



CHECKING UP ON LABOUR RIGHTS

A basic assessment tool for
the labour policies and practices
of international companies

Written by Sarah Rennie



OXFAM



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BACKGROUND

The United Nations (UN) Framework for Business and Human Rights states that all businesses have a responsibility to respect the human rights of individuals and of the communities impacted by their business operations. As part of this responsibility, businesses must ensure that the women and men employed in their workplaces and supply chains can access their basic employment rights. These rights are contained in International Labour Organisation (ILO) and UN human rights conventions, and include the right to form unions and engage in collective bargaining, the right to safe and decent working conditions and the right to a decent wage. International businesses, whose supply chains traverse diverse countries, cultures and legal jurisdictions, need robust systems in place in order to uphold these obligations.

Oxfam has prepared this tool in order to help companies (and particularly companies with multi-national supply chains) assess their current policies and practices in relation to workers' rights. The tool highlights some of the most important elements of responsible labour policy and practice. The tool does not, however, provide a model code of conduct, nor does it provide comprehensive guidelines around how to deal with specific labour problems across complex and diverse supply chains. To access more in-depth information you will find a list of resources at the end of this document.

HOW COMPANIES SHOULD USE THE CHECKLIST

The checklist allows you to respond to each indicator depending on whether you have a policy on the issue, the extent to which that policy is implemented and whether that implementation has been independently verified. This checklist is only useful if it is used honestly; ideally responses to each of the criteria should be supported by credible evidence, including independent audit reports and external reports on company practices. A rigorous assessment process should actively involve workers and their representatives from within your company's supply chain, as well as independent labour experts with local or sectoral experience. Such an assessment may help your company to identify urgent labour issues and provides a good starting point for inclusive dialogue with other supply chain stakeholders.

As mentioned above, this checklist does not contain all the answers, but it will help your company to identify some of the key issues that need to be addressed to ensure it can uphold the human rights of women and men employed in its supply chain.

ISSUE	WHY IT MATTERS	COMPANY POLICY/PROCEDURE	POLICY EXISTS, IMPLEMENTATION IN PROGRESS (VERIFIED IN X% OF SUPPLIERS/ SUPPLY CHAIN)	POLICY EXISTS, NO SYSTEMATIC IMPLEMENTATION	NO POLICY EXISTS, NO SYSTEMATIC IMPLEMENTATION
SUPPLY CHAIN TRANSPARENCY	<p>Transparency is a crucial first step in ensuring that workers' rights are upheld. Without key information, such as the names and locations of suppliers, it is very difficult for independent parties to verify supply chain labour conditions. Similarly, without information about company codes of conduct and local labour laws, it is difficult for workers to understand and protect their rights. Information sharing is a pre-requisite to healthy, fair and transparent</p>	<p>Your company publishes its labour rights policies and code of conduct for suppliers, based on the International Labour Organisation (ILO) and core human rights conventions (see list at the end of this document).</p>			
		<p>Workers in your company's supply chain are made aware of any code of conduct and can access it in their own language.</p>			
		<p>Your company publishes information about how it deals with worker grievances.</p>			
		<p>Your company publishes and regularly updates the names and addresses of its first and second tier supplier factories/entities.</p> <p>Your company records and publishes information about workers including:</p> <ul style="list-style-type: none"> • the number of workers in the supply chain, • the percentage of workers who are employed on short term contracts rather than as permanent employees, • the number of female workers in the supply chain, • measures taken to ensure women's access to employment/positions throughout supply chain including senior positions. 			
		<p>Your company publishes the results of its supply chain audits, including gaps in implementation of your code of conduct and any commitments to address them.</p>			

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GRIEVANCE MECHANISMS	Workers need to have access to a complaints mechanism which allows them to safely and confidentially report on any violations at their workplace. Effective and timely response to such complaints is crucial to demonstrating a commitment to uphold workers' rights. By showing suppliers that the company is serious about workers' rights, an effective complaints mechanism can also deter future violations.	Your suppliers have a grievance handling system in place. Your company also maintains its own grievance mechanism so that when problems are not addressed by a particular supplier, workers can report violations of their rights/the company code of conduct directly to your company. Best practice is to provide a variety of ways to report complaints, for example, via a hotline, SMS or email. Workers should have the option to submit their complaints on an anonymous basis.			
		Grievances submitted are consistently investigated and resolved in a timely manner (eg worker receives acknowledgement within one week, matter investigated within two weeks and remedial action is developed within three weeks).			
		Workers are aware of the grievance procedure and can access it in their native language.			
		Workers' representatives are consulted on appropriate grievance procedures and are included in the remediation of grievances.			
		An internal employee suggestion system is established in supply chain, eg through a collection box, appointed person or contact number.			
		A special grievance procedure is in place for cases of sexual harassment, including referral to specially appointed women or women's committees.			

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VERIFICATION OF WORKING CONDITIONS	<p>Voluminous auditing does not necessarily translate to concrete improvements in supply chain working conditions, but smart and strategic audits, that engage with local workers and their representatives, can deliver helpful results and effective recommendations.</p>	<p>Supplier implementation of your company's code of conduct, international labour standards and local labour laws is regularly checked by an independent and credible third party.</p>			
		<p>Auditing incorporates confidential, off-site interviews with workers, including female workers, so they can speak honestly and openly about working conditions. Female workers should have the opportunity to be interviewed separately, by female auditors, to ensure they feel comfortable in speaking about all issues.</p>			
		<p>Auditors have a comprehensive understanding of applicable international labour standards, your company's code of conduct, local labour laws, and compliance risks specific to the local area.</p>			
		<p>A system exists for risk assessing suppliers to identify where in-depth assessments are needed.</p>			
		<p>Wherever possible auditing practices should involve workers' organisations and/or local labour NGOs. Worker representatives should be involved in preparing audits and following up on implementation of recommendations. They should also be regularly consulted on known risks and issues, proposed remediation for specific and systematic issues in the supply chain. The results of investigations and remedial action should also be shared with these organisations.</p>			

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PURCHASING PRACTICES THAT SUPPORT WORKERS' RIGHTS	Even the most comprehensive labour policies are unlikely to succeed unless they are supported by real action and concrete changes in purchasing behaviour. Companies must demonstrate that they will actively prioritise and reward suppliers and contractors who respect and uphold workers rights.	Your company's CSR or compliance department and the department responsible for procurement or contracting communicate frequently and work together to ensure that your company's commercial behaviour supports human rights compliance.			
		Standard contracts include a clause stating that the supplier must comply with your company's supply chain policy, standards and any other relevant labour rights agreements.			
		Labour rights performance is taken into account in making all purchasing/ sourcing decisions.			
		Attitude and ability in addressing labour standards is considered when selecting suppliers. Factories/ plantations or other workplaces where democratic unions operate are preferred.			
		Lead times for orders from suppliers are reasonable, take into consideration existing human resources and do not result in forced overtime or undue pressure for workers to undertake overtime.			
		Progress on implementation of labour standards is rewarded through commitments to long-term sourcing relationships or other incentives.			
		Your company has a strategy to assist suppliers who are failing to uphold workers rights. When a violation is exposed, your company works constructively towards addressing non-compliance rather than simply withdrawing orders ("cut and run").			

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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">WORKERS IN SUPPLY CHAIN ARE PAID A LIVING WAGE</p>	<p>In many countries the minimum wage is considered a “poverty wage”. This means that even though someone might be working full time every week on the minimum wage, they are still not earning enough to lift themselves out of poverty.</p> <p>The OECD guidelines state that when multinational enterprises operate in developing countries, where comparable employers may not exist, suppliers provide the best possible wages, benefits and conditions of work. These must be at a minimum adequate to satisfy the basic needs of the workers and their families. This benchmark is also referred to as a living wage — a standard working week wage (without overtime) which is enough for a worker and their family to meet their basic needs and make savings for the future.</p>	<p>Workers receive a wage for a regular working week (without overtime) which is enough for a family to meet its basic needs and make savings for the future. The process for determining this wage should be discussed and agreed with local unions and labour organisations.</p>			
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FREEDOM FROM FORCED LABOUR		Employment is freely chosen and adequately compensated.			
	Efforts to universally abolish slavery span back for thousands of years yet around the world millions of people are still forced to toil in hazardous and degrading jobs. Companies must be vigilant to ensure that their supply chains are free from all forms of forced labour.	Overtime is freely chosen, recognised and compensated in accordance with the law.			
		Your company has policies to protect migrant workers, who are more vulnerable to forced labour and other exploitation. Specifically employers should not retain possession or control of workers' identification and other documents like passports, identity papers, work permits, and other personal legal documents. Employers should not use recruitment agencies that require workers to pay recruitment and/or employment fees.			

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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">NO CHILD LABOUR</p>	<p>Child workers are the most vulnerable to exploitation and when they are also denied an education they lose their best pathway out of poverty. The UN Convention of the Rights of the Child provides that children must be protected from work that is dangerous and may harm their health or education as well as any activities that harm their development.</p> <p>It's important to remember that when adults are employed under decent conditions their children do not have to work; employers who use child labour often do so to avoid fulfilling their obligations to provide decent work to adults.</p>	<p>Your company's suppliers do not employ people under the minimum age of 15 years (in accordance with ILO Convention 138) and they pay workers a living wage so that workers can support their children. Employment of a young person must be suitable for his or her physical, emotional and developmental capacity. Work must also be carried out under conditions with appropriate work safety standards to protect him or her from exposure to potential hazards.</p>			
		<p>Effective communication mechanisms (as discussed in grievance mechanism section) exist within the supply chain to allow workers to report on child labour. If the risk of child labour in the sector is high your company should develop a strategy to deal with that risk, in consultation with local worker organisations and organisations with expertise in child welfare.</p>			
		<p>Where child labour is found to exist, your company consults with worker organisations and credible child welfare organisations in developing a plan for redress, with primary consideration being in the best interests of the children involved.</p>			

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FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	Freedom of association is a core labour right. It protects the ability of workers to come together, organise, collectively negotiate and bargain for better wages and conditions. Without this freedom it is very difficult for workers to articulate their concerns and needs. Companies who wish to constructively engage with workers, understand their perspectives and develop mature and productive employment relationships, must uphold this right.	Workers making your company's products enjoy freedom of association and the right to collective bargaining.			
		Workers are able to join the union of their choice.			
		Workers and their representatives are given opportunities to develop knowledge about their rights — including training in their own language on their labour rights under local law, international standards and your company's own Code.			
		When deciding which supplier/company and region/country to source from, your company considers freedom of association and prioritises companies and regions that respect and uphold freedom of association and the right to organise.			
		If or when operations take place in regions where there are legal restrictions on the formation of trade unions, your company facilitates parallel means of dialogue and bargaining.			
		Your company keeps records of the percentage of workers in its supply chain covered by collective bargaining agreements.			

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FREEDOM FROM DISCRIMINATION	<p>Freedom from discrimination is a core labour right. Discrimination is both morally unacceptable and illegal on numerous grounds including ethnicity, race, gender, nationality, religion, political affiliation, sexuality and trade union membership.</p> <p>See also: grievance mechanism, page 11.</p>	<p>Workers are free from discrimination of any kind (gender, race, ethnicity, religion etc) whether in employment or opportunity, including wages, working conditions, and social benefits.</p>			
		<p>Female workers receive all maternity entitlements and protection in line with national law and practice. Maternity leave does not result in any discrimination, loss of seniority or deductions of wages.</p>			
		<p>Workers, particularly women and minorities, are protected from all forms of workplace harassment or intimidation.</p>			
		<p>Specific measures exist to identify and address sexual harassment</p>			
JOB-SECURITY AND PERMANENT CONTRACTS	<p>Precarious, insecure work does not provide the conditions and long-term security that allows workers to obtain secure, sustainable livelihoods and escape cycles of debt and poverty. Precarious work is marked by low wages, few benefits, a lack of collective representation, and little to no job security. By contrast, secure work provides workers with the means to take greater control of their lives and plan for their futures.</p>	<p>The use of limited-duration contracts (short-term, temporary, seasonal, day-labour and casual labour) is banned or restricted to exceptional circumstances which are temporary in nature. All workers have fair and predictable pay and hours of work and access to social protection.</p>			
		<p>Outsourcing to disguise employment relationships, bogus self-employment, bogus training schemes, sub-contracting and agency contracts are prohibited for all core functions.</p>			

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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">WORKPLACE HEALTH AND SAFETY</p>	<p>All workers are entitled to a safe, healthy and humane working environment. This means taking proactive measures to counter health and safety risks. Prevention is always better than cure.</p>	<p>Workplaces are comprehensively assessed for health and safety risks and adequate safety mechanisms are installed and implemented.</p>			
		<p>Information and training on the safety and health standards relevant to the workplace is provided to all workers.</p>			
		<p>Procedures exist for the rapid resolution of reported hazards.</p>			
		<p>Healthy working conditions are maintained, including adequate ventilation, safe drinking water and hygienic sanitation.</p>			

CHECKING UP ON LABOUR RIGHTS RESOURCES

GENERAL RESOURCES

Clean Clothes Campaign,
Full Package Approach to Labour Codes of Conduct, 2008.

Clean Clothes Campaign,
Looking for a Quick Fix: How Weak Social Auditing is Keeping Workers in Sweatshops, 2005.

Oxfam International,
Better Jobs in Better Supply Chains, 2010.

Oxfam International,
Gender Equality: it's your business, 2011.

Maquila Solidarity Network,
What Can Your Company Do To Ensure Your Products Are Made Under Humane Conditions?, 2003.

Merk, Jeroen,
From Code Compliance to Fair Purchasing Practices: Some Issues for Discussion, 2005.

UN Global Compact,
Supporting Worker Empowerment — Including Support for Workers' Assertion of their Human Rights — in the Supply Chain, 2012.

RESOURCES ON THE LIVING WAGE

ALaRM, Sector Specific Living Wage for Sri Lankan Apparel Industry Workers [Prepared for ALaRM by R.P.I.R. Prasanna and B. Gowthaman, 2006], available at:
www.choike.org/documentos/living_wage_report_slk.pdf

TWARO-ITGLWF, Living wage survey for Cambodia's garment industry (February 2009), available at:
www.fes.or.id/fes/download/Survey_Result_Cambodia.pdf

WRC, Sample Living Wage Estimates: Indonesia and El Salvador (2005), available at:
www.asiafloorwage.org/documents/Resources-onwages/Background_reading/onwage/Sample%20Living%20Wage%20Estimates.pdf

WRC, Living Wage Analysis: Dominican Republic, available at:
www.workersrights.org/linkedddocs/WRC%20Living%20Wage%20Analysis%20for%20the%20Dominican%20Republic.pdf

Asia Floor Wage, Stitching Decent Wages Across Borders: The Asia Floor Wage Proposal (2009) available at:
www.jwj.org/campaigns/global/tools/asia_floor_wage.pdf

INTERNATIONAL HUMAN RIGHTS STANDARDS	
Human rights	United Nations Universal Declaration of Human Rights
	United Nations International Covenant on Civil and Political Rights
	United Nations International Covenant on Economic, Social and Cultural Rights
Business and human rights	United Nations Guiding Principles on Business and Human Rights
	OECD Guidelines for Multinational Enterprises

ILO CORE LABOUR STANDARDS	
Elimination of forced labour	C29 Forced Labour Convention, 1930
	C105 Abolition of Forced Labour Convention, 1957
Freedom of association and collective bargaining	C87 Freedom of Association and Protection of the Right to Organise Convention, 1948
	C98 Right to Organise and Collective Bargaining Convention, 1949
Equality of opportunity and treatment	C100 Equal Remuneration Convention, 1951
	C111 Discrimination (Employment and Occupation) Convention, 1958
Abolition of child labour	C138 Minimum Age Convention, 1973
	C182 Worst Forms of Child Labour Convention, 1999





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