BSCI, without engaging in the issues. Very little evidence was given of any work to address the problem of low pay. Nothing in the answers provided by this company indicated to us a serious engagement in the need to increase pay to a living-wage level.

IN MORE DETAIL:

Has living-wage benchmarks?

No, uses SA8000 methodology.



WE FASHION

Worker empowerment:

WE Europe says: "Information about rights and freedom of workers is a requirement of the BSCI Code of Conduct."

Training for workers or suppliers is available via the BSCI, but WE doesn't monitor this or ensure its suppliers participate.

Commitment and practices:

No mention was made of work on purchasing practices.

On living-wage benchmarks, WE says: "The calculation of the local living wage forms part of the BSCI audit and is calculated according to the SA8000 methodology. They are used for the gap analysis and in the Corrective Action Plans that are issued to factories after each BSCI audit, indicating steps to be taken in order to arrive at the level of a living wage."

Collaborative approach:

WE is part of a Dutch initiative to make the textile sector more sustainable.

WE mentioned involvement in the Bangladesh Accord, which is not a wage project.

Strategy:

WE says: "The payment of a living wage is a long term goal and is pursued on factory level. Through BSCI we work with each factory individually, because some factories are closer to achieving the living wage and more able to attain this goal than other factories that require different measures and interventions. Overall, the strategy is a step-wise development approach as outlined by BSCI.

"BSCI is an active member of the ILO [International Labour Organization] Fair Wages Network and believes in a holistic approach to the improvement of working conditions and remuneration practises for workers."

Production overview:

Number of suppliers: 78 first-tier suppliers, 138 subcontracted suppliers

Main production countries listed as: China (25%), Other (75%)

WE Europe does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

WE Europe's repeated reliance on its membership of the BSCI as an answer to important questions regarding due diligence on human rights is unacceptable. For us, the BSCI approach lacks any means or financial commitment to address low wages.

Our take on the BSCI focus on addressing "the qualitative as well as quantitative aspects" of wage payment is that this is missing the point. It is important, yes, to pay workers on time and ensure wages reflect how skilled workers are, but the main issue for most factory workers is that they cannot afford to buy shoes for their children. The repeated protests that take place around the world in garment-producing countries all call for a significant quantitative wage increase. The focus on other aspects of wage payment is a distraction from the pressing and urgent issue of poverty. Given a list of 12 things to do, one of which is 'pay more', every supplier will do the other 11 first.

WE needs to take responsibility for its global supply chain and invest in ensuring the rights of all workers within that supply chain are respected.

**Campaña
Ropa Limpia**



www.ropalimpia.org