C&A Foundation

Working Conditions Strategy

Strategy to 2020
Last updated: November 2018
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The Problem We Are Addressing
What do we mean by “working conditions”?

Working conditions are at the core of paid work and employment relationships and include:

<table>
<thead>
<tr>
<th>Remuneration and benefits</th>
<th>Working time</th>
<th>Physical conditions</th>
<th>Mental demands</th>
<th>Work organisation</th>
<th>Freedom of association</th>
<th>Gender equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage rate, sick pay, annual adjustment, social security payments</td>
<td>Normal hours of work, rest periods, work schedule</td>
<td>Health and safety measures and procedures, access to water, food, accommodation, temperature at work</td>
<td>Discipline procedures, verbal or physical abuse</td>
<td>Terms for promotion and lay-offs, dispute mechanism</td>
<td>Right to organise and bargain collectively</td>
<td>Equitable access to employment and equitable conditions for men and women, including terms during pregnancy, birth, and breastfeeding</td>
</tr>
</tbody>
</table>

The Problem We Are Addressing
Poor working conditions persist in the garment industry...

Workers are incentivized to improve working conditions but are not always able to assert their power.

Factories are not sufficiently incentivized to improve conditions.

Global production is poorly regulated due to "governance gap" in many producing countries.

Working conditions in the industry are less protected today than 20 years ago.

Labour rights in top 20 apparel exporters to US (where 2 = rights fully protected, 0 = rights severely restricted)

The Problem We Are Addressing

...despite decades of efforts

- “We don’t own the factory”
- Auditing against brand Codes of Conduct
- Supplier training and “capacity building”
- Management systems and root cause analysis
- Supplier self-assessments
The Industry Context

The employer-employee relationship exists in the context of a governance gap in many producing countries

Why are employees not always able to assert their power?

- Workers’ collective action is actively repressed by employers and/or govs.
- Govts fail to establish frameworks for workers to organize & assert their interests
- Fragmentation of supply chains and informality make it difficult to act collectively
- Less sophisticated organizational and negotiating skills of workers vs. employers
- People negotiating on behalf of workers don’t always represent their interests

Workers face multiple barriers to exercising their agency

Why are employers not sufficiently incentivized to improve conditions?

- Governments are failing to regulate working conditions sufficiently
- Brands do not sufficiently incentivize suppliers to prioritize working conditions
- Investors do not factor working conditions into their valuations

Employers do not perceive sufficient value for improving the working conditions
C&A Foundation recognizes that workers play a critical role in holding other groups accountable since they are the only group whose interests are fully aligned with improved conditions in their workplace.

Unless other stakeholders are held accountable, pursuit of other priorities can erode working conditions.

Interests 100% aligned with good working conditions

Mixed interests, some which align and some which conflict with good working conditions
Our Strategy

Accountability for working conditions rests on three elements:

- Public disclosure
- Worker negotiation
- Policy change and access to justice

Cross industry collaboration

Strong institutions

Gender justice
Public Disclosure

Public disclosure of working conditions, purchasing practices and supply chains, which enables constituents to hold decision-makers to account.

Increased accountability for working conditions

Worker negotiation

Policy change and access to justice

Cross industry collaboration

Strong institutions

Gender justice
Public Disclosure

The apparel supply chain is complex and opaque resulting in weak accountability for conditions.

Conditions and relationships remain largely opaque

Emerging transparency
Public Disclosure
While there are many initiatives to improve conditions...
Public Disclosure

...very few publicly disclose information
Public Disclosure
Public disclosure is a proven tool for motivating improvement

13% decrease in hospitalizations owing to food-borne diseases following introduction of restaurant window grade cards in Los Angeles County

Public Disclosure

Public disclosure achieves improvements through a chain reaction of events:

- **Information is disclosed about an organization**
- **Information is useful**
- **Users act on information**
- **Organization is sensitive to user actions**
- **Public disclosure improvement cycle**
- **Organisation responds**

**Note:** Researchers observe that public disclosure fails if it does not trigger each element of the cycle.

Public Disclosure

To complete the chain reaction, and motivate improvement, disclosed information must have six characteristics:

Disclosed information must be:

1. **Named**, with information linked to a specific entity (e.g., brand, factory, supplier or auditor);

2. **Standardised**, with a consistent format and metrics, so that users can compare peers on a like-for-like basis;

3. **Regularly updated**, so that users can compare performance over time;

4. **Detailed**, with sufficient granularity for decision makers to take action, and for anyone to challenge its accuracy;

5. **Comprehensive in coverage**, so that it includes all relevant entities, or at least the majority of them, this will usually mean most or all factories in a country, or most or all brands in a market;

6. **Easily accessible**, in a location and format that does not require effort or special knowledge to access.
# Public Disclosure

Public information on location and conditions of production is patchy

<table>
<thead>
<tr>
<th>Public location data</th>
<th>Public conditions data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct production units</td>
<td>Accord, Bangladesh (1,600 factories)</td>
</tr>
<tr>
<td>Brand tier 1 factory lists (97 brands)</td>
<td></td>
</tr>
<tr>
<td>In-direct subcontractors</td>
<td>Alliance, Bangladesh (~750 factories)</td>
</tr>
<tr>
<td>Brand in-direct factory lists (TBC)</td>
<td></td>
</tr>
<tr>
<td>Mills and laundries</td>
<td>Better Work Cambodia &amp; Haiti (~600 factories)</td>
</tr>
<tr>
<td>Brand mill and laundry lists (TBC)</td>
<td></td>
</tr>
<tr>
<td>Spinners and ginners</td>
<td>Wage Indicator Indonesia (150 factories)</td>
</tr>
<tr>
<td>Raw material producers</td>
<td>ZDHC waste water disclosure (supplying 22 ZDHC brands)</td>
</tr>
<tr>
<td>BRAC mapping Bangladesh (all factories)</td>
<td></td>
</tr>
<tr>
<td>IPE blue map app (Large mills in China)</td>
<td></td>
</tr>
</tbody>
</table>

1 Currently factory lists are not standardized, and may or may not include the parent company of the factory

Public Disclosure

However actionable disclosure is increasing, especially in the last 4-5 years

■ = one new type of disclosure

30 US colleges disclose their licensed apparel factories
2 brands disclose their factory lists (Nike and Adidas)
2 brands disclose factory compliance reports
Better Work Haiti discloses factory compliance reports
Accord and Alliance disclose fire and building safety reports
153 brands disclose factories
92 brands disclose factories
C&A Foundation Funding Criteria for Public Disclosure

IN

- Accurate data, previously undisclosed
- Nationwide or industry-wide scope
- Disclosure that enables constituents to hold decision-makers to account, specifically data which:
  - Enables comparison (is ongoing and standardised)
  - Is detailed enough to be used and challenged
  - Names the relevant brand, factory etc.
  - Accessible and widely disseminated

OUT

- Visibility to one or more stakeholders, but not public disclosure
- Targets or discriminates against one group
- Disclosure of commercial information, or information that does not have a bearing on improving conditions
- Research that does not incentivise change
# Public Disclosure Grant Example: Better Buying

## Key data

- **Implementer:** University of Delaware  
  [www.betterbuying.org](http://www.betterbuying.org)  
- **Duration:** 15 months

## Problem

Decisions made by buying, product development and sourcing staff impact working conditions.

## Objective

Increase industry accountability through public disclosure of working conditions, purchasing practices and supply chains.

## Approach

- Suppliers rate buyer companies’ purchasing practices on **ten dimensions** including planning and forecasting, design and development, payment terms, and order placement
- Ratings are publicly disclosed after a one year notice. This gives opportunity to show improvement.

## Expected impact

- **Initial focus on Bangladesh & China**
- **120 suppliers**
- **100,000 workers**
- The launch of a public disclosure mechanism
- **At least 500 industry stakeholders working together**


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Public Disclosure Grant Example: Better Buying

Expected impact

- Initial focus on Bangladesh & China
- 120 suppliers
- 100,000 workers
- The launch of a public disclosure mechanism
- At least 500 industry stakeholders working together

Public Disclosure Grant Example: Fashion Revolution Transparency Index

Key data
http://fashionrevolution.org/ Duration: 3 years

Problem
Lack of tools and stakeholder participation to increase accountability.

Approach
• Working through a network of 100+ country coordinators, Fashion Revolution uses online tools and develops advocacy materials promoting industry public disclosure.
• They also encourage consumers to demand better access to information about how companies operate, how products are made, where and by whom.

Expected impact
Global – 101 countries
• Increased public disclosure practiced by brands as a result of Transparency Index
• Behaviour change on the part of consumers, particularly fashion haulers and millennials
• Year-round awareness raising as a result of media coverage, social media postings and activities

Objective
To increase policymaker action and brand accountability by mobilizing public interest in and action on behalf of garment workers.

Public Disclosure Grant Example: Fashion Revolution Transparency Index

Expected impact

- Global – 101 countries
- Increased public disclosure practiced by brands as a result of Transparency Index
- Behaviour change on the part of consumers, particularly fashion haulers and millennials
- Year-round awareness raising as a result of media coverage, social media postings and activities

Public Disclosure Grant Example: Transparentem

Key data
www.transparentem.com
Duration: 24 months

Problem
Many of the worst abuses in the apparel industry occur during unlicensed, unregulated and unauthorised manufacturing beyond the first tier cut-and-sew operations.

Objective
- Increase industry accountability through public disclosure of working conditions
- Promote industry cooperation to support better working conditions

Approach
Transparentem uses investigative reporting and forensic methods in compliance with international ethical standards to illuminate supply chain problems and secure systemic resolution.
- Investigations are distilled into Primary Intelligence Notes (PINs) that include actionable intelligence
- Company-specific PINs will be delivered securely
- PINs will be updated to include brand/retailer actions taken

Expected impact
- South and Southeast Asia
  Remediating actions that will directly benefit at least 5,000 workers

- One public disclosure mechanism will be used on at least four systemic problems in a manner that improves working conditions

- At least 5 of 20 brands will work together on remediation.

SOURCE: www.washingtonpost.com
Public Disclosure Grant Example: Transparentem

Expected impact

South and Southeast Asia

Remediating actions that will directly benefit at least 5,000 workers

One disclosure mechanism will be used on at least four systemic problems in a manner that improves working conditions

At least 5 of 20 brands will work together on remediation.

SOURCE: www.washingtonpost.com
Public Disclosure Grant Example: BRAC mapping

**Key data**

www.bracu.ac.bd

Duration: 4 years

**Problem**

The sector lacks basic credible data such as the actual number of factories and workers, factory locations, and brands active in each factory.

**Objective**

- Increase industry accountability in a manner which incentivises improvement
- Amplify worker voice and participation in improving working conditions (especially women)

**Approach**

- The programme will map RMG factories across all 20 garment-producing districts in Bangladesh, including direct and indirect exporters, subcontractors, and local manufacturers.
- Data will be collected using the census method. After data collection, information will be available online.

**Expected impact**

- Bangladesh
- Impact is sector-wide, up to 4.5 million workers benefitting from improved working conditions and wages
- Launch of one public disclosure mechanism used to improve working conditions

SOURCE: Betterbuying.org, BGMEA Magazine Dec-Jan 2016

C&A Foundation
Public Disclosure Grant Example: BRAC mapping

Expected impact

📍 Bangladesh

👩‍💻 Impact is sector-wide, up to 4.5 million workers benefiting from improved working conditions and wages

🔍 Launch of one public disclosure mechanism used to improve working conditions
Worker Negotiation

Enable workers to negotiate and bargain collectively for the improvements they prioritise.

Increased accountability for working conditions

Public Disclosure

Worker negotiation

Policy change and access to justice

Cross industry collaboration

Strong institutions

Gender justice
Worker Negotiation

In the garment industry, workers are commonly stereotyped as passive subjects

“"You’re not the first person to visit our slum, to take our pictures. They often come here, take our photographs, and leave. It’s like we are creatures in a museum. Or zoo.

People come to capture our lifestyles, frame them nicely and show it to … We don’t even know who!

I know it doesn’t sound nice, but how will these rich people with big cameras and good phones understand our life and struggles? They come here in their fancy car, enter the slum, barely walk around here a little, and they think they know all about our lives.

I’d like to know if they really share our stories the way we live it. I’d like to know if you will. “"
Worker Negotiation
When workers are not organised their voices are often ignored.

“Survivors confirmed that workers had vacated the building when they heard and saw structural cracks, but were ordered to return to the building shortly before its collapse.”

Human Rights Watch report

Worker Negotiation
Countries with more collective bargaining have lower income, gender and race-based inequality

Collective bargaining gives workers a right to be heard and a chance to restore the balance

The International Labor Organization has found that in countries where workers have a higher bargaining power, wage inequality tends to be lower

*D9/D1 ratio compares the group of individuals who are in the top 10% of the income distribution with those in the bottom 10%

Worker Negotiation
C&A Foundation worker negotiation strategy focuses on supporting good faith collective bargaining

<table>
<thead>
<tr>
<th>Worker driven action</th>
<th>Wild-cat action</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ No formal process for defining leaders or demands</td>
<td></td>
</tr>
<tr>
<td>✓ Unpredictable action</td>
<td></td>
</tr>
<tr>
<td>✓ May resort to under-hand means to compel other party to accept it’s own terms</td>
<td></td>
</tr>
<tr>
<td>✓ No channel for ongoing dialogue or monitoring of agreements</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Focus of our grants</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Good faith collective bargaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Elected representatives, accountable for delivering workers’ interests</td>
</tr>
<tr>
<td>✓ Specific bargaining demands agreed by members</td>
</tr>
<tr>
<td>✓ No extreme or intolerant actions to compel other party to accept its own terms</td>
</tr>
<tr>
<td>✓ Channel for ongoing dialogue and monitoring at enterprise and sector level</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unions not accountable to workers</th>
<th>Fake unions</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Employer-run or infiltrated unions (&quot;yellow&quot; unions) promote employers interests rather than workers</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Poor-functioning unions / workers organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Representatives not accountable for delivering workers interests (often disproportionately funded by donors / compulsory dues)</td>
</tr>
<tr>
<td>✓ May resort to under-hand means to compel other party to accept its own terms (incl. deception or bribery)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No effective right to organise</th>
<th>Protected right to organise</th>
</tr>
</thead>
</table>

Worker Negotiation

Even if workers act collectively, they often have less sophisticated skills compared to other stakeholders.

Employers / govts. / brands
- More experienced in negotiation
- Higher education on average
- Able to access enterprise / sector-level data
- More likely to be aware of laws
- Greater financial resources

Workers
- Often lack formal negotiation experience, including strategies to present ‘win-win’ scenarios that can engage employers as allies
- Lower education and literacy on average
- Lack access to data on their workplace, and benchmarks vs. peers
- May not be aware of legal rights / able to access advice
- Constrained financial resources
C&A Foundation funding criteria for Worker Negotiation

IN

• Uphold and strengthen workers’ legal rights to freedom of association and collective bargaining
• The development of leaders, particularly women leaders, within established women’s organizations or labor NGOs
• Initiatives that help workers use data to strengthen collective action
• Support for advocacy groups working to extend these rights and to hold government accountable
• Institutional strengthening and South-South collaboration

OUT

• Direct funding for individual unions
• Factory-by-factory initiatives without path to scale
• Worker initiatives unrelated to strengthening workers’ negotiation and bargaining skills (health, productivity, etc.)
Worker Negotiation Grant Example: Awaj Foundation

Key data
awaj.info
www.impactttlimited.com

Problem
Workers’ voices are often left out of factory decision making and there are few opportunities for them to be involved with workplace improvements.

Objective
By improving their skills, workers will be better placed to participate in productive worker-management communications.

Duration: 2 years

Approach
- Basic instruction in worker cafes include personal finance, leadership, health and/or negotiation skills
- The most committed and talented of these workers will lead efforts to improve working conditions, including engaging in negotiations and collective bargaining
- Awaj Foundation will improve its project management skills

Expected impact
- Bangladesh
- 5,500 workers (mostly female)
- 1,450 workers able to engage in negotiations in a more professional manner
- 30 workers leading efforts to improve working conditions
- Improvements in working conditions attributable to the efforts of trainees
Worker Negotiation Grant Example: Awaj Foundation

Expected impact

- Bangladesh
- 5,500 workers (mostly female)
- 1,450 workers able to engage in negotiations in a more professional manner
- 30 workers leading efforts to improve working conditions
- Improvements in working conditions attributable to the efforts of trainees
Worker Negotiation Grant Example: Semillas, HIP and ProDesc

Key data
www.semillas.org.mx
www.prodesc.org.mx

Problem
Despite a national legal framework protecting workers in Mexico, there are serious challenges to the full and equal enjoyment of human labor rights.

Objective
- Help to amplify worker voice and participation
- Promote industry cooperation to support better working conditions
- Support institutional capacity of grantee organisations

Approach
This initiative aims to promote improved working and living conditions for workers, especially women, though:
- Strengthening the institutional capacity and impact labor rights, with a focus on women-led organizations;
- Creating a community of practice to raise awareness
- Fostering the participation of new actors in Mexico

Expected impact
- Mexico
- 2,000 women leading efforts to improve working conditions
- 30 stakeholders working together, 5 grantee organisations strengthened
- 5 brands making changes to improve working conditions
- 80,000 people reached through dissemination strategies
Worker Negotiation Grant Example: Semillas, HIP and ProDesc

Expected impact

- Mexico
- 2,000 women leading efforts to improve working conditions
- 30 stakeholders working together, 5 grantee organisations strengthened
- 5 brands making changes to improve working conditions
- 80,000 people reached through dissemination strategies
Policy Change and Access to Justice

Development and enforcement of policies that foster good working conditions and uphold legal rights

- Increased accountability for working conditions
- Public Disclosure
- Worker negotiation
- Policy change and access to justice
  - Cross industry collaboration
  - Strong institutions
  - Gender justice
## Policy Change and Access to Justice

While the ILO conventions have been widely ratified, rule of law and enforcement in producing countries is weak

<table>
<thead>
<tr>
<th></th>
<th>Bangladesh</th>
<th>Brazil</th>
<th>Cambodia</th>
<th>China</th>
<th>India</th>
<th>Mexico</th>
<th>Turkey</th>
</tr>
</thead>
<tbody>
<tr>
<td>ILO Convention 87: Freedom of Association and Protection of the Right to Organise</td>
<td>✓</td>
<td>✗</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>ILO Convention 98: Right to organise and collective bargaining</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
</tr>
</tbody>
</table>

**World Justice Project Rule of Law Index 2017/18: Regulatory enforcement score**

<table>
<thead>
<tr>
<th></th>
<th>Bangladesh</th>
<th>Brazil</th>
<th>Cambodia</th>
<th>China</th>
<th>India</th>
<th>Mexico</th>
<th>Turkey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>42%</td>
<td>52%</td>
<td>27%</td>
<td>48%</td>
<td>49%</td>
<td>44%</td>
<td>44%</td>
</tr>
</tbody>
</table>

1 While India has not ratified the ILO core conventions, article 19 of the Indian constitution includes declaration that all citizens have the right to form associations and unions.

2 Regulatory enforcement score assesses extent to which regulations and administrative provisions are enforced effectively, applied without improper influence by public officials or private interests, administrative proceedings are conducted in a timely manner, without unreasonable delays, due process is respected in administrative proceedings, there is no expropriation of private property without adequate compensation (6.5).

Policy Change and Access to Justice
The inadequacy of enforcement results in police, govt. and employer repression of workers and their representatives

China, 2016
Three labour organizers, inducing Zeng Feiyang, Director of the Panyu Migrant Workers Centre are arrested and charged with disturbing the public order and embezzlement. Held for 9 months without trial before pleading guilty and receiving suspended sentences.

India, 2016
Police mount undeclared baton charge on 25,000+ garment workers protesting amendments to the provident fund in Karnataka. Amnesty International documents multiple reports of harassment of peacefully protesting workers.

Cambodia, 2014
Police open fire on garment workers demanding minimum wage increase, killing Kim Phalin, Yann Rithy, Sreng Vibol, and Ouk Pheak, and Sam Ravy, and injuring more than 40. The Cambodian govt. blame the opposition party for the protests.

Bangladesh, 2012
Aminul Islam a garment worker organiser in the Savar and Ashulia districts Bangladesh is abducted and tortured by National Security Intelligence in 2010, and abducted again, tortured and killed in 2012. No arrests have been made.

Turkey, 2011-2016
Texim factory fires 35 members of Turkish Union of Textile, Knitting and Clothing Industry Workers (TEKSIF) in 2011. 20 workers reinstated in 2014 after a long court process, and a further 8 paid compensation. 2015 – 2016 Texim continue to fire union members.

Policy Change and Access to Justice
Brands make efforts to fill the regulatory vacuum; however these efforts are always limited

Voluntary brand efforts are limited:

- **Limited universe of factories**: Mostly first tier, and only at known locations, excluding unauthorized subcontractors
- **Limited ability to detect issues**: Snapshot in time, relies on audits which not suited to proving FoA violations
- **Limited ability to enforce standards**: Depends on voluntary efforts from brand, and exercising sufficient leverage vs. factory

Full universe of factories and violations that undermine working conditions, particularly workers rights to organise and collective bargaining

C&A Foundation focuses on grants that level the playing field across the industry rather than working factory-by-factory
C&A Foundation funding criteria for Policy Change and Access to Justice

**IN**
- Development of new and improved policies in support of public disclosure and/or workers rights to freedom of association and collective bargaining, including initiatives to support government reform and policy enforcement
- Improved enforcement of these policies through:
  - Collaborative efforts to hold governments accountable for enforcement;
  - Legal aid for garment workers exercising their rights to collective bargaining and freedom of association;
  - New and improved dispute resolution mechanisms
  - Public disclosure.

**OUT**
- Direct support for ongoing governmental costs (e.g., payment of labor inspectors)
- Knowledge sharing on policy, without mechanisms to motivate enforcement
- Laws or policies which do not relate to working conditions
Policy Change and Access to Justice Grant Example: BLAST

Key data
Bangladesh Legal Aid and Services Trust www.blast.org.bd

Duration: 2 years

Problem
Since the Rana Plaza tragedy, the Bangladesh government has enforced trade union rights, and introducing mandatory participation and safety committees in factories.

Objective
• Help to amplify worker voice and participation in improving working conditions (especially women)
• Support the development and enforcement of policies that foster good working conditions

Approach
The initiative seeks to re-shape the legal landscape for Bangladeshi garment workers to protect and further their rights; bottom up - through increased access to legal aid services – and at a national level by advocating for further legal reforms, by:

• Extending BLAST capacity to offer mediation
• Providing legal services
• Advocating for continued legal reform

Expected impact
Bangladesh
2500 women leading efforts to improve working conditions by leveraging BLASTs leadership

Improved working conditions and wages for women and men at all tiers of the apparel supply chain

Enhanced role for women in RMG factories and adjacent communities
Policy Change and Access to Justice Grant Example: BLAST

Expected impact

📍 Bangladesh

/problems counted women leading efforts to improve working conditions by leveraging BLASTs leadership

👨‍👩‍👧‍👦 Improved working conditions and wages for women and men at all tiers of the apparel supply chain

👩‍💼 Enhanced role for women in RMG factories and adjacent communities
Policy Change and Access to Justice Grant Example: MSI quick response group

Key data

**Partners:** ETI, FLA, FWF, SAI, WRAP
**Legal advisors:** Foley Hoag LLP

**Problem**
Extreme human right violations in the industry continue to happen because of the lack of effective response. Actors alignment is key.

**Objective**
To better uphold the rights and security of workers by quickly coordinating actions of apparel industry organisations and their members in cases of extreme human rights violations. To coordinate a swift.

**Approach**
All the partner organisations have a designated point person. Any point person can alert the group of situations which meet the following scope principles:
- Situations where national and/or international law has been violated or is likely to be violated,
- Major health and safety accidents that suggest widespread or systemic problems
- Situations where there is a change in law which adversely impacts workers’ rights

The group will initiate immediate legal action in the form of a letter.

**Expected impact**
Global
Procedures in place to have a quick response and mobilize stakeholders around extreme human right violations

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*SOURCE: Betterbuying.org, BGMEA Magazine Dec-Jan 2016*
Policy Change and Access to Justice Grant Example: MSI quick response group

Expected impact

Global

- Procedures in place to have a quick response and mobilize stakeholders around extreme human right violations
## Cross-Cutting Themes

<table>
<thead>
<tr>
<th>Cross industry collaboration</th>
<th>Strong institutions</th>
<th>Gender justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving working conditions is too complex for any single organisation to accomplish alone.</td>
<td>40% of our current funding goes to national organisations. We believe investing in national organizations increases sustainability of our work.</td>
<td>80% of garment workers are women, yet there are far fewer women leaders in producing countries increasing likelihood women workers are poorly represented.</td>
</tr>
</tbody>
</table>

We aim to have 175 stakeholders working together as a result of our grants by 2020.  

We aim to increase this to 65% by 2020.  

We aim to support 115 additional women leading efforts to improving working conditions by 2020.

Our Expected Results

**Expected results**

- Increased public disclosure across the apparel industry
- Increased number of collective bargaining agreements
- A policy and regulatory environment that fosters good working conditions
- Increased industry cooperation
- Improved capacity of organisations working for better working conditions and wages
- Increased women’s leadership to improve working conditions

**Targets (2020)**

- 20 apparel industry public disclosure mechanisms actively used by the industry
- 20 enterprises or national level CBAs based on new approaches that can inform and inspire additional bargaining
- 500 women leaders working to improve working conditions
- 250 industry stakeholders cooperating to improve working conditions
- 30 national organisations’ capacity strengthened to improve working conditions
- 100,000 workers benefiting from improved working conditions
- 5 major policy initiatives that enforce good working conditions

**Assumptions that must be in place**

- Public Disclosure and traceability lead to increased accountability
- Worker-management negotiations and collective bargaining are enablers of good working conditions
- Formalization leads to improvement
- All industry stakeholders are responsible for improving supply chains
- Many workers in the garment and textile industry are employed in small and medium enterprises
Key Milestones through 2020

2014 - 2016

- Defined three focus areas and three cross cutting themes within Working Conditions programme
- Developed Working Conditions strategy, building on analysis of field to date
- Built portfolio with increasing alignment to strategy
  - 16 out of 22 grants were strategy-aligned
  - Developed grant pipeline through existing network and open call for proposals

2017 - 2018

- Laying foundations for systemic change
  - Develop new ideas and partnerships, establishing reputation as go-to partner
    - Communicate strategy (and over time results)
    - Co-host convenings and speak at conferences
    - Contribute to policy conversation
  - Establish proof points and scale successes
    - BRAC and Transparentem pilots become multi-year programmes
    - Workers and their representatives engage in data-based negotiations
  - Invest in enabling environment with emphasis on national capacity-building and industry collaboration

2019 - 2020

- Growing impact and leadership
  - Continue to extend successful pilots to multi-year programmes
  - Increase use of public data to improve working conditions
    - Support the merging of public data in open-source platform
    - Workers use data to negotiate and win concessions (new CBAs)
    - Transition successful disclosure initiatives to revenue generation models to protect and sustain impact long term
  - Increase # of female workers leading efforts to improve conditions
    - List of concrete changes achieved through worker negotiations assisted by our grants
  - At least 175 organizations collaborating as a result of our grants (brands, NGOs, govt., unions, suppliers, investors)
Resourcing Plans

Investments in policy change and access to justice will ramp up over the next three years

Budget projection (EUR m)

Team Structure

Jill Tucker Head of Supply Chain Innovation and Transformation (Hong Kong)

Janet Ho Team assistant (Hong Kong)

Stephen Birtwhistle Programme Manager (Mexico)
Naureen Chowdhury Programme Manager (Bangladesh)
Tuba Faiza Programme Officer (Bangladesh)
Sarah Ong Programme Manager (Hong Kong)
Ipsita Sinha Programme Manager (India)
Mariana Xavier Programme Coordinator (Brazil)

Team and portfolio size expected to remain stable
- Project team size: 8 permanent team members
- Projected number of partners: ~25 active grantees
# Risk and Risk Mitigation

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Mitigating Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stakeholders lack appetite for working conditions improvements as immediate costs outweigh incentives for change</td>
<td>Public Disclosure and worker negotiation provide non-financial incentives</td>
</tr>
<tr>
<td>2</td>
<td>Increase in job quality can increase unemployment</td>
<td>No need for mitigation. Accept as positive, not negative, outcome.</td>
</tr>
<tr>
<td>3</td>
<td>Brands unwilling to fully embrace public disclosure due to fear about reputational risk.</td>
<td>Greater acceptance when public disclosure is systematic, viewed as fair and includes a large number of similar stakeholders.</td>
</tr>
<tr>
<td>4</td>
<td>Workers unwilling to step up as leaders due to fear of losing their jobs and other repercussions.</td>
<td>Accompany worker negotiation grants with legal aid / protection grants</td>
</tr>
<tr>
<td>5</td>
<td>Coordination and collaboration among a critical mass of stakeholders is difficult to achieve, but necessary for change.</td>
<td>Emphasize in calls for proposals that grants involving collaboration will be prioritized, and seek out grants that involve multiple stakeholders.</td>
</tr>
</tbody>
</table>

![Risk Mitigation Matrix](image)
## Working Conditions Programme Portfolio Map (Nov 2018)

### Increasing accountability for improving working conditions across the apparel industry

<table>
<thead>
<tr>
<th>Promote industry cooperation</th>
<th>Public disclosure of working conditions, purchasing practices &amp; supply chains</th>
<th>Worker negotiation and leadership in improving conditions (esp. women)</th>
<th>Build strong institutions</th>
<th>Policy change and access to justice, upholding worker rights especially FoA and CB</th>
</tr>
</thead>
<tbody>
<tr>
<td>ILRF, worker-led monitoring, €636k</td>
<td>MFO, Financial Diaries, €1,193k</td>
<td>BCWS, using social media, €85k</td>
<td>Semillas, HIP &amp; ProDESC, €437k</td>
<td>American Bar Association, €404k</td>
</tr>
<tr>
<td>FASE €105k</td>
<td></td>
<td></td>
<td>Solidar Suisse, €200k</td>
<td>CARE-TURC, €499k</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>MSN, €100k</td>
<td></td>
</tr>
</tbody>
</table>

### Actor changing decisions

**Workers** leading efforts to win improvement in working conditions

**Factories** making changes to improve working conditions

**Brands** making changes to

**Consumers** changing behavior based on working conditions

**Governments** changing policy to enable improved working conditions

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**NOTE:** This map excludes 5 grants which fall outside the strategy: Higgevaluation (Global), Girl Determined (Myanmar), Scale Matters Phase II (Global), HKU (China), Rede Astra (Brazil)

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### Contributions to gender justice KPI(s)

- May contribute to gender justice KPI(s)

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Working Conditions Programme Portfolio Map (Nov 2018)

Increasing accountability for improving working conditions across the apparel industry

Promote industry cooperation
- ILRF, worker-led monitoring
- MFO, Financial Diaries

Public disclosure of working conditions, purchasing practices & supply chains
- BCWS, using social media
- Semillas, HIP & ProDESC
- American Bar Association
- SolidarSuisse
- CARE-TURC
- MSN

Worker negotiation and leadership in improving conditions (esp. women)
- FASE €105k

Build strong institutions
- Ethos
- CLB Fedina
- BSR HER
- Onion Dev
- Awaj
- SC
- Univ. of Sussex, worker compensation

Policy change and access to justice, upholding worker rights especially FoA and CE
- BHRRRC-Central-CCHR

Actor changing decisions
- Workers leading efforts to win improvement in working conditions

Factories making changes to improve working conditions
- Alinha
- Open Apparel Registry
- CDM
- Transparetem
- Abtex
- Wage Indicator
- ETI
- BRAC, RMG map
- Made In Equality
- Better Buying
- Driving Transparency ICAR

Brands making changes to
- Fashion Revolution
- Fashion Revolution Brazil

Consumers changing behavior based on working conditions
- Fashion Revolution

Governments changing policy to enable improved working conditions
- BHRRRC

NOTE: This map excludes 5 grants which fall outside the strategy: Hiqgevaluation (Global), Girl Determined (Myanmar), Scale Matters Phase II (Global), HKU (China), Rede Asta (Brazil)
Our Theory of Change

**PROBLEM**

- Worker exploitation and unsafe working conditions persist despite sector efforts
- Power relations between actors in the chain are unequal
- Increased cost of improved working conditions leads to migration of production

**ROOT CAUSES**

- Supply chains are fragmented and traceability is a challenge

**STRATEGIES**

- Increase accountability, improve purchasing practices and supply chains
- Amplify worker participation in improving working conditions, especially women
- Support development and enforcement of policies that foster good working conditions
- Support institutional capacity of partner organisations
- Promote industry cooperation

**OUTCOMES**

- Increased transparency of working conditions, buying and supply chain
- Increased number of collective bargaining agreements
- Increased women’s leadership
- Policy and regulations that foster good working conditions

**KPI**

- Number of disclosure and transparency mechanisms
- Number of collective bargaining agreements
- Number of women leading efforts to improve conditions
- Number of new or improved policies
- KPI: Number of workers benefiting from better working conditions and wages

**RESULT**

Improved working conditions and wages for women and men at all tiers of the apparel supply chain and across all types of factories.
C&A Foundation
Thank you