



Asia
Floor
Wage
Alliance



Brands' Responsibility in COVID-19 Humanitarian Crisis: Contribute to Garment Workers' Relief

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I. The COVID-19 Humanitarian Crisis for Garment Workers

Garment workers in Asia, who produce most of the world's clothing, find themselves in desperate circumstances as the COVID-19 pandemic becomes global and pervasive. These workers, who in the best of circumstances, survive under high-risk, poverty-level working and living conditions are least equipped to bear the brunt of this enormous disaster. It is a moral imperative to respond to the humanitarian crisis faced by these garment workers, who produce for the lucrative global fashion industry year round, but themselves live in poverty.

Asia Floor Wage Alliance (AFWA) has been working with trade union partners in Asia's garment producing countries, to understand the scale of the crisis in which workers find themselves. We know workers whose families are going hungry; who are becoming homeless; who are sick and unable to access healthcare; and who see despair staring at them. Many workers are migrant workers with no support systems in these trying times.

Workers' needs are multifarious and require short-term and long-term interventions. Workers and trade unions in different countries are developing demands to address these needs.

II. Brand Responsibility to Garment Workers' Humanitarian Crisis

In a global industry like fast fashion, brands and retailers (in addition to governments and supplier factories) play a significant role in determining and contributing to the welfare of garment workers who produce the fashion products. It is imperative that fashion brands contribute to the alleviation of extreme hardship presently faced by more than 40 million production workers in their supply chains, of which 60% are in Asia.

Brand responsibility towards their supply chains is a long-standing issue and consists of several dimensions. Brands are owners and decision makers in global supply chains, where suppliers work with tight margins and dedicated production capacity for just-in-time relationships. Brands, thereby, outsource risks that they would ordinarily face within a nation-state jurisdiction. Yet, we have all seen the rising voices from the ILO, OECD, the broader industry and the labour rights movement – urging the importance of brands to commit due diligence to their supply chains and take responsibility for the associated risks.

The current crisis exposes the need for significant reforms to global supply chains that must include brands making important changes in how they take responsibility for the risks in their supply chains.

On March 23, 2020, AFWA issued a statement calling for a humanitarian and urgent crisis response from brands to put forward a specific relief contribution to alleviate the impact of COVID-19 on garment workers. Below is a more detailed proposal outlining what we demand from brands at this moment.

III. Brands Pay 2% of Total Annual Sourcing Towards Immediate Relief for Supply Chain Workers

In the **immediate term**, Asia Floor Wage Alliance proposes that income loss resulting from suspension of work for various reasons, including quarantine and order cancellation, must be urgently addressed. Governments' and suppliers' efforts must be supported and under-written by global brands who benefit most, with minimum risk, from the current global supply chain structure.

AFWA proposes a method by which fashion brands respond to this urgent humanitarian crisis through a **one-time brand Supply-chain Relief Contribution (SRC)** that would partially mitigate the harmful impact of COVID-19 on supply chain workers, most of whom are women.

AFWA's quantification of this one-time brand contribution is based on a methodology that is in keeping with the brands' scale and share in the supplier factories' turnover in Asia.

Building from the premise that the average workers' income loss, by June end, 2020, can be estimated as 60 days of wage loss, we propose that brands make a **one-time Supply-chain Relief Contribution for each worker in their supplier factories, as a requirement of responsible business practices.**

Based on the existing data on labour cost, we propose brands calculate their Supply-chain Relief Contribution as **an additional 2% of the total sourcing by the brand from the preceding 12 months at the respective factory. The SRC should be structured as a pass through from the brands to the suppliers, payable directly to the workers. If brands honour this Contribution for their supplier factories, each worker would get a modest but important Contribution to help them mitigate the most extreme effects of the Covid-19 crisis.**

AFWA supports and reinforces the demand of global labour and human rights organisations, unions, and suppliers that brands honour their obligations and long-term commitment regarding orders to the suppliers. **The SRC is a relief contribution and in no way substitutes brands' existing and ongoing supply chain obligations to pay for orders given and produced, to not cancel orders, to not seek discounts in an already under-costed supply chain, and so on. It also does not substitute for obligations to pay severance contributions in cases of downsizing, retrenchment and closure.**

IV. Ensuring Brands' Contribution Reaching Workers

Many governments are developing policies and legal mechanisms to respond to both business interests and the interests of its people. International Financial Institutions are also being tapped as sources of crisis support. AFWA is scrutinising and monitoring these in garment production countries in Asia to ensure that governments and suppliers honour their responsibility and accountability in the coming months.

Notwithstanding these interventions, we urge brands to move ahead with supply chain relief contributions as defined herein, which are necessary and overcomes inadequacies of many countries.

At this time of crisis which has exposed the risks and inequalities of the global supply chains, driven by fashion brands – AFWA hereby proposes that each Brand

- Immediately announce its Supply-chain Relief Contribution (SRC) at 2% of its total sourcing from the preceding 12 months at each of its supplier factory in production countries.

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- Join with AFWA and its member unions and allies in the respective countries to work together with the suppliers to ensure that the Supply-chain Relief Contribution reaches all eligible workers and evolve a co-enforcement mechanism.

Endorsed by following unions:

Cambodian Alliance of Trade Unions (CATU)
Coalition of Cambodian Apparel Workers' Democratic Union (CCAWDU)
Garment Labour Union (GLU), India
Karnataka Garment Workers Union (KOOGU), India
Garment and Allied Workers Union (GAWU), India
Hosiery Workers Unity Centre (HWUC), India
Mill Mazdoor Panchayat (MMP), India
Tamil Nadu Textile and Common Labour Union (TTCU), India
Serikat Pekerja Nasional (SPN), Indonesia
Federasi Serikat Buruh Garmen, Kerajinan, Tekstil, Kulit dan Sentra Industri (FSB Garteks), Indonesia
Gabungan Serikat Buruh Indonesia(GSBI)
Federasi Serikat Buruh Indonesia (FSBI)
Serikat Buruh Sejahtera Indonesia (SBSI 92)
National Trade Union Federation (NTUF), Pakistan
The Ceylon Mercantile, Industrial and General Workers' Union (CMU), Sri Lanka
Textile, Garment and Clothing Workers Union (TG CWU), Sri Lanka
Dabindu Collective Union, Sri Lanka
National Union of Seafarers of Sri Lanka (NUSS)
United Labour Federation (ULF), Sri Lanka