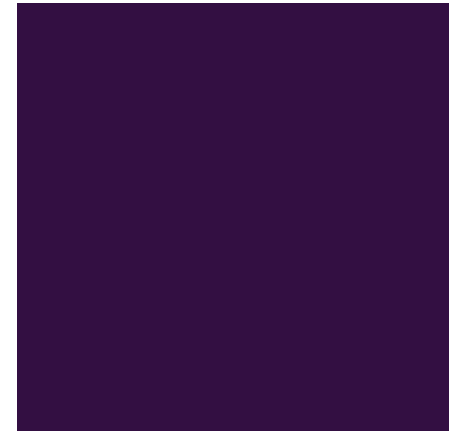
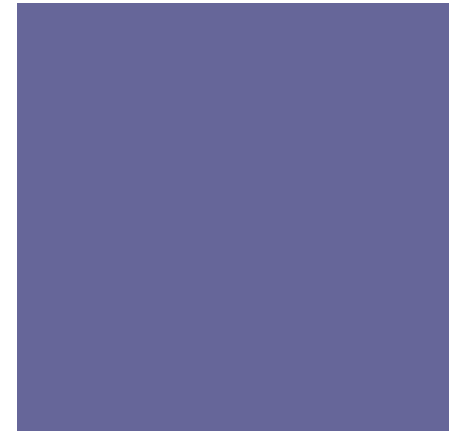




TPP – Labour Provisions



+ Choices





Overview



- Requires all TPP parties to adopt and maintain in their laws and practices the fundamental labour rights recognised by the ILO
- Prevent a ‘Race to the Bottom’
- Create a ‘Level Playing Field’ for U.S. workers and businesses



Overview



PREAMBLE:

The Parties to this Agreement, resolving to:

- **ESTABLISH** a comprehensive regional agreement that promotes economic integration to liberalise trade and investment, bring economic growth and social benefits, create new opportunities for workers and businesses, contribute to raising living standards, benefit consumers, reduce poverty and promote sustainable growth;
- **PROTECT** and enforce labour rights, improve working conditions and living standards, strengthen cooperation and the Parties' capacity on labour issues;

+ Chapter 19



- Requires all signatory countries to afford their workers the rights that have been recognized as “fundamental” and “enabling rights” by the ILO:
 - (1) freedom of association and the effective recognition to the right to collective bargaining;
 - (3) elimination of all forms of forced or compulsory labor;
 - (4) effective abolition of child labour and a prohibition on the worst forms of child labor;
 - (5) the elimination of discrimination in respect of employment and occupation.

- i.e. rights that all others build upon and that make it possible to promote and realize decent and dignified work.

+ Chapter 19



- Each Party shall adopt and maintain statutes and regulations, and practices thereunder, governing acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health
- ... 'as determined by that party'
- Commitment to discourage importation of goods that are produced by forced labour irrespective of their source of origin.

+ Features



- Non-derogation
- Promotion: “each party shall promote public awareness of its labour laws, including ensuring that information related to its labour laws, and enforcement and compliance procedures is publicly available.”



Enforcement



- Enforcement: “no party shall fail to effectively enforce its labour laws through a sustained or recurring course of action or inaction in a manner affecting trade or investment between the parties ...”
- Access to remedy: “shall ensure ... appropriate access to impartial and independent tribunals”
- “shall ensure that proceedings ... are fair, equitable and transparent; comply with due process of law; and do not entail unreasonable fees or time limits or unreasonable delays ... and open to the public ...
- “shall provide procedures to effectively enforce the final decisions of its tribunals”



Cooperation + Dialogue

Cooperation

Request Dialogue

Labour Council

National Contact Point

Public Engagement

Labour Consultations





Bilateral Implementation Plan

- Labour Unions
- Forced Labour
- Discrimination
- Institutional Reforms and Capacity Building
- National Contact Point
- Industrial Relations Activity
- Labour Inspection Activity



Labour Unions



- Ensure right of workers to freely form and join a grassroots labour union of their choice without prior authorisation
- To operate a union it must register with its choice of either the VGCL or the competent government body.
- Unions to have the right autonomously to elect its representatives, adopt its constitutions and rules, organise its administration, including managing finance and assets, bargain collectively, and organise and lead 'rights-based strikes' and other collective actions related to the occupational and socio-economic interests of the workers at its enterprise
- Unions to be able to request and receive technical assistance and training from any Vietnamese or international worker organisation legally operating in Vietnam



Forced Labour



- Forced labour to include “debt bondage”
- Criminal sanctions to attach to the use of forced labour
- Treatment in drug rehabilitation centers is medically appropriate and do not subject patients to conditions of forced or compulsory labour. Drug users entry to be voluntary or based on a court decision.
- Develop and implement a strategy for targeting inspection and other enforcement activities to sectors where child labour has been identified through National Child Labour Survey (including informal work-sites and sub-contractors in the garment industry)

+ Discrimination



- Laws prohibiting discrimination to include discrimination based on colour, race and national extraction (clarify Article 8)
- To prohibit discrimination in “all aspects of employment” (amendment to Article 8)
- Protection occupational health and safety of women workers and removing prohibitions on women engaging in specified occupations (amendment to Article 8)



Institutional Reforms and Capacity Building



- “Vietnam shall undertake necessary institutional changes and capacity building to implement the amended laws and regulations, including: establish new administrative functions, procedures and mechanisms; expand and adequately train the labour inspectorate and relevant criminal system authorities to effectively enforce the amended laws and regulations and provide the necessary resources, including hiring additional staff as needed to implement these changes.

+ TPP National Contact Point



- Designate the appropriate office as its contact point and ensure adequate staffing
- Establish and disseminate administrative procedures for the receipt and consideration of public submissions



Industrial Relations Activity



- Designate a government body MOLISA and DOLISA as applicable to apply legal reforms to ensure
 - Registration of grassroots labour unions
 - Workers' right to strike
 - Effective recognition and protection of the right to bargain collectively

- To establish industrial relations bodies and mechanisms which shall provide mediation and conciliation services and develop and implement training programs for the resolution of disputes between workers and employers



Labour Inspection Capacity



- Vietnam shall revise internal inspection and enforcement procedures for labour inspectorate of MOLISA and DOLISA to ensure effective enforcement of the new provisions and train all relevant personnel on new provisions and procedures
- Shall establish and implement an effective complaint mechanisms in MOLISA and DOLISA for workers to inform authorities confidentially and anonymously of violations – following up, and documenting and tracking, inspections, investigations, violations identified and sanctions levied and remediation.
- Shall allocate sufficient resources including 750-800 inspectors for MOLISA by end of 2016 and 1200 by end of 2020 (up from 500)

+ Transparency



- Vietnam shall publicly disclose the annual MOLISA budget including breakdown of resource allocation and staffing related to the implementation of commitments made in the Plan.
- Every 6 months for 10 years after the date of entry into force of TPP Bilateral Plan shall make publicly available:
 - Detailed information on status and final outcome of applications for labour union registration inc. time taken to process and basis for any denial and information on collective bargaining agreement concluded and strikes declared.

+ Review



- Vietnam shall launch an outreach program to inform and educate workers, employers and other stakeholders on their rights and responsibilities under the labour law and new laws and regulations under the Plan and on remedies and courses of action available to enforce those rights

- Govt to Govt mechanisms
 - Standing bilateral Senior Officials Committee from US Trade representative, US Department of Labour and Ministry of Industry and Trade and MOLISA to meet annually for 10 years. Technical level officials to meet semi- annually.
 - At request of either party SOC must convene within 30 days
 - Either party may request an ILO review

+ Supporting Mechanisms

- Establishment of a Technical Assistance Program by the ILO in Vietnam to provide support to facilitate implementation of legal and institutional reforms
- TAP to produce a public report every 2 years
- Establishment of a Labour Expert Committee: US, Vietnam and Chair to be agreed upon who may be ILO representative or international labour expert
- Both parties shall endeavor to secure funding for technical assistance
- Vietnam to request assistance of ILO and implement its recommendations

+ Bangladesh



+ Cambodia



+ CSR



- From “transactional to procurement model” – VF
- Fair living wage in the textile industry – H&M
- The Business Case
 - Sustainability and integrity of supply chain
 - ESG Reporting requirements
 - Shareholder/Consumer sentiment

+ Fair Living Wage

H&M's roadmap towards a fair living wage in the textile industry

H&M has developed a roadmap based on our vision that a fair living wage covering workers basic needs should be paid by our commercial goods suppliers. It should be enabled through our purchasing practices, and based on a skilled workforce that have their wages negotiated and annually reviewed, involving democratically elected trade unions or worker representatives.

H&M will continuously measure the workers own perception of receiving a wage covering their basic needs, which will be used as a guide in our work. The holistic approach covering H&M as well as factory owners, factory employees and governments takes the wage issue to the next level within the fashion industry, encouraging others to do the same.

Factory owners

H&M will support factory owners to develop pay structures that enables a fair living wage, ensure correct compensation and overtime within legal limits. This will be explored by implementing the Fair Wage Method in our role model factories, from which we will source 100% of the products during five years.

- By 2014, we will implement the Fair Wage Method in three model factories (one in Cambodia and two in Bangladesh) with a first evaluation already next summer, with the aim to be scaled up.

- H&M's strategic suppliers should have pay structures in place to pay a fair living wage by 2018. By then, this will reach around 850 000 textile workers. Our strategic suppliers are currently 750 factory units producing around 60 % of our products.

H&M

H&M will further improve our purchasing practices to ensure it enables our suppliers to pay their textile workers for the true cost of labor. Starting 2014 we will:

- Develop our price method to ensure the true cost of labor. By doing this we secure that we pay a price which enables our suppliers to pay their textile workers a fair living wage and reduce overtime.

- Improve our purchasing plans to reduce our suppliers' production peaks and enable them to better prepare the right capacity in their factories.

- Update our Code of Conduct to better reflect our roadmap and goals.

Governments

H&M will encourage governments to engage in a process to identify a living wage level, set a legal minimum wage accordingly and review wages annually thereafter.

- We will continue to interact with governments and public agencies to advocate for annual wage revision and enforce labour legislation protecting the freedom of association. We will encourage others to do the same.

Vision

A Fair Living Wage, covering workers basic needs, should be paid by all our commercial goods suppliers

Factory employees

H&M will support textile workers at our supplier factories to have access to education, skill enhancement and ensuring they are employed at a level matching their skills. They should also be able to bargain collectively through elected representatives.

- Starting now, we will run vocational training, a Center of Excellence, together with SIDA and the ILO to meet this need. We will train 5,000 students by 2016 and secure that they start at a wage level reflecting their skills and that they are aware of their own rights and responsibilities.

- We've started a skill development training and will secure employment for 100 supervisors through our Production Management Program in Cambodia.

- We are implementing an industrial relation project in Cambodia in cooperation with Swedish trade union IF Metall, SIDA and ILO. The aim is to strengthen the structures for industrial relations in the country and increase collective bargaining.

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

