



Working conditions in the textiles and garment industry

The GPFG is invested in a large number of textiles companies, from spinning mills to major fashion brands, in many different countries. Most of the textiles companies in which the fund invests do not have their own manufacturing operations, but buy textiles and garments from different factories in many countries. It is well known that working conditions in the garment industry are poor. Media reports of low wages, extremely long working hours and unsafe working conditions abound. The criticism is often directed at famous brands which fail to ensure good working conditions in their supply chains.

Although these are important issues, the Council's starting point has been slightly different. In 2015, the Council embarked on a systematic investigation of textiles producers with factories in countries where the risk of labour rights violations seems particularly high. This effort was not directed at the buyers, but at the companies in the GPFG that actually produce textiles and garments. The Council considers that these companies, in their capacity as employers, have a direct responsibility for the working conditions in their factories. Many of them are multinational companies with factories in many countries and thousands of employees.

According to the human rights criterion, companies may be excluded if there is an unacceptable risk of 'serious or systematic' human rights violations. The textiles industry cases relate primarily to systematic norm violations. 'Systematic' means that such violations do not appear to be isolated incidents, but constitute a pattern of behaviour. In other words, the norm violations are numerous, different types of rights are infringed or they take place in several of the company's production units. The Council considers that higher standards can be expected from companies when norm violations take place within their own operation than when a company contributes to the norm violations carried out by third parties. Assessments of norm violations are based partly on the International Covenant on Economic, Social and Cultural Rights, ILO conventions and authoritative interpretations thereof. In its assessment of the risk of new human rights violations, the Council attaches importance to how a company has previously responded when norm violations have been revealed, and what the company has done to prevent norm violations from happening again.

With the help of external consultants, 27 investigations into working conditions at the factories of 17 companies have been carried out. These companies have production facilities in Cambodia, Vietnam, Bangladesh, Lesotho and Myanmar. Investigations into factories in India are ongoing. Many of the companies have been investigated several times, either the same factory over time, or other factories belonging to the company. The investigations are based on interviews with workers and factory inspections. The interviews are carried out in safe surroundings, where the workers can speak freely without fear of reprisal. The most serious violations uncovered relate to sexual and

physical harassment, hazardous conditions leading to fainting due to a high pressure of work and heat, and young people under the age of 18 working under the same conditions as adults. More widespread, however, is discrimination relating to pregnancy, forced overtime, illegal short-term contracts, the illegal docking of wages and measures by factory management to prevent unionisation.

This work has revealed substantial differences in working conditions between the companies. In some companies, working conditions are so bad and management's willingness to improve them so poor that they have been excluded. Other companies show that it is possible to produce textiles and garments under relatively good working condition, while others demonstrate a willingness to change what were, at the outset, poor working conditions. This often happens after the companies have received a draft recommendation to exclude them, in which the labour rights violations are described. Even though almost all the companies have so-called codes of conduct based on requirements from customers, the level of compliance with these varies considerably. It is a cause for concern that even when textiles companies are inspected by customers or their representatives many times a year, the Council has uncovered multiple norm violations at the same factories.

A draft recommendation to exclude has on several occasions proved to be a good starting point for a constructive dialogue with companies about change. To avoid exclusion, the Council requires any improvements to be of an enduring nature and expects companies to make improvements in other factories they own as well. Management must therefore address and take overall responsibility for working conditions throughout the company. This includes changes in corporate governance to ensure that improvements are lasting.

So far, two companies have been excluded, while three companies are under observation as a result of this work. The Council is engaged in dialogues with several textiles companies, and will continue to investigate working conditions in the textiles sector. Specific knowledge of what working conditions in the factories are actually like, and the publicity surrounding an exclusion from the fund have proved to be a good starting point for influencing companies to change.