

# Overtime Working Hours

Observations based on 2021 SLCP verified data

January, 2023

## THE POTENTIAL EFFECTS OF UNLAWFUL OVERTIME ARE SIGNIFICANT

Unlawful overtime working hours was the top legal non-compliance data point in SLCP assessments throughout 2021. Although this is not a new phenomenon - particularly for emerging market exporter facilities - it is still a concerning trend in global supply chains due to its potential links with forced labor\* and an unsafe working environment.\*\*

For example, excessive working hours is one of the 11 indicators of forced labor according to the ILO. There could be a link between excessive working hours and forced labor when there is an element of involuntariness or working the additional hours is required to meet minimum wage.\*\*\* Stakeholders should be mindful of this difference when interpreting SLCP data on working hours.

*Example: When does unlawful overtime amount to forced labor?*



+



OR



Overtime (more than legal limits)

Threat of penalty

Required to earn minimum wage

## STEPS ACTORS COULD TAKE TO MEET OVERTIME WORKING HOUR LEGAL LIMITS



Brands could implement a policy which ensures sufficient time for suppliers to produce orders without undue pressure. This is a key root cause of excessive overtime, and mitigating this would be an example of good purchasing practices.\*



Manufacturers could put resources unlocked through SLCP towards improving management systems to analyse and revise working hour patterns to manage high overtime peaks in demand.\*



Industry stakeholders could use aggregated SLCP verified data to understand the enormity of the issue in global supply chains.

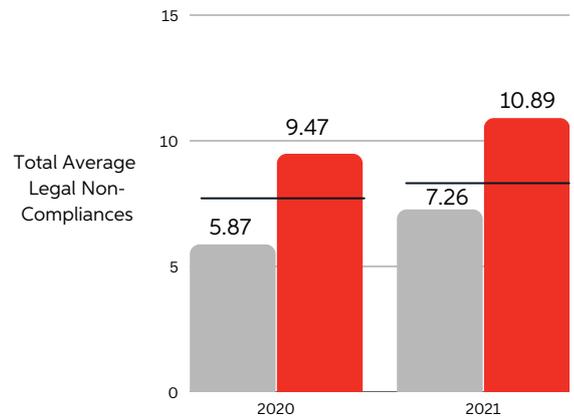
## DECREASE IN PERCENTAGE OF UNLAWFUL OVERTIME FINDINGS

Overtime working hours beyond legal limits reduced by 11% in 2021. Given the potential adverse effects of excessive overtime, this demonstrates a positive trend and is a step towards higher compliance.

2021  60.6%  
of 4440 facilities

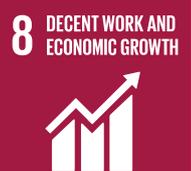
2020  72%  
of 1500 facilities

The 2021 verified data shows facilities compliant with overtime working hours have less overall legal non-compliances in their SLCP assessment, as outlined below.



■ Number of legal non-compliances in facilities with overtime working hours above legal limits  
■ Number of legal non-compliances in facilities with overtime working hours in line with legal limits  
— Total average number of legal non-compliances

Addressing overtime working hours helps achieve Sustainable Development Goal 8.8.



→ For more insights from the 2021 verified data, read the 2021 SLCP Impact Report.