

**Global Framework Agreement (GFA) between H&M Hennes & Mauritz GBC AB and IndustriALL
Global Union and Industriefacket Metall on the Implementation of H&M Group Minimum
Requirements, Sustainability Commitments, and International Labour Standards at the Suppliers
of H&M Hennes & Mauritz GBC AB**

This Global Framework Agreement (GFA) is concluded between H&M Group (H&M Hennes & Mauritz GBC AB), IndustriALL (IndustriALL Global Union) and IF Metall (Industriefacket Metall) (the 'Parties').

This GFA is founded upon a shared belief that well-structured industrial relations are an essential component of stable and sustainable social relations in production. This foundation enables business to flourish and to provide decent work with respect and dignity.

The terms and conditions of the GFA shall cover all production units where H&M Group's direct suppliers and their subcontractors produce merchandise/ready made goods sold throughout H&M Group's retail operations. Non-affiliated unions may participate in the implementation of this GFA by mutual agreement with IndustriALL.

H&M Group confirms its commitment to and respect for human and trade union rights in the workplace, including the right to organize and to negotiate collective agreements. H&M Group will use its leverage to ensure that its direct suppliers and their subcontractors respect human and trade union rights in the workplace. By this GFA, H&M Group recognizes IndustriALL as its legitimate partner for discussions regarding human and trade union rights in the workplace. H&M Group will interact with IndustriALL affiliated trade unions and use its best efforts to facilitate an improvement in such rights and conditions among its direct suppliers and their subcontractors.

IndustriAll and IF Metall confirm their commitment to work with all unions represented at H&M Group's suppliers and their subcontractors, with the objective of increasing trade union capacity to ensure implementation of this GFA within a framework of functioning industrial relations.

The Parties agree to work together to implement well-functioning industrial relations and more effective application of the *International Labor Standards in Annex 1 in line with H&M Group's Sustainability Commitment* at H&M Group's direct suppliers' own operations and their subcontractors. The Parties also agree to collaborating on due diligence down the value chain in line with existing legislation and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.

The parties agree that well-functioning industrial relations are best achieved through the application of standards including the Universal Declaration of Human Rights, International Labour Organization's (ILO) Conventions¹ and Decent Work Agenda, the UN Convention on the Rights of the Child, OECD Guidelines for Multinational Enterprises, ILO Tripartite Declaration of Principles Concerning Multinational Enterprises, the UN Global Compact Principles, and UN Guiding Principles on Business and Human Rights.

IMPLEMENTING H&M GROUP'S SUSTAINABILITY COMMITMENT AND MINIMUM REQUIREMENTS IN SUPPORT OF WELL-FUNCTIONING INDUSTRIAL RELATIONS AND DECENT WORK

The following section sets out the standards that H&M Group's direct suppliers and their subcontractors producing merchandise/ready made goods for H&M Group's retail operations are required to meet and which are in scope of this Agreement. The term 'employer' refers to a supplier or their subcontractor covered under the

¹ See Annex 1.

terms of this agreement. Workers refer to all workers who are directly associated with the production output² for a supplier or their subcontractor covered under the terms of this agreement.

Freedom of association and the right to collective bargaining are recognized and respected.

- All workers, without exception or distinction, must be free to join or form a trade union of their own choosing and to bargain collectively. Direct suppliers shall respect trade union rights and remain strictly neutral regarding workers' rights to organize.
- Any infringement on workers' freedom to associate is not acceptable.
- Direct suppliers shall have an open and collaborative attitude towards worker representation and take a dialogue-based approach to addressing concerns raised by workers.
- Where the right to freedom of association and collective bargaining is restricted under law, the supplier shall allow the development of parallel means for independent and free association and bargaining.

Harassment and abuse are not tolerated and are actively prevented.

- Every worker is treated with respect and dignity at all times. Any behaviour affecting the dignity of workers, particularly women and those in situations of vulnerability including LGBT+, minority or migrant workers, or which creates an intimidating, hostile, degrading, humiliating or offensive environment goes against our fundamental values.
- Mechanisms are established to protect workers from gender-based violence and any other form of physical, sexual, psychological, or verbal harassment occurring during, linked with, or arising out of work.
- Workers and other persons concerned shall be provided with information and training, in accessible formats as appropriate, on the identified hazards and risks of violence and harassment and the associated prevention and protection measures, including on the rights and responsibilities of workers and trade unions, in line with the *GBVH Guideline* co-developed by the Parties.
- There is a grievance mechanism in place enabling workers to raise complaints without risk of retaliation.
- There are effective remediation processes in place to address cases of harassment and abuse.

Workers are not discriminated against.

- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement on the grounds of gender or sexual orientation, race, colour, age, pregnancy, marital status, trade union affiliation, religion, political opinion, nationality, ethnic origin, caste, disease or disability.
- Humiliation or corporal punishment is not accepted.
- With this Agreement the Parties emphasize their commitment to strive for equality between woman and men at work and gender equality when it comes to recruitment, career development, training, and equal pay for equal work.

Child labour is not accepted, and children's rights are respected.

- No persons are recruited at an age younger than 15 (or 14 where ILO Convention 138 makes an exception) or younger than the legal age for employment if this is higher than 15.
- If any child labour case is detected, the supplier is expected to actively engage in remediation and to carry the cost for such intervention until the child has reached legal age of working.
- All legal limitations and requirements regarding employment of persons below the age of 18 are followed.

² E.g. cutting workers, sewers, QC inspectors, packaging, sample room and warehouse workers, and line leaders who are engaged in the production process except the line leaders who handle production management work full time. All workers in the facility must be included, regardless of: what buyers or clients they produce for, which recruitment channel they come through (e.g. third - party labor brokers, internal reference, schools, and recruitment on the gate), their contractual status, including dispatched workers, student workers, interns, part-time workers and workers who are hired for temporary purpose. The numbers reported should not include security guards, kitchen staff, drivers, cleaners, and technicians, management, and office staff.

- They are protected from any hazardous work, night shift and any kind of work that might hamper their development or impose any physical harm.
- To the extent possible, special considerations shall be given to working conditions of parents and care givers, to minimize any potential adverse impact on children in surrounding communities.

Forced, bonded, prison and illegal labour is not accepted.

- Written policies and routines shall be in place to prevent any form of forced, bonded, prison or illegal labour, with special consideration for the increased risk of vulnerable categories such as migrant workers.
- Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.
- The supplier is responsible for payment of all employment eligibility fees and costs of all workers, including recruitment and termination fees.
- Overtime must be voluntary, with the exceptions defined by applicable legislation and collective bargaining agreements, and there can be no threat of penalty against workers refusing overtime.
- Any suspected or confirmed case of forced labour shall be reported to the relevant authorities and the H&M Group is immediately informed.

Employment is recognized and employment terms are understood and mutually agreed.

- All work performed must be based on a legally established and recognised contractual relationship, the nature of which shall not deprive workers of the rights arising from labour or social security laws.
- All workers (including self-employed) are entitled to a written contract or equivalent, in a language they understand, that specifies the mutually agreed terms and conditions.
- These conditions cannot be changed unilaterally by the supplier during the terms of the contract.
- All legal limitations on the use of non-standard employment forms are followed.
- When non-standard employment forms are used which may pose challenges of unpredictable and insufficient hours of work and reduced earnings, workers cannot be restricted to also take up employment with other companies or platforms.
- When workforce is secured via labour agencies or where recruitment companies are being used, the supplier is responsible for ensuring that these companies meet the requirements and expectations of H&M Group's Sustainability Commitment.

Statutory wages and benefits are paid in full and on time. Every worker has a right to a compensation for a regular work week that is sufficient to meet necessary needs for themselves and their families and provide some discretionary income.

- Direct suppliers shall engage with relevant stakeholders to take appropriate actions towards realizing such a level.
- At a minimum, wages must meet national or industry legal levels or the applicable Collective Bargaining Agreement (CBA), whichever is higher.
- Overtime must be compensated at a premium rate as per local law, but not lower than 125% of the regular rate.
- Payments to workers are made in full, on time, and on a regular basis, in accordance with contractual terms, and the particulars of the wage for a pay period must be always provided in a written and understandable form.
- No withdrawals or deductions from wages, other than the ones legally mandated, shall be made without prior authorisation from the workers.
- Deductions from wages as a disciplinary measure, or for uniforms or material needed to perform the work, shall not be permitted.
- All benefits mandated by law must be provided, including any type of paid leave and statutory severance.

- All contributions to any of the following social insurance or social security programs are made in line with legal requirements: pension, medical, work-related injury, unemployment, maternity, other.

Working hours are not excessive.

- Working hours and rest time shall comply with national law, the relevant ILO Conventionsⁱ or the applicable CBAs, whichever affords the greater protection for workers, and shall be defined in contracts. A reliable system for registering working hours, including overtime, of all workers must be maintained.
- To secure that overtime is not requested on a regular basis, an effective process to measure, plan and monitor production capacity and output is in place.

The health, safety, and well-being of workers must always be a priority and a safe and hygienic working environment provided. *Freedom from harassment and abuse, including GBVH, is essential in securing a safe workplace*³. At a minimum, this means that direct suppliers shall ensure the following:

- Compliance with applicable laws and regulations on health and safety.
- Building, structural safety and fire permits and certificates secured in line with legal requirements and all construction work in strict conformity with approved building plans.
- Fire Safety maintained through prevention of fire hazards, facility conditions, adequate and functional fire detection, emergency alarm and fire-fighting equipment, regular firefighting training and evacuation drills.
- Accident insurance provided to all workers, covering medical treatment, and providing compensation for work related injuries and illnesses resulting in permanent disability or death.
- Access to clean drinking water and toilet facilities.
- Accommodation/Housing, when provided, is separated from the workplace and is subject to all above fundamental requirements concerning health and safety.
- Measures in place to deal with emergencies and accidents, including adequate first-aid arrangements.
- No unsafe exposure to hazardous machines, equipment, substances and/or processes.
- Sandblasting is banned for all apparel production but is accepted for other production if performed according to legal requirements and the requirements specified in the H&M Group Guideline on Processes That Can Cause Silicosis.
- Adequate ventilation and temperature.
- The needs of pregnant workers and women workers reasonably accommodated.
- Appropriate training in occupational health and safety.
- A functional Health and Safety Committee or other form of worker representation and consultation on health and safety, as specified in national laws, is in place.

When H&M Group's direct suppliers and subcontractors do not meet the expectations outlined above, they will provide a corrective action plan and undergo necessary capacity building. H&M Group will take business consequences in line with its minimum requirement routines if there are verified violations of its minimum requirements or local law in H&M Group's direct suppliers and subcontractors and will ensure access to remedy in line with UNGP and OECD Guidelines.

GOVERNANCE STRUCTURE AND RESPONSIBILITIES

For implementation of the agreement and to strengthen dispute resolution and access to remedy the parties have agreed on a specific structure:

- Factory level
- National Monitoring Committees (NMC)
- Global Steering Committee (GSC) with Global Support Managers

³ Please see above section on Harassment and Abuse, and the GBVH Guideline for more information.

- Joint Industrial Relations Development Committee (JIDRC)

For details on the roles and responsibilities of the above structures, please see Annex 2.

National Monitoring Committees (NMCs)

NMCs promote freedom of association and collective bargaining in H&M Group's direct suppliers and their subcontractors and resolve disputes that cannot be handled at factory level. Each NMC shall comprise of IndustriALL and IndustriALL affiliate representatives and H&M Group staff.

Global Steering Committee (GSC)

To enable more effective implementation of our Global Framework Agreement, the Parties established a Global Steering Committee and a structure of Support Managers who sit on the Global Steering Committee. The Global Steering Committee sets the long-term vision for our partnership and creates a global joint agenda.

Joint Industrial Relations Development Committee (JIRDC)

The JIRDC secures commitment to the GFA at the highest levels of each Parties' organizations. The JIRDC plays a role in the escalation of disputes, either between the Parties or between suppliers and their subcontractors and IndustriALL affiliates. The JIRDC also is responsible for ensuring that the GFA serves its mission and purpose for all Parties, and that it operates with adequate resources to do so.

RESOLUTION OF INDUSTRIAL RELATIONS ISSUES

It is a key principle of this Agreement that well-functioning industrial relations are best achieved if industrial disputes and related issues are resolved through workplace negotiation, and when needed with support of appropriate national trade union or dispute resolution procedures provided for in industry agreements and/or local law. The "Procedural Guidelines for Case Handling/Dispute resolution" (Annex 3) shall be used to ensure that rights violations are remedied.

If an issue covered by this Agreement arises in an in-scope supplier and/or their subcontractor which cannot be settled satisfactorily through one of the methods at factory-level, the NMC may intervene to facilitate a resolution and issue a recommendation for remedy. If the NMC considers it necessary, the NMC can request support and guidance from the GSC. If the GSC cannot come to a final decision, it may submit the dispute to the JIRDC.

Every effort will be made to find common agreement but where this is not possible, the Parties will, in appropriate circumstances, seek the expert advice of the ILO through the company-union dialogue facilitation, an operational tool of the MNE Declaration or an agreed third party for mediation and dispute settlement. The Parties shall agree to abide by the final recommendations of the ILO or other third party.

H&M Group shall ensure that the supplier implements the resolution within a specified period. If the supplier fails to resolve the issue within that timeframe, H&M Group will act according to its minimum requirements routines, including a responsible exit from a factory or supplier if necessary. IndustriALL Global Union and IF Metall commit to using their best effort to ensure that affiliated trade unions abide by any agreements reached.

IMPLEMENTATION OF THE AGREEMENT

The Parties shall agree in which H&M Group production countries the NMCs shall be established.

The activities connected to the implementation of the agreement include: 1) reactive collaboration to ensure access to remedy for any rights violations brought forward in H&M's direct suppliers, and 2) proactive collaboration to create tools, resources and competencies that enable decent work and respect for human rights in H&M Group's direct suppliers.

H&M Group shall use its best effort to grant IndustriALL Global Union and the affiliated local, national, and regional trade unions affiliated, physical access to direct suppliers and their subcontractors within the H&M Group supply chain. Access shall be provided based upon the mechanisms that both the management of IndustriALL Global Union and H&M Group deem necessary. IndustriALL Global Union recognises and agrees that any union access to the premises of an H&M Group supplier is conditional on the prior consent of the supplier. Consequently, the Parties agree that if IndustriALL Global Union or its affiliated unions want to meet with workers at the premises of an H&M Group supplier, IndustriALL Global Union or its affiliated unions shall ask H&M Group to obtain the requisite consent from the supplier.

The Parties will agree on a strategic plan and commit to an annual joint budget of 100,000 USD to implement this plan. This joint budget can provide: training and capacity building, the development of tools and resources to support GFA implementation, and global meeting costs for, as appropriate, the NMCs, H&M Group direct suppliers, their sub-contractors, and their workers.

Role of H&M in communications and capacity building of suppliers and subcontractors:

- H&M Group shall inform all its direct suppliers of the existence and the implementation of this Agreement at least every two years. H&M Group shall request that all direct suppliers inform their subcontractors that are producing merchandise/ready made goods sold throughout H&M group's retail operations.
- H&M Group shall request that their direct suppliers inform their workers and request subcontractors inform their workers about this Agreement.
- H&M Group will secure the translation of the Agreement into all relevant languages agreed with IndustriALL and IF Metall.

Role of IndustriALL and IF Metall in communications and capacity building of trade unions:

- IndustriALL shall inform all its affiliates in countries where H&M Group's direct suppliers and subcontractors operate of the Agreement.
- IndustriALL and IF Metall, together with affiliated unions, shall evaluate trade union capacity and provide necessary capacity building to all trade unions and worker representatives present at H&M Group's suppliers and their subcontractors producing merchandise sold throughout H&M group's retail operations.
- IndustriALL and IF Metall undertake to work with all trade unions and worker representatives present at H&M Group suppliers and their subcontractors producing merchandise sold throughout H&M Group's retail operations, with an initial focus on increasing necessary capacity to ensure implementation of this GFA.

INDUSTRY COLLABORATION

The parties shall work together to bring about systemic change in the global garment and footwear supply chain, through collaboration in different multi-stakeholder initiatives and with other brands. The parties commit to further explore similar collaboration on Just Transition, on joint advocacy in support of the ratification of relevant ILO conventions, and other topics as mutually agreed.

DISPUTE RESOLUTION

Every effort will be made to find common agreement but where this is not possible, the parties will, in appropriate circumstances, seek the expert advice of the ILO through the MNE Declaration or an agreed third party for mediation and dispute settlement. The parties shall agree to abide by the final recommendations of the ILO or other third party.

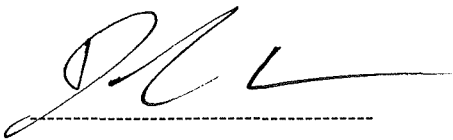
REGISTRATION AND TERM OF THIS AGREEMENT

This Agreement shall be registered with the International Labour Organization.

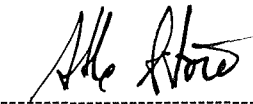
This Agreement may be renewed, revised, or discontinued, following a review of its impact and effectiveness by both Parties.

The original English version of this agreement will apply in all parts and to all interpretations of the Agreement.

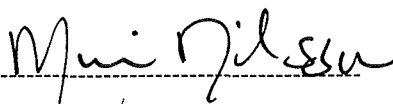
Signatures

A handwritten signature in black ink, appearing to be 'D. Erv r', written over a horizontal dashed line.

Daniel Erv r
CEO H&M Group

A handwritten signature in black ink, appearing to be 'Atle Hoie', written over a horizontal dashed line.

Atle Hoie
General Secretary, IndustriALL Global Union

A handwritten signature in black ink, appearing to be 'Marie Nilsson', written over a horizontal dashed line.

Marie Nilsson
General Secretary, IF Metall

Annex 1: International Labor Standards

In particular, the following conventions and recommendations set a shared vision for working conditions for the parties:

- C. 087 Freedom of Association and Protection of the right to Organize Convention;
- C. 098 Right to organize and Collective Bargaining Convention
- C. 154 Collective Bargaining;
- C. 135 Workers Representatives Convention;
- R. 135 Minimum Wage Fixing Recommendation;
- R. 143 Workers' Representatives Recommendation;
- C. 100 Equal Remuneration Convention;
- C. 111 Discrimination (Employment and Occupation) Convention;
- C. 159 Vocational Rehabilitation and Employment (Disabled Persons) Convention;
- R. 090 Equal Remuneration Recommendation;
- R. 111 Discrimination (Employment and Occupation) Recommendation;
- R. 168 Vocational Rehabilitation and Employment (Disabled Persons) Recommendation;
- C. 138 Minimum Age Convention;
- C. 182 Worst form of Child Labour;
- R. 146 Minimum Age Recommendation;
- R. 190 Worst form of Child Labour Recommendation;
- C. 029 Forced Labour Convention;
- C. 105 Abolition of Forced Labour Convention;
- R. 035 Forced Labour (Indirect Compulsion) Recommendation;
- C. 122 Employment Policy Convention;
- C. 175 Part Time Work Convention;
- C. 131 Minimum Wage Fixing Convention;
- C. 183 Maternity Protection Convention;
- R. 135 Minimum Wage Fixing Recommendation;
- C. 001 Hours of Work (Industry) Convention;
- C. 014 Weekly Rest (Industry) Convention;
- C. 030 Hours of Work (Commerce and Offices);
- C. 106 Weekly Rest (Commerce and Offices) Convention;
- C. 155 Occupational Safety and Health Convention;
- P. 155 Protocol of 2002 to the Occupational;
- R. 164 Occupational Safety and Health Recommendation Safety and Health Convention; and
- C. 190 Eliminating Violence and Harassment in the World of Work.

ILO Code of practice on Safety and Health in Textiles, Clothing, Leather and Footwear

Annex 2: Governance Structure

National Monitoring Committees

The purpose of the NMCs is to promote freedom of association and collective bargaining in H&M Group's direct suppliers and their subcontractors and to resolve disputes that cannot be handled at factory level.

1. The Parties shall each designate at least two representatives to participate as members of each NMC.
2. Each member designated by a Party must have (i) full insight and knowledge of the agreement and the intention of the agreement, the organizations they represent, (ii) good knowledge and experience of industrial relations, and labour relations and legislation in the country where they are operating, and (iii) competency in skills key to successful dispute resolution and remedy, including sensitive issues like GBVH.
3. At national level, the NMCs shall: i. create, monitor and evaluate national strategies for implementation of this Agreement in countries where H&M direct suppliers and their subcontractors producing merchandise/ready made goods sold throughout H&M group's retail operations are located. This shall include proactive plans to raise awareness and secure competencies in that NMC country; ii. collaborate with trade unions/worker representatives and H&M direct suppliers and their subcontractors producing merchandise /ready made goods sold throughout H&M group's retail operations to provide general guidance and advice on achieving well-functioning industrial relations, with reference to dispute prevention and resolution, and collective bargaining agreements; iii. if necessary, assist with the resolution of industrial relations issues and disputes as set out in Annex 3 of this Agreement and; iv. discuss/explore/implement other activities as agreed to by the Parties in writing.
4. NMC shall meet regularly at times agreed on by the representatives. In between meetings, matters may be dealt with by correspondence or telephone. Special meetings can be held on an ad hoc basis depending on the matter.
5. NMC representatives shall participate in trainings organized to support this Agreement and take these skills into the implementation of this Agreement.
6. Each NMC shall report its activities and issues related to the Agreement on a regular basis to the GSC.

Global Steering Committee (GSC)

To enable more effective implementation of our Global Framework Agreement, H&M and IndustriALL established a Global Steering Committee, and a structure of Support Managers who sit on the Global Steering Committee. The Global Steering Committee sets the long-term vision for our partnership, creates a global joint agenda, and ensures that words written in the GFA translate into reality on the ground for the workers making H&M Group products.

Global Steering Committee (GSC) responsibilities:

1. Planning and overseeing practical implementation of this Agreement at global level;
2. Exploring opportunities for joint cooperation initiatives aimed at achieving and maintaining well-functioning industrial relations in H&M direct suppliers and their subcontractors producing merchandise /ready made goods sold throughout H&M groups retail operations;
3. If necessary, providing support and guidance to the National Monitoring Committees;
4. Discussing, exploring and implementing other activities as agreed by the Parties in writing;
5. Giving advice on matters referred to it by NMC.
6. Reporting to the JIRDC on an annual basis, or as agreed by the Parties.

Support Managers

Support Managers are Global Steering Committee members and are a bridge between the Global Steering Committee and another structure created to ensure the effective implementation of the GFA: the national

monitoring committees (NMCs). Each NMC market has been assigned a Support Manager from H&M and IndustriALL.

Support Managers have several functions and responsibilities:

1. Create a joint global agenda for the Parties to carry out together. This agenda should have long-term goals, annual milestones, and annual activity plans.
2. Build, strengthen and as necessary evolve the relationship between the GFA signatories.
3. Facilitate the NMCs plans through capacity building, advice, feedback on case handling and brainstorming solutions for local challenges to functioning industrial relations.
4. Ensure that each party gains the most possible value from the agreement and that all organizations maintain strong alignment on the strategic direction and aims of our partnership.
5. Where necessary, step in and support conflict management and conflict resolution between H&M Group supply chain partners and trade union affiliates.
6. Engage with other stakeholders to promote and protect freedom of association and strong industrial relations in the garment industry globally and in the markets where H&M Group makes products.

Joint Industrial Relations Development Committee (JIRDC)

The purpose of the JIRDC is to secure commitment to the GFA at the highest levels of each Parties' organizations. The JIRDC plays a role in the escalation of disputes, either between the Parties or between in-scope suppliers and their subcontractors and IndustriALL affiliates. The JIRDC also is responsible for ensuring that the GFA serves its mission and purpose for all organizations.

1. The Parties shall establish a Joint Industrial Relations Development Committee (JIRDC) comprising equal numbers of representatives appointed by each Party.
2. Each Party shall appoint a Co-Chairperson as one of its representatives who shall preside over the proceedings of the JIRDC on an alternating basis. The JIRDC shall meet as and when agreed, but in any case, at least once a year. In between meetings, matters may be dealt with by correspondence or telephone.
3. The JIRDC should align on the Agreement's purpose and function for all signatories, giving guidance to the GSC on ambitions and strategic plans.
4. The JIRDC should secure adequate human and financial resources for the implementation of the GFA.

Annex 3: Procedural Guidelines for case handling/dispute resolution within the GFA between H&M, IndustriALL Global/IF Metall

These guidelines support the resolution of cases at H&M suppliers covered by the Global Framework Agreement (GFA). Cases should be related to violations of the standards outlined within the GFA and this procedure used when a workshop- or factory-level solution cannot be reached.

To fulfil the overall goal of the GFA, notably the achievement of “well-functioning industrial relations”, social partners¹ shall act in a responsible way, in line with fair labor practices.

A core requirement for achieving this overall goal, and a constructive and results-oriented case handling procedure, is the existence of structures at the factory level that include management and trade union² representatives. In this document we refer to this structure as a ‘workplace committee’. Through such a structure the social partners should be able to handle and resolve any case and ensure adherence to and follow-up on the implementation of that resolution.

If there is no workplace committee at factory level, workers or management can reach out to a trade union organization active in the sector, an Employers’ Association representing enterprises in the sector, or the National Monitoring Committee³ (NMC) directly to resolve a case.

1. Procedures for cases at a factory

In most instances, a labor case arises at factory floor level. In principle any case should be solved as close as possible to where it occurs. However, cases are often unique, and it is therefore important to note that this procedure should be used as only guidance, and the social partners are free to use other mutually agreed upon case handling processes if desired.

1. Factory level cases within the GFA.

1. Factory floor-level

Workers and management should follow the normal grievance procedures whenever needed. A worker or group of workers who would like to raise an issue should do so with their closest supervisor, leader, manager or representatives in the workplace committee. The worker, or group of workers, has the right to be assisted or represented by a trade union, an elected worker representative, or any other person of his, her or their choosing.

A manager/supervisor who would like to raise an issue with a worker or group of workers should first raise the issue with the worker/workers concerned, or the workplace committee.

In both cases, issues raised at factory floor level should be dealt with as quickly as possible, ideally within one week. If a resolution is reached, the process is finalized. A brief, fact-based written record of the case should be submitted to the factory workplace committee to ensure proper follow up, with due regard for confidentiality.

2. Rules of procedure if no satisfactory resolution is reached or if the normal grievance procedure is not followed

If a satisfactory agreement cannot be reached at factory floor level, either individually or through engaging the workplace committee and management, the worker can also have access to a representative of a higher-level labour organization, including union representatives from outside of the factory. The request should be followed by written documentation on the issue and the opinions of TU/workers and management representatives.

2. Case resolution procedure at factory level within the GFA.

1. Case forward to factory level from factory floor level

If a case has been forwarded from the factory-floor to local worker and management representatives, the social partners should find a solution to the issue as soon as possible through constructive dialogue.

2. Other issues raised by the workplace committee at factory level

The workplace committee can directly raise issues that concern the whole company or part of the factory/company. The issue may concern the relations between the company and the employees⁴, e.g. working conditions, wages, working hours, health and safety, etc.

3. Rules of procedure

Dialogue between the concerned social partners will continue until an agreement is finalized or until one or both parties note that a solution cannot be reached. If there is an impasse, the relevant party shall announce that they will withdraw themselves from the dialogue.

The dialogue should take no more than two weeks unless the parties mutually agree to extend the timeframe. The dialogue should be documented by minutes that are signed by all social partners involved.

3. Request for support from external stakeholders during the factory-level process

1. Support from higher-level organizations of workers and employers

Taking into consideration national structures and praxis, factory level social partners can, if they feel it would be helpful, reach out to social partners at the national level (e.g., National Trade Union Federation or Employers National Federation/Association) for support and facilitation. Individual workers and management may also access these higher-level organizations, but this Guideline recommends that the workplace committee to do this, if such a committee exists at factory level.

2. National Monitoring Committee (NMC)

If an NMC has been established in the country and an agreement cannot be reached at factory level, workers, management or the workplace committee can forward the issue to the NMC for support and facilitation for a resolution of the case. This request should follow the procedure under the Section 2 in this Guideline.

If there is no NMC established in the country, workers or management can forward the case to the H&M country office, the Regional or National Trade Union or the relevant Employers' Association for support and facilitation for a resolution of the case. They can, if needed and agreed upon by concerned parties and the H&M country office, act and set up a mechanism/platform for case handling/dispute resolution.

3. Use of Arbitration or the national legal system for decision on a case

During the case handling procedure either of the parties can, at any time, forward a case for a decision to an arbitration, dispute resolution mechanism or other body with this function established within the national legal system. Any verdict from such a system shall be followed by all concerned parties. If such a system does not provide binding decisions or awards, the parties should give careful consideration to any recommendations made and the NMC or the H&M Country Office may choose use this decision for follow up.

2. Forwarding cases to the NMC

Upon receipt of a request to support and facilitate a resolution to a dispute, the NMC should follow the below procedures.

1. Forwarding Procedures

Records of NMC cases

All cases brought to the NMC shall be submitted in writing using the NMC form.

All communication and minutes related to a case shall be documented in writing (including email, text message, letter, fax) and kept confidential.

Notification

Any issue on which the employer or employee wants NMC assistance should be sent to one or more NMC member(s) in writing, as soon as possible.

The receiving NMC member(s) shall notify all other NMC members within 24 hours of receiving this information unless there is a conflict of interest (see below). Notification shall include all relevant documentation provided in the first contact with the NMC.

2. Case review and NMC meetings

Upon being notified of the case, all NMC members shall review the relevant documentation and decide within five working days whether to:

1. ask for more documentation or engage in fact finding / investigation;
2. inform the parties that they need to try to resolve the issue at factory level before a meeting with the NMC,
or
3. convene the relevant parties to a meeting within 10 days of the notification.

If the NMC instructs the parties to take option 2, the parties shall have one week to try to resolve the case in good faith. If no resolution is reached, and the NMC asks the parties to attend another meeting, this meeting should happen within the following week. The timeframes above are to be considered maximum timeframes.

The timeframe in which the NMC convenes to assist with the case resolution will depend on the nature of the case. Factors to consider include the extent of business disruption and threat to personal safety.

Meeting procedure

1. At the beginning of the meeting, the NMC will welcome both parties and set out the role and purpose of the NMC in assisting with case handling, which is to facilitate a dialogue between both parties and not to make a judgment or to act as an Arbitration body
2. The NMC will seek agreement from both parties on the issues to be discussed in the meeting and the desired outcome of the meeting
3. One member from the NMC shall be identified as note-taker and time-keeper. This person shall send out meeting minutes and any other relevant documents to all concerned parties following the meeting.
4. Both parties will take turns to present their views and evidence
5. The NMC can then ask questions and/or request that there is a breakout meeting with NMC members before communicating any recommendations/next steps. The next steps can include appointment of an agreed independent mediator (with expertise in labour issues) to assist the parties further to resolve the case.
6. The parties need to submit in writing to the NMC the actions and timelines that were agreed upon in the meeting within five working days.
7. The NMC should review the agreed actions and clarify any questions within five working days.

Ground Rules for NMC-led meetings

1. There is complete confidentiality.
2. Facilitation is not arbitration – each party shall focus on reaching an agreed outcome.
3. Each party should come to the meeting properly prepared with all relevant evidence and its position, desired outcome and negotiation points.
4. Each party takes turns to speak, other listens – everyone will have an opportunity to express views.
5. Questions are asked to clarify, not attack.
6. Express needs, interests, outcomes we wish to create.
7. Work to hear, accommodate each other's needs, generate ideas leading to outcomes.
8. Feelings should be acknowledged but facts should be used to reach agreements.
9. Consider proposals thoroughly, with sincerity.
10. Focus on the future you want to create.
11. Ask for breaks, caucuses if needed.

3. NMC request for support from the Steering Committee.

When the NMC agrees to support and facilitate a resolution of a case, the NMC can reach out to the Steering Committee or the appointed Regional Support Managers from H&M and IndustriALL/IF Metall to get support.

The Steering Committee, within the GFA structure, can decide to close a case when all efforts have been made and all leverage have been used to reach a resolution of the case.

1. Timeline for action for the Steering Committee

The Steering Committee or the appointed Regional Support Managers from H&M and IndustriALL/IF Metall shall respond to requests from NMCs as quickly as possible, at least within five days.

2. Procedure for request for Support

There is no such formal procedure for requesting support from the Steering Committee or the Support Managers. As appropriate, NMC members can engage verbally or in writing, sharing evidence and information as necessary and requested.

4. Conflict of interest.

In some cases, a conflict of interest might arise for one or more of the IndustriALL NMC members. For example, a NMC member might have an ongoing employment link to the factory where there is a case.

If there is a conflict of interest, the IndustriALL NMC member shall inform all other members in writing and will not be involved in investigating and handling the case.

5. Labor Action.

Social partners are recommended to negotiate in good faith and not to take labor action as long as the process under the GFA is ongoing and as long as the NMC is operating to support and facilitate a resolution of the case in line with this Guideline.

¹ ILO Conventions 1, 14, 30, 106.