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# THE OVERALL OBJECTIVE OF THE AGREEMENT BETWEEN ILO AND H&M

The challenges faced in supply chains of the garment industry are not specific to one enterprise but are systemic in nature, and related to improving governance and the need for effective frameworks and practices at the global, national and enterprise levels, that are based on industrial relations and the respect of international labour standards. The achievement of sustainable improvements in global supply chains will require partnerships beyond the efforts of one buyer or one supplier. This underlines the need for multi-pronged approaches and partnerships between different actors to address challenges that are global in nature and based at country level as well as at the enterprise level. Leading global buyers can be the catalyst of alliances for change, whether among their suppliers or at a global industrywide level. While industry and firm level interventions are important, they are not sufficient to deal with the challenges that face the industry. These also require specific attention on global and national levels in areas such as:

- Strengthening respect for the enabling rights such as freedom of association and the effective recognition of the right to collective bargaining;
- Promoting labour relations at the global, national and enterprise level as a means of improving working conditions and enhancing respect to workers' rights; in particular regarding wage and working hours regulation and compliance.
- Developing inclusive wage policies including evidence-based minimum wage-fixing machinery in full consultation with the social partners;
- Strengthening labour inspection and administration;
- Developing systems for the resolution of labour disputes; and
- Improving the overall legal and regulatory frameworks that govern these matters and levels of compliance with these laws and regulations.

The Partnership Agreement seeks to establish a comprehensive and strategic partnership that will contribute to promoting sustainable global supply chains in the garment industry through a multi-pronged approach, with a focus on industrial relations and wages and a gender perspective. This will enable the ILO and H&M to build on existing collaborations and create further synergies among them and with other actors. Moreover, such partnership will contribute to establishing and promoting a common approach to drive the overall decent work agenda in the supply chain of the garment industry which includes the following areas:

- Creating jobs
- Guaranteeing rights at work
- Extending social protection
- Promoting social dialogue

### THE SIX SPECIFIC AREAS OF COLLABORATION

Collaboration activities will be based on specific projects agreed by the Parties including a project description and a budget. The following areas of collaboration are ongoing or envisaged:

#### 1. Industrial Relations and wages

Multi-pronged actions geared towards a) improving global, national and enterprise labour relations; b) strengthening national legal frameworks and national administrative capacities for labour inspection and dispute resolution; c) supporting the formulation of sound policies for strengthening social dialogue and wages. This will include promoting collective bargaining and effective minimum wage systems; building the capacity of workers' and employers' organizations; and, strengthening tripartite and bipartite institutions/agreements at the industry-level globally, nationally as well as at the enterprise level. The actions will also take into account the conclusions and recommendations of the tripartite "Global Dialogue Forum on Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Industries", to be held in Geneva, in September 2014.

- On-going collaboration: Cambodia, project "Improving industrial relations in Cambodia's garment industry" co-funded by H&M and SIDA.
- $-\mbox{-Further}$  collaborations to be defined jointly by the ILO and H&M.

#### 2. Training and skills development

Training capacity and coordination challenges limit the effective development of adequate numbers of skilled workers to create jobs and meet the growing

demand in the garment industry. This requires multi-pronged actions geared towards:

- (a) Identifying work opportunities, securing recognized pre-vocational and vocational skills, and accessing jobs.
- (b) Skill training of workers (particularly at operator, quality checker and supervisory levels)
  sufficiently high to meet quality and productivity requirements for

export production.

- (c) Enabling employers to recognize workers' experience, and workers to document their skills and substantiate their pay expectations.
  - On-going collaboration: Bangladesh, project "The Centre of Excellence (COE) for RMG to implement certified training within the national skills development framework of Bangladesh" co-funded by H&M and SIDA.
  - Further collaborations to be defined jointly by the ILO and H&M.

#### 3. Strengthening employers' and workers' organizations

Specific targeted country-based interventions that strengthen employers' and workers' organizations could be supported to further support well-functioning industrial relations.

- Further collaborations to be defined jointly by the ILO and H&M.

#### 4. Participation in the Better Work Programme

H&M is currently: (i) collaborating with Better Factories Cambodia; (ii) signatory of the Better Work Buyer Agreement; and (iii) representing European Brands in the Global Better Work Advisory Committee.

## 5.Decent work in the H&M global supply chain: Comparative analysis of best practices by H&M

The aim of this area of collaboration would be to conduct comparative analyses of good practices by H&M on the promotion of decent work within their supply chain in specific countries. H&M will in turn have access to ILO's knowledge and expertise in the selected countries. The knowledge base on decent work challenges and opportunities in global supply chains in a selected number of countries will be strengthened: good practices by H&M and

elements to guide policy making will be identified to provide, as appropriate, guidance for future work of H&M, the ILO and its constituents.

#### 6. Communicating and sharing the lessons learned

The partnership will include a communication plan and devote specific efforts to this aspect, to cover both the specific interventions and the partnership as a whole. The purpose is to make the best use of H&M's and ILO's networks to promote "a common approach to drive the decent work agenda in the supply chain of the garment industry", which would potentially attract other brands and actors to join forces, adopting similar approaches. These efforts will include communication through the media, as well as the organization of workshops and events both at the country and at the regional level, to share the lessons learned through collaboration.

-A communication plan covering the duration of the partnership will be developed jointly.