



International
Labour
Organization

Good work!

Human rights and labor rights
due diligence tools for the
garment sector in Argentina



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► Prologue

This document is the first in a series of tools, questionnaires, and guides for implementing due diligence processes in companies. It is a set of materials developed by the ILO within the *Evidence for Action (EvA) Project: Increasing the Impact of Research to Mobilize Efforts against Forced Labour in the Garment Sector in Madagascar and Argentina*.

The EvA project, funded by the U.S. Department of Labor and implemented with the support of NORC of the University of Chicago and Verité, aims to strengthen the capacities of public and private entities. Thus, the initiative is committed to producing knowledge and tools that allow for identifying, preventing, mitigating, or remedying occupational risks in the garment sector.

As part of the cooperation actions with the government, employers, and workers' representatives, framed within the fourth Decent Work Agenda in Argentina for the period 2022-2025, the ILO promotes the incorporation of due diligence approaches and Responsible Business Conduct (BRC) for the promotion of decent work in the country. In addition, it encourages enterprises of all sizes and sectors to align their operations with the principles of international labour standards and the guidance provided by the *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*.

The private sector faces numerous challenges related to Fundamental Principles and Rights at Work, environmental impact, and just transition. These challenges are not limited to individual companies but involve different actors along the global value and supply chains.

By integrating human and labor rights due diligence, companies can minimize and resolve the difficulties that may arise from their various operations. At the same time, they can also contribute significantly and positively to economic and social progress, as well as to the realization of decent work for all.

These materials will strengthen the efforts of the employer sector to eradicate forced labour and put an end to various forms of modern slavery, including human trafficking. We are also confident that this series of tools represents a contribution to ensuring the prevention and eradication of child labor, in line with the objectives of Alliance 8.7, of which Argentina is a Pioneer Country.

Sara Luna Camacho

Director

ILO Country Office for Argentina

► Introduction

These human rights due diligence tools for the garment sector in Argentina have been developed in the framework of the ILO project "Evidence for Action: Increasing the Impact of Research to Mobilize Efforts Against Forced Labour" (E2A), funded by the United States Department of Labor. Its development and adjustment were developed jointly with Verité, implementing partner of the Project.

The overall objective of the Evidence to Action project is to increase the impact of research on efforts to combat forced labor. This project focuses on producing knowledge and tools to increase the capacity of the public and private sectors to identify, prevent and mitigate or remediate the risks of forced labor in the garment sector in Argentina and Madagascar.

What is due diligence

According to the Organisation for Economic Co-operation and Development, (OECD), due diligence is a precautionary, risk-aware and process-oriented commitment that a business enterprise undertakes to "identify adverse impacts, prevent and mitigate them, track implementation and outcomes, and communicate how adverse impacts are addressed with respect to the enterprise's own operations, its supply chains and other business relationships." As applied to labor and human rights, due diligence principles address potential breaches of internationally recognized core labor principles and "basic necessities of life and freedoms", as mentioned in the *OECD Due Diligence Guidance for Responsible Business Conduct*.

Evidence-based professional interventions

During the first phase of the project, a Rapid Sector Assessment (RSA) was conducted to help inform the research methodology and stakeholder engagement. Over the past two years, a strong network of researchers, policy makers, subject matter experts and key stakeholders has been mobilized around the collection and analysis of data on working conditions in the garment sector. These findings were an input for the development of concrete actions for the private sector.

First results

Initial research in the Argentine garment sector found high levels of informality in the production and marketing of apparel, a strong presence of formal and informal workshops, as well as low levels of unionization and highly volatile demand. The sector has a significant presence of migrant workers (mainly from Bolivia, Paraguay and Peru) recruited through informal channels, driven by family and social networks. The informality and demographics of the sector are closely related to labor vulnerability and may pose challenges for effective intervention. The sector's production dynamics, coupled with high informality, also translate into low or very low wages, excessive overtime and work in often hazardous conditions. While some of these risks are known in the sector globally, specific local dynamics and circumstances increase the risk of exploitation and the vulnerability of workers.

► Introduction to tools and framing for action

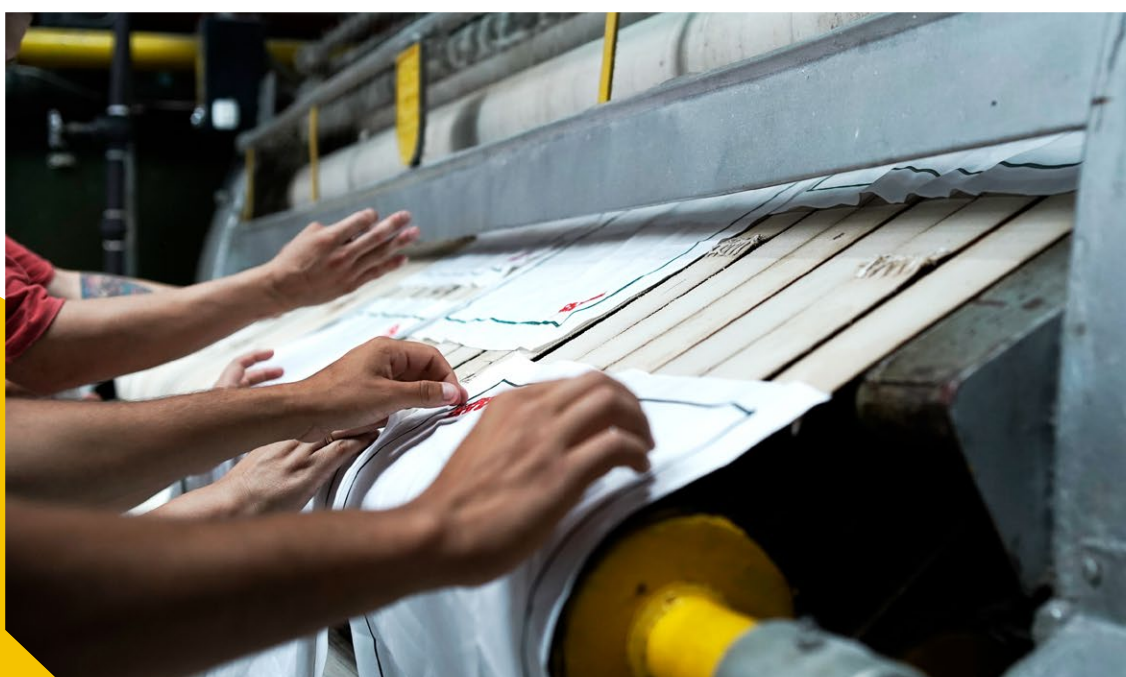
This set of human rights due diligence (HRDD) tools address the specific labor risks and production structures identified in the previous sectoral assessment. This document describes the tools specifically designed for the Argentinean garment sector, for two different audiences: brands operating and using suppliers in Argentina, and workshops producing garments in this extended chain.

The following tools have been designed to help brands and workshops operating in Argentina address these challenges through a human rights' due diligence approach. They correspond with this approach to the due diligence system and are specifically tailored to address the challenges identified in the Argentinean garment sector. Users of the tools will be able to deepen their understanding of human rights, due diligence and corporate governance systems, while responding specifically to the needs of the sector.

HRDD tools are divided into four categories:

- Introduction to the core concepts of human rights due diligence for business and the management systems approach.
- Tools for integrating human rights due diligence in companies and supply chains.
- Tools for identifying and assessing adverse human rights impacts.
- Tools to stop, prevent and mitigate negative impacts on human rights.

These practical tools are supported by a series of videos aimed at facilitating the learning process.



Introduction to due diligence and management systems

Introduction to the project and collaboration proposal



▶ Introduction to human rights due diligence and the OECD framework



▶ Introduction to management systems



▶ Introduction to the PVHA model

1

Embedding human rights into policies and management systems



Human Rights Due Diligence Self-Assessment Questionnaire



Self-Assessment Questionnaire on Code of Conduct



Model Code of Conduct

▶ Introduction to Element 1: Incorporate human rights into policies and management systems.

2

Identify and assess negative impacts



Matrix of occupational risks in the garment sector



Supply Chain mapping tool



Supply chain mapping tool

▶ Introduction to Element 2: Identifying and assessing negative impacts.

3

Cease, prevent or mitigate



Self-Assessment Questionnaire for Human Rights management systems



Overtime: how to respond



Wages: how to respond (for workshops)



▶ Introduction to specific risk management

Symbols:  For workshops  For brands  Video

► How to use the tools of HRDD

Introduction to human rights due diligence and management systems

These introductory videos provide an overview of human rights due diligence concepts (for brands) and management systems and the 4-step Plan-Do-Check-Adjust (PHVA) program for workshops. These are intended to provide brief and accessible guidance on the fundamental frameworks within which human rights due diligence tools sit. Users of the tools should start by watching these videos to ensure that they understand the basic concepts before they begin using the various tools.

Step 1: Integrate the HRDD approach into business management systems

Setting clear expectations within a company and with suppliers in the supply chain is an essential first step in changing behavior throughout the supply chain. Including basic labor provisions in codes of conduct and policies can shape expectations and build awareness among all personnel about how suppliers should interact with their own suppliers and with others in the supply chain. These tools are designed to strengthen brands' understanding and implementation of human rights systems (HRDD) within their operations.

- *Human Rights Due Diligence Self-Assessment Questionnaire for Brands*: This self-assessment tool is designed to assess a brand's or supplier's level of progress with respect to the means, resources and prerequisites for developing, implementing and monitoring a comprehensive HRDD system. Brands can use this tool to assess their own progress/readiness in relation to the implementation of HRDD systems.
- *Model Code of Conduct for Brands*: This document presents a list of model provisions for brands, companies and suppliers to help them develop or reinforce their own formal policies or Codes of Conduct.
- *Code of Conduct Content Self-Assessment Questionnaire for Brands*: This self-assessment tool is designed to assess the degree to which core labor principles are reflected in the company's or organization's existing code of conduct and policies. After using the Brand Self-Assessment Questionnaire, and after reviewing the Model Code of Conduct, brands can conduct a self-assessment of their own codes and policies and adapt them as necessary to integrate core labor principles.

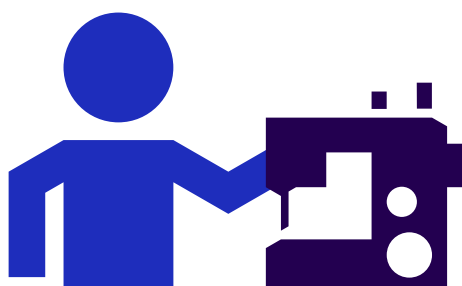
Step 2: Identify and assess adverse effects

Once HRDD policies and business management systems are in place, companies are able to apply human rights due diligence by identifying and assessing the risks that may be present in their supply chain. These tools are designed to help brands understand and identify their supply chains and suppliers to assess the presence of specific risks in specific jobs and workplaces. These tools also include resources for Argentine garment workshops, designed to strengthen their own supply chain knowledge and prepare them for greater brand engagement focused on HRDD.

- *Apparel Sector Labor Risk Matrix*: This tool is designed to provide brands with a snapshot-level view of the specific forced labor risks that were identified as present, in general, in Argentina's garment sector. Brands should use this tool after conducting supply chain mapping; based on the characteristics of the workplaces identified in the supply chain mapping exercise, brands can consult this tool for more information on the risks that may be present/linked to those characteristics. This tool can help them prioritize workplaces for additional or enhanced DDAR assessments and engagements.
- *Supply Chain Mapping Template for Brands*: This tool is designed to help brand representatives visualize and understand their supplier network and gather basic information about their characteristics and operations that may influence risk factors. It includes guidance on how to engage in the supply chain mapping process and templates for collecting and organizing information.
- *Workshop Supply Chain Mapping Template*: This tool is designed to help workshops understand and document their supply chain and production partnerships. It explains the supply chain mapping process and why brands may ask for this information. Shops can use this tool to improve their business management systems, gain visibility into their own operations and strengthen relationships with their customer companies.

Step 3: Cease, prevent and mitigate adverse effects

- *Addressing specific labor risks: overtime and wages*. Successful supply chain collaboration is based on providing suppliers with concrete guidance on the expectations and standards the company has established to identify, address and prevent labor issues. In this case, we offer workshops with a simple systemic approach to address some of the most salient issues in the Argentinean garment sector. The idea is to provide those who participate in the workshops with the right tools to integrate human rights principles into their daily operations, without losing sight of the concrete objectives and goals to reduce labor risks and human rights violations.



1.a Human Rights Due Diligence Self-Assessment Questionnaire



Human rights due diligence and businesses.

Human and labor rights are of paramount importance for businesses, not only from an ethical standpoint but also for long-term sustainability and success. Respect for these rights ensures that employees are treated fairly and equitably, fostering a motivated and productive workforce. Moreover, adhering to human and labor rights standards mitigates legal and reputational risks, which can lead to costly lawsuits and damage a company's brand.

Businesses that respect labor law and adopt Codes of Conduct that prioritize human and labor rights are more likely to thrive in an increasingly conscious and responsible global marketplace.

What is a Self-Assessment Questionnaire?

Self-Assessment Questionnaires (SAQs) are a set of self-administered questions that allow the user of the SAQ to identify gaps in their policies, systems, and practices. Upon completing the SAQ, users can then take steps to fill the identified gaps and address the potential risks, thereby improving their level of advancement in these areas.

What is the content of this SAQ?

This self-assessment tool aims at evaluating the maturity level of your human rights due diligence (HRDD) and its capacity to identify, prevent and remediate or mitigate adverse impacts of your operations on workers human and labor rights. The SAQ has twenty-five questions and is composed of five elements corresponding to the OECD due diligence framework.

1: Embedding HRDD into management systems

2: Identify and Assess adverse impacts in operations, supply chains and business relationships

3: Cease, prevent or mitigate adverse impacts

4: Track implementation and results

5: Communicate how impacts are addressed

For each section, you will find a quick description of the topic in focus, several questions useful for assessing your organization's progress, and boxes containing advice to improve performance in relation to the topic.

Who is this SAQ for?

This self-assessment tool is aimed at people who have responsibilities and decision-making capacity to undertake this HRDD initiative. Recipients are those who have assigned roles and responsibilities related to the running of the company in relation to personnel, labor relations, and those who attend to institutional relations with those who make up the supply chain and customers.

How to use this SAQ?

This SAQ is an internal tool designed to guide you through the basic elements of a human rights due diligence process and give you an accurate evaluation of its maturity within your company. As such, it is best to answer the questions as fully, honestly, and as accurately as possible so that the results of this exercise can most effectively inform your organization's path forward.

How to organize its use?

It is advised to form a small group of personnel involved in different departments of your company (HR, board and senior level, operational level, finances, marketing, communications, etc.). This will help with efficiently gathering the relevant information in case you do not already have personnel dedicated to HRDD. It also helps in generating awareness and to develop capacities able to foster a companywide change that can be beneficial to your business as a whole.

▶ 1. Embedding Human Rights Due Diligence (HRDD) in the Business Management System

This section focuses on the key elements necessary for embedding human rights due diligence into your company or organization's management system. The section is composed of 16 questions to help you measure your level of advancement.

Don't forget promoting human and labour rights is good for business!

Human Rights Due Diligence Systems: Definition, Objective, Convenience and Scope

- ▶ A human rights due diligence process is a systematic and comprehensive framework employed by organizations, governments, or businesses to assess, prevent, and mitigate potential human rights risks and impacts associated with their operations and activities.
- ▶ This process involves identifying, analyzing, and understanding how the organization's actions may affect individuals and communities, both directly and indirectly.
- ▶ It aims to ensure compliance with international human rights standards and to uphold the fundamental principles of dignity, equality, and non-discrimination.
- ▶ The existence of a HRDD system makes it easier for the company or organization to plan and monitor aspects of compliance with human, labor, and ethical rights in their own operations and supplier operations.
- ▶ By conducting due diligence, organizations can take proactive measures to rectify and prevent human rights violations, thereby promoting responsible and ethical conduct throughout their operations and supply chains.

1. What is the status of your system for implementing HRDD?

▶ We do not have an HRDD management system.	
▶ We are designing an HRDD management system.	
▶ We have designed an HRDD management system but have not implemented it.	
▶ We have an HRDD management system in operation.	

Understand the purposes and scope of Business Codes of Conduct

▶ A Code of Conduct establishes and disseminates the expectations and specific behaviors related to human rights that should be encouraged or prohibited in an organization's own operations and supply chains, based on national regulations, international standards, and customer requirements.

2. What is the status of your organization's Code of Conduct?

▶ We do not have a Code of Conduct	
▶ We are developing a Code of Conduct	
▶ We have a Code of Conduct that applies only to our own operations.	
▶ Our Code of Conduct applies to both our own operations and supply chains, and we have shared it internally and with our suppliers.	
▶ Other (please describe):	

3. Which standards are included in your organization's code of conduct? Select all that apply¹

Your Code of Conduct includes these elements?

▶ Company's mission, vision, and values	
▶ Minimum employment age and prohibition of child labor	
▶ Free and voluntary work and prohibition of forced labor	
▶ Obligation to provide a Safe and healthy work environment	
▶ Obligation to comply with labor legislation and regulations	
▶ Obligation to provide fair and equal treatment, avoiding discrimination based on gender, sexual orientation, age, ethnic origin, language, religion, political opinion, physical or mental condition, social belonging, and any other condition.	
▶ Obligation to respect the right to freedom of association and collective bargaining	
▶ Obligation to provide Humane treatment, avoiding physical, verbal, psychological and sexual harassment, and inhumane disciplinary measures	

¹ The elements shown below are only a reference of the minimum standards in terms of labor rights. The content of a code of conduct can be enriched with other topics according to the priorities of the organization. Likewise, the terminology presented is a way of mentioning the concepts, however, there may be other ways or conventions to talk about them, if the meaning and essence is preserved.

4. At what stage of implementation are human rights considerations integrated into company policies, procedures, and processes (PPPs)?²

Business Practices	We do not have these PPPs	These PPPs are formal	These PPPs are staffed	These PPPs have a formal and specific budget for activities
▶ PPPs to identify and assess impact and labor risks				
▶ PPPs to cease, prevent or mitigate adverse human rights impact				
▶ PPPs to track impact and results				
▶ PPPs to communicate risks, activities, and impact				

Verify the scope of your PPPs in the company's supply chain

5. Which responsible sourcing practices does your company or organization have in place? Select as many items as appropriate by marking the stage of implementation for each item.

Business Practices	We do not have this material	We are preparing this material	We have the material, but it is not operational	We have the material, and it is operational
▶ Human rights requirements are part of all contracts and purchase agreements.				
▶ Pre-contracting screening of all prospective suppliers for human rights risks.				
▶ Business incentives and consequences based on human rights performance				
▶ Purchasing practices do not inhibit a supplier's ability to meet human rights requirements.				
▶ Supplier pricing includes compliance with human rights requirements.				
▶ Supplier performance evaluations and scorecards include an assessment of their human rights performance				

² "Integrated into policies, procedures and processes" means making respect for human rights a regular part of doing business. For example, when Procurement establishes supplier pricing, it should be sufficient for the supplier to meet the company's human rights policy expectations. Another example would be for the Board of Directors to review the human rights implications of strategic business decisions.

Determine senior management's responsibilities in relation to HRDD

6. What is the role of senior management in the HRDD system (Select all that apply)

▶ Setting or endorsing HR policies.	
▶ Setting or endorsing HR performance.	
▶ Establishing procurement practices that reward or disincentivize suppliers for their HR performance.	
▶ Monitoring the effectiveness of the HRDD system.	

Promote staff participation and involvement in the management of a HRDD system

▶ In addition to the involvement of senior management, it is important that organizations have staff formally assigned implementation responsibility for each element of the due diligence system.

▶ These responsibilities should be reflected in the job description of anyone involved (See box  below for more details on dedicated personnel for HRDD).

7. Does your organization have personnel dedicated to the design, implementation, and monitoring of human rights due diligence processes and procedures?

▶ We do not have a person, team, or committee dedicated to these tasks.	
▶ There is staff assigned implementation responsibilities, but the specifics of their roles are not formalized.	
▶ There are staff formally assigned implementation responsibilities, with formalized tasks	
▶ The responsibilities of assigned staff are reflected in their job profiles and widespread towards different business areas.	

Allocate resources for the management of a HRDD system

▶ The success of your HRDD efforts depends not only on the assignment of responsibilities, but also on adequate resourcing. (See box ⚡ below for more details on budget for HRDD).

8. How does your organization resource HRDD efforts?

▶ We do not have resources allocated to HRDD efforts.

▶ We allocate resources reactively when a problem arises.

We allocate resources to HRDD efforts based on our business strategy and available budget.

▶ We allocate resources in anticipation of investment needed based on prior experiences.

▶ We allocate resources to HRDD efforts based on an impact and labor risks assessment.

Organize a staff training programme on HRDD concepts and systems

▶ All relevant actors in the company or organization should have a clear understanding of HRDD concepts and how they apply to business operations.

▶ This is achieved through the implementation of a training program for decision making and implementing personnel involved in the HRDD system. (See box ⚡ below for more details on training for HRDD).

9. What is the status of your company or organization in implementing an HRDD training program?

▶ We do not have a training program on our human rights due diligence system.

▶ We are developing a training program on our human rights due diligence system to be administered occasionally.

▶ We have a training program on our human rights due diligence system applicable and it is administered regularly.

▶ **2. Identify and Assess Adverse Impacts in Operations, Supply Chains & Business Relationships**

▶ A process to identify and assess adverse labor rights impacts in operations, supply chains and business relationships makes it easier for the company or organization to develop strong mechanisms to reduce, prevent or mitigate such risks.

10. Have you developed a process to identify and Assess Adverse Impacts in your operations and your extended supply chains’?

▶ We do not have a process to identify and Assess Adverse Impacts	
▶ We are designing a process to identify and Assess Adverse Impacts	
▶ We have designed a process to identify and Assess Adverse Impacts but have not implemented it	
▶ We have a process to identify and Assess Adverse Impacts	

Identify first-party and external emerging risks and take priority actions

- To establish an initial prioritization of the most significant risks in your operations and extended supply chain, you must carry out a broad scoping exercise to identify the areas of the business where labor risks are more likely to present themselves.
- This includes your own operations, as well as those of your suppliers, subcontractors, and labor intermediaries. Having a high-level picture of the known risks associated with each product, sourcing region, workforce and labor risk will orient your actions and allow you to allocate resources accordingly.

11. What measures have you taken to identify potential labor risks in your operations and your supply chain?

	Within my own operations	In my extended supply chain
Gather information from trusted sources –International organizations, civil society, workers representatives, etc.) regarding working conditions, documented labor legislation violations or potential criminal activities		
Analyze information from audits, rapid appraisals, human rights impact assessments		
Engage in stakeholders and experts' consultations (Argentinian Chamber of Commerce, Ministry of Labor, INTI, Anti-trafficking Committee, Civil Society Organizations, etc.)		
Integrate information collected through existent grievance mechanisms or hotlines, if available		
Establish a risk matrix by sourcing region, product, type of business relationship and activity		
Integrate a review and update process to allow for changes when significant changes to the production occur		

Identify and evaluate specific human rights risks for workers

- To identify specific actual and potential adverse risks to workers' human rights, companies must carry out in depth assessments for the operations, suppliers and subcontractors where potential labor risks are higher.
- This is an iterative and progressive exercise that will allow you to progressively increase the scope and depth of your interventions.
- Initial research in the garment sector identifies common labor practices that are linked to potential labor violations and forced labor indicators.

12. What is your company or organization's status in implementing labor and human rights risk and impact assessments?

	We have not started assessing the risks of this principle or topic	We conduct risk assessments for our own operations	We conduct risk assessments in our own operations and in our suppliers' and third parties' operations	We conduct impact assessments in our own operations.	We conduct impact assessments in our own operations and in our suppliers' and third parties' operations
Core Labor and Human Rights Principles					
Forced Labor					
Child Labor					
Discrimination and Equality					
Harassment and Abuse					
Wage and Hours					
Health and Safety					
Freedom of Association					
Worker Grievance Mechanisms					
Sector-Specific Labor and Human Rights Topics					
Subcontracting and Homeworking					
Piece rate payments					
Informal workers in the extended supply chain					
Production outsourced to informal workshops					
Foreign Migrant Workers					
Living Conditions					

Consult with stakeholders regarding own and external risks

▶ Once priorities have been established, relevant stakeholder consultations should be carried out to inform the relation between your company's activities and actual or potential adverse impacts on workers labor rights.

13. If you have established a risks assessment for the previously mentioned labor risks, what stakeholders have been involved in these consultations. Select all that might apply.

▶ We have not engaged in stakeholders' consultations.	
▶ We have consulted with suppliers, subcontractors and third parties.	
▶ We have consulted with unions, workers organizations and workers associations.	
▶ We have asked for internal or external experts to contribute to our risk assessment.	

Design a matrix with immediate actions for priority risks

► Once a risks assessment has been developed and shared with relevant stakeholders for feedback, a company should build a prioritization matrix that includes concrete practical actions to address the most urgent risks.

14. How has your company established an assessment of your current capacity to address these issues based on your prioritization of risks?

	We do not consider this as a high-level labor risk in our operations and supply chain	We have identified this as an actual or potential labor risk	We have identified the actions that contribute to this actual or potential labor risk	We have assessed which policies or procedures could help to identify, prevent, or mitigate these labor risks.	We have consulted with relevant stakeholders and seek experts in the matter to inform our prioritization
Core Labor and Human Rights Principles					
Forced Labor					
Child Labor					
Discrimination and Equality					
Harassment and Abuse					
Wage and Hours					
Health and Safety					
Freedom of Association					
Worker Grievance Mechanisms					
Sector-Specific Labor and Human Rights Topics					
Piece rate payments					
Informal workers in the extended supply chain					
Production outsourced to informal workshops					
Subcontracting and Homeworking					
Foreign Migrant Workers					
Living Conditions					

► 3. Cease, prevent or mitigate adverse impacts

► A company should ensure its policies, processes and procedures are implemented to cease all activities identified in the previous section that increase labor risks, prevent them whenever possible, and mitigate their adverse impact when other options are not possible.

► To do so, your implementation plan should:

- address the root causes of the violations as well as their manifestations,
- assign responsibilities across the supply chain and provide adequate training to staff, suppliers, subcontractors, and workers.
- document the process to guarantee transparency and accountability across the supply chain.

15. How does your company address potential or actual labor risks in your operations or your supply chain?

	We do not consider this as a high-level labor risk in our operations and supply chain	We have developed procedures to prevent these risks from happening	We have developed procedures to immediately cease or ask suppliers to cease risk practices identified within our supply chain.	We have developed procedures to mitigate these risks when ceasing operations is not feasible.	We have developed a stakeholder engagement plan to address sectorial root causes of these risks
Core Labor and Human Rights Principles					
Forced Labor					
Child Labor					
Discrimination and Equality					
Harassment and Abuse					
Wage and Hours					
Health and Safety					
Freedom of Association					
Worker Grievance Mechanisms					
Sector-Specific Labor and Human Rights Topics					
Subcontracting and Homeworking					
Piece rate payments					
Informal workers in the extended supply chain					
Production outsourced to informal workshops					
Foreign Migrant Workers					
Living Conditions					

16. How does your company respond to actual labor risks found in your supply chain?

	We do not consider this as a high-level labor risk in our operations and supply chain	We continue the business relationship and implement mitigation efforts	We suspend the business relationship and implement mitigation efforts.	We disengage with the business relationship and implement mitigation efforts.	We disengage with the business relationship to avoid labor violations in our supply chain
Core Labor and Human Rights Principles					
Forced Labor					
Child Labor					
Discrimination and Equality					
Harassment and Abuse					
Wage and Hours					
Health and Safety					
Freedom of Association					
Worker Grievance Mechanisms					
Sector-Specific Labor and Human Rights Topics					
Subcontracting and Homeworking					
Piece rate payments					
Informal workers in the extended supply chain					
Production outsourced to informal workshops					
Foreign Migrant Workers					
Living Conditions					

Implement staff training and awareness initiatives

17. What is your company or organization's status in implementing training and awareness on specific labor and human rights topics?

	We do not provide training.	We want to provide training; we would like to know how	We provide some training, but it is not consistent.	We only provide training for our direct workers.	We provide training to our direct workers, and we ensure that our suppliers carry them out periodically
Core Labor and Human Rights Principles					
Forced Labor					
Child Labor					
Discrimination and Equality					
Harassment and Abuse					
Wage and Hours					
Health and Safety					
Freedom of Association					
Worker Grievance Mechanisms					
Sector-Specific Labor and Human Rights Topics					
Subcontracting and Homeworking					
Piece rate payments					
Informal workers in the extended supply chain					
Production outsourced to informal workshops					
Foreign Migrant Workers					
Living Conditions					

► **Tips for implementing and operationalizing your HRDD system through governance and oversight.**



- Appoint a team in charge of identifying and overseeing an HRDD system within your company. Ideally, this work will be held both by figures both at the senior management level, to mainstream the HRDD from the decision-making level, and by figures at the operational level, with a working group in charge of identifying risks and strategies.
- The people or team working on this should be clearly identified, structured, and their activities should be reflected in their job description.
- Decision-making power and reasonable budgetary allowances are necessary to ensure the commitment of the company to and efficiency of the HRDD system. It is important to reflect on the structure and hierarchy of the company to ensure that the HRDD system is acknowledged at every level. A sufficient budget covers all the commitments and social responsibility actions undertaken by the company.
- Training for both internal personnel and suppliers helps to mainstream the HRDD system at all levels within the company as well as through the supply chain. Training programs may take different forms. It is usually recommended to work in small groups, with concrete examples and real-life situations. It is also important to provide space for discussions and feedback to reflect collectively upon the HRDD system.
- See for example: ILO Tool, Solving problems in the factory an introduction to FIT.

► 4. Track implementation and results

- For an HRDD system and its associated programs to be useful to the company or organization (as a risk management tool) and to workers in its supply chain (as a rights protection tool), the company or organization needs to be informed about the potential and actual labor and human rights risks and impact (both adverse and positive) in its operations and supply chain.
- To do so, a company or organization requires a means to assess the potential effects of its HRDD programs.
- After setting targets during the assessment phase and undertaking prevention measures, your organization will need to track their progress through monitoring its operations and those of its suppliers and subcontractors.
- A **monitoring** process also helps the organization gather insights into actual risks and adverse impact present in its supply chain and should inform its strategy for ceasing, preventing, and mitigating them. (See box  below for more details on how to monitor for some of the topics below)

Establish a procedure for continuous supervision and monitoring

18. What is your company or organization's status in implementing a monitoring process?

	We have not started monitoring this principle or topic	We occasionally monitor our own operations for this principle or topic through internal site audits	We regularly monitor our own operations for this principle or topic through third-party site audits	We regularly monitor our own operations and occasionally monitor our suppliers' operations for this principle or topic through third-party site audits	We regularly monitor our own operations and our suppliers' operations for this principle or topic through third-party site audits
Core Labor and Human Rights Principles					
Forced Labor					
Child Labor					
Discrimination and Equality					
Harassment and Abuse					
Wage and Hours					
Health and Safety					
Freedom of Association					
Worker Grievance Mechanisms					
Sector-Specific Labor and Human Rights Topics					
Subcontracting and Homeworking					
Piece rate payments					
Informal workers in the extended supply chain					
Production outsourced to informal workshops					
Foreign Migrant Workers					
Living Conditions					

Establish an appropriate grievance mechanism or channel

- ▶ A grievance mechanism is a keyway in which companies can track implementation and results.
- ▶ In parallel, the grievance mechanism will also inform your strategy to identify and assess risks, as it provides a direct route for employees and supplier chain workers to express their concerns and complaints about work conditions. (See box  below for more details on grievance mechanisms as communication and feedback channels)

19. Does your company or organization have a grievance mechanism through which employees and workers can voice their concerns and complaints?

▶ YES	
▶ NO	
▶ Do not know	

20. Does your company or organization have a grievance mechanism through which workers in your supply chain (i.e., workers at supplier sites) can voice their concerns and complaints?

▶ YES	
▶ NO	
▶ Do not know	

21. Does your company or organization have policies and procedures for following up on concerns or complaints received through the grievance mechanism? Check all that apply.

▶ NO	
▶ YES, for grievances related to our own operations	
▶ YES, for grievances related to our own operations and suppliers' operations	
▶ Do not know	

▶ **5. Communicate how impacts are addressed**

- ▶ A strong HRDD program cannot eliminate all risks present in your company’s supply chain, but can significantly reduce the adverse impact of your operations on workers’ rights and prevent legal and reputational risks when implemented thoroughly.
- ▶ Communicating how impacts were addressed is a key step of your due diligence process.

22. If you have already engaged in a HRDD program, how do you communicate policies, processes, activities conducted to identify and address actual or potential adverse impacts?

▶ Our company doesn’t produce a report on our HRDD program	
▶ Our company produces a report for internal use only.	
▶ Our company publishes a report, but has no dissemination strategy for it.	
▶ Our company disseminates the report and engages in public consultations with relevant stakeholders.	

▶ 6. Provide for or cooperate in remediation when appropriate

23. How do you provide or cooperate in the remediation of the following risks? (Select all that apply)

	We do not consider this a priority labor risk in our supply chain	We impose punitive sanctions to staff, suppliers, subcontractors involved in the labor rights violation	We provide or facilitate economic compensation to the victims	We provide non-economic compensation to the victims (apologies, restitution, rehabilitation, training, etc.)	We provide assurances of non-repetition and satisfaction of the right violated
Core Labor and Human Rights Principles					
Forced Labor					
Child Labor					
Discrimination and Equality					
Harassment and Abuse					
Wage and Hours					
Health and Safety					
Freedom of Association					
Worker Grievance Mechanisms					
Sector-Specific Labor and Human Rights Topics					
Subcontracting and Homeworking					
Piece rate payments					
Informal workers in the extended supply chain					
Production outsourced to informal workshops					
Foreign Migrant Workers					
Living Conditions					

1.b Model Code of Conduct for Brands



Model code of conduct provisions

► Introduction to the tool

What is a Code of Conduct?

Companies have an important set of provisions for human labor relations with their personnel that, although they are not written, regulate respect in daily dealings. In addition, there are employment clauses that govern the operational functioning of your organization. All these issues are part of the organizational and social culture of your establishment. What we propose is to take a step forward in structuring all these labour and relational agreements in a key document for your company: a Code of Conduct on Human and Labour Rights.

Why is it relevant to have a Code of Conduct?

A Code of Conduct is an important formal statement of a company's values and commitments. The Code of Conduct establishes expectations for a company's direct business partners (contractors, subcontractors, suppliers, and agents), including what is required of these business partners regarding managing human rights risks in their supply chains. This document proposes a list of sample provisions to brands, companies and suppliers to support them in developing or strengthening their own policies or formal Codes of Conduct. Within the OECD due diligence model, a Code of Conduct sets the rules of engagement for the company, its suppliers and subcontractors, and allows to communicate clear expectations.

How can the model Code of Conduct be used?

Companies that are in the beginning phases of developing Codes of Conduct are free to adopt these standards wholesale. For those that already have Codes of Conduct, this tool can be used to benchmark their policies and standards; the model Code of Conduct provisions can also be disseminated to suppliers to help them improve their own policies and bring them into alignment with international standards and companies' own Codes of Conduct.

Companies should work to cascade and enforce their Code of Conduct throughout each tier of their supply chain. This is particularly important in the garment sector because the risk of labor abuses increases in lower tiers of the supply chain.

What does the model Code of Conduct address?

The model Code of Conduct provisions address factors that contribute to labor risks and have been developed based on a review of international labor standards and effective practices of leading businesses, as well as the most common rights breaches observed in the Rapid Sectoral Appraisal. Codes of conduct should require compliance with local laws, and country-specific compliance requirements should be detailed in the terms and conditions of contracts with subcontractors, suppliers, intermediaries, and labor brokers.

It should be noted that these sample clauses focus on the labor rights dimension of due diligence, and do not include a variety of other social, environmental, and ethical standards that should also be included in a comprehensive code of conduct. Moreover, some structural factors which affect working conditions are not addressed in this sample code of conduct, namely: the imposition of prices, volumes and deadlines by brands and manufacturers.

How is this model Code of Conduct structured?

The model Code of Conduct is composed as follows: each code standard is developed around a main principle, based on international labor standards. Each code standard is then translated into auditable standards which detail concrete requirements that supply chain partners (contractors, subcontractors, suppliers, and agents) must comply with to uphold the code standard. These provisions are based on international labor standards and guidelines promoted by the OECD and the ILO, and integrate the language of apparel and footwear companies such as Nike, C&A, Adidas, New Balance, Puma and others.

The auditable standards include elements of compliance with Argentine legislation, international standards and best practices in the sector at a global level. In cases where there is a difference between standards, establishing the one that provides greater protection to the worker is a strategy to reduce risks while complying with the growing demands of clients and certifying bodies.

► Model Code of Conduct

This Model Code of Conduct covers the following topics: forced labour and human trafficking; child labour; discrimination and equality; harassment, abuse and disciplinary measures; salaries and payments; excessive hours; occupational health and safety; subcontracting and home-based workers; foreign migrant workers; housing and living conditions; freedom of association and collective bargaining; grievance mechanisms.

1. Forced labour and human trafficking

Code Standard

[The company] strictly prohibits forced labor and trafficking in persons in all its operations and in those of its contractors, subcontractors, suppliers, and agents throughout global supply chains. Workers shall not be subject to any form of forced, compulsory, bonded, indentured, or prison labor.

All work must be voluntary, and workers must be free to quit and leave their jobs at any time without penalty upon giving reasonable notice. Workers (or their families) shall not be threatened in any way, real or perceived, to compel them to take a job or prevent them from voluntarily ending their employment.

Auditable Standards

Debt bondage, deposits and deductions

- Workers are not forced to work to repay a debt, whether related to recruitment fees, the cost of recruitment, salary advances, housing, or other types of debts.
- Workers are not compelled to purchase essential goods or services from their employer, the workshop owner, or labor broker. When access to independently operated stores or services is not possible, employers ensure that goods are provided at fair and reasonable prices (not to exceed the fair market price), and that workers are provided with written receipts that detail the cost of each item.
- If workers purchase goods on credit, they are provided with written records of the amount owed, and the cost of goods purchased is not deducted directly from workers' salary or wages.
- Interest rates and repayment terms for advances, loans, and credit purchases do not exceed those available from local banks.
- A worker's total outstanding balance does not exceed 50 percent of one month's base wages.
 - ▷ Monthly payments do not exceed ten percent of one-month's base wages.
 - ▷ Loan terms do not exceed six months or extend beyond the duration of a worker's employment contract, whichever is shortest.
 - ▷ Loan advances and credit accounts are only provided with the full, prior, and free consent of workers.
 - ▷ Workers are not prohibited from quitting their jobs, punished, or threatened with punishment, blacklisted, or reported to authorities for failing to pay back a debt.
- In accordance with the national legislation, neither the employer nor its intermediaries require workers to make monetary deposits, pay bonds or have part of their wages withheld in exchange for an offer of employment or to maintain employment. Deposit systems forced savings or mandatory deductions from wages to purchase goods or services are prohibited.

Personal Identity Documents and Cellular Phones

- Workers have a secure place to store their identification documents, banking-related documents, and other valuables, including cellular phones, and have access to them at all times, including while working.
- Employers and labor brokers do not, under any circumstances, confiscate, destroy, retain, or deny workers access to their identity or immigration documents — including personal identification documents, documents needed to claim benefits or access bank accounts, work permits, and travel documents — or cellular phones.

Freedom of Movement and Personal Freedom

- Employers, workshop owners, labor brokers, and/or security guards do not limit the freedom of movement of workers during recruitment, transportation, or employment.
- Workers are not subjected to unwarranted surveillance at the worksite or at worker housing.
- The employer does not require workers to live in employer-provided or arranged housing unless required by law.
- The employer, workshop owner, labor brokers, and/or security guards do not physically confine workers at the worksite or housing (by locking them in) or require workers to gain permission to leave these areas.
- Employers cannot lock workers inside the factory, workshop or production facilities, even during working hours. If the employer feels the need to lock final exit doors for security reasons, they must open outwards and be fitted with push-bar releases or locked with mechanisms that can be easily opened from the inside without the need for a key.
- Outside of working hours, the employer, workshop owner, and/or labor brokers do not control the movement of workers; they do not restrict their activities or relationships during their free time, including interactions with labor unions, government agencies, or civil society organizations. The use of threats of any kind or physical violence to limit these freedoms is strictly prohibited.
- It is generally not desirable that employers provide housing for their workers directly. If circumstances necessitate that employers provide housing for their workers, it must be done in the best interest of the worker. In these cases, the employer must
 - ▷ Recognize workers' fundamental rights, such as freedom of association.
 - ▷ Respect custom and national law regarding lease termination and occupancy upon termination of the labor relationship
 - ▷ Ensure rents charged do not include speculative profit and should not cost the worker more than a reasonable proportion of income.
 - ▷ Costs of housing are not automatically deducted from workers' wages, but rather paid by the worker to the employer independently. Provision of accommodation in payment for work should be prohibited.

To consult Argentinian legislation regarding housing provided by the employer, please consult [Employment Contract Regime](#)

Recruitment and Hiring

Labor Brokers and Third-Party Labor Providers

- When employers determine that it is necessary to use labor brokers, they must ensure that:
 - ▷ Employers have a signed contract with recruiters that obligates them to abide by national law, international standards, and company codes of conduct.
 - ▷ The labor brokers operate in accordance with the laws of the countries of origin and destination of migrant workers.
 - ▷ The labor brokers are registered and authorized by the competent authority in the countries of origin and destination of migrant workers (including the outsourcing agents).
 - ▷ When informal labor brokers are involved in the recruitment process, employers create an internal registry with detailed information about each labor broker and its intermediaries.
 - ▷ The labor brokers operate ethically at all stages of the recruitment and selection process for workers and do not engage in deceptive or fraudulent recruitment practices that put workers at risk of forced labor and other forms of labor exploitation.
 - ▷ Employers ensure all labor brokers, including their intermediaries, receive training on responsible recruitment and know what processes should be followed and how to document them.

Recruitment Fees and Transportation Costs

- Workers are not charged recruitment fees, either directly or indirectly, or in whole or in part. This includes the following:
 - ▷ The employer covers all expenses charged by its intermediaries for interviewing, evaluating, selecting, recruiting, and placing workers. These expenses shall not be transferred to the worker directly or indirectly (through fees charged by labor brokers, deductions from workers' wages, or reduced wages).
 - ▷ Training expenses are covered by the employer at all times. Workers are not required to cover the cost of training as a requirement for obtaining a job.
 - ▷ The employer assumes the costs for processing official documents related to work and employment visas, or reimburses these expenses if a worker has to initially cover them.
 - ▷ The employer assumes the costs of processing official documents related to work and employment visas, or reimburses these costs if the employee has to bear them initially.
 - ▷ Employers cover travel-related lodging costs, departure taxes, and fees of foreign migrant workers recruited through labour brokers and third-party labor providers.
- Labor intermediaries in countries of origin or employment charge for their services, as well as for related expenses, directly to the employer. The prohibition against charging workers for recruitment or related costs is included in the contracts between employer and labor intermediary. This policy is clearly communicated to workers, in a language they understand, at the beginning of the recruitment process.

Selection, Orientation and Training

- During the recruitment process, the employer clearly communicates terms and conditions of recruitment and employment to all job seekers.
- When foreign migrant workers are recruited in their country of origin to work for a specific employer, they are provided with rights-based and gender-sensitive pre-departure orientation training prior and with a written contract before leaving the sending country.
- The employer conducts post-arrival orientation for foreign migrant workers in a language that they understand after arrival in the destination country and before they commence their work. All orientations and trainings include but are not limited to:
 - ▷ General trainings (for example, onboarding, company policy and procedures)
 - ▷ Foreign migrant worker specific trainings (foreign migrant worker policy, non-retaliation against fees reported)
 - ▷ Grievance system for foreign migrant workers
 - ▷ Rights of workers to join or participate in unions, committees or other forms of worker representation
 - ▷ Job related trainings
 - ▷ Occupational safety and health trainings

Labor Contracts

- Whether workers are hired directly, through labor brokers, or are employed by a subcontracted entity, they are provided with thorough, accurate information about the nature and conditions of work during the recruitment and hiring process.
- Verbal contracts have the same validity as written contracts under Argentine law. It is strongly recommended to resort to a written contract, but this is not necessary to presume the existence of an employment relationship, with rights and obligations established by law.
- The contents of the contracts are provided to workers in a language they understand. Such agreements must be documented for auditability, such as in the employer's management system.
- Workers' contracts include, at a minimum, the following information:
 - ▷ the start and end date of the employment contract;
 - ▷ the type of work and tasks the worker is expected to carry out;
 - ▷ the full name of their employer;
 - ▷ the location of the workplace;
 - ▷ a description of workers' legal rights and responsibilities;
 - ▷ wages and benefits, including the rate and frequency of payment;
 - ▷ working hours and overtime premiums;
 - ▷ daily rest breaks;
 - ▷ weekly rest day(s);
 - ▷ sick leave and annual leave;

- ▷ legally required deductions from wages;
 - ▷ a description of worker accommodation and associated costs, if relevant; and
 - ▷ any occupational health risks to which workers will be exposed.
- ▶ Internal and international migrant workers receive a copy of their employment contract in their native language at least five days before departing their home communities. People with difficulties understanding a written contract are provided with a detailed verbal explanation of the terms and conditions of the contract at this time.
 - ▶ The practice of contract substitution or use of supplemental agreements by the employer to replace an original contract or any of its provisions with a new contract or terms that are less favourable to the worker is strictly prohibited.
 - ▶ Workers have the right to voluntarily terminate their employment contract without penalty at any time upon giving reasonable notice. Workers have the right to resign and leave their places of work at any time.
 - ▶ Employers are required to cover all transportation costs back to workers' communities of origin regardless of the reason for termination of the employment relationship.

▶ Alternative Types of Contracts

In informal employment contexts in which an individual is employed by a subcontracted workshop owner or is working out of their own home for an intermediary, labor contracts might be a new or unfamiliar concept. While companies should advocate for all workers to have labor contracts as outlined above, there may be some situations in which that is not immediately possible. In such situations, the expectation should be set that workers are informed about and agree to the following pieces of information:

- ▷ Expected timeframe of the work
- ▷ Type of work and tasks the worker is expected to carry out
- ▷ Remuneration (wages or piece rate, including the rate and frequency of payment)
- ▷ Working hours
- ▷ Costs to be borne by worker and reimbursed by subcontractor/employer
- ▷ Arrangements for quality control and deductions
- ▷ Benefits and rights
- ▷ Terms of termination
- ▷ Ideally this information will be shared in a written format with workers.
- ▷ To see an example of a model homeworker contract, visit [HomeWorkers Worldwide's toolkit for brands](#).

2. Child labor

Code Standard

[The company] strictly prohibits child labor, in accordance with Law 26,390 on the Prohibition of Child Labor and Protection of Adolescent Labor. Child labor refers to work by any person under the age of 16, or under the legal age for completion of compulsory education, or under the legal minimum age for employment according to national law, whichever is higher (excluding light work that does not harm development, does not negatively impact school attendance, and that is within limited hours). In Argentina, the legal minimum age for employment is 16.

Juvenile workers between 16 and the age of 18 may only engage in legally permissible work that complies with restrictions on hours of work, school attendance, and activities that do not present a danger to their health, safety, or morals. They must receive authorization of their parents or guardian to work. In all cases, juvenile workers are prohibited from working overtime, from working at night, and from working in hazardous conditions. Juvenile workers must be paid at least the minimum wage, and no one else should receive their wages on their behalf.

Minors between 14 and 16 years of age may work up to 3 hours a day or 15 hours a week only in their parent's or guardian's company.

Auditable Standards

- The company clearly defines and communicates its child labor policies and procedures to all personnel and to all supply chain partners.
- During recruitment and after employment, workers' ages are verified through checking standard age verification documents, when available, or through alternate documents such as school records.
- No worker under the age of 18 performs tasks that are hazardous to their physical, emotional, intellectual, or moral development. Tasks that are explicitly prohibited for all minors under the age of 18 – as described in [Decree 1117/2016](#) include:
 - ▷ Work that exposes minors to physical, psychological or sexual abuse.
 - ▷ Underground work, underwater work or at high altitude, or in confined spaces.
 - ▷ Handling of sharp and/or dangerous objects or machinery.
 - ▷ Working with hazardous substances or chemicals.
 - ▷ Exposure to extreme physical conditions -noise, radiation, extreme weather, humidity, lack of ventilation or hygiene, etc.-.
 - ▷ Work with exposure to biological hazards.
 - ▷ Working hours in excess of legal standards, or overtime.
 - ▷ Work at sea or in deep waters
 - ▷ Work with explosives or pyrotechnics.
 - ▷ Construction and road works in dangerous conditions.
 - ▷ Electrical work.

- ▷ Processing and commercialization of alcohol, tobacco and harmful substances.
- ▷ Caretaking duties with safety responsibilities
- ▷ Handling of livestock or animals that present risks to human safety.
- ▷ Working with dead animals or poisonous plants.
- ▷ Physically forced or harmful postures.
- ▷ Working in public places or hazardous transportation.
- ▷ Working in environments that present risks of verbal or psychological abuse.
- ▷ Tasks that are psychologically demanding or inappropriate to the child's development.
- ▷ Work that imposes responsibilities and skills beyond the child's capacity, or work that is socially perceived as negative.
- ▷ Work involving cross-border travel.
- ▷ Work in dangerous terrain.
- ▷ Modeling work for products or services in which the minor's image is sexualized.
- ▷ Unregistered work

3. Discrimination and equality

Code Standard

All workers, including subcontracted workers and homeworkers, must be treated fairly and equally. Workers shall not be subject to any form of unequal treatment or discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnic or national origin, disability, pregnancy, religion, political affiliation, union affiliation, protected genetic information, or marital status during recruitment, hiring, or employment, including in determining wages, hours of work, promotions, bonuses, and access to benefits and training.

Auditable Standards

- The company clearly defines and communicates its Discrimination and Equality policies and procedures to all personnel and supply chain partners.
- Workers are provided reasonable accommodation for **religious** practices.
- Workers and job applicants are not subjected to **medical** examinations or physical examinations that may be used in a discriminatory manner (including pregnancy tests). Medical examinations and testing are only administered where required by law or to support objective job performance requirements.
- All working people, regardless of their **nationality or legal status**, are treated fairly and equitably. Immigrants and migrant workers enjoy working conditions no less favourable than those available to nationals of the worksite host country.
- All women, including those who are employed part time, are paid the same rates as men who perform similar tasks and are hired and paid as employees themselves.
- The company specifically prohibits blacklisting based on **political affiliation, trade union status** or any other legally protected status or non-employment related criteria.

4. Harassment, abuse and discipline

Code Standard

The workplace must be free from any form of cruel or inhumane treatment. The use or threat of physical or sexual violence, harassment (physical, verbal, mental, or sexual), and intimidation against a worker, their family, or associates is strictly prohibited.

Disciplinary policies and procedures must be clearly defined and communicated to all workers and cannot include any inhumane disciplinary measures or forms of harassment or abuse. The deprivation of food, water, sleep, or housing; transfers to dangerous or undesirable tasks; or dismissal, blacklisting, or denunciation to authorities may not be used as a threat or form of punishment against workers.

Auditable Standards

- The company clearly defines and communicates its disciplinary policies and procedures to all personnel and supply chain partners; disciplinary measures do not include any inhumane treatment.
- Workers, managers, and labor brokers receive training on sexual harassment.
- Workers have access to anonymous channels for reporting incidents of sexual harassment, and individuals who report sexual harassment are not subjected to any form of reprisal. Anyone found to engage in sexual harassment is subjected to appropriate disciplinary measures.
- Workers are not charged fines for arriving late for work (beyond the value of the time missed), for making errors, or for loss or damage of tools or equipment.
- Deductions from workers' wages, reductions of benefits, or compulsory work may not be used as disciplinary measures.
- If workers live in employer provided accommodations, loss of housing may not be used as a threat to compel work or as a disciplinary measure.

5. Wages and payment

Code Standard

All workers shall be paid at least the legal minimum wage for all regular working hours, regardless of the wage system (for example, payment by piece, production, task, hour, or month). All workers shall be provided with all legally mandated benefits, including social insurance and leave; information shall be provided to workers at the time of their hire about hours worked, rates of pay, benefits, and the calculation of legal deductions.

Wage payments shall be made at regular intervals, in accordance with applicable law, if any. Wage payments shall not be delayed, deferred, or withheld. Wage deductions must not be used to keep workers tied to the employer or their jobs. No one can receive workers' wages on their behalf.

Auditable Standards

- Workers who are paid by piece or task are not paid less than the legally established minimum wage for their work during regular working hours, regardless of production. If wages are determined based on production quotas or piece rates, the pay rate shall allow workers to earn at least minimum wage within the normal working hours without having to work overtime or unpaid extra hours.
- When two or more members of a family unit are working in the same workplace, each is paid personally and individually, and they may not be paid less than the minimum wage for the hours worked. All working people retain full and complete control over their earnings.
- Payments are made to workers in regular intervals and never less often than monthly, according to Argentinian legislation.
- Payment of wages — in whole or in part — are not delayed, deferred, or withheld.
- If a worker chooses to leave their employment at any time, the worker is immediately provided with all outstanding wages due to them.
- Payment in the form of vouchers, coupons, or promissory notes is prohibited.
- Workers who are paid by direct deposit have access to their debit cards, as well as transportation to withdraw their money. Workers paid by check are provided with transportation to cash their checks.
- Only deductions authorized by applicable laws are allowed. If such deductions are made, they are clearly explained to and understood by all workers. Information about all legal deductions is provided to workers at the time of hiring.
- Workers are provided with pay slips that itemize earnings, hours worked, and deductions in a language workers can understand. When necessary, verbal explanations of earnings and deductions are provided in a language workers can understand.

6. Working day length and overtime

Code Standard

The regular workweek is 48 hours per week according to Argentinian legislation. Those 48 hours or regular work can be distributed unevenly through the week, but workers shall not work more than 9 hours per day.

The total number of hours worked per week, including overtime, shall not exceed the limits established by applicable legislation.

All overtime work shall be voluntary, and workers who elect to work overtime shall be paid legally mandated overtime rates. Overtime work and work on public holidays and rest days is compensated at the legally established premium rate.

Supplementary hours may be added up to a maximum of 3 hours per day, 30 per month and 200 per year, and must be paid at 50% extra per hour in regular days, or 100% extra per hour on Saturday after 13h. No worker shall be required to work overtime as a disciplinary measure, under any threat, or for failure to meet production quotas.

Auditable Standards

- The employer clearly defines and communicates its working hours policies and procedures to all personnel and supply chain partners.
- If wages are determined by production quotas or piece rates, the pay rate allows workers to earn at least minimum wage within the normal working hours without having to work overtime or unpaid extra hours.
- All overtime hours are paid at the legally established premium rates, regardless of whether workers are paid by piece, task, hour, or month.
- Overtime is always voluntary. Workers track their working hours using an electronic, or otherwise objective verifiable timekeeping system and the employer has adopted measures to monitor hours worked.
- The imposition of penalties for failing to meet production targets is prohibited.
- The employer complies with local legal requirements and regulations regarding breaks and days of rest. Except in extraordinary circumstances, workers will be allowed at least 24 consecutive hours of rest (one day of rest) in every seven-day period.

7. Occupational safety and health

Code Standard

Employers provide workers with safe and hygienic working environments, in accordance with legal requirements and industry standards. Employers must identify workplace health and safety hazards and establish procedures and controls to minimize worker exposure to them.

Hazardous work cannot be imposed without the free and informed consent of the worker.

Workers shall be provided with adequate information and training on occupational health and safety in a language workers can understand, including all the identified risks to which workers are exposed in the workplace (including, but not limited to, mechanical, electrical, chemical and fire, and physical hazards) and the necessary precautions and protective measures.

Auditable Standards

- Workers are provided a work environment with adequate lighting and ventilation.
- Accidents and incidents are prevented through the identification, evaluation, and prevention of all workplace hazards, including:
 - ▷ Technical hazards:
 - Attention is given to electrical and mechanical systems, building temperature, and dust levels.
 - Emergency preparedness and response plans are established to address possible emergency situations.
 - ▷ Physical hazards:
 - Worker exposure to chemical, biological, and physical agents is routinely evaluated and controlled to prevent occupational disease.
 - Workers are provided with protective gear and masks.
 - Workplaces are not overcrowded and ensure workers have enough space.
 - ▷ Psychological hazards: special attention shall be given to sleep deprivation, excessive workloads, and working hours and psychological stress.
- Health and safety training is provided to all individuals prior to the start of work and regularly during the period of employment, including training specific to hazardous tasks assigned to workers.
- Health and safety-related information is clearly posted in a place that is visible and accessible to workers.
- Workers are permitted to remove themselves from conditions that they deem hazardous without fear of reprisal. To this end, workers must be informed of the occupational risks of the tasks they will undertake.
- Appropriate first aid and subsequent medical treatment, including transport to medical facilities and coverage of medical expenses and medications, is provided to workers who suffer from workplace injuries or illnesses.
- Workers who have suffered workplace injuries or illnesses are provided with paid time off during

the recovery period and are returned to their original job assignments upon return or assigned to less strenuous but equally remunerated assignments if medically necessary.

- All workplace accidents, injuries, illnesses, and fatalities are reported to appropriate authorities.

Detailed guidance regarding health and safety measures for the garment industry can be consulted in the ILO report [Safety and Health in textiles, clothing, leather and footwear](#). For practical recommendations, we suggest reading [How to improve working conditions and productivity in the garment industry](#)., published by the ILO.

8. Subcontracting and homeworkers

Code Standard

Subcontracting should not be used to circumvent labour standards legislation or to save costs.

All subcontracting must be authorised and must comply with the code standards described in this Code of Conduct; the code standards apply to all entities and individuals that manufacture goods for [the Company] including contractors, subcontractors, labor providers, and homeworkers.

Subcontracting may be used when specialist components are required or when services are needed which cannot be completed at the primary site of production. In rare cases, subcontracting may be allowed to enable flexibility in meeting changing production volumes. Subcontracting may not be used in order to circumvent legislation regarding labor standards or to save costs.

Supply chain partners engaging in authorized subcontracting must document details about all subcontractor sites where work may take place (including workshops and homework environments) and communicate the expectations detailed in this Code of Conduct to any supply chain partners they engage. Workers performing work at subcontracted worksites or in their homes or another location of their choice shall benefit from the same.

If supply chain partners disclose difficulties in meeting the requirements of this Code of Conduct, [the Company] will seek to work with them to put in place necessary improvement and/or remediation measures.

Auditable Standards

- Supply Chain partners adopt a shared policy of acceptance of homeworking and a commitment to improving homeworkers' labour conditions where these do not meet those set out in the ILO Convention on Homeworking (1996, C177, Article 4)¹ and [the Company's] Code of Conduct.
- Supply Chain partners communicate this policy to all those in the supply chain below them, including subcontractors and homeworkers themselves;
- Supply Chain partners work with [the Company] to identify where subcontracting and homeworking occurs in the supply chains beneath them; supply chain partners who engage in authorized subcontracting collect and document details on all subcontractors and homeworkers, including:
 - Name of entity or each individual performing work;
 - Addresses of entity or individual(s);
 - Total order quantity;
 - Production time period.
- Supply Chain partners work with [the Company] to develop an action plan for improving labour

1 Article 4: 1. The national policy on home work shall promote, as far as possible, equality of treatment between homeworkers and other wage earners, taking into account the special characteristics of home work and, where appropriate, conditions applicable to the same or a similar type of work carried out in an enterprise.

2. Equality of treatment shall be promoted, in particular, in relation to: (a) the homeworkers' right to establish or join organizations of their own choosing and to participate in the activities of such organizations; (b) protection against discrimination in employment and occupation; (c) protection in the field of occupational safety and health; (d) remuneration; (e) statutory social security protection; (f) access to training; (g) minimum age for admission to employment or work; and (h) maternity protection.

conditions with homeworkers where these are found to be below those set out in international labour standards and [the Company's] Code of Conduct, and to involve homeworkers and/or their representatives in this process.

- Subcontracted workers, including homeworkers, benefit from the same labor contract terms and conditions as employees. Their contracts specify the terms and conditions of their labor relationship to the main company. Contracts for Subcontracted and home-based workers are available to the buyer or its third-party representatives upon request.
- Subcontracted workers, including homeworkers, benefit from the same health and safety standards as employees. They work in safe and hygienic working environments, per the auditable standards in Section G. Subcontractors ensure that homeworkers are informed of any hazards related to raw materials they may work with (and provide personal protective equipment) and train homeworkers on safe working processes.
- Sub-contracting entities and individuals sign a self-declaration agreement ensuring that no person below the age of 16 years will perform the work being outsourced.
- Piece rate payments for subcontracted workers, including homeworkers, are at least equivalent to the legal minimum wage. Where there is no minimum wage defined for homework, the rates are equivalent to the minimum wage defined for a factory worker doing the same task.
- The piece rate calculation per order is defined and be made available to workers (minimum wages based on average productivity).
- Individual payment records to subcontracted workers, including homeworkers, are maintained and available.
- If any deductions from payment are taken (e.g., rework needed, missed lead time) the details are clearly recorded and communicated to workers.

9. Foreign migrant workers

Code standards

Foreign migrant workers shall benefit from working conditions that are at least equal to local or national workers. The same standards regarding forced labor and human trafficking, child labor, discrimination and equality, harassment and abuse, wages and payment, overtime, health and safety, subcontracting and homeworking, housing and living conditions, freedom of association and collective bargaining, and grievance mechanism apply to all workers, including foreign migrant workers.

Foreign migrant workers shall also benefit from specific measures in relation to recruitment, language, access to documents and housing, repatriation, and change in employment to ensure their safety and well-being.

Auditable standards

- The company clearly defines policies for equal treatment of foreign migrant workers and communicates its contents to suppliers and workers.
- Any individual recruiting workers, including workshop owners, labor brokers, and/or recruitment agents operate ethically at all stages of the recruitment and hiring process and in compliance with the legislation of both the origin and host countries. The company, its subsidiaries and subcontractors keep detailed records of labor brokers, recruitment agents or staff acting as recruiters on behalf of the employer. These people are regularly trained on the company's standards regarding ethical recruitment. Foreign migrant workers are provided with an employment contract in a language they understand at least five days prior to relocation. Any change to the employment contract is agreed to by the workers.
- All workers, including foreign migrant workers, have access to their travel documents at all times.
- Storage provided to workers for the purpose of storing documents, including identity documents, is always accessible to workers.
- Foreign migrant workers receive an orientation training in a language they can understand.
- Foreign migrant workers' religious, cultural and ethnic needs are reasonably accommodated, included within housing facilities.
- Foreign migrant workers are able to freely choose to extend employment, change employment (when legally applicable), and return home.
- Foreign migrant workers are not penalized for terminating the employment contracts at any time with reasonable notice (according to local law but not more than 30 days).
- Return air or land transport tickets are provided to any foreign migrant workers hired or recruited from another country, irrespective of the terms of the worker's employment contract.
- Foreign migrant workers are not obliged or influenced to live in the company's housing facilities.

10. Housing and living conditions

Code Standard

Employer-provided or arranged worker accommodations (whether or not it is the same physical space in which workers perform their work, i.e. a “workshop”) must be clean, safe, hygienic, and in compliance with applicable country and international standards (if no housing standards are specified by the country of employment, employer-provided or arranged worker accommodation must meet the standards specified in the International Labour Organization’s Worker’s Housing Recommendation, 1961 (No. 115).

Employer-provided or arranged worker accommodations must include freely accessible potable water, hygienic washing and toilet facilities, hygienic food storage, preparation, and dining facilities, and adequate light, heat, and ventilation. It must also have adequate emergency exits, alarms, and fire suppression equipment, in accordance with local standards and requirements. Workers residing in employer-provided or arranged accommodations must be provided with adequate personal space and privacy and individual lockable compartments for storing personal items and valuables.

And costs charged for employer-provided or arranged worker accommodations must not contribute to the debt burden of workers, and the cost must be comparable with local market rates.

Auditable Standards

- If employers provide workers with food as a benefit of employment or in accordance with local law, it must include an adequate amount of balanced food that meets their nutritional needs.
- Each individual (including workers and their family members) are provided with at least 1.5 square meters of personal space.
- Each worker is provided with their own bed. Beds are not shared or assigned by shift.
- Workers housed by their employers have access to toilets, showers, and kitchen equipped with running water and safe and hygienic conditions.
- Workers are not charged for housing in violation of local laws or in excess of local equivalent rentals.
- Employers proactively identify and address risks to workers’ health and safety in housing units, including through maintenance, evacuation drills, and provision of fire alarms, fire extinguishers, and first aid kits.
- If circumstances necessitate that employers provide housing for their workers, it must be done in the best interest of the worker. In these cases, the employer must
 - ▷ Recognize workers fundamental rights, such as freedom of association.
 - ▷ Respect custom and national law regarding lease termination and occupancy upon termination of the labor relationship
 - ▷ Ensure rents charged do not include speculative profit and should not cost the worker more than a reasonable proportion of income.
 - ▷ Costs of housing are not automatically deducted from workers’ wages, but rather paid by the worker to the employer independently. Provision of accommodation in payment for work should be prohibited.
- To consult Argentinian legislation regarding housing provided by the employer, please consult [Employment Contract Regime](#)

11. Freedom of association and collective bargaining

Code Standard

Employers are required to respect all workers' right to form and join unions, workers' organizations, and labor committees (among other types of organizations of their choosing) and to bargain collectively for wages and other conditions of employment.

Workers shall have the right to freely choose union leaders through secret ballot elections, and employers shall not interfere in union operations or engage in discriminatory practices or retaliation against workers for participating in union activities.

Auditable Standards

- The company clearly defines and communicates to all workers its Freedom of Association policies and procedures.
- Workers are permitted to form and join organizations of their own choosing without prior authorization.
- Worker organizations are allowed to draw up their own rules and constitutions, elect their own representatives, and organize their own affairs without any employer intervention.
- Workers are compensated at their regular rate during the time they carry out their official duties as worker representatives.
- Employers do not deduct union membership dues, fees, fines, or other assessments from workers' wages without the express and written consent of the individual worker, unless otherwise specified in a freely negotiated and valid collective bargaining agreement or when required by law.
- Workers do not face any type of discrimination or reprisal for forming or participating in unions or for engaging in collective bargaining or strikes.
- Employers engage in good faith collective bargaining with unions representing workers employed.
- Workers and their representatives shall be able to communicate openly and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, retaliation, intimidation, harassment, or violence.

12. Grievance mechanisms

Code Standard

All workers must have access to an effective, confidential grievance mechanism to ensure that any worker can file a complaint without being subjected to any type of prejudice or retaliation.

Auditable Standards

- Employers set up grievance mechanisms that are easy to use and understand and are appropriate for workers' level of literacy, language fluency, and technology access.
- Grievance mechanisms are available in workers' native languages, including indigenous languages.
- Workers are informed of their right to file grievances without fear of reprisals, and of the channels they can use to this effect. Grievance mechanisms allow workers to confidentially report grievances to individuals other than their supervisors or labor brokers.
- Grievance mechanisms include a procedure for management to follow-up on reported grievances that is communicated to workers, a system to remediate issues reported, and an appeal process in the case that workers are not satisfied with the resolution.
- The grievance process is time-bounded, with transparency regarding reporting, action taken, resolution, and appeal. In this regard, worker involvement, feedback, and follow-up communication shall be ensured.
- Specific personnel responsible for handling grievances receives training on their roles and handling process.
- The supplier shall provide direct communication and a process for appeal, involving worker representatives where applicable in cases of discipline or termination.
- Workers should be encouraged to share their concerns about working conditions and health and safety at work and to report hazardous conditions to management and/or government authorities without being subjected to any form of reprisal.
- Workers who report grievances shall not be subjected to any form of penalty, dismissal, discrimination, harassment, or reprisal of any kind.

1.c Code of Conduct Contents Self-Assessment Questionnaire for Brands



Code of Conduct Contents – Self-Assessment

► Questionnaire for Brands

Introduction to the tool

You and your company operate in the garment industry. Over the years, these activities were developed with principles and criteria, considering human and labor relations. The responsibilities and links between the human group that makes up a company, together with the responsibilities arising from the obligations and rules of the government in terms of work, make up the organizational culture of a company. A culture that has the potential to continue growing and enriching itself.

To identify real or potential risks, it is necessary to focus on compliance with the fundamental principles of human rights. In the face of these risks, sustained and effective action must be taken through an Action Plan to mitigate their consequences.

A first step is to identify these risks and assess the status of their associated indicators. This action is a starting point to, in turn, integrate and apply these concepts in the systems, processes and procedures of your company's own activities.

This section focuses on the core principles related to human and labor rights that should be your company or organization's code of conduct. For each principle, the questionnaire will help you gauge the degree to which the respective principles are integrated into your company or organization's Code of Conduct. The section is composed of 30 questions to help you measure your level of advancement and is developed in two sub-sections: Core Principles and Principles Relevant to Sector-Specific Risks.

In the introduction of the "Model Code of Conduct" document, that is part of this toolkit, you can learn more about what a Code of Conduct is, why it is important to have one in your company, its structure, and how to use it. Also, you will find the reasoning behind each principle ("Why it matters"), the principle as it is framed ("Model Code of Conduct"), and further references to national law and international standards ("Further References").

Once this stage has been completed, through its interactions and agreements with its partners in the supply chain, it will be possible to contribute, voluntarily cooperating with those who have decision-making power in the other companies in the chain, to its incorporation into the management systems of its suppliers and third parties.

A. Core Principles

Forced Labor

1. Does your company or organization's CoC integrate the concept of zero-tolerance for forced labor?

► YES	
► NO	
► Do not know	
► If so, how is it defined and articulated?	

2. Which of the following indicators does your company include in its elaboration business conduct as it pertains to forced labor?

► Debt bondage, deposits and deductions	
► Coercion	
► Confiscation of Personal Identity Documents and Cellular Phones	
► Freedom of Movement and Personal Freedom	
► Recruitment and Hiring	
► Labor Contracts	

Child Labor

3. Does your company or organization's CoC integrate the concept of zero-tolerance for child labor?

► YES	
► NO	
► Do not know	
► If so, how is it defined and articulated?	

4. Which of the following indicators does your company include in its elaboration business conduct as it pertains to child labor?

▶ Minimum Age of Employment	
▶ Hazardous Work	
▶ Compulsory Education	
▶ Limits on Hours of Work	
▶ Activities That Do Not Present a Danger to Their Health, Safety, or Morals	
▶ Other indicators (please, describe)	

Discrimination and Equality

5. Does your company or organization's CoC integrate the concept of non-discrimination?

▶ YES	
▶ NO	
▶ Do not know	
▶ If so, how is it defined and articulated?	

6. Which of the following indicators does your company include in its elaboration business conduct as it pertains to discrimination?

▶ Nationality or legal status	
▶ Gender	
▶ Political affiliation or trade union status	
▶ Religion	
▶ Medical condition	
▶ Other indicators (please, describe)	

7. Which of the following indicators does your company include in its elaboration on business conduct as it pertains to gender equality?

► Equal pay for equal work	
► Equal access to recruitment and promotion	
► Direct payment of wages earned to women	
► Other indicators (please, describe)	

Harassment and Abuse

8. Does your company or organization's CoC integrate the concepts of harassment and abuse?

► YES	
► NO	
► Do not know	
► If so, how is it defined and articulated?	

9. Which of the following indicators does your company include in its elaboration business conduct as it pertains to harassment and abuse?

► Physical harassment and abuse	
► Verbal harassment and abuse	
► Psychological harassment and abuse	
► Sexual harassment and abuse	
► Other indicators (please, describe)	

Wages and Payment

10. Does your company or organization's CoC integrate the concept of minimum wage?

► YES	
► NO	
► Do not know	
► If so, how is it defined and articulated?	

11. Does your company or organization's CoC integrate the concept of piece rate pay?

► YES	
► NO	
► Do not know	
► If so, how is it defined and articulated?	

12. Which of the following indicators does your company include in its elaboration business conduct as it pertains to wage and payment?

► Public holidays and rest days	
► Legally mandated benefits, including social insurance and leave	
► Payment of wages at regular intervals	
► Each worker receives their wages in person and without intermediaries. No family member, friend or intermediary can receive wages on workers' behalf.	
► Documentation of wage deductions	
► Overtime payment	
► Other indicators (please, describe)	

Overtime

13. Does your company or organization's CoC integrate the concept of overtime?

► YES	
► NO	
► Do not know	
► If so, how is it defined and articulated?	

14. Which of the following indicators does your company include in its elaboration business conduct as it pertains to overtime?

► Voluntary	
► Payment of legally mandated overtime rates	
► Limits on overtime worked such that total hours worked do not exceed the legal limit	
► Work hours shall not surpass 56 hours per week, including overtime	
► Other indicators (please, describe)	

Occupational safety and health

15. Does your company or organization's CoC integrate the concept of occupational safety and health (OSH)?

► YES	
► NO	
► Do not know	
► If so, how is it defined and articulated?	

16. Which of the following indicators does your company include in its elaboration business conduct as it pertains to occupational safety and health?

▶ Local safety and health regulations	
▶ Marking of hazards	
▶ OSH training for managers and workers	
▶ Provision of personal protective equipment	
▶ Other indicators (please, describe)	

Freedom of Association and Collective Bargaining

17. Does your company or organization's CoC integrate the concepts of freedom of association and collective bargaining?

▶ YES	
▶ NO	
▶ Do not know	
▶ If so, how is it defined and articulated?	

Worker Grievance Mechanisms

18. Does your company or organization's CoC integrate the concept of worker grievance mechanisms?

▶ YES	
▶ NO	
▶ Do not know	
▶ If so, how is it defined and articulated?	

19. Which of the following indicators does your company include in its elaboration business conduct as it pertains to worker grievance mechanisms?

▶ Option of anonymity	
▶ Free and simple to access by workers	
▶ Legitimacy of the grievance mechanism	
▶ Transparent process to handle grievances	
▶ Other indicators (please, describe)	

B. Principles Relevant to Sector-Specific Risks

Subcontracting and Homeworkers

20. Does your company or organization's CoC integrate the concepts of outsourcing and subcontracting?

► YES	
► NO	
► Do not know	
► If so, how is it defined and articulated?	

21. Does your company or organization's CoC integrate the concept of homeworker?

► YES	
► NO	
► Do not know	
► If so, how is it defined and articulated?	

22. Which of the following indicators does your company include in its elaboration business conduct as it pertains to worker subcontracting and?

► Piece rates equal or superior to minimum wage	
► Clear record keeping on subcontracted and homeworking activities	
► Clear recording keeping on details of deduction from payment if any	
► Equal terms of contract as workshop workers	
► Maintenance of individual payment records of homeworkers	
► Other indicators (please, describe)	

Foreign Migrant Workers

23. Does your company or organization employ foreign migrant workers in its own operations, either directly or indirectly through the use of a labor intermediary?

▶ YES, directly	
▶ YES, indirectly	
▶ YES, both	
▶ NO	
▶ Do not know	

24. Does your company or organization's supplier employ foreign migrant workers in its own operations?

▶ YES, directly	
▶ YES, indirectly	
▶ YES, both	
▶ NO	
▶ Do not know	

25. If the answers to questions 18 or 19 are any variation of "YES," does your company or organization's CoC integrate the concept of foreign migrant workers?

▶ YES	
▶ NO	
▶ Do not know	

26. If so, how does your company or organization articulate the following aspects? (Please, describe)

▶ Recruitment abroad	
▶ Housing provision	
▶ Employment termination (by the worker and the employer)	
▶ Repatriation	
▶ Recruitment and living fees	
▶ Legal migration procedures and fees	

27. Which of the following indicators does your company include in its elaboration of business conduct as it pertains to foreign migrant workers?

▶ Equal and safe conditions of work	
▶ Safe storage of identity documents	
▶ Responsible recruitment	
▶ No fees to obtain work	
▶ Direct, regular payment of wages	
▶ Freedom to change employment	
▶ Safe and decent living conditions	
▶ Other indicators (please, describe)	

Living Conditions

28. Does your company or organization provide housing to workers?

▶ YES	
▶ NO	
▶ Do not know	

29. Does your company or organization's suppliers provide housing to workers?

▶ YES	
▶ NO	
▶ Do not know	

30. Which of the following indicators does your company include in its elaboration of business conduct as it pertains to employee housing?

▶ Access to food storage, preparation and dining area	
▶ Access to potable water, hygienic washing and toilet facilities, adequate light, heat and ventilation, and food storage and preparation facilities	
▶ Access to personal, lockable storage	
▶ Personal space and privacy	
▶ Emergency exits, alarms, and fire suppression equipment	
▶ Safe, clean, and hygienic housing, in compliance with applicable country and international standards	
▶ Other indicators (please, describe)	

2.a Labor Risks in Argentine Garment Sector

Supply Chain Risk Snapshot

Four tools to know how to identify, handle and obtain results to improve the working conditions



► Introduction

The document “**1.c – Recommended Content of a Code of Conduct – Self-Assessment Questionnaire for Brands**” of the *Evidence to Action Project* provides a guide to identify the set of situations of your company in terms of due diligence that requires compliance with fundamental human and labor rights. It is a document to detect risks – and the indicators that identify them – and initiate processes to improve working conditions.

It is a necessary tool to develop a new version of its **Code of Conduct** and also to design an **Action Plan** focused on: (i) addressing the most priority issues that need to be improved; (ii) establish the allocation of specific responsibilities among senior staff to fill these gaps; (iii) setting the goals to be achieved and achieving the results within specific deadlines; and (iv) know how to evaluate progress and achievements.

In the document cited above, *Recommended Content of a Code of Conduct*, it is stated that: “Once you have consolidated this stage, through your interactions and agreements with your partners in your company’s supply chain, you will be able to contribute, voluntarily cooperating with those who have decision-making power in the other companies in the chain, to its incorporation into the management systems of its suppliers and third parties”.

The next step would then be to build and have a picture of the risks in your own supply chain.

The contents of this **Supply Chain Risk Snapshot** are part of a set of tools that your organization can use in its efforts to engage your suppliers in the fulfillment of fundamental human and labor rights. Its use is key in the identification and evaluation of existing risks in the members of its supply chain. This tool is designed to help companies and workshops quickly identify decent work gaps and initiate actions to eliminate them.

What is a risk assessment and how is it composed?

In the labor rights’ context, a risk assessment is a systematic and iterative process of identifying and analyzing risks to people’s labor rights in all areas of a company, including across its operations and business relationships and within its supply chains. We define it as a systematic process because it is made up of a set of actions or interventions that are related to each other, and we affirm that it is iterative because it must be repeated and sustained over time in a continuous improvement approach.

Though there may be more granular topics that the company wishes to include in its risk assessments, the topics included in this tool are based on the rapid sector appraisal (RSA) and include:

- Recruitment and hiring
- Contracting and work agreements
- Wages and payment
- Working hours
- Occupational health and safety
- Living conditions
- Grievance mechanisms

A wake-up call – Need to adapt risk assessment tools to the characteristics of your supply chain

To identify what are the real or potential risks that exist in these matters in their own supply chains, brands and suppliers must design their own risk assessments and adapt them to the characteristics and composition of the supply chain, and then carry them out among the companies and workshops that are part of the supply chain. Based on these results, propose and carry out prioritization exercises.

Extension of improvement actions throughout the supply chain

As companies gain greater visibility into the workers and business practices present in their supply chains through their supply chain mapping and supplier engagement activities, they can start developing risk profiles, identifying appropriate human rights due diligence (HRDD) interventions, and prioritizing suppliers for further engagement (e.g., distributing more detailed questionnaires to prioritized suppliers, conducting site visits, mapping a certain supply chain further upstream, etc.)

To help you take this significant new step of working collaboratively with members of your supply chain, this document has four sections:

1. A **Labor Risk Snapshot Table** based on the Results of a Survey of Labor Rights Risks Identified in the Argentinian Garment Sector through the Rapid Sector Appraisal (RSA) carried out by researchers from the Evidence to Action project¹.
2. A **Sample Assessment Questions by Topic and Interpretation Guide**, which is based on the results of the ERS and can be used at your supply chain facilities.
3. An **Interpretation Guide** to help identify existing gaps and areas for improvement in the current policies and practices of any of these establishments.
4. A **Supply Chain Mapping**, so that with a Risk Mapping you can visualize, evaluate and initiate risk control processes and the improvement of working conditions with the collaboration and participation of your suppliers (see the document “Supply Chain Mapping in the Argentine Garment Sector – A Strategic Tool for Brands”).

¹ **Rapid Assessment of the Sector.** This stage and initial exercise of the Evidence to Action Project presents the findings of the Worker Interview Report carried out in Argentina, according to ILO forced labour indicators. The fieldwork illustrated the nature of the risks associated with particular work practices and dynamics. This approach, in turn, made it possible to identify the factors that pushed people to accept exploitative conditions, and the limits imposed on their right to accept and remain in work voluntarily and without coercion. This report is not statistically representative, but it clearly reflects some of the labour dynamics and practices that give rise to potential indicators of forced labour using the methodology proposed by the 2018 ILO International Conference of Labour Statisticians.

1. Labor Risk Snapshot Table

This table provides a snapshot of the labor rights risks identified to be present in the Argentine garment sector through the RSA.

Brands can use this table to quickly understand what labor risks may be present in their supply chain, how they manifest in practice in the local context and which groups of workers are particularly vulnerable, along with some additional information. This table also provides some topics that brands should include when conducting supplier engagement for the purposes of assessing supply chain and supplier risk. Section 2 of this tool provides sample questions for each of the topics.

The table below is organized in five columns:

- ▶ **Column 1** notes the ILO forced labor indicator.
- ▶ **Column 2** notes whether the indicators were found to exist in Argentina's garment sector through the rapid sector appraisal (RSA)
- ▶ **Column 3** describes what the indicator in Column 1 looks like in the local context.
- ▶ **Column 4** identifies the groups of workers most at risk of experiencing the indicator in Column 1 and the relative prevalence of the indicator based on the sample in the RSA.
- ▶ **Column 5** identifies key topics companies should consider investigating when conducting risk assessments. These topics are chosen based on how the risk of the indicator materializes in practice (Column 3) and which worker groups are likely to be exposed to the risk (Column 4).

The presence of one or more of the worker groups in Column 4 in a company's supply chain in and of itself is not a bad or problematic thing. Rather, these groups of workers can be made vulnerable to certain labor risk due to factors such as recruitment-related debt, unscrupulous business practices (by both their direct employer and by larger industry business practices), and systemic inequalities. Brands can **identify** risks to workers and implement HRDD processes to **cease, prevent, and/or mitigate** these risks and, in the case of actual harm, **remediate** them.

1. ILO Forced Labor Indicator	2. Was this an issue regularly reported by workers' interviews? y-yes n-no	3. How the indicator manifests in practice	4. Worker group(s) exposed to the risk and prevalence of the risk	5. When worker groups from Column 4 are identified in the company's supply chain, a risk assessment should ask questions about:
Work in hazardous conditions to which the worker has not consented	Y	Health and safety risks are pervasive in the sector. Worksite non-compliance with health and safety regulations that result in hazardous conditions of work. Coercive mechanisms were reported, such as explicit or tacit threats of dismissal and physical or verbal abuse in response to complaints related to OHS risks.	Risk is present among: ► Workers recruited from abroad. ► Workers recruited in Argentina. ► Employees ► Home-based workers Additional Information: ► This indicator appeared regularly in the sample.	► Contracting and work agreements ► Occupational health and safety ► Grievance mechanisms ► Living conditions
Work with very low or no wages	Y	Debt: Induced indebtedness mechanisms during recruitment, such as deducting debts owed from workers' wages or costs of accommodation, increase the incidence of cases where workers earn below the minimum wage.	Risk is present among: ► Workers with recruitment-related debt, including workers recruited from abroad. ► Workers with no registered work experience ► Women workers Additional Information: ► Almost 50% of sample earned an income below minimum wage. ► The remaining portion of the sample had earnings that barely exceeded minimum wage.	► Recruitment and Hiring ► Contracting and Work Agreements ► Working Hours ► Wages and Payment ► Brand's procurement practices
Situations in which the worker must perform a job of different nature from that specified during recruitment	Y	The most frequent types of deception among workers recruited from abroad are related to working more hours than agreed, wages being lower than agreed, and change in the nature of the work. For live-in workers, this work is usually an addition to the work that has been agreed upon in activities not directly related to garment production.	Risk is present among: ► Workers recruited from abroad (high prevalence) ► Live-in workers Additional Information: ► This indicator is regularly reported, particularly among live-in workers. 100% of workers recruited abroad in the sample experienced deceptive recruitment	► Contracting and work agreements ► Recruitment and hiring ► Living conditions

1. ILO Forced Labor Indicator	2. Was this an issue regularly reported by workers' interviews? y=yes n=no	3. How the indicator manifests in practice	4. Worker group(s) exposed to the risk and prevalence of the risk	5. When worker groups from Column 4 are identified in the company's supply chain, a risk assessment should ask questions about:
Abusive requirements for overtime or on-call work that were not previously agreed with the employer	Y	The number of hours was not always agreed upon in advance, the length of the workday drastically exceeds legal maximums and industry averages, and includes high labor intensity. Hourly wages or piece rates, combined with low wages, result in excessive overtime.	Risk is present among: ► Workers recruited from abroad who are live-in workers. ► Employees ► Home-based workers ► Workers in unregistered workshops Additional Information: ► This indicator is regularly reported, particularly among live-in workers recruited from abroad.	► Contracting and work agreements ► Working hours ► Wages and payment ► Living conditions ► Brand's procurement practices
Degrading living conditions imposed by the employer, recruiter, or other third-party	Y	The most regularly reported degrading living conditions refer to precarious or inadequate housing conditions: lack of hot water or ventilation, overcrowding, lack of privacy, bathrooms in poor hygienic conditions and insufficient number of toilets, etc.	Risk is present among: ► Live-in workers Additional Information on Prevalence: ► This indicator is regularly reported	► Contracting and work agreements ► Recruitment and hiring ► Living conditions
Withholding of wages or other promised benefits	Y	Some workers, particularly workers recruited from abroad, experience wage withholding. The experiences of partial or total withholding of wages are mostly linked to the first workshop that migrant workers are employed at upon arrival to Argentina. Wage withholding is combined with the manipulation of debt, reinforcing the situation of dependence on the workshop owner.	Risk is present among: ► Live-in workers ► Live-in workers recruited from abroad and/or with recruitment-related debt. Additional Information: ► This indicator is regularly reported, particularly among live-in workers. ► Mostly linked to arrival workshops	► Recruitment and hiring ► Wages and payment ► Living conditions

1. ILO Forced Labor Indicator	2. Was this an issue regularly reported by workers' interviews? y=yes n=no	3. How the indicator manifests in practice	4. Worker group(s) exposed to the risk and prevalence of the risk	5. When worker groups from Column 4 are identified in the company's supply chain, a risk assessment should ask questions about:
Debt bondage or manipulation of debt	Y	Some workers pay for their recruitment expenses through deductions that place them below the minimum wage and in a situation of extreme dependence on their employers. Some workers, particularly workers recruited from abroad, experience wage withholding. The experiences of partial or total withholding of wages are mostly linked to the arrival workshops for people recruited abroad or those immediately after. Travel expenses generate an initial debt, which is paid with the first paycheck. Other expenses related to housing or "vales" (small salary advances) are added to the debt. Lack of knowledge of both the local wage scale and the value of things makes it possible for the debt to be greatly increased. The fact that the same person provides travel expenses and housing reinforces the dynamics of indebtedness.	Risk is present among: ► Workers recruited from abroad. ► Workers with recruitment-related debt ► Live-in workers ► Live-in workers from abroad and/or with recruitment-related debt Additional Information: ► This indicator is regularly reported, particularly among workers recruited from abroad. ► Wage withholding, which relates to manipulation of debt, is most prevalent at the arrival workshop for workers recruited abroad	► Recruitment and hiring ► Wages and payment
Work with no or limited freedom to terminate work contract	N	Cases of workers experiencing concrete threat of not being paid what is owed or the existence of this possibility are occasionally found in diverse types of workshops and cooperatives, but are most prevalent in the workshop of arrival for workers recruited from abroad.	Risk is present among: ► Workers recruited from abroad, particularly at the workshop of arrival. ► Workers who work in unregistered workshops	► Grievance mechanisms ► Contracting and work agreements

1. ILO Forced Labor Indicator	2. Was this an issue regularly reported by workers' interviews? y-yes n-no	3. How the indicator manifests in practice	4. Worker group(s) exposed to the risk and prevalence of the risk	5. When worker groups from Column 4 are identified in the company's supply chain, a risk assessment should ask questions about:
		Unregistered workshops use practices to avoid staff resignation, including postponing payments in whole or in part and implicitly threatening loss of wages in case of resignation, but also harassing or blaming the person who wishes to terminate the employment relationship.	Additional Information: ► • This indicator is less regularly reported. ► • Mostly linked to first workshop of arrival among workers recruited from abroad.	
Abuse of workers' vulnerability through the denial of rights or privileges, threats of dismissal or deportation	Y	Threats of dismissal are associated with instances where workers tried protesting working conditions, such as excessive overtime or being made to perform tasks differently than what was agreed upon. The threat of dismissal is reported to be expressed both explicitly and tacitly.	Risk is present among: ► Threats of deportation mostly correspond to workers recruited from abroad. Additional Information on Prevalence: ► This indicator appeared less regularly	► Grievance mechanisms
Restrictions of workers' movement	N	Restrictions on workers' movement include lockups, curfews, and surveillance, but also sometimes includes restricting contact with family members, confinement during work hours. See also <i>Retention of identity documents</i>	Risk is present among: ► Workers recruited from abroad, especially those in their first work experience. ► Live-in workers Additional Information: ► This indicator is considered a very prevalent practice of the past (pre-2014)	► Living Conditions ► Health and Safety

1. ILO Forced Labor Indicator	2. Was this an issue regularly reported by workers' interviews? y=yes n=no	3. How the indicator manifests in practice	4. Worker group(s) exposed to the risk and prevalence of the risk	5. When worker groups from Column 4 are identified in the company's supply chain, a risk assessment should ask questions about:
Threats or violence against workers or workers' families	Y	Health and safety: Coercive mechanisms were reported, such as explicit or tacit threats of dismissal and physical or verbal violence in response to complaints related to OHS risks.	Risk is present among: ► Workers recruited abroad. ► Workers who migrated on their own to work in the Argentine garment sector. ► Workers recruited in Argentina. Additional Information on Prevalence: ► This indicator appeared less regularly, but is common in response to worker complaints or requests for improved working conditions. ► Isolated cases of physical and sexual violence.	► Occupational health and safety ► Grievance mechanisms ► Living conditions
Retention of identity documents	N	The retention of documents among people recruited abroad appears to be a method of restricting the mobility and control of the worker. Identity documents were reported to be retained both by labor recruiters and by employers.	Risk is present among: ► Workers recruited from abroad. Additional information: ► This indicator appeared less regularly, and is primarily reported to be a practice of the past	► Recruitment and Hiring

2. Sample Assessment Questions by Topic

Having learned from the Summary Table above of the results of a survey of the risks to labor rights identified in the Argentine garment sector, and having reflected on the existing gaps in labor rights, you are in a position to take a step forward and prepare to initiate actions with some of the suppliers in your supply chain.

This Section provides a Model Questionnaire with sample questions for each of the priority topics that should be addressed.

This set of questions is organized by the topics included in Column 5 of the Labor Risk Snapshot Table above. Though the table organizes the topics based on how the risk of the indicator materializes in practice (Column 3) and which worker groups are likely to be exposed to the risk (Column 4), it is good practice to ask these *kinds* of questions regardless of which worker groups are or may be present in a company's specific supply chain. This is because:

1. Workers vulnerable to experiencing labor risk could exist at the facility but are not reported by the supplier, either intentionally or mistakenly;
2. Even if the at-risk worker groups are not currently in your organization's supply chain at the time of risk profiling, they could enter the supply chain in the future;
3. The kinds of topics and questions included in this tool can help gauge a supplier's labor practices, which can affect all workers regardless of group characteristic.

Asking broad scoping questions on key topics, even if they might not be fully relevant to the specific worker group(s) identified in your organization's risk profiling efforts, can help organizations understand what practices their suppliers have in place that could either be putting workers at risk or be supporting the company's HRDD goals.

Recruitment and hiring

1. How do you recruit, select, and hire workers for your workshop?

► We directly recruit, select, and hire all workers (full time, part time, temporary, and seasonal).	
► We use licensed labor brokers to recruit, select, and hire workers.	
► We use informal labor recruiters or brokers to find and hire workers.	
► We hire permanent workers directly and utilize labor brokers for seasonal and temporal work and other types of jobs.	
► We use government programs, like national employment services, or others.	
► Other (please describe):	

2. How do you make sure that your hiring and recruitment policies are followed if you use labor brokers? (Select all that apply)

▶ We have specific procedures for recruitment and hiring for each type of available job, including seasonal/temporary workers.	
▶ We interview/gather feedback from the workers, especially those who recently joined, to ensure our policies and procedures were followed properly.	
▶ We give full, legal, written contracts to all our workers.	
▶ We do not have any formal procedures to make sure our recruitment and hiring procedures are being followed.	
▶ Other (please describe):	

3. What kinds of training does your organization provide to your recruitment, selection, and hiring personnel? (Select all that apply)

▶ Responsible recruitment, selection, and hiring practices	
▶ Worker interviewing techniques	
▶ How to screen and select labor brokers	
▶ Monitoring labor broker compliance with responsible recruitment requirements	
▶ Selection of workers based on skills and competencies	
▶ Non-discrimination	
▶ Applicable legal requirements	
▶ No training on this topic	
▶ Other (please describe):	

4. Do workers pay any recruitment, job placement, visa processing, or transportation fees?

▶ Yes	
▶ No	
▶ I do not know	

5. To whom do workers pay the fees? (Select all that apply)

▶ Labor brokers	
▶ The workshop	
▶ Other (please describe):	
▶ I do not know	

6. How do workers pay the fees? (Select all that apply)

▶ Workers pay fees with their earnings after receipt of their full paycheck	
▶ Fees are deducted from the workers' paycheck	
▶ Other (please describe):	
▶ I do not know	

7. For workers recruited from abroad, how are workers' identity documents stored? (Select all that apply)

Workers retain their identity documents on their person	
The facility provides lockers or secure individual compartments to store valuables, including identity documents	
The facility manager retains the worker's identity documents	
The labor recruiter retains the worker's identity documents	
Other (please describe):	
I do not know	

Contracting and work agreements

8. How does your workshop ensure that all workers understand the terms and conditions of their work contract? (Select all that apply)

▶ The terms and conditions are explained verbally to all workers in their native language, or a language they understand.	
▶ Contracts are written in their native language, or in a language they understand.	
▶ Workers receive a copy of their written contract in their native language, or in another language that they understand.	
▶ The workers receive a written contract in the official language of the country where work is performed, but there are no verbal explanations given.	
▶ The terms and conditions are covered in a training/orientation session with the workers.	
▶ Workers are given a verbal explanation of the terms and conditions.	
▶ We do not have any measures to make sure all workers understand their work contract's terms and conditions.	
▶ Other (please describe):	

9. What is included in workers' contracts? (Select all that apply)

▶ Workers are not provided with contracts	
▶ A description of workers' rights and responsibilities	
▶ A description of the work to be performed under the contract, including type of work and tasks	
▶ The conditions of employment, including the start and end date of the employment contract	
▶ The full name of the employer	
▶ The location of the workplace	
▶ Wages, including the rate (hourly or piece rate) and frequency of payment	
▶ Benefits, including days off, sick and/or family leave, health insurance, etc.	
▶ Working hours and overtime premiums	
▶ Any occupational health risks to which workers may be exposed	
▶ Terms of employment termination, applicable to both party (employer and worker)	
▶ A description of worker accommodation and associated costs, if applicable	
Regarding Homeworkers/Home-based Production:	
Reimbursement of additional costs borne by the homemaker (e.g., costs for materials and production, protective equipment, transportation costs, etc.)	
Quality control and deductions	
▶ Other (please describe):	

Wages and payment

10. How are workers' wages calculated?

▶ Set wage (Hourly/weekly/bi-weekly/monthly)	
▶ Per task (set amount for embroidery, etc.)	
▶ Piece rate/By production (set amount per finished item, etc.)	
Other (please describe)	

11. How are workers paid? (Select all that apply)

	Workshop workers	Homeworkers
▶ We pay each worker individually.		
▶ We pay heads of household, and they distribute the money to their family members that contributed to production.		
▶ We pay labor brokers, and they distribute the money to the workers they recruit and/or manage.		
▶ We deposit wages directly into workers' bank accounts.		
▶ We pay wages directly to workers by check		
▶ We pay wages directly to workers by physical currency (I.e., cash)		
▶ They receive in-kind payments (food, housing, etc.)		
▶ Other (please describe):		

12. Are workers provided with any written records of their pay and deductions (paystubs, receipts, etc.)?

	Workshop workers	Homeworkers
▶ Yes		
▶ No		
(if "No" to both groups of workers, please continue to question 14)		

13. What information is included in these payment records? (Select all that apply)

	Workshop workers	Homeworkers
▶ Amount produced		
▶ Number of tasks completed		
▶ Rate of pay (per hour/day/production/task)		
▶ Number of regular and overtime hours worked		
▶ Detailed calculations of piece rate pay based on production/tasks completed		
▶ Deductions		
▶ Calculation of overtime payment		
▶ Other (please describe):		

14. How often are workers paid? (Select all that apply)

	Workshop workers	Homeworkers
▶ Daily		
▶ Each week		
▶ Every 2 weeks		
▶ Every month		
▶ At the end of their contract		
▶ Upon receipt of the finished products		

15. Do you guarantee that all workers (workshop-based and home-based workers) are paid at least the minimum wage for their work, including those on piece rate, and seasonal workers?

▶ Yes	
▶ No	

16. How do you monitor that all workers (workshop-based and home-based workers) are paid at least the minimum wage for their work, including those on piece rate, and seasonal workers? (select all that apply)

▶ Regular supplier audits, scheduled – conducted by our own team	
▶ Non-scheduled audits – conducted by our own team	
▶ Regular supplier audits, scheduled – conducted by third party auditors	
▶ Non-scheduled audits – conducted by third party auditors	
▶ Document review and follow up - remote	
▶ Working hours	

17. How are working hours determined? (Select all that apply)

	Workshop workers	Homeworkers
▶ Workers are allowed to work as long as they please.		
▶ Workers must complete production targets or quotas.		
▶ Workers may not work in excess of legal limits on regular working hours.		
▶ Workers may not work in excess of legal limits on overtime hours.		
▶ Other (please describe):		

18. How do workers get overtime work?

	Workshop workers	Homeworkers
▶ Workers are assigned overtime work.		
▶ Workers can request overtime.		
▶ We do not provide overtime.		
▶ Other (please describe):		

19. Are workers (workshop-based and home-based) who are paid by production, piece rates, or tasks paid overtime premiums when they work over the standard workday hours?

▶ Yes	
▶ No	
▶ I do not know	

20. Is overtime ever mandated for any worker?

▶ Yes	
▶ No	
▶ If "Yes," please describe.	

Occupational safety and health

21. Do you provide workers with any training on occupational health and safety?

▶ Yes	
▶ No (please skip to question 26)	

22. What topics are covered in their safety and health trainings? (Select all that apply)

▶ First aid	
▶ Areas of the worksite that are dangerous	
▶ Fire hazards	
▶ How to properly use machinery, equipment, and tools	
▶ When and how to properly use personal protective equipment	
▶ Emergency procedures and responsible persons	
▶ Other (please describe):	

23. Workers have access to: (Select all that apply)

▶ Potable water	
▶ Toilet facilities	
▶ Regularly scheduled breaks	
▶ The ability to freely leave the facility during work hours	

Living conditions

(for workshops that provide living accommodations for workers)

24. Are families, including children, allowed to stay in the provided accommodation?

▶ Yes	
▶ No	

25. For those who are provided with accommodation, who provides the workers with the accommodation?

▶ You, the workshop owner	
▶ The labor broker	
▶ Other (please describe):	

26. Who pays for worker accommodations? (Select all that apply)

▶ The worker	
▶ You, the workshop owner	
▶ The labor broker	

27. If accommodations are offered by you or the labor broker, how is the price of accommodations set?

▶ All the workers pay a fixed price, regardless of the type of accommodations	
▶ Price set at market rate, the same type of accommodation would be available for the same price if we did not intervene	
▶ The price is under the market, as a benefit included in the contract	

28. Do the accommodations have the following: (Select all that apply)

► Toilets	
► Hot water	
► Showers	
► Clean drinking water	
► Lockers or secure individual compartments to store valuables	
► Emergency exits	
► Security guards	
► Safe storage area for food	
► Somewhere to cook food safely	
► Cleaning supplies	
► Electricity	
► Cots or beds for each person	
► Ability to lock the facility from the outside	
► The ability to freely leave the accommodations at any time for any reason	

Grievance mechanisms

29. Do you have any mechanisms by which workers can report any issues or concerns that they may have?

► Yes	
► No (please skip the rest of this section)	
► Other	

30. Is the grievance mechanism confidential?

► Yes	
► No	
► Other	

31. Are workers who file complaints or grievances protected from retaliation?

▶ Yes

▶ No

32. What are the features of your grievance or complaint mechanism? (Select all that apply)

▶ Available to the workers in their native language

▶ Available to them at all hours

▶ Free to use for the workers

▶ Easy to access for the workers

▶ Able to receive comments in more than one way (for example, more than just a mailbox, or hotline, contact supervisor, etc.)

▶ Managed by a third party

▶ Appealable after the original complaint is deemed closed

▶ Other (please describe):

33. Do you share with the workers the outcomes of the complaints they addressed?

▶ Yes

▶ No

▶ Other

34. Can workers report a grievance anonymously?

▶ Yes

▶ No

3. Interpretation Guide

Now that you have completed the SAQ, use this interpretation guide to help you identify and understand the gaps and areas of improvement in your current policies and practices. The table below has the question number and a description of results that may present potential human and labor rights risks. Unless stated otherwise, the answer choices listed below are associated with some degree of risk and could potentially warrant further information gathering and engagement with the supplier.

Industrial relations issues and hazardous employment and working conditions **Description of answer choices that could indicate risk (unless noted otherwise)**

Recruitment and Hiring

1. Do workers pay any recruitment, job placement, visa processing, or transportation fees?	► Yes	
	► We do not have any formal procedures to make sure our recruitment and hiring procedures are being followed.	
	► No information available on this topic.	
	► I do not know	
2. To whom do workers pay the fees? Any answer choice that involves using a labor broker or third-party service	Any answer choice that involves using a labor broker or third-party service	
3. How do workers pay the fees?	► Fees are deducted from the workers' paycheck	
	► Other (depending on the answer)	
	► I do not know	
4. For workers recruited from abroad, how are workers' identity documents stored?	► The facility manager retains the worker's identity documents	
	► The labor recruiter retains the worker's identity documents	
	► Other (depending on the answer)	
	► I do not know	

Contracting and Work Agreements

5. How does your workshop ensure that all workers understand the terms and conditions of their work contract?	All provided answer choices are considered good practices except for the ones listed below:	
	► We do not have any measures to make sure all workers understand their work contract's terms and conditions.	
	► Other (depending on the answer)	
6. What is included in workers' contracts?	All provided answer choices are considered good practice and should be included in worker contracts, except for the ones listed below:	
	► Workers are not provided with contracts	
	► Other (depending on the answer)	

Wages and Payment

7. How are workers' wages calculated?	► Per task (set amount for embroidery, etc.)	
	► Piece rate/By production (set amount per finished item, etc.)	
	► Other (depending on the answer)	
8. How are workers paid?	► We pay heads of household, and they distribute the money to their family members that contributed to production.	
	► We pay labor brokers, and they distribute the money to the workers they recruit and/or manage.	
	► They receive in-kind payments (food, housing, etc.)	
	► Other (depending on the answer)	
9. Is overtime ever mandated for any worker?	► No	
10. What information is included in these payment records?	All provided answer choices are considered good practice and should be included in payment records given to workers.	
11. How often are workers paid?	► Every month	
	► At the end of their contract	
	► Upon receipt of the finished products	
12. Do you guarantee that all workers (workshop-based and home-based workers) are paid at least the minimum wage for their work, including those on piece rate, and seasonal workers?	► No	
	► Working Hours	
13. How are working hours determined?	► Workers are allowed to work as long as they please.	
	► Workers must complete production targets or quotas.	
	► Other (depending on the answer)	
14. How do workers get overtime work?	► Workers are assigned overtime work.	
	► We do not provide overtime.	
	► Other (depending on the answer)	
15. Are workers (workshop-based and home-based) who are paid by production, piece rates, or tasks paid overtime premiums when they work over the standard workday hours?	► No	
	► I do not know	
16. Is overtime ever mandated for any worker?	► Yes	
	► I do not know	

Occupational Health and Safety

17. Do you provide workers with any training on occupational health and safety? ► No

18. What topics are covered in their safety and health trainings? All provided answer choices are considered good practice and should be provided to workers.

19. Workers have access to: All provided answer choices should be provided to workers.

Living Conditions

20. Are families, including children, allowed to stay in the provided accommodation? ► Yes

21. For those who are provided with accommodation, who provides the workers with the accommodation?
► You, the workshop owner
► The labor brokers
► Other (depending on answer)

22. Who pays for worker accommodations?
► The worker
► You, the workshop owner
► The labor broker

23. Do the accommodations have the following
► Ability to lock the facility from the outside
► Grievance Mechanisms

24. Do you have any mechanisms by which workers can report any issues or concerns that they may have? ► No

25. Is the grievance mechanism confidential? ► No

26. Are workers who file complaints or grievances protected from retaliation? ► No

27. What are the features of your grievance or complaint mechanism? All provided answer choices are considered good practice and should be provided to workers.

28. Do you share with the workers the outcomes of the complaints they addressed? ► No

29. Can workers report a grievance anonymously? ► No

Section 4. Supply Chain Mapping, Risk Assessments, and Supplier Engagement

Risk assessments are a part of broader supplier engagement activities. For example, they build on activities such as supply chain mapping efforts and inform what kinds of questions to include on supplier questionnaires and, according to the gaps detected in terms of compliance with labor rights, which suppliers to distribute questionnaires to.

Depending on what kind of information about workers is gathered from suppliers during the supply chain mapping process, companies can prioritize specific suppliers for follow-up HRDD action(s). One such follow-up action is to distribute a more detailed questionnaire to prioritized suppliers.

Information gathered from the supply chain mapping process creates a clearer picture of a company's upstream sourcing footprint (see Supply Chain Mapping Tool for more information).

The ability to conduct risk assessments is dependent on the degree of visibility the company has into its supply chains. In other words, the further upstream a company can map its supply chain, the more precise it can be about determining what present or potential risks exist. Figure 1 illustrates the 7 steps that describe the sequence of actions required to build a company's supply chain mapping.

Figure 1. Steps for Building a Supply Chain Mapping with Risk Identification



An Example using the Supply Chain Mapping Tool

As part of their supply chain mapping process, Company A sends out the Direct Supplier Profile form (from the Supply Chain Mapping Tool) to Supplier 1.

Upon receipt of the populated form from Supplier 1, Company A notes that information in Section 3: Employee/Worker Information of the form indicates that 50 percent of workers are recruited from abroad and 75 percent of workers lived in the workshop. Referencing the table below, Company A knows that these groups of workers may face labor risks, so they want to find out a bit more about their work and living conditions by organizing a risk assessment of Supplier 1.

As part of the risk assessment and supplier engagement process, Company A distributes a more detailed questionnaire (SAQ) to Supplier 1 that asks questions aimed at assessing their practices related to recruitment, living accommodations, wages, and health and safety.

If Supplier 1's responses to the detailed assessment questionnaire raise additional flags, Company A may escalate the engagement in-line with its HRDD procedures. If no additional flags are raised by the results of the SAQ, the company may conclude its assessment of Supplier 1 and move on to the next prioritized supplier, following the same steps.

2.b Supply Chain Mapping in the Argentine Garment Sector

A tool for companies



► Introduction

This tool is part of a suite of tools that a brand can use during its supplier engagement and human rights due diligence efforts. This mapping offers explanations and provides templates to know the profile of their suppliers that brands can use to have an updated overview of their supply chains.

What is Supply Chain Mapping?

Supply chain mapping collects information on the identities and locations of supply chain actors (suppliers, vendors, workshops). It can also be used to collect information on the basic business relationships between supply chain actors and basic workforce information.

While many companies already conduct some type of supply chain mapping as part of their procurement process, visibility is often limited to direct suppliers. However, it is important to extend visibility beyond direct suppliers to conduct and target due diligence efforts more accurately.

Supply chain mapping by product

Supply chain mapping is not a one-time activity. It is typically conducted on a product-by-product basis, based on various factors and how they relate to a company's specific goals. The selection of products for mapping may be influenced by factors such as:

- perceived level of formality of supply chain partners,
- level of complexity involved in production, or
- perceived risk of the geographic location of production.

It is very important that perceived risks are included in the mapping because local regulations for working, wage and working conditions, and social dynamics change from country to country, and even from region to region.

Once a supply chain has been mapped, companies can assess risk at a variety of levels and engage with their supply chain partners (suppliers, vendors, workshops at all tiers of the supply chain). It is very important for companies to know where work is taking place in a supply chain so that working conditions and environments can be assessed.

Guide to Supply Chain Mapping

This tool provides guidance on how to use structured interviews and supplier profile templates to conduct supply chain mapping.

The process of mapping a supply chain beyond direct suppliers starts with surveying direct suppliers to gather information about their business and their supply chain partners and suppliers (these are the brand's 2nd tier suppliers).

Once the brand's 2nd tier suppliers are mapped, the brand's direct suppliers typically continue with the supply chain mapping process by gathering data from those entities, who in turn gather data from their supply chain partners (brand's 3rd tier suppliers).

Types of Suppliers Found in Typical Garment Supply Chains in Argentina:

- Small or medium-sized company: Small or medium-sized production companies typically produce finished products and deliver them to brands/clients. They may subcontract with workshops and home-based workshops to complete orders. In other cases, they may be a manufacturer just by name and rely almost entirely on subcontracting for actual production.

- **Workshop:** Workshops may be registered or unregistered, formal, or informal, and range in size. A workshop owner typically employs people (anywhere from 4 to 10) in a relatively small production setting.
 - ▷ **Integrated/comprehensive workshop:** This type of workshop carries out the entire garment production process and delivers a finished product directly to a client or to the small/medium sized company that subcontracted them.
 - ▷ **Specialized Workshop:** This type of workshop also delivers a finished product but outsources some of the garment's production processes to secondary workshops.
 - ▷ **Secondary Workshop:** This type of workshop performs one or more production process (such as cutting, embroidering, printing, washing and processing, finishing – buttonholes/ buttons, ironing, etc.) for Specialized Workshops.
 - **Home-based workshop/workers:** Home-based workshops or home-based workers are individuals who work out of their own homes for Workshop owners or other clients. Home-based workshops typically include five people or less. They typically have a lower production capacity.
 - **Intermediary:** Traders, aggregators, or other service providers.

An effective strategy to ensure collaboration among members of your supply chain

Successful supply chain mapping requires trust, cooperation, and partnership between the company initiating supply chain mapping and supply chain partners. The following points should be communicated to direct suppliers in early conversations around supply chain mapping and reiterated throughout the process:

1. Clarify that the supply chain mapping exercise is not intended to be an audit of any sort, rather it is an effort to increase transparency and understanding of the company's supply chain to ensure that the human rights of the workers producing their products are being respected.
2. Emphasize that direct suppliers are essential partners in the work and that the company does not intend to terminate or alter business relationships after the supply chain mapping exercise.
3. Note that supply chain mapping can strengthen supply chain relationships and commitments to working together collaboratively.
4. Acknowledge that supply chain mapping will require effort and commitment by a company's Tier 1 suppliers. It is important to recognize this and consider committing to supporting the due diligence process by providing capacity building and incentives to direct suppliers.
5. It is important to consider providing training and incentives to direct suppliers to support the due diligence process.

A suggested 5-step process for building the supply chain, visualizing the relationships between its constituents, and detecting priority risks

A smart way to keep track of the state of your supply chain and monitor the organizational status of your members is to have a comprehensive physical map of those inter-institutional relationships. The 5-step sequence helps gather that information. In addition, having this data will allow it to act in a sustained manner with the members of its supply chain to improve due diligence issues on the human and labor rights of workers.



▶ Direct Supplier Profile Template (with instructions/guidance notes)

Use a template for each direct supplier of your company.

Date:

.....

Profile Completed by:

.....

Section 1: Basic Business Information

Type of Supplier:

.....

Supplier Name:

.....

Registration Number (if available):

.....

Contact Person's Name Full Name:

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Contact Person's Phone Number:

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Contact Person's Email Address:

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Supplier Headquarters Full Address:

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Significance of supply chain partner to company (low, medium, high):

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Section 2: Production Information

Guidance note: Sections 2 and 3 gather more detailed information about the work performed at specific supplier facilities/worksites. If your direct supplier operates multiple facilities or worksites, complete these sections for each facility/worksite. If your direct supplier's headquarters are based in their one and only facility/worksite, complete these sections only once.

Supplier Facility or Worksite Address:	☐ Check if facility/worksite address is the same as the Supplier Headquarters address above		
Production performed at facility/worksite:			
Seasonality of production (from x month to x month):			
# of workshops the facility/worksite subcontracts with (if any):			
List the name of each workshop and what service they provide:	Workshop Name	Services Provided	# of Workers Employed at Workshop (if known)
# of other intermediaries the facility/worksite subcontracts with (if any):			
List the name of each intermediary and what service they provide:	Intermediary	Services Provided	

Section 3: Employee/Worker Information

# of workers employed directly at facility/worksite:	Total #	# of Men	# of Women	# of Workers Recruited from Abroad
# of workers employed through a third-party and/or recruiters				
# of homebased workers the facility/worksite subcontracts with (if any):				

► Workshop Profile Template

Use a template for each workshop that is a direct supplier to your company.

Date:

Profile Completed by:

Section 1: Basic Business Information

Type of Supplier:

Workshop Name (or Workshop owner's name):

Registration Number (if available):

Contact Person's Name Full Name:

Contact Person's Phone Number:

Contact Person's Email Address:

Workshop Full Address:

Significance of workshop's contribution to your production (low, medium, high):

Section 2: Production Information

Production/services
performed at workshop:

Seasonality of production
(from x month to x month):

of other intermediaries
(or other workshops) the
workshop subcontracts with
(if any):

List the name of the
intermediaries/workshops
the workshop contracts
with and what services they
provide:

Intermediary/
Workshop

Services Provided

Section 3: Employee/Worker Information

	Total #	# of Men	# of Women	# of Workers Recruited from Abroad	# of workers who live in the workshop
# of workers employed directly at workshop:					
# of workers employed through a third-party and/ or recruiters					
# of homebased workers the workshop subcontracts with (if any):					
List the name and contact information of the homebased workers the workshop contracts with:	Homebased Worker	Contact Information		Services Provided	

2.c Supply Chain Mapping in the Argentine Garment Sector

A strategic tool for workshops



► Introduction

This tool is part of a suite of tools that garment manufacturer/suppliers can use to implement responsible business practices in their own operations and reduce labor risks to workers. The content provided helps you understand the importance of supply chain mapping and why other members of your supply chain may request information from you as part of their own mapping exercises. This tool also provides a guide with practical guidance for starting a mapping process and a model template that can be used to identify and document business practices at any facility in your supply chain. Finally, this is information that could be requested by your customers.

What is Supply Chain Mapping?

A supply chain mapping is a methodological instrument that allows you to have and visualize the business and corporate profile of each one and of all your suppliers and customers; know its organizational characteristics, the structure of its work composition and the variety of products and services offered.

From the point of view of due diligence for human and labor rights, the strategic objective of a mapping of the supply chain in which you participate is to assess the quality of the performance of each member in these matters, by detecting gaps in their compliance and finding ways to cooperate with them to correct them.

What does a supply chain mapping contain?

Supply chain mapping collects information about the profile of its constituents and provides a visual structure or diagram that shows the location of and the ties between the actors in the supply chain (suppliers, vendors, workshops). It can also be used to provide basic information about business relationships between suppliers, subcontractors and labour intermediaries.

Who should be incorporated and what is the scope of a supply chain mapping?

When a retailer or brand wishes to conduct labor rights due diligence with the supply chain, it is essential that they include direct suppliers, suppliers of suppliers, subcontractors, marketers, and aggregators. Supply chain mapping is an activity in which other actors can also participate. Just as it is important for a brand to know the suppliers, vendors, and workshops that make up its supply chain, it is also important for you to know and document the various suppliers and partners with whom it works.

When a brand or retailer conducts supply chain mapping, it should ideally also engage its supply chain actors by communicating its own expectations and codes of conduct, the training it conducts and/or proposes for its staff on how to meet expectations, and initiatives around human rights due diligence commitments and efforts for onboarding of new personnel.

On the other hand, companies to which you supply products or services may ask you to participate in supply chain mapping exercises by filling out shop profiles or engaging in a conversation to explain the types of services your company provides and who it works with. Having this information documented beforehand and updated can help you participate in these processes and develop your own business management systems.

With a better understanding of the chain in which they are involved, brands, retailers and partners are better able to implement initiatives that allow them to protect the human rights of workers throughout the chain. Supply chain mapping is not intended to be an audit of any kind.

Types of Suppliers Found in Typical Garment Supply Chains in Argentina:

- ▶ **Small or medium-sized company:** Small or medium-sized production companies typically produce finished products and deliver them to brands/clients. They may subcontract with workshops and home-based workshops to complete orders. In other cases, they may be a manufacturer just by name and rely almost entirely on subcontracting for actual production.
- ▶ **Workshop:** Workshops may be registered or unregistered, formal, or informal, and range in size. A workshop owner typically employs people (anywhere from 4 to 100) in a relatively small production setting.
 - ▷ **Integrated/comprehensive workshop:** This type of workshop carries out the entire garment production process and delivers a finished product directly to a client or to the small/medium sized company that subcontracted them.
 - ▷ **Specialized Workshop:** This type of workshop also delivers a finished product but outsources some of the garment's production processes to secondary workshops.
 - ▷ **Secondary Workshop:** This type of workshop performs one or more production processes (such as cutting, embroidering, printing, washing, and processing, finishing – buttonholes/ buttons, ironing, etc.) for Specialized Workshops.
 - **Home-based workshop/workers:** Home-based workshops or home-based workers are individuals who work out of their own homes for Workshop owners or other clients. Home-based workshops typically include five people or less. They typically have a lower production capacity.

A 4-Step Guide to Supply Chain Mapping

While the process of mapping a chain typically begins with brands or retailers surveying their direct suppliers to gather information about their business and those of their partners, second-tier suppliers and subcontractors can also initiate this process and document information about their own practices and those of their partners in the supply chain.

Figure 1 shows a 4-step sequence with activities that indicate how to initiate and/or participate in a mapping to document your company's and supply chain information.

Figure 1. Sequence of suggested activities for supply chain mapping



► Workshop Profile Template

Date:

.....

Profile Completed by:

.....

Section 1: Basic Business Information

.....

Type of Supplier:

.....

Workshop Name (or Workshop owner's name):

.....

Registration Number (if available):

.....

Contact Person's Name Full Name:

.....

Contact Person's Phone Number:

.....

Contact Person's Email Address:

.....

Workshop Full Address:

.....

Significance of workshop's contribution to your production (low, medium, high):

.....

.....

Section 2: Production Information

Production/services performed at workshop:		
Seasonality of production (from x month to x month):		
# of other intermediaries (or other workshops) the workshop subcontracts with (if any):		
List the name of the intermediaries/workshops the workshop contracts with and what services they provide:	Intermediary/ Workshop	Services Provided

Section 3: Employee/Worker Information

	Total #	# of Men	# of Women	# of Migrant Workers	# of workers who live in the workshop
# of workers employed directly at workshop:					
# of workers employed through a third-party and/or recruiters					
# of homebased workers the workshop subcontracts with (if any):					
List the name and contact information of the homebased workers the workshop contracts with:	Homebased Worker	Contact Information	Services Provided		

3.a Self-Assessment Questionnaire for Workshops

Human rights management systems



▶ Introduction to the tool

What is a Self-Assessment Questionnaire?

Self-Assessment Questionnaires (SAQs) are a set of self-administered questions that allow the user of to identify gaps in their corporate policies, production and organizational management systems and labor practices. Once the SAQ has been completed, users can identify issues for improvement and implement initiatives to fill identified gaps and address potential risks in their human rights and labor management system, thereby improving their level of progress in these areas.

Who are the recipients or users of this SAQ?

This questionnaire is primarily intended for workshop owners. It is a tool for internal use, which does not require sharing your answers with anyone. Therefore, it is best to answer the questions as completely, honestly and accurately as possible. If other people participate in the decision-making or oversee important areas of the production, for example, family members who work in the shop, a manager, line manager or other trusted person, they could accompany you in this self-assessment exercise and you will find that their invitation and cooperation will be welcome and productive.

What is the purpose and content of this SAQ?

This self-assessment tool is intended to identify and evaluate the degree to which human rights (HRDD) and labor rights due diligence were integrated into the management system of your workshop. The SAQ consists of 35 questions covering topics:

- ▶ Policies and standards
- ▶ Recruitment practices
- ▶ Workers' working and living conditions

In each section you will find a series of useful questions to assess the situation of your workshop and, therefore, the level of progress of your management system in the corresponding topic.

How to use this SAQ?

Once the questionnaire is completed, it is necessary to make a comprehensive reading and an objective assessment of the answers. An analysis and evaluation of the results of this exercise will provide you with a comprehensive profile of the status of your workshop on the topics covered and, together with the *Guide to Interpreting the Results* below, will help you to find the way forward in your workshop to improve your labor and human rights due diligence.

Workforce profile

1. Which categories of workers does the workshop employ? (Select all that apply)

▶ Relatives of the workshop owner	
▶ Permanent employees	
▶ Temporary/seasonal workers	
▶ Home-based workers	
▶ Local workers	
▶ Internal migrant workers	
▶ Immigrant workers from other countries	
▶ Families (parents and children)	
▶ Other (please describe):	

Labor policies and standards

2. What labor and human rights standards or code of conduct does your shop follow?

▶ We follow the Code of Conduct of our main customer.	
▶ We draw our inspiration from the Codes of Conduct of one or more clients.	
▶ We follow the standards of a certification body (e.g. Ethical Trading Initiative, etc.)	
▶ We have our own Labor and Human Rights Policy or Code of Conduct.	
▶ We comply with current and applicable legal requirements regarding labor and human rights.	
▶ Other (please describe):	

3. If your shop does not have a Code of Conduct, which areas of labor and human rights standards do you consider, respect and practice? (Select all that apply)

▶ Compliance with local labor legislation	
▶ Forced labor and human trafficking	
▶ Child labor	
▶ Discrimination and equality	
▶ Freedom of association and collective bargaining	
▶ Harassment and abuse	
▶ Occupational health and safety	
▶ Living conditions	
▶ Complaint mechanisms	
▶ Staff training and awareness	
▶ Subcontracting and home-based work	
▶ Other areas (please describe):	

Recruitment and hiring methods

4. How do you recruit, select and hire workers for your shop? (Select all that apply)

▶ We directly recruit, select and hire workers (full-time, part-time, temporary and seasonal).	
▶ We use authorized labor intermediaries to recruit, select and hire workers.	
▶ We use informal recruiters or labor intermediaries to find and hire workers.	
▶ We hire permanent workers directly and use labor intermediaries for seasonal and temporary jobs and other types of employment.	
▶ We use government programs, such as national employment services, or others.	
▶ Other (please describe):	

5. If you use labor brokers, how do you ensure that your business' hiring and recruitment policies are followed? (Select all that apply)

▶ We have specific selection and hiring procedures for each type of employment available, including seasonal/temporary workers.	
▶ We interview/collect feedback from workers, especially new hires, to ensure that our policies and procedures are being followed correctly.	
▶ We give full, legal, written contracts to workers.	
▶ We do not have formal procedures to ensure that our labor intermediaries follow our selection and hiring procedures.	
▶ Other procedures (describe them):	

6. What type of professional competency training does your business provide to recruiting, selection and hiring personnel? (Select all that apply)

▶ Responsible recruitment, selection and hiring practices	
▶ Interview techniques with workers	
▶ How to identify, screen and select labor intermediaries	
▶ Supervision of compliance with responsible contracting requirements by labor intermediaries.	
▶ Selection of employees based on their skills and competencies	
▶ Non-discrimination training	
▶ Training on applicable legal requirements	
▶ We do not offer specific training on this subject	
▶ Other (please describe):	

7. Do workers pay recruitment, placement, visa processing or transportation fees?

▶ Yes	
▶ No	
▶ I do not know	

8. To whom do workers pay dues (select all that apply)?

▶ Labor intermediaries	
▶ The workshop	
▶ Other (please describe):	
▶ I do not know.	

Forms of contracting and work agreements

9. How does your shop ensure that workers understand the terms of their employment contract? (Select all that apply)

▶ Conditions are explained verbally to workers in their native language or in a language they understand.	
▶ Contracts are written in their native language or in a language they understand.	
▶ Workers receive a copy of their contract in writing in their native language or in another language they understand.	
▶ Workers receive a written contract in the official language of the country where the work is performed, but no verbal explanations are given.	
▶ Contract conditions are discussed in a training/orientation session with the workers.	
▶ Workers receive a verbal explanation of working conditions.	
▶ Other measures (please describe):	
▶ We do not have any measures to ensure that all workers understand the terms of their employment contract.	

10. What is included in the workers' contracts (select all that apply)?

▶ Workers do not receive contracts	
▶ Description of workers' rights and responsibilities	
▶ A description of the work to be performed under the contract, including type of work and tasks	
▶ The terms and conditions of employment, including the start and end dates of the employment contract.	
▶ The full name of the entrepreneur	
▶ The location of the workplace	
▶ Wages, including rate (hourly or piecework) and frequency of payment	
▶ Benefits, including days off, sick and/or family leave, health insurance, etc.	
▶ Working hours and overtime premiums	
▶ Any occupational health risks to which workers may be exposed according to their jobs or workplaces.	
▶ Dismissal conditions, applicable to both parties (company and employee)	
▶ A description of worker accommodation and associated costs, if applicable.	

Regarding home-based workers/home-based production

▶ Reimbursement of additional costs borne by the home-based worker (e.g. material and production costs, protective equipment, transportation costs, etc.)	
▶ Quality control and deductions for spare parts or rejects	
▶ Other concepts included in the contracts (describe them):	

Child labor

11. Does the workshop have a policy that clearly defines and prohibits child labor and its worst forms?

▶ Yes	
▶ No	

12. How does the company ensure that no worker under the minimum age for child labor performs any type of child labor on the shop floor or in home-based production? (Select all that apply.) (Select all that apply)

▶ We demand that workers show the workshop management their official identity documents and address and their date of birth is checked.	
▶ We demand that the labor intermediaries check the workers' original identity documents and provide copies to the workshop management.	
▶ We train labor intermediaries on the importance of eliminating child labor.	
▶ We educate workers on the importance of eliminating child labor.	
▶ We struggle to find a way to prevent minors from working in the workshop.	
▶ We strive to find ways to prevent underage workers from engaging in child labor in home-based production.	
▶ Other procedures we practice (describe them):	
▶ We do not have any procedures.	

13. How do you ensure that young workers (adolescents 16 years of age and under 18 years of age) work in legally permitted activities (including requirements related to working hours, hazardous work and school attendance)? (Select all that apply)

▶ We conduct a thorough review of relevant laws and regulations.	
▶ We have identified all the jobs that are not suitable for youth workers.	
▶ We train workers in the types of work permitted and not permitted for youth workers.	
▶ We post notices about the work allowed and not allowed for minors in the workshop.	
▶ We do not hire people under 18 years of age.	
▶ We do not allow youth workers to work hours that interfere with compulsory education.	
▶ We carry out periodic inspections of work areas, including visits to production areas at home.	

Regarding home-based workers/home-based production:

▶ We pay a high enough piece rate so that home-based workers do not need to resort to unpaid and/or unauthorized youth labor in home-based production to reach a minimum or living wage.	
▶ We provide stable and predictable production schedules and delivery deadlines, so home-based workers are not pressured to use unpaid and/or unauthorized youth labor to meet production quotas.	
▶ We do not have any child labor monitoring procedures.	
▶ Other monitoring or control mechanisms that we practice (describe them):	

Length of workday and working hours

14. How are working hours determined (select all that apply)?

	Workshop workers	Home-based workers
Workers can work as long as they want.		
Workers are required to meet production targets or quotas.		
Workers may not work above the legal limits of regular working hours.		
Workers may not work in excess of the legal overtime limits.		
Other (please describe):		

15. How do workers get to work overtime? (Select all that apply)

	Workshop workers	Home-based workers
► Workers are assigned overtime.		
► Workers may request overtime.		
► We do not work overtime.		
► Other workday arrangements we practice (describe them):		

16. Do workers (shop and home-based) who are paid by production, piece rate or task, receive overtime premiums when they work more than the normal working day?

► Yes	
► No	
► I do not know	

17. Is overtime imposed on any employee for any specific circumstance?

► Yes	
► No	
► If yes, please describe the reasons	

Remuneration and payment methods

18. How are workers' salaries calculated?

▶ Fixed salary (hourly/weekly/fortnightly/monthly)	
▶ Per task (fixed amount per embroidery, etc.)	
▶ Per piece/Per production (fixed amount per finished article, etc.)	
▶ Other modalities (please describe)	

19. How are workers paid (select all that apply)?

	Workshop workers	Home-based workers
▶ We pay each worker individually.		
▶ We pay the heads of household, and they distribute the money among their family members who contributed to the production.		
▶ We pay the labor intermediaries, and they distribute the money among the workers they hire and/or manage.		
▶ Wages are paid directly into workers' bank accounts.		
▶ We pay wages directly to workers by check.		
▶ We pay wages directly to workers in physical currency (i.e., cash).		
▶ Receive in-kind payments (food, lodging, etc.)		
▶ Other (please describe):		

20. Are workers provided with any written record of their salary and deductions (pay stubs, other receipts, etc.)?

▶ Yes	
▶ No (if you answered "No" to both groups of workers, skip to question 22)	

21. What information is included in these payment records (select all that apply)?

	Workshop workers	Home-based workers
▶ Quantity of garments, parts or pieces produced		
▶ Number of tasks performed		
▶ Remuneration (per hour/day/production/task)		
▶ Number of ordinary and overtime hours worked		
▶ Detailed calculation of piecework remuneration based on production/tasks performed.		
▶ Deductions		
▶ Calculation of overtime pay		
▶ Other (please describe):		

22. How often do workers get paid (select all that apply)?

	Workshop workers	Home-based workers
▶ Daily		
▶ Every week		
▶ Every 2 weeks		
▶ Every month		
▶ At the end of your contract		
▶ Upon receipt of finished products		

23. Does it ensure that workers (shop and home-based) are paid at least the minimum wage for their work, including pieceworkers and seasonal workers?

▶ Yes		
▶ No		

Occupational safety and health

24. Do you offer workers in the workshop any training on occupational safety and health?

▶ Yes	
▶ No (skip to question 26)	

25. What topics are covered in your occupational health and safety training courses (select all that apply)?

▶ First aid	
▶ Hazardous areas in the workplace	
▶ Fire hazards	
▶ How to correctly use machinery, equipment and tools	
▶ When and how to use personal protective equipment properly	
▶ Emergency procedures and responsible persons	
▶ Other topics (please describe):	

26. Workers have access to: (Select all that apply)

▶ Drinking water	
▶ Clean restrooms	
▶ Work clothes	
▶ Lockers for storage of personal protective equipment, street clothes and personal belongings	
▶ Clean places for snacking or feeding	
▶ Places to park your vehicles (bicycles, motorcycles, cars)	
▶ Places for regularly scheduled rest breaks	

Living conditions

(for workshops that provide housing for workers)

27. Are families, including children, allowed to stay throughout the working day in the accommodation provided?

▶ Yes	
▶ No	

28. In the case of workshops that have accommodation, who provides accommodation for the workers?

▶ You, the workshop owner	
▶ The labor intermediary	
▶ Other providers or modes of accommodation (please describe):	

29. Who pays for the workers' accommodation? (Select all that apply)

▶ The worker	
▶ You, the workshop owner	
▶ The labor intermediary	
▶ Other forms of agreement between the parties (describe them):	

30. Do the accommodations have the following (select all that apply)?

► Toilets	
► Hot water	
► Showers	
► Clean drinking water	
► Secure individual lockers or compartments for valuables storage	
► Emergency exits	
► Security guards	
► Secure food storage	
► A place to cook food safely	
► Cleaning supplies	
► Electricity	
► Cribs or beds for each person	
► Possibility of closing the installation from the inside and outside	

Grievance Mechanism

31. Does your management system have a mechanism for workers to report any problems or concerns they may have?

► Yes	
► No (omit the rest of this section)	

32. Is the complaint mechanism confidential?

► Yes	
► No	

33. Are workers who file complaints or grievances protected from retaliation?

► Yes	
► No	

34. What are the characteristics of your complaint or grievance mechanism/channel (select all that apply)?

► Available to workers in their native language	
► At your disposal around the clock	
► Free use for workers	
► Easy access for workers	
► Possibility to receive feedback in more than one way (e.g. more than one mailbox, or hotline, personal contact with supervisor, etc.)	
► Managed by third parties	
► Appealable after the original claim is deemed closed	
► Other procedures (please describe):	

35. Do you share with the workers the results of the complaints they made?

► Yes
► No

36. Can workers report a complaint anonymously?

► Yes
► No

► Interpretation Guide

Once you have completed the SAQ, use this interpretation guide to help you identify and understand gaps and areas for improvement in your current policies and practices. The table below contains the question number and a description of the results that may present potential risks to respect for human and labor rights.

This questionnaire is an internal tool, so it is not necessary to share or disseminate the responses. As such, the results of this exercise and the interpretation guide below should be used to identify and prioritize gaps in your practices to develop a path forward to improve your workshop management system. If you had completed it with the help of someone else, you could initiate shared procedures for systematic improvement of your human and labor rights management system.

Ask	Description of recorded results
Workforce profile, labor policies and standards	
1	All of the answer options provided in this question may have associated occupational hazards.
2	All of the answer options provided in this question may be good choices.
3	All the answer options provided in this question are considered good practice options if they are correctly applied and complied with.
Recruitment and hiring	
4	Any response option that involves the use of a labor intermediary or third party service.
5	We do not have formal procedures in place to ensure that our selection and hiring procedures are followed.
6	Did not receive training on this topic
7	Yes
	I do not know
8	All the answer options present occupational hazards
Formas de contratación y acuerdos de trabajo	
9	All of the response options provided are considered good practices, except for those listed below:
	We do not have any measures to ensure that all workers understand the terms of their employment contract.
	Other (depending on response).

10	All of the response options provided are considered good practices and should be included in workers' contracts, except for those listed below:	
	workers do not receive contracts	
	Other (depending on response).	

Child labor

11	No	
12	We do not have any procedures.	
	We struggle to find ways to prevent underage workers from engaging in child labor in the workshop.	
	We strive to find ways to prevent underage workers from engaging in child labor in home-based production.	
13	We do not have any procedures.	
	Other (depending on response).	

Working hours

14	workers can work as long as they want.	
	workers are required to meet production targets or quotas.	
	Other (depending on response).	
15	Overtime is assigned to workers.	
	We do not work overtime.	
	Other (depending on the response).	
16	No	
	I do not know	
17	Yes	
	I do not know	

Wages and Payment

18	Per task (fixed amount per embroidery, etc.)	
	Per piece/Per production (fixed amount per finished article, etc.)	

19	Other (depending on response).	
	We pay the heads of household and they distribute the money among their family members who contributed to the production.	
	We pay the labor intermediaries and they distribute the money among the workers they hire and/or manage.	
	They receive payments in kind (food, housing, etc.)	
	Other (depending on response).	
20	No	
21	All of the response options provided are considered good practices and should be included in the pay records provided to workers.	
22	Each month	
	At the end of your contract	
	Upon receipt of finished products.	
23	No	

Occupational health and safety

24	No	
25	All of the response options provided are considered good practices and should be provided to workers.	
26	Workers should be provided with all the response options provided.	
27	Yes	
28	You, the owner of the workshop	
	The labor intermediary	
	Other (depending on response).	
29	The worker	
	You, the owner of the workshop	
	The labor intermediary	
30	All of the response options provided are considered good practices and should be provided to workers.	

31	No	
32	No	
33	No	
34	All of the response options provided are considered good practices and should be provided to workers.	
35	No	
36	No	

3.b Wages and benefits



► Why should we pay attention to salaries and benefits?

The garment sector operates in extremely competitive markets, where cost is a significant factor. Important levels of unemployment, paired with limited skills requirements often allow companies to lower wages to reduce production costs and stay competitive. However, reducing labor costs is not the only way to increase profit, and it can result in significant labor rights violations and legal or reputational risks. Moreover, as the labor market evolves, companies must improve their ability to attract and retain labor. Adequate wages and benefits increase workers motivation, satisfaction, and loyalty, which results in higher productivity and product quality, but also in lower recruiting, hiring, onboarding, and training costs.

That's why we invite you to work on managing wages and benefits in the workplace. This tool is intended for garment workshops in Argentina. In this tool, we will guide you through a simple Plan-Do-Check-Adjust exercise to help you improve your capacity to implement adequate controls to reduce risks and violations related to wages and benefits.

Step 1 . Plan

To start a planning process, it is necessary to respect the core principles and rules related to the topic.

Core principles on wages and benefits

- Workers receive wages that meet the minimum national legal or sectorial wage, regardless of the method to calculate the payments.
- All benefits required by the labor legislation are provided, and monetary fines and deductions are prohibited.
- Deductions or compensations related to the delivery or provision of merchandise, tools, housing, or food are prohibited.
- Workers are provided with pay slips that summarize all relevant information.

Basic standards on wages and benefits

- Net pay can never be lower than minimum wage or the sectorial wage, regardless of the method used to calculate wages.
- Production quotas are prohibited.
- All workers are provided with legal benefits, including (*check with Ministry of Labor for legal benefits*)
- All overtime hours are paid at the legally established premium rates, regardless of whether workers are paid by piece, task, hour, or month (*check with Ministry of Labor*)
- When the amount of work decreases, employers ensure workers expected wages are not unduly affected (*check with Ministry of Labor*)
- Punitive deductions from wages are prohibited. These include losses for mistakes, damage of materials or equipment, tardiness, rule breaking or losses. If workers are late to their job, only the amount of time for which they were not present can be deducted.
- Workers hired for the same positions and tasks must receive the same wage.
- Workers track their working hours using a verifiable timekeeping system that registers the number of units produced.
- Employers adopt measures to monitor hours worked against wages paid for production planning purposes and control of minimum wage violations.

What is the risk of not complying with the basic rules?

According to ILO, very low or no wages are an indicator of involuntary work. The risk of or vulnerability to forced labor increases when the agreed wage is diminished by unlawful deductions; when the amount of work given to the worker is not enough for them to earn the equivalent of minimum wage, or when piece rate is so low that employees must work beyond the regular working hours to earn at least the equivalent of minimum wage. In Argentina's garment sector, piece rate is a widespread practice in small, informal workshops.

Piece-rate payment

In Argentina's garment sector, piecework is a widespread practice in small informal workshops. Argentine legislation establishes a minimum living wage and protects workers from illegal deductions. It also establishes holidays, vacations and paternity or maternity leave. In the clothing sector, there is also a sectoral salary, which is applied to workers in the sector. Salaries are constantly being updated, so you should refer to this table to ensure that your salaries are in line with any updates that exist.

► Piece rate payment rewards experience and productivity, and it can be convenient for very experienced workers. However, newcomers or elderly workers are vulnerable to minimum wage violations as they spend more time doing the same thing. While paying lower wages to a person that is less productive seems normal under this logic, it is important to understand the circumstances that affect their productivity, and guarantee that at every moment, people will be able to do at least the equivalent of minimum wage.

These circumstances include very low piece rate pay, production stoppages due to defective machinery or production bottle necks, stoppages due to lack of inputs, etc. In all these cases, the circumstances are out of the workers' control, and they should not be responsible for them.

But what if the person is too slow, is the common answer to this problem. Lack of experience or training is also a factor, and in this case, the company must invest at the beginning of the working relationship to ensure legal wages and benefits are provided. If the person continues performing under the average after a reasonable time lapse, then you must review your hiring and training policies. Often workshops rely on less productive workers during the peak of the season because they are unable hire more experienced workers, but once again, the employer is still responsible for their wages.

A profitable business is one that can absorb real labor costs and not transfer its production challenges to the worker.

About labor costs

When estimating labor costs, workshops tend to establish wages based on average market prices, but these do not always comply with local labor legislation. As working for low wages is a key element of exploitation under Argentinian law and might be considered an indicator of forced labor by the International Labor Organization, workshop owners can implement the following good practices to protect fundamental labor rights in the workplace and reduce reputational and legal risks for themselves and their clients.

As risks of minimum wage violations on the garment sector are common, especially when related to piece work or home-based work, it is important that you conduct a quick assessment of how many workers earn less than minimum wage for a regular 48-hour week, regardless of the size or level of formality of your business.

What´s the goal for your workshop?

The goal is to run a profitable workshop that meets customers' requirements, complies with the law, and takes into consideration the risks present in your operations. An easy example is "Labor legislation establishes the sectorial wage at XXX for machine operators" (requirement) and "half of my seamstress are earning wages below that minimum for an 8-hour shift, which is illegal" The goal, in this instance, will be to adjust your procedures to reduce the gap between both statements. This requires establishing key performance indicators and improvement targets that will address these gap.



Planning is being able to identify and address the issues within your operations using the resources you already have on hand. Piece rate payment models can be implemented in a way that respects workers' rights when they integrate systems to make sure they are fair, transparent, and consistent with the labor legislation.

Step 2 - Do

How do I manage the risk?

Next step would be to establish effective procedures that will ensure that your policies on regular and overtime working hours are met.

Let's review how these procedures usually look like in the industry. You can adapt and adjust these to reflect the reality of your business, as long as they are effective. You should assess your production needs to ensure you have a stable, experienced workforce and develop specific strategies for season production peaks.

- **Cost measuring** You should develop a system that allows you to establish reasonable average labor costs for piece rate production. INTI has an excellent tool to budget labor costs, but every workshop should run an internal exercise to ensure the common tasks remuneration calculations are accurate. When measuring, be realistic: if you calculate how many jeans and experienced seamstress can do in an 8-hour shift, but 80% of your workforce are unexperienced seamsters, your numbers will be off. Cost measuring will allow you to ensure units produced at a normal rhythm result in wages equal to or above minimum wage. The goal is to set reasonable productivity expectations to avoid overwork, low quality products or exploitation. Remember to ensure piece rate payments allow for regular rest breaks without affecting income.
- **Consent.** Clearly define piece rates in a way that workers can easily understand and keep track of , and provide detailed contracts with information regarding wages and piece rate payment, as well as signed slips that detail produced units and time taken.
- **Warning system.** As a way to ensure your standard (no one should earn less than minimum wage) is respected, you must track productivity against times spent. Develop a flagging system that you or the person in charge when minimum wage has not been met. . If possible, collect information regarding the reasons this happened -lack of experience, lack of inputs, machine breakdowns. You will have to make up for lost wages, but if you understand what caused those, you can improve the production conditions to avoid it in the future.
- **Documentation.** Issues like wages, overtime and productivity measures can be addressed if your productivity and time records are valid, accurate and reliable. Recording starting and finishing times, regular and overtime, pay rest, leaves and number of pieces delivered for this period will give you data to verify if your plan is working.

Establish a feasible chain of responsibilities

Set the rules of the game Assign clear roles to everyone in your staff, including supervisors, managers, or family members if they are involved in the production. If you are a very small workshop, set up a list of the tasks that you or someone you trust must follow, it is helpful to keep things on track. The five previous tasks (plan, keep records, overview, guarantee that consent is given, and improve) can all be done by one single person – the important thing is to include these activities into your daily operations, and not wait until the end of the month to do them.

Design and organize a communication and training system

Ensure staff understands the expectations. Your workforce and supervisors should be trained to understand what is minimum wage, and why it should be respected. Clearly explaining to your staff the impact of minimum wage violations on workers, as well as potential legal consequences, will help you implementing new measures. Give the workers the right tools and channels to understand wage calculations , train them on the procedures in place that track their working hours and on the grievance channels through which they can report wage violations.

Train to improve - continuous skills training for workers helps keep performance high and increases income as well. Training workers on more than one task or machine will give them access to better positions.

Create and organize an efficient documentation system

All the measures you take under this plan, including record keeping, planning, training, etc., should be documented transparently. Accurate data will allow you to make sure you are on the right track. You should keep records to demonstrate compliance with the law for at least 12 months regarding timesheets and overtime records. The following elements should always be documented:

- Copy of signed employed contract for every worker, with specific information regarding wages and benefits. If you don't have a signed contract, writing down and delivering to each worker information regarding their wages and benefits, and the way you calculate it, is indispensable
- Pay slips should include regular hours, pay rate, total – piece work rates, calculations and total – overtime hours, pay rate, and total, as well as benefits. Deductions, bonuses, gross earnings and net wages should be included per pay slip.
- Copies of all government documents that confirm you have paid the employers contribution that are required by law.
- Payroll and time records of working hours, preferably electronic. If that is not possible, records should be at least legible and legitimate. Make sure each worker is filling their own timesheet.
- Documented process to manage orders and workforce capacity
- Copies for consented overtime requests – these should be signed by event.

Step 3 - Check

After planning and implementing a series of initiatives aimed at addressing salary and benefits issues, the key question you should ask yourself is: Are we on the right track?

Start by example

Evaluate how all the steps you have taken are helping you to reach your goal. To do so, prepare a list of questions and key performance indicators that will help you measure progress against your company's objectives regarding working hours. Key performance indicators (KPIs) refer to a set of quantifiable measurements used to gauge a company's overall long-term performance.

The following example illustrates how to identify and use a key indicator, in this case, to verify to what degree or level your company is complying with the prevailing minimum wage.

KPI: Minimum Wage Compliance

Metric: Percentage of workers paid at or above minimum wage

How to Calculate: Find the minimum wage for your staff or staff categories. Check your workers' wages and divide the number of workers earning at or above minimum wage by the total number of workers, then multiply by 100.

Example: If 18 workers earned at or above minimum wage and there are 25 workers, the minimum wage compliance is 72% $(18 / 25) \times 100 = 72\%$.

What it Measures: This tells you the percentage of your staff with earnings at or above minimum wage compared to your whole workforce. It gives

Why it's Useful: It helps you see if you're successful in reducing how much your employees work overtime. Lower numbers mean less overtime, which can save money and improve employee well-being.

With this key performance indicator available:

- Analyze the trends you are seeing in your records to understand who, when and why is doing less than minimum wage.
- Monitor not only wages, but also how your staff is covering their responsibilities
- Are they recording their hours? Is the supervisor controlling the flagging system? Find out if those gaps are due to lack of training or understanding of the wages and benefits policies and procedures, including understanding pay calculations.

Involve your team of supervisors and line managers

With the necessary information at hand, one can socialize the results with their hierarchical staff. Some questions you might ask your team include:

- What percentage of your labor force is currently unregistered and thus has no benefits?
- How many workers are earning less than minimum wage in the span of a week, considering an 8-hour shift or its equivalent?
- How many workers are unable to sustain the effort necessary to earn at least minimum wage for an 8-hour shift? A joint reflection exercise with your hierarchical staff can facilitate the approach to the problems that persist and imagine new actions to control and eradicate them. In addition, a further step can be taken for the collective treatment of these problematic situations in terms of wages and benefits.

Create a space for proactive dialogue with workers

- Listen to workers complaints regarding problems with the records or the way the wages are calculated, or how a specific person keeps track of their work. If you don't have one, set up a simple grievance mechanism that allows workers to complain in a way that protects them against reprisals.
- Anonymous surveys and exit interviews with resigning workers could also provide useful insights into your suppliers' compliance with your business overtime policy and respective procedures.

STEP 4 - Adjust

What do we need to change?

Once you have identified persisting issues and trends that result in minimum wage violations through your monitoring process, you should be able to know how and why it occurred, and try to identify the root causes.

Understand Root causes

Understanding root causes allows you to find solutions -actions- that address the immediate issue but also prevent its recurrence in a way that does not hurt your business. You have now a lot of information collected through your records and workers, you should try to use it to identify the root causes. Root causes are often related to gaps in knowledge, assignment of responsibilities; tools; training, accountability, or resources. A worker can request be convinced that minimum wage does not apply to their case because they work per unit; the work done in some machines might be more difficult than others, or a supervisor might be deliberately miscounting the units worked by an employee. Two or more root causes also coexist, for example, new, unexperienced women might be assigned to a specific machine. Unless you address these issues at the root, the problem will keep on coming. With the information collected through their records and with the support of their hierarchical staff and workers, these causes can be identified.

You can identify the main issues that need to be addressed using the data you've already collected, and then do an exercise with the team to identify the root causes. The following exercise, which starts with an initial observation, followed by a chain of questions and answers, will make it easier for you to find the root causes of a problem.

PROBLEM: Overlock operators are making less than minimum wage

► why?

They are being paid per piece and they don't reach the quota

► why?

Because they do not have enough experience to do enough jeans per day

► why?

Because that quota can't be met by inexperienced employees in a regular shift

► why?

Piece rate for overlock are too low

► why?

No one has reviewed the payment system

► Solution:

Review minimum and sectorial wages

Establish onboarding and training for newcomers

Review overlock operators wages to adjust for sectorial wages and different levels of experience

Modify your compensation model to ensure workers earn at least MW for a regular 8 hour shift

Implement measurable improvement targets.

Develop an Improvement Action Plan that includes corrective, preventive, and root cause actions. Set a specific SMART goal for each of these root causes. A specific objective also includes assigning a person in charge, having the resources and setting a deadline. So, instead of saying “repairing the defective machine” You can say “with the support of the technical staff and in 6 months I will invest 3% of my profits to reduce the number of stoppages due to defective machines by 10%”. In simple terms, a SMART goal is a clear, measurable, achievable, relevant, and time-bound goal that helps you focus on ensuring that a normal-paced garment worker earns minimum wage for a specific period, ensuring that it aligns with the needs of the industry and the capacity of your organization.

► Here is an example of a SMART goal :

Increase the % por Minimum wage compliance among overlock operators to 95% within within the next 12 months.

S - Specific: The goal is clear and specific. Instead of a vague goal like “reduce minimum wage violations,” you specify what you want to achieve: “Reach **95%** of minimum wage compliance **among overlock operators.**”

M - Measurable: The goal gives has a way to measure your progress.

A - Achievable: The goal is realistic and attainable, you can achieve it with the resources and capacities you currently have. For example, if your current overtime is very high among all workers, aiming for a 95% compliance among overlock operators, where the need is most urgent, will allow you to focus your resources in this specific category, and then move to the others once you have learned how to do it.

R - Relevant: The goal is relevant to your organization’s objectives and profitability, as reducing increasing wages will and enhance worker well-being, increase your labor attraction and retention capacity and protect you from legal consequences.

T - Time-bound: The goal has a specific timeframe. When you set corrective actions, you know they must bear fruit “within the next 12 months.” This helps you keep yourself and your team on track.

In simple terms, a SMART goal is a clear, measurable, achievable, relevant, and time-bound target that helps you focus on reducing overtime hours worked by sewing line employees over a specific period, ensuring it aligns with the sector’s needs and your organization’s capacity.

Review and adjust

The 4-stage Programme of Action was launched on wages and benefits and changes and modifications were made by the parties responsible for addressing each of the problems identified. It is time to verify how far progress has been made with the implementation of the solutions and what was achieved concretely for each of the problems.

Every 6 or 12 months, review your target, the activities you and your staff conducted, the results, and adjust accordingly. We often set ourselves goals and then forget to DO things about it, or we do things we wish would work but end up with completely different results. Planning, doing, checking and acting allow us to course correct every time and imagine better ways and procedures to make sure we meet our goals with as little effort and resources as possible.

3.c Managing overtime in the workplace



► Why is it essential to take care of reducing overtime in our workshop?

The nature of the garment industry often creates pressure on rhythm of production, and those production peaks require an extra amount of labor in a short time. While being flexible and responding to your client's needs increases your appeal as a supplier, it is important to consider how these orders will impact the number of hours worked by your staff and balance both elements. Reducing overtime decreases operating costs, improves productivity and quality, reduces accident and injury rates, and protects you and your client against legal and reputational risks.

In this tool, we will guide you through a simple Plan-Do-Check-Adjust exercise to help you improve overtime management in your workplace. This tool is intended for garment workshops in Argentina. Let's roll up our sleeves and work on overtime management in the workplace.

Step 1 – PLAN

To start a planning process, it is necessary to base yourself on the principles and basic rules that make up the subject. Pay close attention to the following.

Core principles

- All overtime work shall be voluntary, and workers who elect to work overtime shall be paid legally mandated overtime rates.
- Overtime work and work on public holidays and rest days is compensated at the legally established premium rate.
- The total number of hours worked per week, including overtime, shall not exceed limits set by applicable laws, and in no case shall they surpass 56 hours per week, including overtime, unless it is agreed under the collective agreement or sectorial agreement.
- No worker shall be required to work overtime as a disciplinary measure, under any threat, or for failure to meet production quotas.

Standards

- Overtime is always voluntary unless otherwise stated in a collective bargaining agreement, with no punitive consequences or reprisals in case of refusal.
- Working hours should not exceed the ones set by law. Argentinian legislation sets at 56 the number of hours per week, but forbids overtime above 3 hours per day, 30 per month, and 200 per year. (verify with MoL)
- Except in extraordinary circumstances will be allowed at least one day of rest
- Net pay can never be lower than minimum wage, regardless of the method used to calculate wages.
- Overtime can only be requested within the limits of the legislation -in Argentina, 3 hours per day, 30 per month, and 200 per year, and should always be voluntary.
- The imposition of penalties for failing to meet production targets is prohibited.
- All overtime hours are paid at the legally established premium rates, regardless of whether workers are paid by piece, task, hour, or month.

- ▶ Workers track their working hours using a verifiable timekeeping system.
- ▶ Employers adopt measures to monitor hours worked for production planning purposes and control excessive hours.

What is the risk of resorting to overtime?

According to ILO, requirements for overtime or on-call work, when undertaken under deception or uninformed, are an indicator of involuntary work, and thus points to a risk of forced labor. When the imposed overtime exceeds the legally permitted limits and leaves workers no choice but to accept it to earn the minimum wage and/or retain their jobs, we can say there is an indicator of forced labor.

Argentine legislation establishes a limit of 3 hours of overtime per day, 30 hours per month and 200 hours per year. This means that the number of hours worked in a typical week in a month with high production volumes can exceed the 48-hour limit. Note that this could not be repeated every week because the maximum allowed is 200 hours of overtime per year, that is, an average of 16 hours of overtime per month or 3 hours per week. Nevertheless, field research reveals regular shifts of 10 to 11 hours per day, going sometimes up to 16 hours during the peak season. The practice is more frequent in small, informal workshops.

There are factors like lack of labor (external) or low productivity (internal) that increase the risks of overtime in your business, especially when related to piece work or home-based work. Workshops must conduct a quick assessment of how many hours their staff work.

So, what is the business objective of your workshop?

The goal is to run a profitable workshop that meets customers' requirements, complies with the law, and takes into consideration the risks present in your operations. An easy example is "the labor code sets at 56 the maximum number of hours per week" (requirement) and "half of my staff does overtime beyond 56 hours, which is illegal" The goal, in this instance, will be to adjust your procedures to reduce the gap. This requires establishing key performance indicators and improvement targets that will address these gap.

▶ Key performance indicator:

Number of staff working beyond 60 hours per week

▶ Improvement target:

Review job assignment procedures to eliminate overtime violations by next year

Planning is being able to identify and address the issues within your operations using the resources you already have on hand.

Step 2 - DO

How to manage the risk of resorting to overtime?

Simple procedures - how

Next step would be to establish effective procedures that will ensure that your policies on regular and overtime working hours are met.

Let's review how these procedures usually look like in the industry. You can adapt and adjust these to reflect the reality of your business, as long as they are effective.

- ▶ **Production planning** You should develop a system that allows you to balance the production and overtime management, so if different people oversee sales, and human resources, your workforce capacity should always be considered when accepting a new contract. You know your business better than anyone, so you can include a procedure to forecast production peaks and to increase lines or shifts to manage the volume without excessive overtime or subcontracting.
- ▶ **Early notice and consent** Overtime should be the exception and not the rule. When it happens, you must make sure you have given the worker at least 24 hours to plan for it and the possibility to refuse it. If they accept, they must give you their written consent, and they must be able to turn down the request with no reprisals.
- ▶ **Warning system** Even with good planning, overtime will probably keep on happening. Develop a flagging system that will alert the person in charge every time a worker is about to hit overtime. Having a database allows you to identify those individual cases where one or two very productive individuals ask for or are required to do overtime, or those cases where production planning is not being able to adjust production and labor needs.
- ▶ **Documentation** Develop a system to make sure that time records are valid, accurate and reliable. The system can be automated or manual, but it should allow all categories of workers to record their own hours, starting and finishing times, regular and overtime, pay rest, leaves and number of pieces delivered for this period, in case they are paid per piece.

Designate shared responsibilities

- ▶ **Set the rules of the game** Your supervisors, managers, or family members if your workshop is a small business should be trained not only on the rule ("overtime should be voluntary") but also in the role they play to make sure this happens ("X person is responsible to check that everyone is filling their timesheet 4 times per month"). Assign clear roles to everyone in your staff. If you are a very small workshop, set up a list of the tasks that must be followed, it is helpful to keep things on track. Make sure the people in charge of sales and production planning talk to the rest of the team. Production planning, early notice and consent, warning system and documentation elements should be translated into activities and embedded into the daily operations.

Provea capacitación, información, y facilite comunicaciones suficientes

- ▶ **Ensure staff understand the expectations** Your workforce and supervisors should be trained to understand what the limits on overtime are, and why you will no longer allow excessive shifts. Clearly explaining that overtime, in the long run, is bad for business and productivity, and bad for workers health and safety, will help you mobilize allies and create a strong system. Give the workers the right tools and channels to apply this policy, train them on the procedures in place that track their working hours and on the grievance channels through which they can report overtime abuses and submit their opinions on improvement measures.
- ▶ **Train to improve** – Training, even for simple tasks, improves efficiency and reduces overtime requirements. Big companies invest significantly in training and time and motion studies: without hiring a specialist, you can review the space and distribution of the workshop and exchange with the workers to ensure you provide them with optimal conditions to do their job. You should also routinely identify whether overtime peaks are related to poor planning, supplier delays, material defects, issues with the machines, lack of labor, so you can start a corrective action plan to improve those.

Create and maintain an efficient documentation system.

All the measures you take under this plan, including record keeping, planning, training, etc., should be documented transparently. Accurate data will allow you to make sure you are on the right track. Also, you should keep records to demonstrate compliance with the law for at least 12 months regarding timesheets and overtime records. The following elements should always be documented:

- ▶ Copy of signed employed contract for every worker, with specific information regarding regular hours and anticipated overtime, rates for overtime, and information about leaves, holidays, breaks and weekly rest.
- ▶ Accurate time records, preferably electronic. If electronic is not possible, records should be at least legible and legitimate. Make sure each worker is filling their own timesheet.
- ▶ Documented process to manage orders and workforce capacity.
- ▶ Copies for consented overtime requests – these should be signed by event.

Step 3- CHECK

Are we on track?

The key question you need to ask yourself is: Are we on the right track?

Start by example

Evaluate how all the steps you have taken are helping you to reach your goal:

To do so, prepare a list of questions and key performance indicators that will help you measure progress against your company's objectives regarding working hours. Key performance indicators (KPIs) refer to a set of quantifiable measurements used to gauge a company's overall long-term performance.

KPI: Overtime Rate

How to Calculate: Divide the total hours employees work overtime by the total hours they are supposed to work, then multiply by 100.

Example: If employees worked 200 hours of overtime out of 1,000 total hours, the overtime rate is $(200 / 1,000) \times 100 = 20\%$.

What it Measures: This tells you the percentage of extra hours your employees are working compared to their regular hours.

Why it's Useful: It helps you see if you're successful in reducing how much your employees work overtime. Lower numbers mean less overtime, which can save money and improve employee well-being.

Involve your team of supervisors and line managers

For example, some questions that your team could ask are:

- ▶ How many workers had to put in extra hours of work in the span of a week?
- ▶ Did these hours exceed the legal limits and were they compensated for?
- ▶ How many hours of overtime premiums I had to pay?
- ▶ Are workers being paid on a piece rate basis and if yes, workers can earn at least minimum wage by sustaining a regular effort?
- ▶ How many hours were workers available for work but not being paid because of a production stoppage?

Expand the scope of responsibilities

- ▶ You should also be monitoring to ensure everyone is acting according to their roles and responsibilities. If you have set clear expectations with your staff ("x person should request written consent from the worker every time they do overtime"), you must make sure that for every incident of overtime, this person has requested the written consent. Find out if those gaps are due to lack of training or understanding of the wages and benefits policies and procedures, including understanding.

Create a space for proactive dialogue with workers

Listen to workers complaints regarding problems with the records or the way the wages are calculated, or how a specific person keeps track of their work. If you don't have one, set up a simple grievance mechanism that allows workers to complain in a way that protects them against reprisals.

Pay attention, and this is very important, to the suggestions that the workers proposed to you and your team. Many of them, especially the oldest in the workshop, know in depth their tasks and specific sewing operations, the maintenance of their machines and even the quality control of the garments. Take advantage of that knowledge and put it into practice.

Assess the progress of the measures taken

Monitoring whether your production forecasts were accurate to balance production, volumes and workforce can help you improve your procedure in the future. Also, you will be able to measure increases in productivity linked to a better rested workforce.

At this stage, the key question is: What do we need to change?

Once you have identified persisting issues that result in overtime through your monitoring process, you should be able to know how and why it occurred, and try to identify the root causes.

Understand Root causes

Understanding root causes allows you to find solutions -actions- that address the immediate issue but also prevent its recurrence in a way that does not hurt your business. You can identify the main problems to be addressed by using the data you have already collected, and then do an exercise with the team to identify the root causes. Root causes are often related to gaps in knowledge, assignment of responsibilities; tools; training, accountability, or resources. A worker can request to do more hours because he has not been trained on health and safety risks of overtime, or a supervisor might give workers who are extremely productive more hours as a way to retain them. 2 or more root causes also coexist, for example, you have discovered that a machine breaking down causes a constant bottle neck and workers shared through your comments box that the rate you pay per piece is not enough to cover their basic needs. Unless you address these issues at the root, the problem will keep on coming.

PROBLEM: Employees are working 65 hours per week

why?

The wages are too low if they only do 48 hours

why?

They are on piece rate and need to do overtime to make MW

why?

Piece rate payments are too low for an average employee to make minimum wage

why?

Production stoppages are too frequent

why?

There is no preventive maintenance for the machines

Solution:

Implement regular maintenance for all machines

Establish equipment uptime requirements

Identify problematic machines based on monitoring

Modify your compensation model to ensure workers earn at least MW for a regular 8 hour shift

Implement measurable improvement targets

You must build a preventive and corrective action plan based on the issues identified through the root cause analysis. When looking at the solutions, try to think simultaneously of how these solutions will affect your profitability, your capacity to attract and retain labor, your delivery times, and your costs.

Then, set target for each of these solutions. This tool is based on continuous improvement, so you do not need to think about fixing everything at once, but rather prioritize the issues that are most important and urgent, and give yourself reasonable time and resources to improve your practice. If you give yourself a goal that is specific, measurable, achievable, relevant and time-bound, you can actually measure whether your plan worked or not. This is what we call a SMART goal, and companies all over the world use them to reach their targets while still making profit.

► Here is an example of a SMART goal:

Reduce overtime hours worked by workshop employees on sewing lines by 20% compared to the current monthly average within the next 12 months.

S - Specific: The goal is clear and specific. Instead of a vague goal like “reduce overtime,” you specify what you want to achieve: “Reduce overtime hours worked by sewing line employees.”

M - Measurable: The goal gives has a way to measure your progress. “By 20% compared to the current monthly average” gives you a start and an endline

A - Achievable: The goal is realistic and attainable; you can achieve it with the resources and capacities you currently have. For example, if your current overtime is very high, aiming for a 20% reduction might be achievable, but reducing it to zero might not be.

R - Relevant: The goal is relevant to your organization’s objectives and profitability, as reducing overtime will improve efficiency, reduce costs, and enhance worker well-being in the garment sector. It will also increase your market and protect you from legal consequences.

T - Time-bound: The goal has a specific timeframe. When you set corrective actions, you know they must bear fruit “within the next 12 months.” This helps you keep yourself and your team on track.

In simple terms, a SMART goal is a clear, measurable, achievable, relevant, and time-bound target that helps you focus on reducing overtime hours worked by sewing line employees over a specific period, ensuring it aligns with the sector’s needs and your organization’s capacity.

Step 4- Review and adjust

Once the Action Plan has been implemented and those who are responsible are working on each of the problems identified, it is time to verify how far progress has been made in the implementation of the solutions and what was achieved specifically for each of the problems.

Every 6 or 12 months, review your target, the activities you and your staff conducted, the results, and adjust accordingly. We often set ourselves goals and then forget to DO things about it, or we do things we wish would work but end up with completely different results. Planning, doing, checking and acting allow us to course correct every time and imagine better ways and procedures to make sure we meet our goals with as little effort and resources as possible.

