

Practical guidance for brands on human rights risks within the textile supply chain in North Macedonia

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List of abbreviations

| | |
|--------|--|
| CB | Collective Bargaining |
| CM/CMT | Cut & Make / Cut, Make & Trim |
| CSR | Customer Support |
| FES | Friedrich Ebert Stiftung |
| FoA | Freedom of Association |
| FW | Fair Wear Foundation (Fair Wear) |
| GDP | Gross Domestic Product |
| GT | Glasesn Tekstilec |
| HRDD | Human Rights Due Diligence |
| ILO | International Labour Organization |
| NGOs | Non-Governmental Organisations |
| OECD | Organisation for Economic Co-operation and Development |
| OHS | Operational Health and Safety |
| RBC | Responsible Business Conduct |
| RMG | Ready Made Garments |
| SSM | Federation of Trade Unions of Macedonia (CCM) |
| TU | Trade Union |
| UN | United Nations |
| UNGP's | UN Guiding Principles on Business and Human Rights |
| WEP | Workplace Education Programme |

1. Introduction

This guide aims to improve, and support, the human rights due diligence of international clothing companies by working aligned with the [OECD Due Diligence Guidelines for Responsible Supply Chains for the garment industry and Footwear Sector](#).

This document gives an overview of common labour rights risks and violations in the garment and footwear sector in North Macedonia. The recommendations and references are addressed as guiding principles to support international brands to identify, prevent, mitigate, and account for how they address their impacts on human rights within the supply chain in North Macedonia. Guiding principles are based upon OECD Human Rights Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector and Fair Wear Foundation guidance for member brands.¹ These principles are considered to provide a strong link to clothing companies' purchasing practises that should facilitate remedial action toward identified risks and violations. The main purpose of this document is to assist companies adopt the Human Rights Due Diligence (HRDD) policies applicable to their operations within the supply chain.

This guide can be best utilised by clothing companies and garment factories (suppliers). The implementation of this guideline may vary across supply chains due to the difference in factories size, number of clothing companies/buyers, complexity of suppliers, location, culture, the use of homeworkers, etc. Clothing companies' can also use this document to support their suppliers in the implementation of national and international regulations in practise.

The implementation of this guidance by clothing companies should drive the factory management to improve workplace conditions for workers, lower the risk of conducting business, and lower the cost implications. At the same time, it can increase productivity and safety at work, both of which have a positive impact on company competitiveness, reputation of the clothing companies or supplier, and an increase in job satisfaction among workers. Suppliers can use this guidance to demonstrate to workers and clothing companies the steps they've taken to prevent and address violence and harassment, among other potential issues. This Guidance can also serve as a reference for stakeholders to understand the measures enterprises are recommended to take with regard to managing their impacts locally.

The given guidance in this document is based on the principles, recommendations and standards contained in the OECD Guidelines. As such, it is intended to clarify existing expectations under the OECD Guidelines in relation to due diligence in the garment and footwear sector but is not intended to create any additional expectations. In relation to human rights, the OECD Guidelines and this Guidance are intended to align with the UN Guiding Principles on Business and Human Rights (UNGPs) and the relevant ILO Conventions and recommendations.

The information in this document promotes ensuring that the operations of enterprises are in harmony with government policies, strengthening the basis of mutual confidence between enterprises and the societies in which they operate and reducing the negative impacts of an enterprise's activities. Respecting national and local legislations is the first step of responsibility when international clothing companies build business

1. Fair Wear HRDD policy is built on several international guidelines: the United Nations Guiding Principles on business and human rights (UNGP, 2011); The OECD Guidelines for Multinational Enterprises (2011), the OECD Due Diligence Guidance for Responsible Business Conduct (2018) and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (2017).

relationships within their supply chain. In this regard, the provided recommendations and references should not be understood as a substitute for, nor should they be considered to override, domestic law and regulation. For specific cases guidance may be broader in scope than domestic laws and regulations in many areas, thus they should not and are not intended to place an enterprise in situations where it faces conflicting requirements.

We expect that this guidance will encourage clothing companies to review their own practises to avoid negative impact, conduct a specific factory risk assessment, perform a prioritisation, and accordingly engage in prevention and improvement. Due diligence should be ongoing, proactive, and reactive and applied with flexibility and should not lead to a 'tick the box' approach.

This guidance is a joint initiative, developed in partnership between Fredrich Ebert Stiftung and Fair Wear Foundation, in collaboration with a local labour rights organisation for workers' rights in the textile sector; Glasen Tekstilec.

Fair Wear Foundation

Fair Wear Foundation (Fair Wear) is an independent, not-for-profit foundation headquartered in Amsterdam, the Netherlands. Its mission is to cooperate with brands, factories, and stakeholders in improving working conditions globally within the clothing and textile industries. Since being founded in 1999, Fair Wear have collaborated its own mission with the expertise of trade unions, non-governmental organisations (NGOs) and business associations to achieve sustainable and replicable improvements within the clothing and textile industries.

Fair Wear Foundation's overall vision of success is a world where workers in the garment industry see their rights to safe, dignified, properly paid employment realised. To achieve this goal, it is necessary that;

- › Brands continuously improve their internal mechanisms, including their purchasing practises,
- › Brands—in cooperation with their suppliers and trade unions—systematically and effectively prevent, mitigate, and remediate risks and violations of labour rights throughout their supply chains,
- › Policy makers and regulatory oversight organisations create an enabling environment for the effective enforcement of labour rights.

Fair Wear promotes a supply chain approach of 'shared responsibility' to social compliance in the global garment sector. We believe the management decisions of clothing brands have an enormous influence on factory conditions. Fair Wear has a unique member verification methodology, the [Brand Performance Check](#). During a performance check, Fair Wear investigates the level of integration of social compliance into the core business practises of the member company and assesses how the management and purchasing practises of the brand support the [Fair Wear Code of Labour Practises](#).

Fair Wear has been active in North Macedonia since 2004. According to the latest Fair Wear Annual Report, 12 active Fair Wear member companies' source from 46 Macedonian suppliers. Fair Wear's core in-country activities in North Macedonia are factory audits, the Workplace Education Programme (WEP) basic training, and the functional complaints helpline which has been operating since 2005.

Glaseren Tekstilec

Glaseren Tekstilec is a labour rights organisation located in Stip, North Macedonia, and since 2017, have been working on recognising and affirming the workers' challenges, and the violation of human and workers' rights in the textile factories. Glaseren Tekstilec is a grassroots organisation that advocates workers' rights on a daily basis. They work towards raising the awareness of workers through education, debates, conferences, seminars, and other activities. In the last years the organisation participated in the preparation of laws and other normative acts and regulations from the areas of interest of the organisation and the workers from the private sector, with emphasis on the textile, leather, and shoe industry. Glaseren Tekstilec, works directly to promote human rights, workers' rights, access to justice for marginalised groups, protection against discrimination, and equal pay for equal work through the programmes and projects it implements. The focus of the association is women's rights, given that 90% of employees in the textile industry are female.

2. How to read this guide

The country risks and violations of workers' rights given in this document reflect available data from [Glaseren Tekstilec](#) and the findings from [Fair Wear](#) works in the country.

The common violations of workers' rights in the last 3 years are identified as high-level country risks. In this document 'risk' refers specifically to the risk of harm to human rights in the world of work, as defined by OECD guidelines. The country specific risks are categorised under the eight labour standards of the Fair Wear Code of Labour Practices (or Labour Standards), which are derived from ILO conventions and the UN's Declaration on Human Rights. This means that the Fair Wear Code of Labour Practices is based on internationally recognised standards established through tripartite negotiations.

Description (examples) for each identified risk and violation of labour rights is categorised under each code of labour practises. The description gives qualitative clarification of examples of violations reported by the workers to the labour rights organisation, consultation with local stakeholders and media, or collected as a finding during the Fair Wear audits.

Risks and violations are analysed based on the level of potential impact and likelihood (frequency of occurrence). The potential impact of an outcome is denoted by criteria² on severity of impacts judged by their scale, scope, and irremediable character. For example³: a) Scale-gravity of the adverse impact⁴ - How serious is the harm? b) Scope: number of individuals that are/will be affected - How widespread is the harm from a risk? and c) Irremediable character: limits on the ability to restore if the harm occurs, can it be put right? While severity of the risk is relative and not predefined, it is used a pragmatic approach to rate the impact on a three-point scale, ranging from Very High, High, and Medium. Each risk is analysed from the point of

2. According to the OECD, 'severity of impacts will be judged by their scale, scope, and irremediable character. Severity is not an absolute concept, and it is context specific'. (OECD Due Diligence Guidance for Responsible Business Conduct, 2018)

3. The Shift Project, an expert organisation on the UN Guiding Principle on Business and Human Rights, provided further guidance on prioritisation based on the principle.

4. Adverse impact - In the context of the OECD Guidelines, adverse impacts can be considered harmful influences on matters covered by the OECD Guidelines (e.g. child labour, discrimination, hazardous chemicals, etc.)

probability (frequency of occurrence) based on the data collected. For convenience, the likelihood is categorised as: (I) frequent; (II) sometimes; (III) rarely.

For each labour standard, the recommendation and reference⁵ guiding clothing companies' action have been provided and, where applicable, references to the relevant and/or available tools and instruments have been given.

Generally applicable recommendations to all risks that an enterprise may face in its own operations, and in its supply chain, are summarised at the end of this document. They demonstrate viable recommendations on purchasing practises, which are closely linked to guidance from clothing companies for future action, remediation, and prevention, aligned with OECD guidelines and Fair Wear guiding documents.

3. Country Overview

The Republic of North Macedonia, located in Southeast Europe is an upper middle-income country that has made great strides in reforming its economy over the past decades. More, however, needs to be done to generate economic growth and improve living standards for all. The economy is vulnerable to developments in Europe because of strong banking and trade linkages - and reliance on regional integration and progress towards EU membership for sustained economic growth. Around 2 million people reside in North Macedonia, with a large proportion of the workforce still trapped in low-productivity jobs in the garment industry and agriculture. North Macedonia ranks 131st out of 230 countries in the world in terms of GDP⁶.

SUMMARY OF THE IMPORTANCE OF THE GARMENT INDUSTRY FOR THE COUNTRY

The garment industry in North Macedonia significantly contributes to economic development in the country and is one of the most developed and diversified sectors of the country's economy in terms of industrial production, employment, and export earnings. The garment industry is the second largest industrial sector after Metallurgy and accounts for 2.3% of gross domestic product (GDP). The industry represents 1,076 companies which are actively involved at various levels of production, employing approximately 40,000 workers, and representing 9% of the country's exports in 2020⁷. The most important export destination, with more than 60% of exports, is Germany, followed by the Netherlands, Greece, Turkey, Austria, Bulgaria, the United Kingdom, Switzerland, Italy, and Belgium⁸. Less than 15% of companies can offer a 'complete package', as most production is organized according to the Cut and Make (CM) or Cut, Make, and Trim (CMT) system for foreign markets⁹. The Macedonian garment industry, however, represents less than 1% of global textile exports worldwide.

5. Given guiding principles are summarised and based on the OECD due diligence guidance for responsible supply chains in the garment and footwear sector and Fair Wear Foundation guiding documents and polices for member brands

6. Fair Wear Foundation, Country Study North Macedonia

7. http://makstat.stat.gov.mk/PXWeb/pxweb/mk/MakStat/MakStat_NadvoresnaTrgovija_KumulativniPod/210_CPA_godisni_ml.px/table/tableViewLayout2/?rxid=46ee0f64-2992-4b45-a2d9-cb4e5f7ec5ef

8. World Integrated Trade Solution (WITS), North Macedonia Textiles and Clothing Exports by country in \$US Thousand 2018, accessed November 2020;

9. Agency For Foreign Investments And Export Promotion Of The Republic Of North Macedonia, Business Climate and Investment Opportunities in Republic of North Macedonia, Textile sector, accessed December 2020, <https://www.infoaid.com/wp-content/uploads/2019/09/NORTH-MACEDONIA.pdf>.

The competitive export advantages of the North Macedonian garment industry are:

- › Short time period from order to delivery;
- › Ability to produce small orders at the same prices as big orders;
- › Quality of performance;
- › Good transport and logistics services.

The North Macedonian textile export portfolio is not very diverse and although the product types are at the end of the textile production chain, they do not bring high added value. In addition, ready-made garments are produced by a small number of factories on semi-finished imported products that require intensive labour.

INTERNATIONAL STANDARDS AND POLICIES

Examples of international standards on responsible business practises applicable for the enterprises operating with textile supply chain for North Macedonia include:

- › [ILO labour standards](#)
- › [Multinational Enterprise Declaration \(ILO\)](#)
- › [United Nations Guiding Principles on business and human rights \(UNGP, 2011\)](#)
- › [OECD Guidelines for Multinational Enterprises \(2011\)](#)
- › [OECD Due Diligence Guidance for Responsible Business Conduct \(2018\)](#)
- › [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#)
- › [Fair Wear Code of Labour Practises.](#)

Companies involved in global supply chains are increasingly required to meet labour and environmental expectations. This is done through Responsible Business Conduct (RBC) and Corporate Social Responsibility (CSR) frameworks at the global level, through national legislation in North Macedonia, and through private compliance initiatives, in addition to compliance with national laws.

As such, companies are exposed to due diligence requirements, social audits and supplier codes of conduct designed to supplement public governance systems. For companies, especially those exporting to international markets for the first time and without in-house staff to deal with social responsibility and compliance issues, this can be a difficult issue to manage.

According to the employers' associations, in recent years suppliers from North Macedonia have faced an increased call to prove that labour rights are respected in line with local and international standards, asking suppliers to undergo social audits.

The most recognised standards and codes on human and labour rights that have been required by international clothing companies to adhere to were derived from the following international initiatives:

- › [Fair Wear Foundation](#)
- › [Amfori - trade with purpose](#)
- › [Ethical Trading Initiative \(ethicaltrade.org\)](#)
- › [German Partnership for Sustainable Textiles](#)
- › [Fair Labour Association](#)
- › [Social Accountability International \(SAI\) SA8000](#)

The eight fundamental ILO conventions on labour rights

- › Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- › Right to Organise and Collective Bargaining Convention, 1949 (No.98)
- › Forced Labour Convention, 1930 (No. 29) (and its 2014 Protocol)
- › Abolition of Forced Labour Convention, 1957 (No. 105)
- › Minimum Age Convention, 1973 (No. 138)
- › Worst Forms of Child Labour Convention, 1999 (No. 182)
- › Equal Remuneration Convention, 1951 (No. 100)

Details on most common codes/standards derived from 8 ILO fundamental conventions on labour rights¹⁰ that are required by international brands to compile with among Macedonian suppliers are given in the [Annex 2: Additional information](#)

10. <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>

4. Country Specific Risk Analyses

Presented in this chapter are the most common risks and violations of the labour rights in garment factories in North Macedonia, through the lenses of the Fair Wear Code of Labour Practices, derived by ILO standards, OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. The risks and violations addressed in this section are a non-exhaustive list of examples but are considered as most relevant high-level risks. More on country risks can be found in the [Fair Wear Country Study 2021 North Macedonia](#).

4.1. EMPLOYMENT IS FREELY CHOSEN

“There shall be no use of forced, including bonded or prison, labour”. (ILO Conventions 29 and 105)

ILO Conventions 29 and 105 have been ratified by the Macedonian government, are enshrined in the Constitution, and have been integrated into labour legislation, which guarantees the right to free choice of employment.

| Most common country risks & violations | Examples (Description) | Potential impact | Likelihood |
|--|--|------------------|------------|
| <p>Risk: Overtime (OT) is often not voluntary</p> <p>Violation: Workers are forced to work overtime under threat of penalty.</p> | <p>In most of the factories, Saturday is considered as a regular working day. Working on Saturday leads to overtime of (at least) 8 working hours above the legal limits for regular working week¹¹ it is often not considered by the workers as overtime and is rarely voluntary, as workers are informed that Saturday is a regular working day without consent.</p> <p>If workers are asked to stay longer after the working hours during the working week, workers seldom use their right to refuse the management’s decision. OT is not considered as voluntary; thus, cases are reported if workers refuse working overtime, which results in earning less than the legal minimum wage.</p> | Very High | Frequent |

Recommendation for prevention and remediation:

Clothing companies should ensure that supplier management does not coerce workers to work or stay on the job through the withholding of wages. Both the workers and the factory management do not recognise forced overtime as a hidden force labour in most of the cases when it occurs. While not all overtime is considered forced labour; forced labour does occur if overtime is compulsory or exceeds the weekly or monthly limits allowed by laws, irrespective of the reasons for such overtime¹².

The brands are encouraged to implement control measures to prevent contributing to harm through its purchasing practises regardless of whether it has identified specific harms or contributions to harm.

The brands should track relevant indicators of actions that leads to overtime in general. More details on prevention of overtime are given under [6.6. Reasonable hours of work](#). Systems should be established to track such information on an ongoing basis. It is a crucial component of due diligence as there is a high risk of frequency for forced (compulsory) overtime in the country.

Effective ongoing monitoring on identifying whether the overtime is voluntary should be introduced within the supply chains. A single on-site assessment is unlikely to provide adequate information for the enterprise to determine whether forced overtime is being prevented. Brands should partner, for example, with trade unions, suppliers, and labour rights organisations to design an effective monitoring mechanism. Trade unions and/or local labour rights organisations can act as effective monitors and informants for the appearance and frequency of forced overtime.

Brands are encouraged to support trade unions and representative worker organisations to build awareness amongst workers regarding their rights in relation to contracts, working hours, freedom of movement etc. For example: establish tailored training for management and staff on national and international standards clarifying forced overtime as forced labour and, importantly, the company's policies and processes to prevent forced overtime.

If the clothing companies identifies that forced labour may in some way be linked to their final product (and may or may not know how to prevent it), the clothing companies are encouraged to raise awareness at a sector level and invite clothing companies within the sector to jointly work towards preventing forced labour¹³.

The clothing companies should identify (or implement) a mechanism to report crimes of forced labour to the relevant authorities. Where enterprises have caused or contributed to forced labour, they should cooperate with relevant authorities to help provide appropriate forms of resolution.

Selected international instruments and standards

- 】 ILO, Forced Labour Convention, 1930 (No. 29)
- 】 ILO, Abolition of Forced Labour Convention, 1957 (No. 105)
- 】 ILO, Protocol of 2014 to the Forced Labour Convention, 1930 and Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203) Resources
- 】 United States Department of State (2015), Trafficking in Persons Report 2015, Washington, D.C.
- 】 List of Goods Produced by Child Labour or Forced Labour, Department of Labour, United States of America.
- 】 Verité (2015), 'Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains', Amherst.
- 】 ILO (2015), Combatting Forced Labour: A Handbook for Employers and Business, International Labour Organisation, Geneva.

11. Legally prescribed working hours are 40 hours in one working week

12. ILO 2015

13. OECD guidelines Module 3, Forced labour

4.2. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

“The right of all workers to form and join trade unions and bargain collectively shall be recognised.” (ILO Conventions 87 and 98) “Workers’ representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions”. (ILO Convention 135 and Recommendation 143) - conventions ratified by the country.

| Most common country risks & violations | Examples (Description) | Potential impact | Likelihood |
|--|--|------------------|------------|
| <p>Risk: Workers are not aware of the function of trade unions in general.</p> <p>Risk: When there is a union(s) at the factory, workers are not aware of the union(s) or its/their function(s).</p> | <p>Traditional stereotypes and lack of trust in sectorial. Trade Unions (TUs) are main reasons for workers’ low level of awareness regarding the role of unions.</p> <p>Low awareness on the benefits of trade unions among both workers and employers is mainly a case for unestablished trade unions within the factories.</p> <p>There are cases where a TU is established on the factory level but still the workers’ rights are violated due to low worker awareness of the union members’ function. Sometimes workers ask for legal support from labour rights organisation Glasen Tekstilec.</p> | High | Frequent |
| <p>Violation: Management punishes, threatens, intimidates, harasses, terminates, or does not renew workers’ contracts due to their union membership or activities.</p> | <p>Terminations of employment contracts, bullying and other violations of workers’ rights, especially among workers who are members of unions and supporters of local labour rights movements or initiatives for labour rights are sometimes reported. In most cases, this is a verbal threat that employers can use to intimidate others about what will happen to them if they report irregularities in the employer’s work and violations within the scope of employment.</p> | Very High | Sometimes |
| <p>Risk: The factory does not have a Collective Bargaining Agreement (CBA)</p> | <p>TU as a counterparty representing workers, is entitled to sign the CBA at the factory level. Due to the low level of unionisation in the factory, negotiations are not initiated and the CBA cannot be validly signed at the factory level,</p> | High | Frequent |
| <p>Risk: Social dialogue is not recognised on the factory level</p> | <p>The social dialogue is not fully understood by both workers and factory management. It is mainly recognised as process of communication, or negotiation. Workers are hardly involved in dialogue or consulted on labour issues. In cases where workers’ representatives are elected democratically, a better communication flow, contributing to a better working environment and increased productivity, is observed.</p> | High | Frequent |
| <p>Violation: Worker representatives are not democratically elected</p> | <p>Workers are interested in being represented by workers’ representatives. Workers’ representation is recognised in most factories, but the general risk is that worker representatives are not elected by workers through a transparent process. Rather, worker representatives are appointed by factory management and are perceived by their colleagues as they do their role pro forma.</p> | High | Frequent |
| <p>Risk: There is no appropriate training for worker representatives</p> | <p>Workers’ representatives usually are not familiarised with their role and have a lack of time available to commit to their in-factory role. Workers are not empowered to look for additional training to improve their skills on social dialogue. There is lack of incentives for factory managers to provide training to workers’ representatives.</p> <p>Examples of lack of capacities of workers representative role are reflected in findings such as: worker representatives do not keep records of meetings, there is a lack of clear vision for improving workers’ rights, representatives’ election process etc.</p> | Very high | Frequent |

Recommendation for prevention and remediation:

Clothing companies should establish a clear policy stating that they will not tolerate anti-union policies and actions in their supply chain. This message should reflect an understanding of the context and make clear the nature of likely violations of workers' rights.

Clothing companies should use their influence with a supplier to support freedom of association and the right to collective bargaining in their supply chain. If the supplier does not show measurable improvements after a reasonable period of time (for example, six-nine months), the clothing company may present the supplier with a possible exit strategy until the supplier has demonstrated improvements. The clothing company should address any of its own activities that may contribute to, or increase, the risk of anti-union activity, such as its purchasing practises. Clothing companies can work together with the industry level stakeholders to increase influence over suppliers. Clothing companies can also enter into direct agreements with trade unions, such as through global framework agreements or freedom of association agreements, to implement standards for trade union rights in the supply chain. In cases where serious human rights impacts have been identified, such as violence against trade unionists, the company should develop a plan for immediate remediation. The clothing companies should pay particular attention to the types of contracts their suppliers formulate, and enter into, with workers, as short-term contracts and other forms of casual and informal employment affect workers' ability to manage their affairs. The overuse of short-term contracts can prevent workers from adequately structuring their day-to-day lives due to their precarious employment status.

The clothing companies are encouraged to protect workers in their supply chain by increasing the capability of their suppliers to achieve this through applicable components of the following corrective action plan:




- » Support the supplier to develop management policies and practises which do not prohibit, discourage, or otherwise interfere with workers' right to unionise. When a TU is present at the factory level, ensure that workers are aware of the possibility to be supported by them and that they are not prevented from accessing the TU. If no factory TU is established, ensure that workers representatives are democratically elected, trained, and protected from management's retaliation. The demographic composition of the workers' committee should correspond to the workers' population in the factory, especially in terms of gender. TU should be involved as much as possible in the democratic election of worker representatives and in their subsequent training, as they can accompany workers in the process and provide expertise.
- » Provide training on the code of labour practises, union training for factory workers on their work, display of materials by local unions should be allowed by factory management, and workers should be remunerated for time spent in the trainings. Clothing companies should support this by asking suppliers to allow unions and other worker related organisation to enter and provide training for workers
- » Clothing companies should raise awareness of human rights among workers and management, emphasise the importance of social dialogue (with democratically elected worker representatives), discuss the need for an internal grievance mechanism, and assess whether there is a factory-level grievance mechanism established through social dialogue with workers and whether it is effective. Clothing companies should consult TU or worker representatives about their priorities and ongoing projects.
- » Factory management provides workers' representatives with accurate, non-confidential information about the company's financial situation so that they can negotiate effectively in a more open conversation about workers' potential demands.
- » Fair Wear Foundation have designed policies, guides, and tools designed to help enterprises ensure that workers' rights to freedom of association and collective bargaining are respected and that social dialogue is taking place in the supply chain. These are:
[New Freedom of Association Policy and Brand Guide – Fair Wear](#)
[Understanding Fair Wear's Approach to Social Dialogue](#)

Selected international instruments and standards




- › OECD Guidelines for Multinational Enterprises, Chapter IV. Human Rights
- › OECD Guidelines for Multinational Enterprises, Chapter V. Employment, and Industrial Relations
- › ILO Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- › ILO Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- › ILO Workers' Representatives Convention, 1971 (No. 135); Recommendation 1972 (no 143)
- › Universal Declaration of Human Rights Article 23
- › International Covenant on Civil and Political Rights Article 22
- › International Covenant on Economic, Social and Cultural Rights, Article 8
- › Freedom House (2010), The Global State of Worker's Rights, includes an assessment of the Freedom of Association in 165 countries.
- › NAFTA Labour Secretariat has produced substantive analysis of workers' freedom of association in member countries.
- › Committee on Monitoring International Labour Standards, National Research Council of the National Academies (2004), Monitoring International Standards: Techniques and Sources of Information, the National Academies Press.
- › ILO Committee on Freedom of Association and Committee of Experts on the Application of Conventions and Recommendations.
- › For information on relevant ILO standards see the ILO Helpdesk.

6 steps for brands to promote freedom of association

Key steps at the systemic level

-  1. Commit to a sourcing strategy that privileges countries and suppliers where workers are free to choose to form or join a trade union and/or bargain collectively.
-  2. Participate in direct agreements with trade unions that ensure worker participation in identifying, addressing, and remediating issues related to the conditions of their work.
-  3. Use your brand's voice and influence to encourage governments to promote and protect—and certainly halt violations of—international standards on freedom of association and collective bargaining (ILO Conventions 87 and 98).

Key steps for change in your brand and at your suppliers

-  4. Develop contractual agreements with suppliers in which 1) your brand commits to orders in the long-term (several years or more) to provide the financial stability/predictability needed for workplace dialogue and freedom of association to thrive; 2) suppliers contractually agree to offer all workers stable contracts; and 3) supplier and brand jointly distribute non-interference and non-retaliation letters to the workforce, underscoring workers' right to organise.
-  5. Urgently address violations of freedom of association and collective bargaining (from complaints, audit findings, or other sources), including a strategy for addressing the root cause of violations.
-  6. Support workplace training for workers and management to build an understanding of their rights and skills to engage in workplace dialogue and collective bargaining. Recognising that women garment workers are under-represented in union structures, extra emphasis should be placed on encouraging and supporting women in this process.

Source: Fair Wear New Freedom of Association Policy and Brand Guide

4.3. THERE IS NO DISCRIMINATION IN EMPLOYMENT

“In recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps”. (ILO Conventions 100 and 111) - conventions ratified by the country.

| Most common country risks & violations | Examples (Description) | Potential impact | Likelihood |
|--|---|------------------|------------------------|
| Risk: There are no written policies and procedures regarding discrimination. | In general, factories do not have regulated discrimination (no written policies and procedures regarding discrimination) or developed mechanisms to address workplace complaints or harassment. In most cases where a grievance mechanism was established, it was found to be ineffective. | High | Frequent |
| Risk: There is no formal performance review system of workers which increases the risk of discrimination. | Factories in most of the cases have not integrated policies or frameworks for formal performance appraisal. In most of the factories the performance of the workers is assessed on the subjective opinion of the factory management. During the period COVID-19, workers experienced an increased number of alleged consensual dismissals, dismissals for breach of order and discipline and non-renewal of employment contracts. Dismissals were not decided on the basis of the existing performance appraisal system. | Medium | Frequent ¹⁴ |
| Risk: Gender is an influencing factor in hiring, compensation, access to training, promotion, termination and/or retirement. | There exists a wage differential between male and female workers, with men being paid more than women for the same job position. Female workers are usually sewing operators, while male workers are usually in managerial positions or are stock clerks, which are, by default, better paying jobs. In cases where the production line supervisor is a male, he is paid better than his female counterpart. | High | Frequent |
| Violation: Management dismisses workers who are pregnant or on maternity leave or forces them to resign. | For years, there has been blatant discrimination against pregnant workers whose employment contracts are not renewed. Although discrimination on the grounds of pregnancy, childbirth and parenthood is prohibited by law, if a pregnant woman's employment contract is not renewed, the company is not held accountable. | Very High | Frequent ¹⁵ |
| Violation: Workers are subject to harassment based on disability, pregnancy etc. | Cases of abuse in the false employment of disabled people has been recognised. This is common for companies that, on the same production location, have registered a legal entity that employs people with disabilities. In such cases companies receive special state subsidies and benefits, while the disabled people benefit only from social security, health insurance and pensions, and employers from their net salary. | Medium | Sometimes |

Recommendation for prevention and remediation:

Clothing companies should establish a clear policy stating that it will not tolerate discrimination in employment and actions in its own operations and supply chain. This message should reflect an understanding of the country context and make clear the nature of the likely violations of discrimination.

14. 19 workers reported to GT; 37 workers reported to GT.

15. 11 workers reported to GT.

The clothing companies are encouraged to protect workers in their supply chain by building the capacity of their suppliers for:

- 】 Establishing formal job-related criteria for hiring, promoting, and compensating workers.
- 】 Set up formal performance appraisal in consultation with workers. Make sure it is gender-sensitive and inclusive. Offer compensation and benefits based on position, seniority, qualifications, and performance, not personal characteristics.
- 】 Use inclusive language in job ads and advertise in a variety of places to reach a wider variety of potential applicants.
- 】 Considering people with disabilities so that they can be fully integrated into the workplace.

4.4. NO EXPLOITATION OF CHILD LABOUR

“There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years.” (ILO Convention 138) *“There shall be no forms of slavery or practises similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [under the age of 18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals”. (ILO Convention 182); Conventions ratified by the country.*

| Most common country risks & violations | Examples (Description) | Potential impact | Likelihood |
|---|--|------------------|------------|
| Risk: The factory does not have a written policy regarding juvenile workers and apprentices | Child labour in the textile factories is not recognised as a high risk in the country. Within this context there is a lack of awareness by the factory management for developing written policies regarding juvenile workers and apprentices. Although it is considered a low-level risk, factories should clearly regulate employment of juvenile workers and apprentices as a policy for prevention of child labour. | Medium | Frequent |

Recommendation for prevention and remediation:

Clothing companies are encouraged to support their suppliers in preventing child labour where possible, for example, by raising awareness among suppliers of what constitutes child labour (where appropriate) and by establishing links with local service providers.

Regardless of specific country context where child labour is not a case, the clothing companies should use their influence to encourage their suppliers to set in place adequate controls to mitigate the risk. The clothing companies are encouraged to protect workers in their supply chain by building the capacity of their suppliers for prevention of child labour.

- 】 Development of effective recruitment policies and procedures to prevent potential cases of child labour, specifying the minimum age for employment, and procedures should specify how to verify the age of potential new recruits, including verifying the authenticity of ID documentation. This procedure should also apply to all external recruiters.

- Policies and procedures for young workers should include, at a minimum, an up-to-date list of workers under the age of 18 and ensure that they are not engaged in hazardous work, as required by law, and that they receive additional protections, including additional safeguards for their safety, health, and morale (for example, additional safeguards against sexual harassment) and 12 hours of rest between shifts.

4.5. PAYMENT OF LIVING WAGE

“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” (ILO Conventions 26 and 131, the Universal Declaration of Human Rights, art 23(3) and art 25(1)) ILO; Convention 131 ratified by the Macedonian government.

| Most common country risks & violations | Examples (Description) | Potential impact | Likelihood |
|--|---|------------------|------------------------|
| <p>Legal Minimum Wage</p> <p>Violations: Not all workers are paid at least legal minimum wages</p> | <p>Although the payment of the legal minimum wage has improved significantly over the past three years¹⁶, violations on non-payment legal minimum wage have still been found. Employers very often misinterpret the legal requirement when legal minimum wage is obligatory. Often there are reported cases of unjustified absence of the workers as a justification why legal minimum wage is not paid. However unjustified absence is not recognised within the labour law, and it is regulated with different provisions. This justification leads to another violation related to entitled annual leaves, for example, workers are using unjustified absence of work although they have full right of using annual holiday days. (This is addressed under risks below in the same section).</p> <p>The Law on Minimum Wage clearly specifies legal minimum wage on an annual basis. The Public Revenue Office mechanism for controlling the payment of guaranteed legal minimum is still not fully aligned administratively. This is one of the reasons where employers can afford payment of wages below legal minimum wages without legal consequences in cases where they have not been audited by labour inspectorate.</p> | Very High | Frequent ¹⁷ |
| <p>Risk: It is not guaranteed that piece rate workers are paid at least minimum wages</p> | <p>Payment of wages below the legal minimum requirements was frequent during the COVID-19 pandemic. The justification of employers for these cases was linked to lack of clarity in the implementation of some of the state COVID-19 preventive measures in practise, as well as due to different interpretations of the legal provisions. Some employers used state support for wage payments to cover gross wages and ended up paying an amount below the net minimum wage.</p> <p>It is estimated that 90% of garment factories receive wages based on piecework rates. Piecework systems and workload are set by management and vary from factory to factory. In practice, management pays the legal minimum wage, which is supplemented by a piecework wage calculated at the end of each month. Although piecework wages are mainly used as a stimulus, there are cases when workers could not respond to the piece rate norm and in that case, they receive wage below the legal minimum wage. This is considered as legal violation and it is not in line with the law for legal minimum wage.</p> | Very High | Sometimes |

16. Until 2017, requirements for legal minimum wage in the textile industry were set lower than in other sectors, but since then it has been aligned across all sectors, the legal minimum wage in 2021 is 15,194 MKD

17. 2,954 workers reported to GT.

| Most common country risks & violations | Examples (Description) | Potential impact | Likelihood |
|---|--|------------------|------------------------|
| <p>Payment of overtime working hours</p> <p>Violation: Overtime (OT) premium is not paid as legally required.</p> <p>Risk: Worker's payslips wage records do not correspond to actual hours worked.</p> | <p>Non-payment of premium rate for overtime working hours is the most common violation in the garment factories, although it is required by law.</p> <p>The factory wage systems, calculating working hours, are easily manipulated and often OT is not considered when calculating wages. Most factories do not keep OT records, mainly to avoid paying OT premiums and/or to avoid the legal requirement to pay a thirteenth month's wages when OT exceeds 190 hours per year.</p> <p>Factories report on frequent failures of the time registrations systems, which is usually supporting non-registration of the OT. There are cases for not provided payslips for the workers where workers cannot understand whether their OT work is paid with premium rate.</p> <p>There are cases when OT hours are paid in cash to the workers and not registered as a wage. This case occurs when the factory avoids payment of wage taxes.</p> | Very High | Frequent ¹⁸ |
| <p>Risk: Poor record keeping; inconsistencies between payroll records, payslips, and other records.</p> | <p>Wage systems are not properly set neither documented as standard wage policy. Wage systems are often not recognised by the workers. Poor record keeping (actual hours worked, costing tools etc.) sometimes limits verification of how the wages are calculated. Many inconsistencies have been found in the records. Usually, the decision on working hours is not aligned with the working hours registration systems, but also differ in correlation with the actual working hours registered in payslips. These inconsistencies are mainly related to avoidance of paying overtime hours with premium rate and/or payroll taxes.</p> | Medium | Frequent |

¹⁸. 7 complaints/calls, more details about the complaints [here](#); 320 workers reported to GT.

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|---|---|------------------|-------------------------------|
| <p>Leaves and bonuses payment</p> <p>Violation: Entitled leaves (such as annual / statutory) are not paid as legally required</p> | <p>There are no clear systems set in the factories for use of annual leave (workers are entitled to the statutory 20+ days per year). Workers usually take a collective annual summer break (up to 12 days) and other breaks around the Christmas and Easter holidays, but the total number of days of leave is usually less than prescribed by law.</p> <p>Workers do not always receive a written decision for annual leaves issued by the factory for all leave days. Usually, decisions are handed out to the workers for the first part of the holiday, where for the rest of the annual days, there are no related records. This violation is closely linked to the cases when legal minimum wage is not paid due to unjustified absence, although the workers still have right for using annual leave days.</p> <p>A common violation is failure to pay the statutory annual bonus (K-15). The legally prescribed amount of K-15 is determined each year based on the growth of the average salary. What employers are free to interpret is the part about reporting losses in the company's financial operations and then a lesser amount than stated can be paid. This is a significant abuse of the system and a manipulation regarding the payment of K-15. In such cases, the payment of the amount below what is legally prescribed is not a violation of the collective agreement, even if the employer pays 1 MKD to the workers' account, so long as there is a joint decision signed between the employer and representative of the workers. (This is also an abuse of the system as the representative that signs the decision is rarely elected by the workers but is often assigned by the employer).</p> | <p>Very High</p> | <p>Frequent</p> |
| <p>Violation: Allowances, bonuses or benefits are not paid as legally required</p> | <p>The most common abuses are the payment of salary supplements and allowances related to: seniority bonus for experience (+0.5% for each year of work), OT premium during holiday, 13th salary as a result of OT work during one calendar year, bonuses for retirement, etc.</p> <p>Sick leave is not always paid in line with legal requirements. In certain textile factories they do not recognise sick leave even though there are doctors' and specialists' medical confirmation, but these days are not paid at all and are regularly deducted from their salary. This was particularly evident during the COVID-19 pandemic when workers contracted the virus at work or by using organised transportation to and from work, and were not paid for their sick leave.</p> | <p>Very High</p> | <p>Frequent¹⁹</p> |
| <p>Violation: Deductions from wages are not in accordance with legal requirements</p> | <p>Although in the past there were many testimonies of workers forced to return part of their wages to the employer, with the influence of the public and workers protection organisation, the number of companies still using these mechanisms has drastically decreased and the cases are now isolated.</p> <p>Deduction from wages when workers cannot reach the required piece rate norm are still a case, and sometimes lead to non-payment of legal minimum wages (as described above), which is not in line with the law on legal minimum wage.</p> | <p>High</p> | <p>Sometimes²⁰</p> |

19. 5,296 workers do not receive K-15, and 1,540 are part of SSM, reported to GT; 1,016 workers reported to GT abuses of salary supplements; 57 workers reported to GT non-payment of sick leave during COVID-19.

20. 224 workers were forced to return part of their wages, reported to GT; 2,162 workers reported to GT misuse of state financial aid and non-payment of the minimum wage by certain employers during COVID-19; 750 workers reported GT, that unpaid wage contributions during a pandemic are particularly problematic because workers did not have health insurance to access medical care and necessary medications.

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| <p>Worker's awareness and wage transparency</p> <p>Violation: Workers do not receive a payslip</p> | <p>Employers are not always providing pay slips to workers, although it is legal requirement. This limits worker understanding of the wage structure. Factory management usually declare that the reason for such cases is to avoid the comparison of salaries amongst workers, or to prevent workers reaction upon wages paid when workers are not happy with received wage.</p> | <p>Very High</p> | <p>Frequent</p> |
| <p>Risk: Workers do not understand how wages are calculated</p> | <p>Often factories have introduced normative (piece rate norm) for each step/operation of the production process per various products, but this is not clearly presented in the payslip, when handed to the workers.</p> <p>Although, in most cases, workers have expectations on monthly wage, based on their work performance it is apparent that workers do not understand exactly how their wages are calculated. In addition, workers personal records do not always correspond with the factory's calculation, neither with the paid salaries.</p> <p>The payslips when given to the workers do not always correspond to the way how the wages are calculated.</p> <p>Wage systems do not exist or are not communicated transparently to the workers in most of the factories.</p> | <p>High</p> | <p>Sometimes</p> |
| <p>Risk: Workers are paid below living wage as estimated by local stakeholders</p> | <p>Living wage as a category is not recognised by the factories and workers in such a format as is recognised by Fair Wear. Living wage is usually identified as costs for living for a four-family household. There is a monthly estimation calculated by Federation of Trade Union on minimal costs for living for a four-family household. Methodology applied for this calculation differ from Fair Wear and other international methodologies. For example, the living costs calculation represents the consumer basket of goods for four-family household on a monthly basis, and does not include elements such as discretionary income, education, holiday leaves, etc. On July 2021, the living costs within the consumer basket was estimated to be 34,128 MKD²¹.</p> <p>According to local stakeholders living wage in the country is estimated much higher, for example according to Glasen Tekstilec, the living wage is estimated to be 54,000 MKD.</p> <p>Wages paid in the factories are way below these estimations. Local stakeholders say is a high bar that is difficult for factories to meet, but the willingness and readiness to approach toward the living wage estimations should be exhibited.</p> | <p>Medium</p> | <p>Frequent</p> |

Recommendation for prevention and remediation:

Living wages are a [human right](#). Non-compliance with wage demands is a risk at all stages of the garment and footwear supply chain, which are labour-intensive and employ low-income workers. Clothing companies should put in place a clear policy that their supply chain recognises and should stand behind the payment of living wages to the workers involved.

The clothing companies are encouraged to protect workers in their supply chain by building the capacity of their suppliers for:

- Wage policy: wages paid are legal, including salary and statutory benefits; male and female workers are paid equally for work of equal value; only deductions that are legal are allowed; disciplinary deductions

21. <https://ssm.org.mk/mk/ekonomija/minimalna-sindikalna-koshnica>

only after a written warning for a first offense, and workers have the right to appeal; there is collective bargaining to establish wages and entitlements; there is a system for handling workers' wage complaints.

- › Contract with workers: contract includes information on basic pay, OT, and statutory benefits (pension, national insurance, annual leave, etc.); elaboration for any statutory deductions; bonuses where appropriate.
- › Communicate with workers: Inform workers and make sure workers understand the contract - when they will be paid (payment date) and that the payslip is easy for workers to read and understand.
- › Records: Keep documentation and record all wage related data accurately: standard hours; OT; breaks; holidays; absences; production output (for pieceworkers).
- › Pay payroll: on time and accurately; process hourly records; calculate wages accurately and on time; issue payment; record payment. Ensure that wage and payment information is transparent and well understood by workers.

Selected international instruments and standards

- › OECD Guidelines for Multinational Enterprises, Chapter V, Paragraph 4.b.
- › ILO Protection of Wages Convention, 1949 (No. 95) and Recommendation, 1949 (No.85).
- › ILO Minimum Wage Fixing Convention, 1970 (No. 131) and Recommendation, 1970 (No.135).
- › ILO Protection of Workers' Claims (Employer's Insolvency) Convention, 1992 (No.173) and Recommendation, 1992 (No.180).
- › UN Charter on Social, Economic, and Cultural rights, Article 7.
- › Universal Human Rights Declaration, Article 23.

Fair Wear's approach toward Living Wage

Despite decades of talk about living wages, workers have seen little action. We need a new normal. We need to change the industry. [Labour Minute Calculators](#) and other tools, help brands, suppliers, trade unions, and others understand how increasing wages will affect product costs. Such understanding is uncommon in the garment industry. Brands and factory owners alike are often surprised to find that it is possible to increase wages and still compete in this cutthroat industry.

We look to 'beacons'—or cases where we work with leading Fair Wear members to raise wages—as the starting point for industry change. Based on these experiences, we develop tools and guidance to help others also become beacons. We then share these tools and insights with stakeholders far beyond Fair Wear to create widespread wage improvements for the people who make our clothes.

We invite brands and all stakeholders to join us in this great experiment in raising wages across the industry. Living wages are indeed becoming the new normal.

Check out our Living Wage Tools

- › [Labour Minute Calculators and tools](#)
- › [Wage Ladder](#)
- › [Living wages and competition law](#)

And at Fair Wear, our advice to you is simple:

‘Start paying higher wages. Now. Analyse what worked and what didn’t. And then keep going’

The guidance and tools here are designed to help you do just that. They are organised according to Fair Wear’s wage increase cycle, which is designed to help you get started now, and keep improving.

Before you start:

- › For a practical overview of living wage implementation, check out: [Living Wages: An Explorer’s Notebook](#). This is where to start your wage journey, offering concrete steps for rolling out a plan for your brand.
- › If you are working with other brands, don’t miss [Fair Wear’s ‘Competition Dos and Don’ts’](#). These are simple tips for brands to keep safe while working with other businesses to raise wages.
- › For a more in-depth legal analysis, please see: [Arnold & Porter’s competition law opinion to FWF](#).

4.6. REASONABLE HOURS OF WORK

“Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate”. (ILO Convention 1) According to the national legislation the regular Macedonian working week is 40 hours, with a maximum of eight hours of paid overtime per week.

| Most common country risks & violations | Examples (Description) | Potential impact | Likelihood |
|---|--|------------------|------------------------|
| Violation: Total working time per week are regularly above legal limit while not over 60 hours. | <p>Overtime in most factories is not excessive. As a rule, the total hours worked per week exceed the legal limit for regular working work, but do not exceed 60 hours. Overtime occurs mainly through Saturday work (7 out of 11 factories work on Saturday) and is generally within the legal limit for accepted overtime, but with inadequate pay.</p> <p>Overtime hours are also accumulated as a result working during the national/public holidays.</p> <p>Over the years, there have been reports of violations of workers’ rights by working unreasonable overtime hours where workers work between 12 and 16 hours per day which is in violation with the Labor law and Collective Agreements²². This is occurring in the far eastern region of North Macedonia. Still in some factories this is a risk, and it can be observed in municipalities of Stip, Razlovci - Delchevo and Prilep.</p> | Very High | Frequent ²³ |
| Violation: Working hour record does not reflect the hours actually worked. | <p>Factories avoid keeping adequate records of hours worked so as not to report actual hours worked to the relevant labour inspectorate, as required by law. One of the most common findings is that the overtime hours reported by employees do not match the audited records (payslips). This discrepancy causes confusion in workers’ overtime payments. There is no precise calculation of overtime pay for factory workers who are paid on a piecework basis. This is a common problem in the sector. (More of these risks are interlinked and presented under the wages, pg.19)</p> | Very High | Frequent ²⁴ |

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|---|---|-------------|-----------------|
| <p>Risk: No clear policy on overtime practise.</p> <p>Risks: Workers are not informed about overtime policy</p> <p>Risk: Inconsistent and incomplete records of working hours</p> | <p>Factories do not have the practise of keeping records of overtime work in a separate recording book. According to the labour law if a factory utilises overtime work it is obliged to submit an official authorisation to the labour inspectorate, to inform and register the overtime hours. These authorisations are not submitted transparently, and the labour inspectorate is not properly informed.</p> <p>Factories do not have clear policy for OT practise as a separate procedure. Usually, factory managers explain that it is difficult to know in advance when there is a need for overtime. Workers are used to work overtime usually on Saturdays, but not excluded working during the public holidays or after the working hours. Communication with workers to work overtime is mainly performed verbally. Workers are not always informed in a timely manner if they are required to perform overtime after the working hours. Late or delayed notice of overtime does not always give employees the option of refusing to work beyond the originally scheduled hours (read more on this under article 6.1. on involuntarily overtime work). These issues disrupt the work-life balance of the workers in most of the cases.</p> <p>In cases when Saturday is officially a working day, still, official decisions for working hours are inconsistent with real working hours.</p> <p>Usually, the reason is to avoid reporting on overtime due to:</p> <p style="padding-left: 40px;">Avoiding payment of OT legal premium rate;</p> <p style="padding-left: 40px;">Avoiding payment of additional monthly salary (13th salary) for employees when workers work above the legal limit of 190 hours per year²⁵</p> | <p>High</p> | <p>Frequent</p> |
| <p>Violation: Required leaves are not provided to workers.</p> | <p>Usually, workers receive the first 10-12 days of their holidays as a collective holiday, but the remaining entitled days from annual leaves are usually not assigned to the workers.</p> <p>Official decisions for annual leaves are not always registered or handed out to the workers.</p> | <p>High</p> | <p>Frequent</p> |

Recommendation for prevention and remediation:

According to OECD guidelines, there are a number of factors which may contribute to excessive working hours at the manufacturing stage of the garment and footwear supply chain. Three of the most common factors are low wages, inefficient production planning, and poor purchasing practises²⁶.

The clothing companies should systematically assess suppliers to ensure that they are able to meet responsible business practises and product and quality requirements before entering into a business relationship. They should ensure that staff have the necessary skills to organise, and run, a factory efficiently and should provide training as required.

22. Interviews and data from Glasen tekstilec

23. 4 complaints, [details here](#).

24. 159 workers sought legal advice and assistance because employers did not have working time records, reports GT; 60 workers reported to GT that they work 10 hours a week when in fact they were working between 8 and 10 hours a day.

25. Labour law, article 117

26. OECD Due Diligence Guidance for Responsible business conduct Responsible Supply Chains in the Garment and Footwear Sector, Module 4. Working time

Brands are encouraged to plan collaboratively along the entire supply chain that includes realistic and agreed-upon timetables (from product creation to delivery) in order to enable suppliers to plan and manage their production during regular working hours, thus preventing excessive overtime.

The clothing companies could organise joint planning meetings with as many supplies chain partners as possible: Material and equipment suppliers, logistics, and manufacturers. The more supply chain partners that are actively involved in the clothing companies' planning, the better they will be able to meet agreed deadlines within reasonable working hours. Clothing companies should gather information on when and where production will take place. Garment companies should pay suppliers as agreed and in line with best practises and global standards.

- › Supply chain partners should understand the business model and assess potential risks of any seasonal fluctuations.
- › Frequent communication and updates on production and delivery status with suppliers and involvement of logistics partners.
- › Break demand peaks with constant orders.
- › Manage inventory levels where possible.
- › Allow time within the lead time for the unexpected.
- › Share deliveries of sufficiently large quantities where possible.
- › Improving standardised specifications, consequently minimising delays.
- › Keeping to Minimum Orders Quantities (MOQs).
- › Improve planning and costing know how at brand and supplier level.

Clothing companies should develop a system to monitor working hours to ensure compliance with laws and supplier codes of conduct:

- › Ensure that suppliers maintain accurate records of working hours: maintain a comprehensive and accurate record keeping system for working hours. The system should record standard and overtime hours, rest breaks and rest days. It should apply to all workers—permanent, contract and agency—whether on piece rate or time rate.
- › Review the current overtime figures: Once a clear record-keeping system is in place, analyse overtime figures by department and employee category. Identify departments or workers who tend to work long hours and find out the causes of long overtime hours and set your priorities.
- › Action Plan: once the root cause analyses is complete and the extent of overtime is known, an action plan involving brands appropriate department heads should be developed. The action plan must gradually reduce overtime to the legal level.
- › Policy Review: review current work hour policies and ensure that overtime is voluntary. This may be reflected in employee contracts, through a separate agreement or an opt-in or opt-out system. If mandatory overtime has already been agreed in a collective agreement applicable to the company, employees do not need to be given the choice. Overtime should not exceed the statutory limit for that particular industry and should take into account the age of the employee concerned.
- › Monitoring of hours worked; ideally daily, but at least weekly, including a flagging system when the number of hours exceeds a certain limit and an indication of who to notify (the employee's supervisor) and what to do (the supervisor will not give the employee any more overtime). Fair Wear Foundation is working consistently in guiding brands on addressing overtime work. A guiding document: [‘Addressing excessive overtime through better purchasing practises root causes and solutions’](#) provides a holistic selection of tools and processes that support responsible purchasing practises that enable brands and suppliers to improve their business collaboration and relationship.

4.7. SAFE AND HEALTHY WORKING CONDITIONS

“A safe and hygienic working environment shall be provided, and best occupational health and safety practise shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155...) Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited” Convention ratified by the country.

| Most common country risks & violations | Examples (Description) | Potential impact | Likelihood |
|--|--|------------------|------------|
| <p>Policy & management</p> <p>Violation: Incomplete policies and procedures of Occupational Health and Safety (OHS) are not developed</p> | <p>Each employer must prepare and implement a safety statement based upon a risk assessment document for each working position, stating the precise measures that need to be taken. Employers often hire specialised OHS consultants to prepare legally required risk assessments, which is a basic kind of safety statement. Although risk assessment document is, in most of the cases, kept within the factories, they are not always up-to date or are often incomplete. During the pandemic, risks assessments were not properly updated with the newest risk assessment when taking into account the COVID-19 factor.</p> | High | Frequent |
| <p>Risk: Policies and procedures for OSH not communicated with the workers</p> | <p>OHS risk assessment is not always communicated to the workers. It does not disclose the risks involved in the assessment, as well as the proposed corrective actions specified by the security expert who are usually preparing the document.</p> | Medium | Frequent |
| <p>Violation: There is no responsible person for health and safety management</p> <p>Risk: OHS representatives or committee are not available.</p> | <p>Among the common non-compliances with the law is the absence of a OHS workers’ representative. There is a low awareness regarding the role of the responsible person for health and safety among most of the workers. Workers are not familiarised with the hazards in their workplace that may cause accidents or injuries.</p> <p>As it is a legal requirement to have a responsible person for OHS, this person is usually only appointed on paper and is not appropriately trained. OHS representatives or committee are not recognised in most of the cases. Usually there is one person assigned to act as a responsible person for H&S. There are no regular meetings between H&S person and factory management, no records are kept from H&S monitoring practises within the factories.</p> | High | Sometimes |
| <p>Risk: There is no record or incomplete record of work-related accidents and diseases</p> | <p>Workers are poorly trained to deal with minor injuries (e.g. cuts, scratches). Minor accidents caused by the needles used in the manufacturing process are occurring frequently and they are usually treated with the first aid kit. These are often not recorded in the accident logbook.</p> | High | Sometimes |
| <p>Risk: Health and safety training for workers is not provided or inadequate</p> | <p>Although many workers have been trained to recognise potential hazards and problems in factories as a legal requirement, worker awareness is often low, and risks are not taken seriously. Worker awareness training on outcomes of potential hazards is not provided. Usually, the workers find training with minimum content, not sufficient to understand why workers are trained, but simply to comply with legal requirements.</p> | High | Frequent |

| | | | |
|---|---|-----------|-------------------------|
| <p>Violence & Harassment</p> <p>Risk: Workers feel lack of respect from supervisory staff and management</p> <p>Violation: Workers reporting workplace violence or harassment</p> | <p>The prevalence of mobbing in the workplace²⁷ reveals problems related to verbal and mental harassment issues in the workplace. Workers feel a lack of respect from supervisory staff and management.</p> <p>The middle management (supervisors of the production lines) is in regular daily contact with the production's workers. Personality of the supervisors is at some cases prevailing over the professionalism when setting high and unrealistic production demands. In cases when workers cannot respond workers are often verbally assaulted, threatened and eventually suffer unjustified dismissals. Most companies do not have trained HR staff or have not allocated budget to develop mechanisms against harassment. Although grievance mechanisms against harassment are required by law and factories are obliged to develop them at the factory level, they either are inadequate or are not implemented by factories.</p> <p>In 2020, during the COVID-19 pandemic, workers reported to Glaser Tekstilec cases²⁸ where female workers were not allowed to stay at home to take care of their small children during working hours, as there was no one to look after them. Instead, workers were given a permission to bring their children into the production facility during the working hours. The doors of the production facilities were locked because employers were afraid of inspections taking place. In the past these cases were very common, whereas now, they are isolated incidents.</p> | High | Sometimes ²⁹ |
| <p>Risk: Worker transport provided by the factory is unsafe or inadequate.</p> | <p>During the pandemic COVID -19 there was a large influx of workers infected with the coronavirus, due to inadequately organised transport by factory management, and contrary to legal requirements, measures and recommendations. In addition, due to alleged production difficulties, an insignificant number of companies introduced shift work to reduce the concentration of people in a closed facility. At the beginning of the crisis, from April 2020 to August 2020, the so-called textile clusters of infected workers from the textile industry appeared, and this was particularly pronounced in cities where the textile industry and foreign industrial zones were present.</p> | Very High | Sometimes ³⁰ |
| <p>Fire Safety</p> <p>Risk: Firefighting equipment is insufficient, not appropriately maintained, or not installed properly</p> | <p>Many workers and employers are not trained in recognising potential hazards and problems in the factories and, additionally, do not take these risks seriously.</p> <p>A fire detection system is not available in all of the factory premises (for example, missing in certain departments) within the production facility. Fire extinguishers are not always appropriately maintained (for example they are blocked, wrongly positioned, or set in an inaccessible location).</p> <p>Still, some of the factories do not have a fire detection system installed.</p> <p>Usually, employers outsource to an OHS company to handle the issues related to fire safety as required by the law, but the delivered service is not always up to standard. Employers do not have clear understanding on risks and hazards when not having appropriate and functional firefighting systems.</p> | Very High | Sometimes |
| <p>Risk of fire safety due to inadequate storage of inflammable materials</p> | <p>Bottles of various chemical agents are not always maintained in line with the legal requirements. Risk specification for use of hazardous materials is not always at workers' disposal.</p> | Very High | Sometimes |

| | | | |
|--|--|-----------|------------------------|
| <p>Electrical Safety</p> <p>Risk: Electrical wiring is not adequately safeguarded or secured</p> | <p>Poor electrical installation is observed in several places throughout the factories.</p> <p>Incorrect and potentially dangerous connections to the electrical installation are found in different locations within the production facility in garment factories. Most of the control over the electrical safety is undertaken by the electricians in the company. Electricians are not properly trained to maintain adequate records of electrical works, a consequence of which, is that proper quality control of the electrical works cannot be established.</p> | Very High | Frequent |
| <p>Risk: Regular electrical safety inspections are not conducted or insufficient</p> | <p>Hanging wires, connecting too many cables to one spot, and protruding sockets are some of the many potential risks in the factories. There is little or no documentation that confirms that the electrical machines in the factory are continuously inspected and maintained to be safe for operation.</p> | Medium | Sometimes |
| <p>Chemical Safety</p> <p>Risk: The storage for chemicals and hazardous substances is not appropriate or adequate.</p> | <p>Chemical materials used are not always stored in their separate cabinets. Often, access to these chemicals is not properly mandated and procedures enforced. Chemicals must be properly marked and accessed only by employees who are trained in their safe handling. The chemical agents used in the process are not translated into the Macedonian language, which limits the understanding of the workers who use them.</p> | High | Frequent |
| <p>Risk: An inventory of chemicals and hazardous substances is not kept or incomplete</p> | <p>When factories that use chemicals during the production process, or for other processes, an adequate inventory, in most cases, is not kept. Cases when chemicals and other hazardous substances are inadequately labelled has also been observed.</p> | Medium | Frequent |
| <p>Building Safety</p> <p>Risk of building safety is observed</p> | <p>Usually, the following risks regarding to building safety has been observed within the factories: cracks in the walls inside the building, structural damage of the building, and water stains on the walls, etc.</p> | High | Frequent |
| <p>Physical Safety</p> <p>Temperature of the environment is not appropriate.</p> | <p>Most often, workers absenteeism from work is related to the very high temperatures in the factories, which can reach up to 37oC in summer and below 13oC in winter. The high absenteeism, in turn, puts more pressure on the remaining employees, causing an increase in overtime hours, lowering the quality of the final product, and reducing credibility with buyers.</p> | Very High | Frequent ³¹ |
| <p>Risk: Ventilation is insufficient or inadequate</p> | <p>In most of the reported cases of insufficient or inadequate ventilation the issues are found in the ironing section. Steam produced by ironing is released into the working environment, which increases the humidity and creates a fertile environment for potentially harmful pathogens to develop. This risk causes many of the workers to contract respiratory diseases, immunodeficiency conditions, and other complications which, consequently, leads to an increase in absenteeism.</p> | High | Frequent |

27. Sometimes known as “group bullying,” mobbing in the workplace involves groups of people targeting a coworker for isolation, humiliation, and aggression. The impact on mobbing targets, as well as the business itself, can be serious. Small business owners should be aware of the signs of mobbing and take steps to foster a healthy work environment.

28. 3 Workers reported to GT.

29. 6 complaints received from workers (more details [here](#)).

30. 1,468 workers reported to GT.

31. 7-20% absenteeism due to poor working conditions.

Recommendation for prevention and remediation:

The clothing companies are encouraged to protect workers in their supply chain by building the capacity of their suppliers through exemplary components of following a corrective action plan and ensuring that the supplier:

- › Has a management commitment based on knowledge of health and safety legislation and ongoing consultation with workers.
- › Implements policies and procedures with a clear allocation of responsibilities to provide a safe and healthy workplace. Risk assessments, integration of health and safety into all work processes, clear allocation of responsibilities to individual management levels and employees, allocation of tasks requiring specialist expertise, such as emergency response or coordination of activities, to appropriately trained staff, monitoring and continuous improvement of health and safety performance.
- › Conducts technical training of workers / involvement of workers, self-selection of worker representation for OHS.
- › Allocates budget/resources for OHS.

Companies are encouraged to engage in sector initiatives, agreements with trade unions and multi-stakeholder initiatives to implement this guidance which facilitates both a regional and sector-wide approach

Fair Wear has developed tools for member companies to check on common health and safety issues in the factories where they source from. Every factory visit is an opportunity to check on these issues. The guides allow staff of member companies who visit the factory to do a preliminary scan of elementary health and safety issues. There are two versions: one is for use by CSR staff and others with some Health & Safety training, the other is for brand employees—product managers, buyers—with no such training. Visiting affiliates can look for obvious, important shortcomings; Are emergency exits clearly marked? Is the floor wet or slippery?

- › Basic health & safety check for CSR staff and supply chain managers.
- › Common health & safety problems- a guide for designers, buyers, and other factory visitors.

During the COVID-19 pandemic Fair Wear developed specific guides on keeping workers safe and has put it as a top priority amongst both clothing brands, their suppliers, and the worker representatives. To give targeted guidance on how to keep workers safe, our developed [discussion sheet](#) which, in combination with [COVID-19 specific health and safety checklist](#), gives a comprehensive overview of what measures to consider and what to look out for in the conversation between brands and their suppliers.

Download the [COVID-19 Factory Health and Safety Discussion Sheet here](#).

Download the accompanying [COVID-19 Health and Safety Measures Checklist](#).

4.8. LEGALLY BINDING EMPLOYMENT RELATIONSHIP

“Working relationships shall be legally binding, and all obligations to employees under labour or social security laws and regulations shall be respected”

| Most common country risks & violations | Examples (Description) | Potential impact | Likelihood |
|---|--|------------------|-------------------------|
| Violation: Copies of contracts are not provided to workers. | The renewal of contracts for workers on fixed term employment is common practise on a periodical basis. Fair Wear audit data shows that, often the copies of this contracts are not always handed out to the workers, although they are kept in the workers’ personal files. Workers also have reported to Glasen Tekstilec that they have not always received copies of the contracts. | Medium | Rarely ³² |
| Violations: Not all workers, both on the premises and offsite, have a contract. | Workers reported to Glasen Tekstilec that they have been required to work without regulated employment relationships. One of the examples is when factories employed retired workers, or workers on short time assignments. Due to the strengthened capacities of the State labour inspectorate the number of workers without contracts has decreased over the last 3 years. | High | Sometimes ³³ |
| Risk: Workers are consistently employed on temporary contracts. | Workers are usually employed on temporary contracts (1-3 months), which has a negative impact on them as they are insecure and fear for their livelihood and health insurance entitlements. Therefore, violations of their rights are often concealed. After a certain period of time (3 years), the employers is obliged to transform the temporary contracts into permanent contracts. This time-period, and subsequent modification of the contract, is not always adhered to. | High | Frequent |
| Risk: Workers are required to sign blank papers, resignation letters, etc. | Cases when workers are required to sign blank sheets without knowing the reason and without knowing what their signature would be used for are found. In particular, during the COVID-19 pandemic, some workers were forced to sign annexes to contracts and moved from permanent to temporary employment. At the end of this period, their contracts were not renewed, and they were registered as newly unemployed, therefore entitled to compensation by the National Employment Agency for their status of unemployed which equal to 50% of the wages the person receives from the employer. The workers were then dismissed without being told the reason for the termination of their employment. | High | Sometimes ³⁴ |

32. Only two factories did not provide workers with copies of contracts.

33. 240 workers reported to GT.

34. 110 workers reported to GT; 543 workers reported to GT; 155 worker sought legal assistance from GT.

Recommendation for prevention and remediation:

The clothing companies should ensure that the supplier:

- › Clearly communicates employment policy, factory guidelines, policies, workplace rules, and provide formal employment agreements (contracts) that specify the terms and conditions of employment. Provides regular employment whenever possible. Retains all employment records. Does not charge workers for the hiring process.
- › Have procedures in place for all deductions in line with national legislation, including the required advance notice and appeals process and have them clearly explained to employees and managers.
- › Pays wages on time; delays due to cash flow problems are resolved as soon as possible and a system is in place to prevent recurrence in the future.
- › Does not use advances or loans to retain and protect the employee.
- › Keeps copies of; national and local labour codes, health and safety regulations, and environmental requirements; liability insurance documents; compliance record of subcontractor/recruitment agent; business registrations and certificates; government registrations or permits; taxation and other financial records; inspection records; standard contracts; training records on factory rules/regulations.

Conventions relevant to standard include the following:

- › C95: Protection of Wages Convention, 1949
- › C158: Termination of Employment Convention, 1982
- › C175: Part-time Work Convention, 1994
- › C177: Homework Convention, 1996
- › C181: Private Employment Agencies Convention, 1997

The clothing companies should be extra vigilant and not allow work to be shifted from one company to another with the same employer, as this can only mean abuse and manipulation of the law and the existence and rights of the workers.

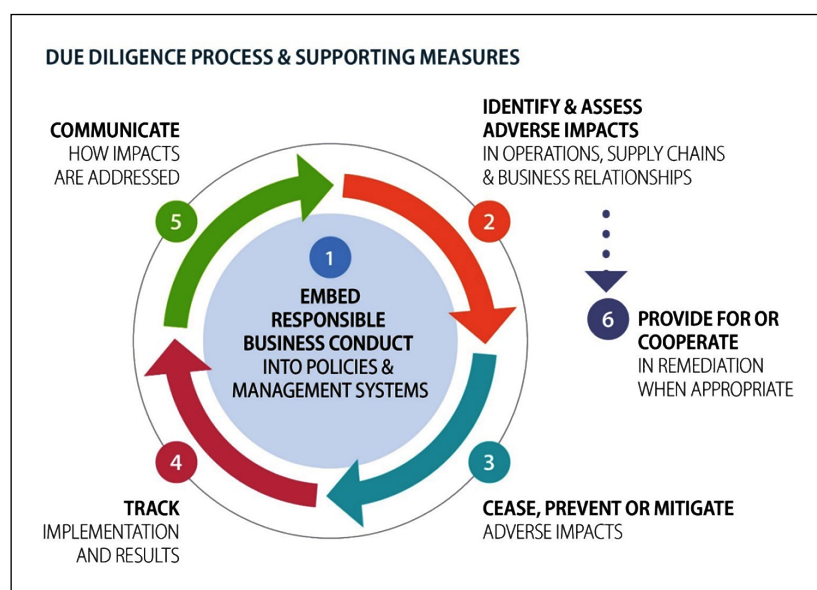
5. General recommendations on Human Rights Due Diligence

HRDD is integrated in so-called responsible business conduct (RBC). RBC encompasses: “Human rights, including workers and industrial relations, environment, bribery and corruption, disclosure, and consumer interests” (OECD, 2018)³⁵.

Companies face a broader range of RBC risks and impacts across their operations and full supply chain, which they should identify and address in line with a risk based due diligence approach (prioritising most severe risks and impacts to which they are linked, as well ceasing, preventing and mitigating those impacts that they cause or contribute to).

The requirements to clothing companies on risk assessment, prioritisation, prevention, and improvement given below are built on the OECD Due Diligence Guidance for Responsible Business Conduct and Fair Wear principles.

The OECD due diligence cycle includes the whole process of internalising due diligence, identifying risks and adverse impacts, ceasing / preventing / mitigating adverse impact, monitoring, and tracking implementation, and finally reporting publicly on the outcomes. The provision of remediation is not a component of due diligence but a separate, critical process that due diligence should enable and support.



Source: OECD due diligence cycle

Fair Wear Foundation has developed HRDD policy for supporting its members on implementation of the due diligence cycle in 5 main steps³⁶.

³⁵. Defined in the OECD Due Diligence Guidance for Responsible Business Conduct (RBC) (2018)

³⁶. Fair Wear HRDD policy for its members- This policy for Fair Wear members concerning human rights due diligence is building on several international guidelines: the United Nations Guiding Principles on business and human rights (UNGP, 2011); The OECD Guidelines for Multinational Enterprises (2011), the OECD Due Diligence Guidance for Responsible Business Conduct (2018) and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (2017).

Step 1: *Establish a Responsible Business Conduct (RBC) policy: Setting an RBC policy in the brands' sourcing strategy, with a focus on increasing influence on improving working conditions meaningfully is the first step toward alignment to responsible business conduct.* The policy should reflect commitments to human rights due diligence and upholding international standards and should explain how this is embedded in the company structures.

Step 2: *Conducting a scoping exercise, risk assessment and informing workers and suppliers.* From the OECD guidance: "The scoping should build on known sector risks and take into consideration relevant risk factors. It should be periodic, informed and documented. The company is encouraged to draw from the known sector and sub-sector risks to determine the likelihood of risks and severity of harm in its own operations and in its supply chain based on the countries that the enterprise operates in or sources from, the products that the enterprise produces or sells and its business and sourcing practices". Scoping exercise can also be a tool and would also help clothing companies to make sourcing decisions.

Clothing companies should conduct pre-order due diligence sourcing dialogue prior to finalising the first purchasing order; informing the potential supplier about their own commitment to human rights and should learn about the working conditions at the potential suppliers and their commitment towards compliance and social dialogue. This should become a continuous process imbedded in members' sourcing strategy.

For existing suppliers, clothing companies should know the knowledge level of the suppliers on compliance requirements and decide how due diligence sourcing dialogue should be conducted.

Clothing companies should take upon conducting their own risks assessment in specific timeframe and continually monitor the situation, through factory monitoring visits, monitoring plans, and corrective action plans where there are penetrating risks.

Step 3: *Stopping harm, prioritising and implementing programmes*

Depending on the risk level the clothing companies should approach to developing their own improvement or prevention program, for which at factory level to be successful, four elements are critical;

- › Participation of the factory management,
- › Engagement with workers and their representatives,
- › Consultation and involvement of stakeholders, and
- › Continuous monitoring and evaluation.

These four factors, as well as clothing companies' responsible purchasing practises and meaningful engagement in sourcing dialogue, should be integral to all prevention and improvement programmes of brands.

Based on the needs of follow-up actions, clothing companies should adapt where relevant their own purchasing practises and carry out relevant programmes at the suppliers and make sure there is a proportionate response to the severity of the harm. Remediation must meet national laws and international guidelines, and where standards are not available, the remedy is consistent with previous cases.

Step 4: *Tracking and validating on progress made in the implementation and prevention programmes*

Shared responsibilities on clothing companies and suppliers how to monitor the labour standards should be in place. A system to track implementation and validate the progress made, seeks to assure that the measures/actions taken by the companies and their supplier have been effective in preventing and remedia-

ting human rights violations. Workers and suppliers should play an integral role in monitoring progress against goals.

Step 5: Publicly reporting on risks and progress: Reporting can include information on which organisations companies work with, how workers and unions are involved, the programmes' outcomes, and which progress is made.

Gender considerations when applying due diligence³⁷

Women account for a majority of the labour force in the garment and footwear supply chain. Risks of harm often differ for men and women. For example, women are more likely to be paid lower wages than men; women are more often linked to precarious, informal, or irregular employment; and low-income women workers are particularly vulnerable to harassment in the workplace. The unique position of women within a particular context should therefore be systematically considered at all stages of due diligence.

Enterprises are encouraged to:

- 】 Consider how women may be disproportionately affected by impacts (for example, migrant workers, minorities, young women, etc.). For example, sexual harassment and sexual and gender-based violence predominantly affect women in the sector.
- 】 Consider whether a program or policy could have unintended negative consequences for women. Include women in the design of monitoring and evaluation measures.
- 】 Assess whether grievance mechanisms are equally accessible to all affected parties (for example, women, men, migrant workers, etc.).
- 】 Ensure that the individual serving as the access point for a grievance mechanism is approachable regardless of the complainant's gender, religion, etc. Special attention should be paid to women from vulnerable groups.

Meaningful stakeholder engagement³⁸

Collaboration at a sector level, directly in partnership with trade unions, local labour rights, or through multi-stakeholder initiatives, is encouraged as a supporting model for international brands.

Enterprises are encouraged to consult stakeholders—meaning that their input and feedback is requested—during the assessment of risks in the enterprise's operations and its supply chain. Practically, there are a number of ways in which enterprises may engage with stakeholders. Together enterprises and stakeholders are encouraged to identify methods for engagement that are effective for them. Industrial relations can be considered an important form of stakeholder engagement in which management engages the workforce collectively. The enterprise should prioritise engaging with stakeholders, or their interlocutors, who are most likely to be affected by the activities of the enterprise

Collaboration does not alter the responsibility of the individual enterprise to identify, prevent or mitigate harm. However, collaboration can be used as a means of applying due diligence.

37. OECD (2018), OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, OECD Publishing, Paris; section Gender considerations when applying due diligence

38. OECD (2018), OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, OECD Publishing, Paris; section on Meaningful stakeholder engagement.

Annex 1: Literature used during developing this guideline

Fair Wear

Fair Wear Foundation [resource documents](#) developed for guiding its members:

- › Fair Wear audit reports 2017-2020
- › Fair Wear complaints 2017-2020
- › [Fair Wear Member guide](#) (guides which describe all of the fundamental requirements of Fair Wear membership); Fair Wear HRDD policy
- › [Addressing excessive overtime through better purchasing practises.](#)
- › [Understanding Fair Wear's Approach to Social Dialogue New Freedom of Association Policy and Brand Guide – Fair Wear](#)
- › [Understanding Fair Wear's Approach to Social Dialogue](#)
- › [Basic health & safety check](#) for CSR staff and supply chain managers
- › [Common health & safety problems](#)- a guide for designers, buyers, and other factory visitors
- › Specific guides on keeping workers developed as response to [COVID-19 specific health and safety checklist](#)
- › [COVID-19 Factory Health and Safety Discussion Sheet](#)
- › [COVID-19 Health and Safety Measures Checklist.](#)

Glacen Tekstilec

Internal data base of reported cases of violations from workers in North Macedonia

register of advocated legal provisions on behalf of the workers

External resources

- › [OECD \(2018\), OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, OECD Publishing, Paris.](#)
- › [ILO labour standards](#)
- › [United Nations Guiding Principles on business and human rights \(UNGPR, 2011\)](#)
- › [OECD \(2011\), OECD Guidelines for Multinational Enterprises, OECD Publishing.](#)
- › [OECD \(2018\) Due Diligence Guidance for Responsible Business Conduct.](#)
- › [Fair Wear Code of Labour Practices.](#)

Annex 2: Summary of most common international labour rights codes recognized by Macedonian suppliers

The table below summarises the most common codes/conducts or standards derived from eight ILO fundamental conventions on labour rights³⁹ that are required by international brands to comply with. This list is not exclusive, but rather reflects the suppliers' understandings on international requirements.

| Fair Wear | OECD | Fair Labour Association | ETI | German Partnership for Sustainable Textiles | Amfori BSCI |
|---|--|--|---|---|--|
| Employment is freely chosen | Employment and Industrial Relations | Forced Labour | Employment is freely chosen | Forced Labour (under child and forced labour) | No Bonded Labour No Precarious Employment |
| Freedom of association and the right to collective bargaining | Trade unions and collective bargaining | Freedom of Association and Collective Bargaining | Freedom of association and the right to collective bargaining are respected | Freedom of Association and Collective Bargaining | The rights of Freedom of Association and Collective Bargaining |
| There is no discrimination in employment | Sexual harassment and sexual and gender-based violence (SGBV) in the workplace | Non-discrimination Harassment or Abuse | No discrimination is practised No harsh or inhumane treatment is allowed | Discrimination, sexual harassment and gender-based violence | No Discrimination |
| No exploitation of child labour | Child labour | Child Labour | Child labour shall not be used | Child and Forced Labour | No Child Labour |
| Payment of living wage | Wages | Compensation | Living wages are paid | Wages and Social Benefits | Fair Remuneration |
| Reasonable hours of work | Working time | Hours of Work | Working hours are not excessive | Working Hours | Decent Working Hours |
| Safe and healthy working conditions (Including free of violence and harassment) | Occupational health and safety | Health, Safety and Environment | Working conditions are safe and hygienic | Health and Safety | Occupational Health and Safety |

39. <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/index.htm>

| Legally binding employment relationship | Forced labour | Employment Relationship | Regular employment is provided | | Special Protection for Young Workers |
|---|---|-------------------------|--------------------------------|---|---|
| | Hazardous chemicals, Water, Greenhouse gas emissions, Bribery and corruption, Responsible sourcing from homeworkers | | | Chemical Use and Wastewater Environmental protection, use of resources and fibres Climate Protection and Greenhouse Gas Emissions Animal Welfare Corruption | Protection of the Environment Ethical Business Behaviour |

This guidance is a joint initiative, developed in partnership between Friedrich Ebert Stiftung Skopje Office and Fair Wear Foundation, in collaboration with a local labour rights organisation for workers' rights in the textile sector- Glasen Tekstilec.

© 2021 Fair Wear Foundation is an international multi-stakeholder non-profit organisation that works with clothing companies—and their supply chains—to improve working conditions in the garment industry. By becoming a member of Fair Wear, a company commits to implementing the Fair Wear Code of Labour Practices throughout its supply chain. Currently over 130 brands have joined. Fair Wear strives to increase awareness about working conditions and workers' rights in textile factories. For more information, please visit www.fairwear.org.

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