

# **LIVING WAGE ROADMAP**

## **EXPECTATIONS FOR COMPANIES AND POLICYMAKERS**

December 2025

**Clean  
Clothes  
Campaign**



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## ARTICLE 23, UNIVERSAL DECLARATION OF HUMAN RIGHTS (1948):

1. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
  2. Everyone, without any discrimination, has the right to equal pay for equal work.
  3. Everyone who works has the right to just and favourable remuneration ensuring for him-/herself and his/her family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
  4. Everyone has the right to form and to join trade unions for the protection of his/her interests.
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## IMPRINT

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Clean Clothes Campaign (CCC) is a global network dedicated to improving working conditions and empowering workers in the global garment and sportswear industries. Clean Clothes Campaign brings together more than 220 organisations covering a broad spectrum of perspectives and interests, such as women's rights, consumer advocacy and poverty reduction. As a grassroots network, both in garment-producing and consumer markets, we identify local problems and objectives and transform them into global actions.

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# INTRODUCTION: PROTECT AND RESPECT THE RIGHT TO A LIVING WAGE

## WHAT IS A LIVING WAGE?

Clean Clothes Campaign defines a living wage as a wage that is sufficient to meet the basic needs of a worker and their family, and to provide some discretionary income. Specifically, this wage:

- applies to all workers, which means that there is no salary below the living wage level in the same workplace,
- must be earned in a standard work week of no more than 48 hours,
- is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime,
- covers the basic needs of a worker and their dependents, and
- includes an additional 10% of the costs for basic needs as discretionary income.

CCC underlines the importance of a living wage being a family wage, and not an individual wage, regardless of the average number of household incomes per country or region, to ensure that it accounts for unpaid care work, often carried out by women. Living wage calculations that work with the average number of income earners per household do not account for this, and they accept that households with fewer incomes than the average therefore earn below the living wage.

Living wage calculations focus on the cost of living. Such calculations explicitly exclude concepts and methodologies related to the productivity or economic capacity of employers.

All companies have the responsibility to respect human rights. Brands and retailers sourcing garments bear a particular responsibility for ensuring that their policies and purchasing practices enable the payment of a living wage. Their influence in the supply chain gives them both the opportunity and the responsibility to drive transformative change in the garment industry, ensuring that all workers, wherever they are in the supply chain, are paid a wage they can live on. Insufficient wages perpetuate a ruthless system in which workers, their families, and communities, dependent on their labour, are denied the right to a dignified life. Only companies that ensure workers (in their supply chain) receive a living wage can claim they are truly socially responsible.

This roadmap outlines clear expectations for how brands and retailers can and should uphold this responsibility. It highlights steps for companies to take across 11 strategic fields. These proposed recommendations must be considered as a whole, forming a comprehensive roadmap for the urgent and effective action needed to respect the right to a living wage.

This document updates the 2013 Clean Clothes Campaign roadmap on living wages.<sup>1</sup> While the core objective remains unchanged – ensuring all garment workers earn a living wage – the approach and emphasis have evolved significantly. The primary shift is away from a focus on voluntary corporate measures. The past two decades of increasing voluntary initiatives in the sector have rarely led to meaningful wage increases; rather, the opposite has occurred. Intransparent and unambitious programmes have often been used by brands, feigning improved labour conditions and wages, but in reality, slowing down progress.

The new roadmap prioritises enforceable agreements and robust legal frameworks that compel companies to respect the right to a living wage. This includes an enhanced emphasis on mandatory due diligence, enforceable collective agreements, gender justice and social protection, alongside strengthened mechanisms for accountability and transparency. In contrast, some key recommendations from the 2013 roadmap, such as a general commitment to a living wage or the endorsement of a benchmark, are no longer highlighted as stand-alone core measures, but are included as sub-elements within the recommendation for a living wage strategy.

Consequently, the roadmap extends its target group beyond companies. Governments and legislators have a fundamental duty to protect the human right to a living wage. The reliance on voluntary initiatives has proven to be a failed experiment. Without legally binding agreements, progress stays behind. For example, serious efforts by brands that genuinely prioritise the right to a living wage are consistently undermined by competitors who refuse to take responsibility and continue to prioritise profit over people. Governments must now enact and enforce clear, binding rules that hold all companies accountable for ensuring living wages throughout their supply chains. Only through such decisive action can we create a level playing field and guarantee that the right to a living wage is finally realised for all garment workers.

This roadmap is not an invitation to a 'living wage journey', nor does it promote 'living wages as a business case' or other quick fixes. It outlines a set of measures chosen not because they are easy or fast to implement, but because they are necessary and meaningful steps towards realising a fundamental human right. The starting point is a genuine recognition that achieving a living wage is an urgent and non-negotiable obligation. This requires prioritising it accordingly and not being afraid of breaking with business as usual and regulatory laissez-faire.

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<sup>1</sup> [Road Map to a Living Wage](#). Expectations from NGOs and trade unions towards brands and Retailers, Clean Clothes Campaign International Office, 2013.

# EXPECTATIONS FOR BRANDS AND RETAILERS

## **BRANDS, RETAILERS, SUPPLIERS AND OTHER COMPANIES**

Throughout this roadmap, we use specific terms to define the roles and responsibilities of different business actors:

- 'Brands and Retailers' refers to the lead firms within a garment value chain – namely, the companies that exercise primary control over design, sourcing, and the conditions under which products are made. The distinction between a 'brand' and a 'retailer' is often blurred, as many companies both commission the manufacturing of products and sell them directly to consumers. For this reason, we group them together.
- 'Suppliers' encompasses all entities within the production process from which brands and retailers source their goods, directly or indirectly. This includes cut-make-trim (CMT) factories, fabric and yarn mills, raw material producers (e.g., cotton, polyester), and beyond.
- The more general term 'Companies' is used intentionally to include brands, retailers, suppliers, and other business actors in the value chain, such as logistics and transport providers.

### **Shared Responsibility and Differentiated Capabilities**

In the current global garment industry's power structure, suppliers and other companies typically hold significantly less leverage than their buyers. However, this power imbalance does not absolve any company of its fundamental responsibility to respect human rights, as outlined in the UN Guiding Principles on Business and Human Rights.

Therefore, it is unacceptable for companies to merely defer their responsibility to buyers. Core expectations – such as developing time-bound living wage strategies, ensuring respect for Freedom of Association and Collective Bargaining rights, implementing reliable and transparent pay systems, advancing gender justice, and protecting workers in precarious employment – apply to all companies. In particular, Enforceable Brand Agreements and Fair Purchasing Practices depend on the meaningful involvement of suppliers as stakeholders and negotiating parties. Each business entity must implement these actions in accordance with its common but differentiated responsibilities and respective capabilities.

# 1. ESTABLISH A CREDIBLE AND TIME-BOUND LIVING WAGE STRATEGY

**Companies should establish and publish a comprehensive living wage strategy outlining the company's approach to ensuring living wages for all workers across their own operations and supply chain, with time-bound targets for closing existing living wage gaps.**

## WHY IS THIS IMPORTANT

When making a public commitment to paying living wages, it's important for companies to be publicly specific about the timeline and the concrete steps they will take to achieve that goal. Only with this level of clarity and transparency can such commitments be truly meaningful and effective for workers. Moreover, vague or open-ended promises risk being perceived as greenwashing, undermining trust with consumers and other stakeholders.

Having a detailed strategy in place also makes it significantly easier to estimate a timeline and costs. Companies that fall under Corporate Due Diligence legislation have such a plan in place anyway, as companies must show how they will mitigate the risks associated with payment below the living wage level. Finally, a detailed strategy might also provide clarity on where collaboration with other buyers is possible or desired.

## WHAT COMPANIES CAN AND SHOULD DO

- Develop a living wage strategy together with trade unions<sup>2</sup> and other organisations representing the workers concerned, that is endorsed by the company's board, the highest management levels and shareholders and that establishes living wages as a priority and fundamental on the company. Any changes to the strategy should be approved by trade unions.
- The strategy should outline how the company ensures the payment of living wages to all workers across its own operations and its supply chain.
- Where living wage gaps exist, the strategy should include a timeline with measurable indicators of progress and time-bound milestones to close the living wage gaps within a foreseeable period, as agreed upon with trade unions representing the workers concerned.

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<sup>2</sup> In this text, the term 'Trade Union' refers to free and independent workers' organisations. This corresponds to the principles established by the International Labour Organization (ILO), particularly in Convention 87, which guarantees the right of workers to establish and join organizations of their own choosing without previous authorization and to draw up their own constitutions and rules, elect their representatives in full freedom, and organize their administration and activities.

'Organisations representing workers concerned' refers to free, independent and democratic organisations that represent homeworkers, self-employed but structurally dependent workers or other labourers formally hindered to register as a trade union. In this roadmap, these organisations are not always explicitly mentioned but sometimes subsumed under trade unions.

If not specified further, 'Trade Union' refers to trade unions and trade union federations at all levels relevant to the respective purpose (international, national, local, company or facility-specific). For the purpose of developing a supply chain-wide living wage strategy, it implies the involvement of all trade unions and other independent organisations representing workers at the different stages of the supply chain.

- As part of the strategy, endorse a living wage benchmark system in accordance with the Living Wage definition outline in the introduction and following the ILO principles for estimating living wages.
- The strategy should be made public and should be communicated directly to all suppliers and trade unions. The implementation of the strategy will be closely monitored, and if necessary, adjusted based on the learnings. Workers, trade unions, and suppliers will be regularly updated on progress, and this will be included as a key item in the regular corporate reporting.
- Embed the living wage strategy in the core decision-making and financial systems of the company, to avoid being treated as a side-project (see box 'Living wage pilots'). Reflect living wage goals in supplier contracts, including living wage expectations or targets, price adjustments to support higher wages and commitments to share wage data transparently.

## LIVING WAGE PILOTS

While the expectation is that living wage pilot projects test approaches in a limited area to then scale promising approaches to the global level, we have too often seen pilots simply disappear without brands providing any clarity on challenges they faced or progress they made. Pilots may be part of a living wage strategy, but they do not replace living wage measures proportionate to the whole supply chain.

### **When brands and retailers utilise pilot projects, the following is essential:**

- Cooperation with workers and trade unions in the development, target setting, implementation, monitoring, and evaluation of pilots.
- Transparency and accountability to trade unions and other relevant rights holders and to the public, including transparency about actual wage levels, living wage benchmarks applied, and living wage gaps.
- Pilots should include clear time-bound targets for wage improvement. They should aim to increase the contractually fixed and enforceable regular wage, including regular social security contributions and rights, and refrain from focusing on bonuses, premiums, and voluntary payments.
- Systematically evaluate the impact of pilot projects on workers' wages and publish evaluation results and lessons learned.
- Include a plan on how a successful pilot will be transformed into a strategy that will benefit the entire production process.

<sup>3</sup> ILO: [Report of the Meeting of Experts on wage policies, including living wages](#), GB.350/POL/1, endorsed by the [ILO's Governing Body](#) at their session on Wednesday 13 March 2024.



## 2. RESPECT WORKERS' RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

**All companies should ensure that all workers, both across their supply chains and in their own operations, are able to fully exercise their rights to Freedom of Association and Collective Bargaining, and should refrain from any actions that undermine these rights.**

### WHY IS THIS IMPORTANT

Freedom of Association (FoA), the right of workers to form or join trade unions of their free choice, is a fundamental human right. FoA is an enabling right that is essential for collective bargaining (CB) – a further fundamental right that is a crucial mechanism for workers to negotiate fair wages and working conditions with their employers. This applies to workers in the supply chain and those directly employed by brands and retailers. It empowers workers to have a voice in their workplace and helps to address the power imbalance between employers and employees. Effective collective bargaining is essential for achieving sustainable wage improvements and ensuring that workers receive a fair share of the value they create.

These rights apply to all workers, whether they are employed directly by brands and retailers in their own operations or are part of their supply chain. It's important to distinguish between genuine trade unions and other forms of workers' organisations, such as workers' committees. Although they sometimes also legitimately represent the interests of workers concerned, they often hold less or no power under local labour laws and are therefore often excluded from formal processes, such as national wage-setting processes, whereas trade unions are legal entities representing workers in negotiations. Yellow unions – unions controlled or heavily influenced by employers or governments – pose a particular risk, as they undermine workers' independence and can be used to block genuine worker representation and suppress demands for fair wages.

### WHAT COMPANIES CAN AND SHOULD DO

- Ensure that all workers can form and join trade unions of their choice without fear of retaliation, intimidation, or obstruction.
- Ensure that workers face no obstruction during the union registration process, that management and their associates refrain from unfair labour practices (such as illegal terminations, harassment, or the formation of management-dominated unions), and that workers are aware of their freedom of association rights through regular training and communication. In particular, ensure that obstacles to the active participation of women and vulnerable groups are removed at all levels of responsibility and leadership.
- Adopt a positive and proactive freedom of association policy, ensuring business partners respect all workers' right to collective bargaining, providing access and opportunities for unions to disseminate information to workers, and assuring workers that they will not relocate in response to higher wage initiatives.

- Create an environment where collective bargaining can take place freely and effectively. This includes providing access to business information, ensuring that management is available and willing to negotiate in good faith, and refraining from any actions that could undermine the negotiation process.
- Promote transparency by providing information about purchasing prices and product costing to workers' representatives engaged in collective bargaining negotiations with business partners.
- Establish clear mechanisms for monitoring and enforcement of freedom of association and collective bargaining rights. For this, brands should prioritise direct and meaningful engagement with independent trade unions and other relevant rights holders. If social audits are used as part of these assessments, their findings should be shared with and discussed with trade unions and workers' rights organisations to ensure accuracy and incorporate their perspectives.
- Establish clear consequences for business partners who violate these rights, including remediation plans, potential order reductions, or, ultimately, termination of the business relationship if the violations are not addressed.
- Set incentives – for example, preferential orders, long-term, stable supply contracts, measurable collective bargaining agreement premiums in unit prices – for business partners who have a collective bargaining agreement with an independent trade union.

### 3. NEGOTIATE ENFORCEABLE BRAND AGREEMENTS

**Companies should negotiate and sign enforceable brand agreements with trade unions to ensure respect for labour rights, including the right to a living wage, throughout their supply chain.**

#### WHY IS THIS IMPORTANT

Enforceable brand agreements (EBAs), negotiated between brands and retailers and trade unions, complement and reinforce factory-level collective bargaining. They are essential for creating systemic change and ensuring that brands are held accountable for their role in enabling living wages and decent working conditions.

EBAs are pushed for by trade unions and civil society organisations as a response to almost two decades of voluntary initiatives in the sector. Over the past few decades, several brands and retailers have recognised their responsibility to protect the right to a living wage, setting high expectations among workers about improvements in their pay that seemed to be underway. However, the reality is that most workers in the garment industry are still nowhere near earning a living wage. Among the reasons for the lack of meaningful progress is that companies' commitments have remained voluntary.

EBAs go beyond voluntary codes of conduct by creating legally binding commitments and entitlements. They address the power imbalance between brands and suppliers, creating mechanisms for accountability and enforcement. Examples of EBAs in the garment sector are the [International Accord](#), the [Dindigul Agreement](#) and the [Lesotho Agreement](#). EBAs have also been signed between companies and trade unions in other sectors, such as the agricultural sector.

## WHAT COMPANIES CAN AND SHOULD DO

- Establish legally binding commitments that include specific and measurable targets for wages, working conditions, and other labour standards. These commitments should clearly define the scope of the agreement, including which parts of the supply chain and which categories of workers are covered, and specify how living wages will be achieved and implemented, for which parts of the supply chain and which categories of workers, including timelines, benchmarks, fair purchasing practices and mechanisms for wage adjustments.
- Ensure a living wage contribution. Enforceable brand agreements should include a mechanism for brands and retailers to contribute to the payment of living wages. This contribution, or top-up, is crucial in bridging the gap between current wages and living wage benchmarks. The agreement should clearly define how this contribution will be calculated, paid, and distributed to workers. It should also specify the responsibilities of brands, suppliers, and other stakeholders in ensuring that workers receive the living wage.
- Ensure accountability and transparency through mechanisms for independent monitoring, verification, and enforcement of the agreed-upon standards, involving trade unions and workers' representatives. This includes establishing clear procedures for addressing violations of the agreement, including remediation, penalties, and dispute resolution, as well as ensuring transparency in the monitoring and enforcement process by making information publicly available.
- Promote Freedom of Association and Collective Bargaining. Enforceable brand agreements should not replace, but complement and reinforce collective bargaining at the factory level, for example, by foreseeing that disbursement of living wage contributions is regulated through factory-level agreements.
- Include effective remediation mechanisms that outline clear procedures for addressing violations of the agreement and providing effective remedies to affected workers, including financial compensation where appropriate. Remediation mechanisms should be accessible, timely, and effective, and involve workers and their representatives in the design and implementation process.

For a concrete example of an EBA on living wages for the garment and sportswear industry, see the [Wage Forward](#) agreement.

## 4. PRIORITISE LIVING WAGES IN SUPPLY CHAIN SETUP AND SOURCING DECISIONS

**Companies should prioritise living wages in all their decisions where, how and with whom they operate and do business.**

### WHY IS THIS IMPORTANT

The globalised garment industry is characterised by outsourced production and widespread violations of the right to a living wage. It is the deliberate sourcing decisions of brands and retailers, driven by prioritising low prices for fast-fashion business models, that have shaped the current landscape. To rectify this, companies should make the payment of living wages a core part of their business model. Reorienting sourcing decisions away from the pursuit of the cheapest production and towards prioritising decent work and sustainable production is essential.

### WHAT COMPANIES CAN AND SHOULD DO

- When opening or expanding production, prioritise placing production at workplaces that already pay at least a living wage, or at workplaces where their sourcing will directly and realistically contribute to closing any existing living wage gap.
- As part of the supplier selection process, assess the presence of independent trade unions and the attitudes of potential business partners towards unions.
- For existing suppliers, ensure that purchasing practices, and especially purchasing prices, provide the economic space to pay living wages.
- Incentivise suppliers by prioritising business with those that have higher wage levels, especially when achieved through collective bargaining agreements, and those with credible living wage strategies.
- Maintain direct business relationships with suppliers and avoid using brokers or agents. When working with such intermediaries, ensure they act in accordance with the company's living wage strategy, principles, and uphold the same levels of transparency, accountability, and responsibility towards suppliers and workers as in direct sourcing relations. Ensure that the cost of intermediaries is fully covered by buyers and does not cut into the margins of suppliers or wages.

Only when a company cannot close living wage gaps at existing suppliers, despite implementing improved purchasing practices and other measures, such as when an employer strongly objects to wage increases, should it seek alternative sourcing options.

This may include:

- Insourcing production in owned or co-owned workplaces where the company has more direct control.

- Moving production to trade union-friendly workplaces where there is at least one independent trade union active and with credible living wage strategies.
- In any case of disengagement or movement of production, a responsible exit strategy should be in place. In addition, companies should cooperate with their existing workforce and their unions to facilitate a parallel movement to alternative workplaces.

Continuing to source from business partners without a strategy and a willingness to close living wage gaps is unacceptable.

## **IMPLEMENT LIVING WAGES IN OWN OPERATIONS**

Companies cannot take credible actions towards living wages in their supply chain if they don't pay living wages in their own operations and directly controlled entities. Pay systems that implement living wages as a minimum standard are an indispensable pillar of a sustainable business model. In locations where living wage gaps prevail, they set positive counterexamples, break up employer alliances aimed at keeping wages low, and can contribute to an upward wage trend in the industry.

- Companies should establish the payment of living wages as a non-negotiable pillar of their business model. In all pay systems within a company or corporate group, the lowest grade or band should at least guarantee a living wage within a regular working week, before any bonus, productivity pay, in-kind benefits, or other additional pay elements.
- Companies should have a cooperative attitude towards trade unions in their own operations.
- In cases where a company operates under economic circumstances and a business model that does not allow it to implement living wages immediately, it should have a transition strategy in place, developed in cooperation with the workforce and trade unions, that ensures the implementation of living wages within a specific and short timeframe. Such a strategy may include negotiating higher sales prices with buyers or a more fundamental change of the business model. Continuing business in the long term without a perspective to close living wage gaps is not an option.
- Until a company is paying living wages to its complete workforce, no profit should be distributed to owners through any mechanism, and management remuneration should be limited to modest levels.

## 5. ENSURE FAIR PURCHASING PRICES AND PRACTICES

**Companies should ensure their purchasing prices and other purchasing practices enable the payment of living wages and promote decent working conditions throughout their supply chains.**

### WHY IS THIS IMPORTANT

There's a difference between 'purchasing prices' and 'purchasing practices'. Purchasing prices are a crucial element within the broader umbrella of purchasing practices, and they are arguably one of the most relevant factors in achieving living wages. However, their effectiveness is diminished if other aspects of good purchasing practices, such as decent lead times and fair contract terms, are not also implemented. The current supply chain is characterised by a stark disparity: extreme wealth at the top, with brands and retailers often enjoying consistent profits year after year, and extreme poverty at the bottom, where workers are frequently trapped in poverty wages insufficient to provide a decent living for themselves and their dependents. Value redistribution within the garment supply chain is essential, requiring brands to make different choices in their pricing and purchasing.

### WHAT COMPANIES CAN AND SHOULD DO

- Revise internal performance metrics and reward structures to end harmful incentives for cost-cutting that could negatively impact wages.
- Ensure that purchasing prices are sufficient to cover the costs of sustainable production, explicitly including labour costs at gross living wage levels (including social security contributions, tax deductions, etc.); collaborate with suppliers to understand their production costs, including facility capacity, production time per item (using labour minute-costing) and pay systems.
- Ring-fence labour costs and wage increases by establishing contractual mechanisms to guarantee that the portion of the price covering labour costs, and any increases specifically intended for wages, are directly passed on to workers.
- Ensure that additional costs resulting from inflation, price volatility (such as for raw materials and energy), changed international tariffs, or tax policies are absorbed by buyers and do not negatively affect suppliers' margins and wages.
- Build long-term partnerships by prioritising the establishment of stable and mutually beneficial relationships with suppliers committed to paying living wages. Provide suppliers with realistic lead times and planning security, allowing for efficient production and fair working hours, and preventing forced overtime.
- Ensure that the risks and responsibilities associated with production are shared equitably between the brand and the supplier, avoiding the transfer of excessive burdens or liabilities to the supplier. Refrain from imposing penalties or demanding discounts for order delays that are outside the supplier's direct control.

- Pay promptly and offer advance payments by adhering to payment terms that allow suppliers to pay workers on time without facing cash flow shortages. Additionally, consider offering advance payments, at least in part, as a way to share the financial risks associated with production and to further support their financial stability.
- Implement responsible exit strategies, conduct due diligence before exiting a sourcing location by assessing the potential impact on workers. Plan for a phase-out by allowing for a reasonable transition period to minimise disruption for workers and suppliers. Ensure fair compensation by guaranteeing that all workers receive outstanding wages, benefits, and legally mandated severance pay.

## 6. ESTABLISH RELIABLE PAY SYSTEMS AND WAGE TRANSPARENCY

**Companies should establish transparent and reliable pay systems and ensure wage transparency throughout their own operations; and should require the establishment of such systems at other companies in their supply chains, recognising the crucial role of collective bargaining in achieving these goals.**

### WHY IS THIS IMPORTANT

Employees have the right to know how they get paid. Not just on their paychecks, but already before accepting a job. Reliable pay systems are essential for determining wage levels, addressing living wage gaps, and enforcing worker rights. They form the basis for wage transparency, which is essential to reveal (gender) pay injustices, quantify gaps, and drive fair compensation. Furthermore, pay systems provide the legal basis to enforce wage-related rights through grievance or legal systems.

Pay systems negotiated with trade unions and formalised in Collective Bargaining Agreements (CBAs) are the most effective mechanisms for ensuring fair, transparent, and living wages, as they represent the outcome of direct negotiation between workers and employers.

Despite this, a culture of wage secrecy often prevails, hindering progress. To overcome this, brands and retailers should not only expect transparency from their supply chain but also lead by example by establishing these practices within their own operations, demonstrating a genuine commitment to fair labour practices and setting a clear standard for their suppliers.

### WHAT COMPANIES CAN AND SHOULD DO

- Implement transparent and reliable pay systems across all employment forms at their facilities, guaranteeing equitable treatment and a clear understanding of compensation for all workers, regardless of their employment arrangement. Pay systems should define all remuneration policies, such as wage levels and payment conditions, working hours, overtime pay conditions, holidays, social security, and eventual bonus systems, and outline wage grades and criteria for job grading.



- Expect business partners to have transparent and reliable pay systems in place, preferably established through collective bargaining with trade unions. This expectation should be clearly communicated and can be integrated into contractual agreements, codes of conduct, and social standards.
- Recognise that pay systems negotiated with trade unions and formalised in collective bargaining agreements are the preferred mechanism for ensuring fair, transparent, and living wages, and actively engage in good-faith negotiations with unions to establish such systems.
- Evaluate and monitor pay systems, living wage gaps and pay inequality across their supply chain as part of their due diligence, paying particular attention to whether these systems were developed through negotiation with trade unions.
- Compile an overview of the wages actually paid in their company and their supply chain at least annually, including data on pay range, lowest, median, and average pay, disaggregated by job position, contract form, and relevant social factors like gender and migration status. Make this wage data available to their workforce and trade unions, allowing them to oversee the pay system, identify unjustified pay inequalities or faulty implementation, and eventually seek remediation or bargain collectively for improved pay systems.
- Be accountable to external stakeholders, publish annually a meaningful overview of the wages paid, including at least data on the lowest wages and gender pay gaps.
- Include core information on their pay systems in job announcements, refrain from any contractual clauses prohibiting employees from disclosing their pay and expect the same from their business partners.

## WHAT IS A PAY SYSTEM?

Pay systems define all remuneration information, such as wage levels and payment conditions, working hours, overtime pay conditions, holidays, social security, and eventual bonus systems. Where different roles and seniority levels exist, they also outline wage grades and criteria for job grading. In essence, a pay system allows every employee to know and understand in detail what they are entitled to, if they are being paid correctly and how their remuneration compares to that of others.

Pay systems can have different forms. Ideally, they are the result of a collective bargaining negotiation. However, often they are set unilaterally by management. Pay systems may cover individual facilities, company groups or also a whole industry. In the absence of a specific pay system, in principle, the basic general labour laws and legal minimum wages take the role of a pay system.

Some companies have pay systems with flexible or negotiable wage components. Especially where these come without oversight of trade unions or work councils, they come with an enhanced risk of discriminatory pay differences, favouritism and dependency. Objective criteria, transparency and oversight of such flexible wage components are therefore important.



## 7. STRENGTHEN SOCIAL PROTECTION

**Companies should ensure all workers in their supply chain have access to effective social protection, and that social security contributions to wages are paid in due form.**

### WHY IS THIS IMPORTANT

Social protection is an indirect but important part of remuneration. Social protection systems play a vital role in ensuring the well-being and security of workers and their families. Adequate social protection can provide a safety net against economic shocks, illness, unemployment, and old age, among others. For garment workers, who often face precarious employment and low wages, access to comprehensive social protection is crucial for building resilience and achieving a decent standard of living. Furthermore, industry transformation resulting from climate and environmental crises, digitalisation, or technological shifts bears additional employment risks and adaptation pressures for workers, which cannot be mitigated solely at the individual level. Strengthening social protection requires a combination of robust public social protection systems and responsible actions by companies.

### WHAT COMPANIES CAN AND SHOULD DO

- Ensure that the wages paid to workers are sufficient to cover the costs associated with adequate social protection. This should be factored into pricing and costing considerations.
- Refrain from using bonus-based or other wage systems where significant portions of workers' earnings bypass social security contributions. All forms of remuneration should be transparent and fully subject to social security contributions, ensuring that benefits such as pensions and unemployment support are proportionate to workers' total earnings.
- Where social protection formally or effectively falls short of the minimum protection standards as defined by the ILO<sup>4</sup>, companies should take measures to mitigate respective risks for workers and their families, as part of their due diligence. Foremost, companies should engage with trade unions, other national organisations and governments to improve public social protection schemes for all. As one concrete measure, companies should commit, and communicate their readiness to pay higher wages or purchasing prices.
- Actively advocate for and support the establishment and strengthening of comprehensive and effective public social security systems in all countries of operation and sourcing. This includes advocating for adequate unemployment benefits, healthcare, pensions, and other essential social protections.

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<sup>4</sup> ILO Social Security (Minimum Standards) Convention, 1952 (C102).

- Companies should encourage and support their suppliers in providing social protection benefits that exceed legal requirements, particularly in contexts where public social protection offered by governments is inadequate or incomplete. This could include providing or contributing to health insurance, maternity leave benefits, childcare support, and other relevant programmes.
- Companies should actively work towards negotiating severance guarantee funds with trade unions within their supply chains. This mechanism should be designed to protect workers' rights to legally mandated severance pay in situations where factories close down or declare bankruptcy, ensuring workers receive their due compensation. Such funds can operate through various models, potentially involving contributions from brands, retailers, and/or suppliers, and should be established through agreements with relevant trade unions to ensure worker representation and effective governance.<sup>5</sup>

## 8. PROMOTE GENDER JUSTICE

**Companies should proactively work to promote and ensure gender justice throughout their sphere of influence, with a clear commitment to achieving wage equality.**

### WHY IS THIS IMPORTANT

Women constitute the majority of the workforce in the garment industry, yet they often face significant gender-based inequalities that hinder their ability to earn a living wage and enjoy decent working conditions. Addressing these inequalities is not only a matter of fundamental human rights and social justice but is also crucial for achieving fair and sustainable progress towards living wages for all garment workers.

### WHAT COMPANIES CAN AND SHOULD DO

- Systematically monitor gender-disaggregated data on wages, working hours, workload and other working conditions in own operations and across their supply chains. Utilise the collected data to develop and implement targeted interventions to address gender inequalities in wages and working conditions.
- Address Gender-Based Violence and Harassment (GBVH) and its economic impact. Develop and enforce clear and comprehensive zero-tolerance policies against GBVH in all workplaces; create safe, confidential, and effective channels for workers to report incidents of GBVH without fear of retaliation; ensure access to appropriate support services and fair remediation for workers who experience GBVH; and proactively identify and address potential risks of GBVH in the workplace through regular risk assessments.

<sup>5</sup> A proposal to negotiate such an agreement was put forward by a group of trade unions from different countries in response to the lack of protection for garment workers during the Covid19 pandemic: [payyourworkers.org](https://payyourworkers.org), 'Summary: Agreement to Assure Wages, Establish a Severance Guarantee Fund, and Ensure Respect for Basic Labor Rights for Textile, Garment, Shoe and Leather Workers,' 2023.

- Ensure that all female workers are entitled to adequate paid maternity leave in line with international standards and national laws, whichever is higher; implement policies and practices that prohibit discrimination against pregnant workers or mothers in hiring, promotion, and job security; and provide appropriate facilities and time for breastfeeding or expressing milk in the workplace to support working mothers.
- Challenge gender stereotypes and occupational segregation: promote equal opportunities in recruitment and training to ensure that women have equal access to all job roles, including those traditionally dominated by men; actively work to diversify job roles by implementing initiatives that encourage women to enter higher-skilled and better-paid positions; and raise awareness and challenge unconscious gender bias among managers and workers through training and awareness programmes. Such training should be delivered by independent and qualified parties, such as local women's organisations or trade unions, to ensure credibility, relevance, and impact.
- Adhere to the fair purchasing practices outlined in the dedicated chapter, recognising their disproportionate impact on the predominantly female workforce.
- Cooperate with independent female worker representations and trade unions in the development and implementation of all measures.

## 9. ADDRESS WORKERS IN PRECARIOUS EMPLOYMENT

**Companies should take specific measures to address the specific challenges faced by workers in precarious employment throughout their sphere of influence, with a clear commitment to ensuring they receive a living wage.**

### WHY IS THIS IMPORTANT

Beyond gender-based inequalities, the garment industry employs numerous groups of workers in precarious employment who face specific challenges in achieving living wages and decent working conditions. These groups often experience heightened risks of exploitation, discrimination, and job insecurity due to the nature of their employment, directly impacting their ability to earn a sufficient income.

### WHAT COMPANIES CAN AND SHOULD DO

- **Workers employed through labour contractors and agents:** Prioritise direct formal employment and refrain from indirect employment schemes in own operations, and expect the same from business partners at all stages of the value chain. Exercise thorough due diligence, working with any intermediary to ensure adherence to decent working conditions and living wages. Prohibit recruitment fees and deceptive practices; ensure the actual workplace company retains ultimate responsibility for ensuring fair treatment and payment of a living wage.

- **Migrant workers:** Ensure ethical recruitment processes that prevent forced labour and debt bondage; guarantee fair contracts in workers' own language with equal pay for equal work at a living wage level, safe conditions, and access to grievance mechanisms. Facilitate access to social protection and essential support services, and uphold their freedom of movement and association.
- **Homeworkers:** Take action, in line with 177 and Module 12 of the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, to promote responsible sourcing from homeworkers. In particular, ensure fair piece rates, based on transparent costing that covers all their expenses, that allow workers to earn a living wage within a normal number of working hours; promote transparency of their role in supply chains; support their right to organise and bargain collectively; facilitate access to comprehensive social protection; advocate for their legal recognition and labour law coverage; support their capacity building and skills training; and actively work to eliminate exploitation and ensure decent work.
- **Informal workers:** Conduct thorough due diligence across the entire supply chain to identify and understand informal work arrangements; recognise their contribution and acknowledge their scale and vulnerabilities, and actively work towards formalisation. In the interim, ensure fair compensation equivalent to a living wage for comparable formal work, protection from exploitation, access to grievance mechanisms, and inclusion in social protection efforts; and increase supply chain transparency to monitor their situation and report on progress in addressing their vulnerabilities.
- **Discriminated workers:** In conducting due diligence, pay special attention to identifying (risks of) discriminated workers. Discriminated workers – including those from marginalised castes, ethnicities, races, genders, or other social groups – are at a higher risk of being paid less. Take an intersectional approach: wage disparities often worsen when caste intersects with gender, disability, or religion.
- Guarantee all workers throughout the value chain, independently from their formal status, receive clear, written contracts outlining their rights, conditions and terms of service; make this a contractual obligation for their suppliers; and implement robust monitoring and remedy systems to protecting them from exploitation and discrimination with regards to directly employed, formal and non-migrant workers in wages, benefits, and working conditions.

## 10. SUPPORT PRO-LIVING WAGE REGULATION

**Companies should support minimum wage increases and other pro-living wage regulations, both in production countries and in the country where they are headquartered.**

### WHY IS THIS IMPORTANT

In countries where the garment industry accounts for a significant portion of the economy's total export value, global brands and retailers play an indirect but important role in official wage-setting processes, both at the sectoral and national levels. In most countries, minimum wage setting processes are inherently flawed, as workers are often not appropriately represented. This means that the government and employers have free rein and can set the minimum wage at a level that will attract foreign investors interested in cheap labour. It is important that brands publicly support local trade unions' proposals and commit to increasing their purchasing prices to absorb the increased costs associated with the proposed wage raises by trade unions.

### WHAT COMPANIES CAN AND SHOULD DO

- Brands and retailers should respect and support genuine minimum wage setting processes based on tripartite consultations in good faith, with due representation of trade unions and their wage proposals. Such a minimum wage fixing system must not undermine collective bargaining and the rights of workers to demonstrate and strike.
- Brands and retailers should make a public announcement that they will increase their purchasing prices to absorb the increased costs associated with a wage raise proposed by trade unions during official minimum wage setting processes.
- Brands and retailers should ensure that their lobbying activities and public statements are consistent with their commitment to living wages and do not undermine legislation aimed at improving the protection and rights of workers in their supply chains.
- In case other companies or business associations engage in lobbying for restricting workers' rights or against measures to close living wage gaps, brands and retailers must take action, for example, by engaging in dialogue with these companies and within business associations and by speaking up publicly to demonstrate that such positions do not represent the views of the whole business community.

## 11. BE TRANSPARENT AND ENGAGE IN COLLECTIVE ACTION

**Companies should achieve full supply chain transparency and engage in meaningful collective action with other businesses, trade unions, and stakeholders to address systemic barriers to living wages.**

### WHY IS THIS IMPORTANT

Individual company action and due diligence are indispensable pillars for respecting human rights. In addition to fulfilling their individual responsibilities, transparency and collective action offer powerful, complementary pathways for companies to amplify their impact and address complex, systemic industry-wide challenges. This includes cooperation and negotiation with stakeholders such as trade unions, as outlined above, as well as collaboration between companies.

This approach, however, should be implemented responsibly. Initiating and participating in collective action is part of a company's responsibility, and at the same time, it does not replace the responsibility to undertake individual measures. There is a significant risk with some forms of collaboration, such as certain Multi-Stakeholder Initiatives (MSI) (see box below), which can lack the ambition and accountability needed for genuine progress.

### WHAT COMPANIES CAN AND SHOULD DO

- Publicly disclose a comprehensive list of all production units and processing facilities. Proactively identify other companies sourcing from the same suppliers and ensure their own company is identifiable to facilitate collaboration and accountability.
- Actively seek cooperation with other brands and retailers sourcing from the same suppliers to jointly engage with the supplier and remediate identified living wage gaps and other deficient working conditions.
- Take a cooperative approach to address structural industry problems. Be open to and engage constructively in multi-buyer, sectoral, or national-level collective bargaining when called upon by trade unions to establish, for example, enforceable brand agreements or other collective agreements at a supra-company level.
- Utilise their influence within business and trade associations to advocate for ambitious pro living wage policies and actions. Companies must speak out against lobbying efforts by other companies or associations that seek to undermine or weaken human and labour rights.
- Ensure that participation in any collective initiative serves to amplify and accelerate their own time-bound living wage strategy, and is never used as a substitute for fulfilling their individual due diligence responsibilities.

## MULTI-STAKEHOLDER INITIATIVES AND CERTIFICATION SCHEMES

Cooperation is a valuable approach to working towards living wages. However, companies should not rely on membership in Multi-Stakeholder Initiatives (MSIs) or adherence to certification schemes as a substitute for taking direct and individual responsibility to ensure living wages in their supply chains. These tools can support progress, but they do not replace the need for company-specific action and accountability.

MSIs and certification schemes can lack ambition, transparency, and accountability regarding actual progress toward living wages. Flawed certification and verification systems can create a misleading impression of fair working conditions, allowing companies to hide their own inaction and lack of prioritisation on living wages behind nice-sounding promises and initiatives.

Therefore, the following expectations should be met when companies engage with MSIs and certification schemes:

- Companies should not use MSIs or certificates as a substitute for due diligence and supply chain responsibility.
- Companies should push for high standards, especially by establishing the payment of a living wage as a requirement when engaging with MSIs or supporting certification schemes.

Companies should ensure transparency about the aims, requirements, results and limitations of MSIs and certification schemes.

# EXPECTATIONS FOR GOVERNMENTS AND LEGISLATORS

## PRODUCING COUNTRY, IMPORTING COUNTRY

This section of our roadmap sets out our expectations for all governments and legislators. We consciously avoid differentiating between the governments of primarily garment-producing and garment-importing countries. While some expectations may seem more applicable to one group, this traditional dichotomy is too simplistic and masks the significant differences that also exist between countries within each of these categories.

We recognise that governments face unique challenges depending on their structural position. However, our expectations are centred on the fundamental right of all workers to earn a living wage and are based on the principle that all governments share a joint responsibility to protect this right. The leverage to implement certain measures may vary depending on a country's position in the global supply chain, yet the underlying duty remains universal. Furthermore, many of the steps outlined in this roadmap will be easier to achieve through international collaboration.

## A. GUARANTEE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

**Governments and legislators should establish and enforce robust legal frameworks that guarantee and strengthen Freedom of Association and Collective Bargaining, ensuring that all workers can freely exercise these rights to improve their lives and working conditions.**

### WHY IS THIS IMPORTANT

Freedom of Association (FoA) and Collective Bargaining (CB) are fundamental human rights, essential for empowering workers and addressing the power imbalance prevalent in the garment industry. These rights enable workers to organise and collectively negotiate with employers for fair wages and improved working conditions, including the achievement of living wages. Strengthening FoA and CB is not only a matter of upholding basic human rights but also a crucial mechanism for driving sustainable improvements in wages and working conditions throughout global supply chains.



## WHAT GOVERNMENTS AND LEGISLATORS CAN AND SHOULD DO

- Ensure that national laws fully comply with ILO Conventions No. 87 (Freedom of Association and Protection of the Right to Organise) and No. 98 (Right to Organise and Collective Bargaining).
- Guarantee the right of all workers, including those in precarious employment, to form and join trade unions of their choice without fear of retaliation, intimidation, or obstruction. Revoke restrictive regulations or bureaucratic hurdles that limit informal workers' ability to form or join trade unions. Enact and enforce laws that effectively protect workers from anti-union interference by employers and other actors.
- Establish mechanisms to support and facilitate collective bargaining at all levels, including factory, sectoral, and national levels. Ensure that collective bargaining agreements are respected, implemented, and enforced, with clear mechanisms in place for monitoring compliance and addressing any violations.
- Establish social dialogue forums between workers, including those in precarious employment, employers, and governments, as a means of fostering constructive labour relations and achieving negotiated solutions.
- Ensure effective enforcement and remedies: Provide sufficient resources and powers to labour inspectorates and other relevant authorities to effectively monitor and enforce FoA and CB rights, ensuring they are adequately equipped to investigate and address violations. Establish accessible and effective mechanisms for workers and their representatives to seek timely redress for violations of FoA and CB rights, and impose effective penalties on employers and other actors who violate these rights.

## B. FROM MINIMUM TO LIVING WAGE LEGISLATION

**Governments and legislators should establish and implement robust minimum wage legislation aimed at achieving living wage levels for all workers, with the active participation of independent trade unions and other relevant rights holders.**

### WHY IS THIS IMPORTANT

Minimum wage legislation plays a crucial role in protecting workers from exploitation, establishing a wage floor, and ensuring a basic standard of living. As recognised by the International Labour Organization (ILO), minimum wages are a fundamental mechanism for social protection and fair remuneration. However, minimum wages in many countries often fall short of living wages and thus do not guarantee the right to a living wage for workers and their families.

## EXPECTATIONS: WHAT POLICYMAKERS CAN AND SHOULD DO

- Ensure that minimum wage-setting processes are transparent, participatory, and inclusive, based on the principle of full consultation with social partners as established in the ILO Minimum Wage Fixing Convention, 1970 (No. 131). The meaningful and legally mandated representation of independent trade unions should be guaranteed, in line with the foundational principles of freedom of association and collective bargaining outlined in ILO Conventions No. 87 and No. 98.
- Set minimum wages at or above living wage levels to prevent in-work poverty.
- Where minimum wages do not yet meet living wage levels, governments and legislators should recognise the gap between minimum wages and living wage benchmarks and commit to a clear, time-bound plan to progressively increase minimum wages towards living wage levels.
- Regularly review and adjust minimum wages in line with the principles of the ILO Minimum Wage Fixing Convention, 1970 (No. 131), to reflect the cost of living, inflation, and other relevant economic indicators, ensuring they are always sufficient to achieve living wage levels.
- Prioritise significant and regular increases in minimum wages in sectors characterised by low wages and widespread poverty, such as the garment industry.

## C. MANDATORY LIVING WAGE DUE DILIGENCE

**Governments and legislators should enact and enforce robust mandatory due diligence legislation that requires companies to respect human rights, with a strong emphasis on the right to a living wage, throughout their global supply chains.**

### WHY IS THIS IMPORTANT

Mandatory due diligence legislation is crucial for creating a legal framework that compels companies to take responsibility for the human rights impacts of their operations and supply chains. Voluntary initiatives have proven insufficient to drive widespread and meaningful change in ensuring living wages and decent working conditions. Mandatory due diligence places a legal obligation on companies to identify, prevent, mitigate, and account for these adverse impacts, fostering greater accountability and driving systemic change within the garment industry.

## WHAT GOVERNMENTS AND LEGISLATORS CAN AND SHOULD DO

- Enact comprehensive due diligence legislation. Due diligence legislation should cover the entire supply chain, including all tiers of production and business relationships. Legislation should establish clear legal obligations for companies:
  - To identify and assess the risks of actual and potential adverse impacts in their own operations and all their tiers of production supply chain, specifically regarding workers being paid less than a living wage, including wage theft, the ability to exercise freedom of association and the right to collective bargaining, and exposure to precarious contracting arrangements.
  - To implement a strategy to respond to the identified risks, designed to prevent, mitigate, and remediate adverse impacts. Such strategies should include risk management plans, with an evaluation and necessary adjustment of purchasing practices.
  - To ensure the right of trade unions and other relevant rights holders to be informed, meaningfully consulted and involved in the establishment and implementation of the due diligence strategy.
  - To provide full transparency, including on their website, regarding information related to the production of their products. This information should include the full name and addresses of all production units and processing facilities in their supply chain, the parent company, categories of products made, the number of workers at each site and the lowest wage levels, also disaggregated by gender.
  - To establish or participate in effective grievance mechanisms at all relevant levels, that serve both as an early-warning system for risk awareness and as a means for mediation and remediation. These mechanisms should adhere to the effectiveness criteria for non-judicial grievance mechanisms in the UN Guiding Principles on Business and Human Rights and enable any rights holder to voice concerns and seek remediation regarding potential or actual adverse impacts on their human rights.
- Foresee proportionate and effective penalties for infringements of due diligence obligations, and empower competent authorities to impose fines, criminal sanctions, and other administrative sanctions such as exclusion from public procurement or state aid.
- Ensure companies are liable for any damage in their operations, subsidiaries' operations, and production supply chains arising from harm related to wages, including wage theft, freedom of association, and the right to collective bargaining, where they have caused or contributed to the damage by acts of omission. Companies, especially in cases of damage related to living wages, should bear the burden of proving that their pricing and trading practices did not prevent the payment of living wages.

## D. REGULATE FAIR TRADING PRACTICES

**Governments and legislators should establish and enforce robust legal frameworks to regulate unfair trading practices that negatively impact workers' wages and working conditions, ensuring that these practices do not hinder the payment of living wages throughout global supply chains.**

### WHY IS THIS IMPORTANT

Unfair trading practices in the garment industry create significant obstacles to the payment of living wages and the achievement of decent working conditions. The power imbalance between buyers and suppliers enables practices that prioritise cost reduction and short-term gains over the well-being of workers. These practices, including those related to purchasing prices, can pressure suppliers to cut labour costs, making it impossible to pay workers fairly. Government intervention is essential to regulate these practices, promote fairness, and foster an environment where the payment of living wages is achievable and sustainable.

### WHAT GOVERNMENTS AND LEGISLATORS CAN AND SHOULD DO

- Enact legal frameworks that prohibit unfair trading practices that negatively affect workers' wages and working conditions across global supply chains, particularly in the garment industry.
- Regulate and monitor purchasing prices to prevent buyers from imposing prices or pricing structures that do not allow suppliers to cover the costs of production, including the payment of living wages, respective social security contributions, and appropriate investment in sustainability and organisational health and safety measures. This should include preventing practices such as unilateral and retrospective changes to contracts that reduce prices or impose unexpected costs on suppliers.
- Prohibit late payments and unreasonable payment terms that create financial instability for suppliers and prevent the disproportionate shifting of financial risk onto suppliers through practices like sudden order cancellations or changes in volume without fair compensation.
- Establish accessible and effective mechanisms for suppliers and workers to report and resolve disputes related to unfair trading practices, including those involving pricing, that negatively impact wages and seek redress. This includes access to legal remedies and compensation for harm caused by unfair trading practices that have resulted in wage violations or the inability to pay living wages. These mechanisms should be designed to counter the economic power imbalance in the value chains.
- Ensure that trade and investment agreements promote fair trading practices and do not undermine efforts to achieve living wages. This includes safeguarding the right to protect workers' wages from unfair competition and granting favourable treatment to goods produced in accordance with the right to a living wage.

## E. GUARANTEE SOCIAL PROTECTION

**Governments and legislators should establish and maintain robust social protection systems, in line with ILO standards, to provide a safety net for workers and ensure universal coverage.**

### WHY IS THIS IMPORTANT

Social protection systems, as recognised by the ILO, play a crucial role in complementing wages and ensuring a basic standard of living for workers and their families. They are essential for mitigating the impact of economic shocks and vulnerabilities, particularly in industries like the garment sector, and for contributing to overall social and economic stability.

### WHAT GOVERNMENTS AND LEGISLATORS CAN AND SHOULD DO

- Establish and maintain comprehensive social security systems that provide a robust safety net for all workers, adhering to ILO Social Security Conventions (e.g., ILO Convention No. 102).
- Include all key components, such as unemployment benefits, healthcare, disability benefits, and pensions, to ensure a comprehensive and adequate level of protection. This protection should also provide workers and their families with adequate and accessible benefits.
- Guarantee universal coverage of social protection to all workers, in line with the ILO Recommendation No. 202 concerning Social Protection Floors. Include workers in the informal economy and those in precarious employment, ensuring that no one is left behind and promoting social inclusion.

## F. RESPONSIBLE PUBLIC PROCUREMENT

**Governments and legislators should establish legal frameworks and implement policies that integrate living wage criteria into public procurement processes, ensuring that public spending contributes to achieving living wages and decent working conditions in the garment industry.**

### WHY IS THIS IMPORTANT

Governments and public institutions wield significant purchasing power. This power can and should be leveraged to promote living wages and decent work. By strategically using public procurement, governments can create a positive impact, drive change in the market, and incentivise companies to prioritise workers' well-being. Public procurement, when conducted responsibly, can be a powerful tool for achieving living wages and improving working conditions.

## WHAT GOVERNMENTS AND LEGISLATORS CAN AND SHOULD DO

- Establish legal frameworks and policies that mandate the inclusion of decent social and labour standards, and especially living wages, in public procurement tenders and contracts.
- Prioritise suppliers that demonstrate a commitment to paying living wages and respect for workers' rights, giving preference to those with transparent and verifiable living wage policies and practices.
- Provide guidance and training to public procurement officials on how to integrate decent social and labour standards, including living wages, into their purchasing decisions, ensuring they have the knowledge and tools to implement responsible procurement practices.

## G. SET MINIMUM STANDARDS FOR PAY TRANSPARENCY

**Governments and legislators should enact and enforce comprehensive legislation that establishes robust minimum standards for pay transparency, requiring companies to disclose and ensure the reliability of pay-related information to promote wage equality, facilitate the implementation of living wages, and provide workers with effective mechanisms to claim their rights.**

### WHY IS THIS IMPORTANT

Pay transparency is crucial for promoting fairness, reducing wage discrimination, and facilitating the achievement of living wages. The lack of transparency in the garment industry hinders efforts to address wage gaps, ensure that workers are paid fairly, and hold companies accountable for their wage practices. Government intervention is necessary to establish robust minimum standards for pay transparency, prevent pay discrimination, create a more equitable system, and enable effective monitoring of progress towards living wages and pay justice.

## WHAT GOVERNMENTS AND LEGISLATORS CAN AND SHOULD DO

- Require transparency of pay systems, ensuring that the structure and methodology of pay determination are clear and accessible to job seekers, workers and their representatives.
- Require companies to monitor and disclose relevant information related to pay and pay systems in their own operations and in their supply chain.
- Establish standardised reporting formats to ensure the comparability of pay data across companies and sectors, enabling the effective analysis of wage disparities and the identification of systemic issues. Information should be disaggregated by gender, job category, and other relevant factors to identify and address potential wage discrimination, ensuring transparency in pay structures.

- Ensure that workers and their representatives have access to pay information, empowering them to advocate for fair wages, identify potential discrepancies, and hold employers accountable.
- Provide easily accessible complaint points and a labour court to ensure workers and trade unions can effectively claim their rights laid down in pay systems, ensuring that workers have access to effective and timely mechanisms to seek redress for wage violations and discriminatory pay practices.

# LIVING WAGE: NOT THE ULTIMATE GOAL, BUT A MILESTONE ON THE ROAD TO GLOBAL ECONOMIC JUSTICE

While achieving living wages for all workers throughout global fashion supply chains may seem daunting given today's reality, it is crucial to remember that human rights are not aspirational or unrealistic goals; realising these rights is a basic necessity, a moral imperative, and a legal obligation that is fundamental to global social justice.

Living wages are not the ultimate destination, but rather a vital milestone on the path towards achieving global economic and social justice. They represent the basic floor upon which workers, their trade unions, and all who pursue the vision of a just world will collectively fight and bargain for a fairer distribution of the economic value they create. This struggle should also address the systemic inequalities that intersect with economic exploitation, including gender injustice, the enduring legacies of colonialism, and other forms of oppression and discrimination.

The aim is to move beyond merely ensuring a life free from poverty, towards a world where excessive pay and income inequalities are reduced, the fruits of progress are shared fairly amongst all, and the power imbalances that perpetuate injustice are dismantled. This also entails limiting the unchecked accumulation of wealth and economic power by individuals or dynasties, striving towards equitable living standards, social protection, and comprehensive wellbeing for all people on a global scale.