

Overtime Working Hours

Observations based on 2021 SLCP verified data

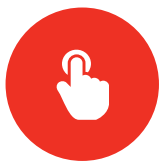
January, 2023

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.

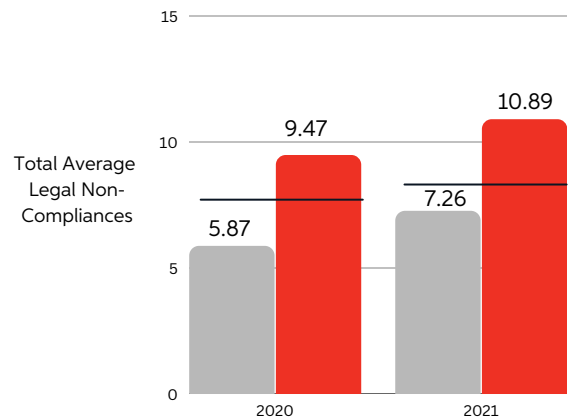
DECREASE IN PERCENTAGE OF UNLAWFUL OVERTIME FINDINGS

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

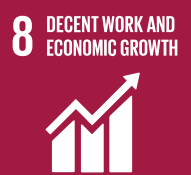
2020  72%
of 1500 facilities

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.