



## **OECD Specific Instance: Twenty garment sector unions, Asia Floor Wage Alliance (AFWA) and Global Labor Justice - International Labor Rights Forum (GLJ-ILRF) vs. Nike**

### **Fact Sheet**

*Twenty garment sector unions, Asia Floor Wage Alliance (AFWA) and Global Labor Justice - International Labor Rights Forum (GLJ-ILRF) vs. Nike* is a Specific Instance submission to the US National Contact Point for the OECD *Guidelines for Responsible Business Conduct* at the US State Department, filed jointly by twenty garment sector unions, AFWA and GLJ-ILRF alleging breaches of the OECD *Guidelines* by multinational enterprise Nike.

**Date filed:** February 27, 2023

**Unions:** Twenty garment sector unions from Cambodia, India, Indonesia, Pakistan and Sri Lanka representing garment workers in Nike's supply chain at the factory and sectoral levels including: the Cambodian Alliance of Trade Unions (CATU); the Coalition of Cambodian Apparel Workers Democratic Union (CCAWDU); the Garment and Allied Workers Union (GAWU) (India); the Garment Labour Union (GLU) (India); the Hosiery Workers Unity Centre (HWUC) (India); the Karnataka Garment Workers Union (KOOGU) (India); the Mill Mazdoor Panchayat (MMP) (India); the Tamil Nadu Textile and Common Labour Union (TTCU) (India); the Federasi Serikat Buruh Persatuan Indonesia (FSBPI); Garteks (Indonesia); the Serikat Pekerja Nasional (SPN) (Indonesia); the Muttehda Labor Federation (Pakistan); the Pakistan Textile Workers Federation (PTWF); the Textile, Power Loom and Garment Worker Federation (Pakistan); the Commercial and Industrial Workers' Union (CIWU) (Sri Lanka); the Dabindu Collective Union (Sri Lanka); the National Union of Seafarers Sri Lanka; the Revolutionary Existence for Human Development (Sri Lanka); the Stand Up Movement Lanka (Sri Lanka); and the Textile Garment and Clothing Workers' Union (TGCWU) (Sri Lanka).

**Allies:** Asia Floor Wage Alliance (AFWA) and Global Labor Justice - International Labor Rights Forum (GLJ-ILRF) (Washington DC).

**Multinational enterprise:** Nike is an American multinational enterprise headquartered in Beaverton, Oregon, USA and is the second largest fashion company in the world. In the five countries addressed in this Specific Instance, Nike has 94 factories in its supply chain with over 450,000 workers — more than five times the number of Nike employees.

**Case facts:** Since the onset of the COVID pandemic in March 2020, garment workers in Nike’s supply chain have experienced layoffs and terminations, arbitrary pay cuts, unpaid wages for hours worked, and gender discrimination at an unprecedented scale. Big fashion companies including Nike triggered this crisis when they canceled orders during March 2020 and reduced new orders *en masse* in response to economic uncertainty during the initial months of the COVID pandemic.

According to AFWA’s 2020 survey of over 2000 garment workers, workers lost on average three months of pay during 2020. Many workers, whose wages did not cover basic needs before the pandemic, were unable to pay for rent and food without going into debt, and the gender pay gap increased in an industry where the vast majority of workers are women.

**Allegations:** The Specific Instance alleges Nike violated the OECD *Guidelines for Responsible Business Conduct* when Nike contributed to conditions for garment workers in its supply chain through its supply chain relationships with its suppliers but did not address and remediate them as required by Chapters II and IV of the OECD *Guidelines*. Based on AFWA’s original and updated 2020 regional analysis of pandemic impacts, the filing outlines how Asian garment workers on Nike’s supply chain faced “severe human rights impacts” as defined by the OECD *Guidelines*, including impacts on workers’ rights to just and favorable conditions of work, social security, and against gender discrimination, as defined by international human rights law. Moreover, the filing highlights Nike did not engage with garment worker unions representing Nike supply chain workers about those impacts, despite the OECD *Guidelines*’ expectation that multinational enterprises do so and despite unions’ requests for dialogue.

**Demands:** The submitting organizations are requesting Nike participate in remedy for the severe human rights impacts during COVID to which Nike contributed. Remedy should include compensation where appropriate for workers’ lost wages during COVID, a pause on buybacks and dividends until workers are paid, and a joint strategy for ensuring garment workers in Nike’s supply chain work under decent work conditions and earn living wages, which would have mitigated impacts on workers had they been in effect during the COVID period.

**Next steps:** If the US NCP approves the complaint, the NCP will formally invite Nike to dialogue with the unions about their demands and either facilitate a dialogue process or if Nike refuses dialogue, can issue recommendations to Nike about its treatment of garment workers in its supply chain.

**For more information about the OECD Submission please contact:**  
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**Global Labor Justice – International Labor Rights Forum (GLJ – ILRF)** is a new merged organization bringing strategic capacity to cross-sectoral work on global value chains and labor migration corridors. GLJ-ILRF holds global corporations accountable for labor rights violations in their supply chains; advances policies and laws that protect decent work and just migration; and strengthens freedom of association, new forms of bargaining, and worker organizations. For more information, please contact Sahiba Gill at [sahibagill@globallaborjustice.org](mailto:sahibagill@globallaborjustice.org).



**Asia Floor Wage Alliance (AFWA)** is an Asian labor-led global labor and social alliance across garment-producing countries in Asia and consumer regions of the USA and Europe. Founded in 2007, AFWA aims to build regional unity among Asian garment unions to overcome the limitations of country-based struggles in global production networks and holds global fashion brands accountable. AFWA’s historic cross-border living wage formulation for Asian garment workers is also the only women-centered formulation of its kind. For more information, please contact AFWA at [contact@asia.floorwage.org](mailto:contact@asia.floorwage.org).