

PURPOSE

To ensure that all suppliers comply with applicable labor laws and ethical standards regarding working hours, protecting the rights and well-being of employees.

1. Standard Working Hours

- Suppliers must adhere to local laws regarding regular working hours, typically not exceeding 8 hours per day and 40 hours per week.

2. Overtime

- Overtime work should be voluntary and limited to a maximum of 12 hours per week, in accordance with local regulations.
- Overtime must be compensated at a rate compliant with local labour laws.

3. Rest Breaks and Days Off

- Employees are entitled to appropriate rest breaks during working hours, including meal breaks.
- Suppliers must provide at least one full day off every seven days.

4. Shift and Night Work

- Shift schedules must ensure employee health and safety.
- Night work policies must comply with legal requirements and include additional health and safety measures where necessary.

5. Record Keeping

- Suppliers are required to maintain accurate and transparent records of all working hours, including overtime.

6. Compliance and Monitoring

- Suppliers must comply fully with all relevant labor laws and standards regarding working hours. Monitoring audit will be conducted to ensure compliance. Non-compliance must be addressed promptly with corrective actions.

7. Employee Communication and Rights

- Suppliers must inform employees of their rights regarding working hours and ensure no retaliation for reporting violations in labor contracts and employee handbook.
- A grievance mechanism should be in place to handle any concerns related to working hours.

PURPOSE

This policy provides clear guidelines on the management of overtime work to ensure compliance with local labor laws and international labor standards, including ILO Conventions. It aims to protect workers' rights, promote fair labor practices, and ensure transparency in supplier operations.

1. Definition of Overtime

Overtime refers to any hours worked beyond the standard legal working hours, typically:

- More than 8 hours per day, or
- More than 40–48 hours per week (subject to local laws).

2. Legal and Ethical Compliance

Suppliers must:

- Adhere to all applicable local labor laws regarding working hours and overtime.
- Comply with ILO Convention No. 1, which limits the workweek to 48 hours and allows up to 12 hours of overtime (maximum 60 hours/week), except under exceptional circumstances.

3. Voluntary Nature of Overtime

- Overtime must be voluntary, not forced or coerced.
- Workers have the right to refuse overtime without fear of retaliation or penalty.
- Overtime agreements should be documented and signed by the employee when applicable.

4. Compensation for Overtime

- Overtime must be compensated at the legally mandated premium rate, often:
- 1.5x the normal hourly rate for regular overtime.
- 2.0x or more for work on public holidays or rest days (as per local law).
- Payment must be made on time and documented clearly in provided wage slips.

5. Overtime Limits

To ensure worker health and safety:

- Total working hours (including overtime) should not exceed 60 hours per week except under extraordinary circumstances and with written consent and within legal limits.
- Workers must receive at least one full day off in every seven-day period.

6. Recordkeeping Requirements

- Accurate records of all overtime hours must be maintained.
- Time tracking systems must be transparent, verifiable, and accessible during audits.
- Records must include:
 - Daily working hours
 - Overtime hours
 - Employee signatures or acknowledgments (for monitoring purposes)

7. Health and Safety Considerations

Excessive overtime can impact worker well-being. Suppliers must:

- Monitor fatigue levels and health risks associated with extended hours.
- Encourage reasonable scheduling practices to prevent overwork.
- Provide appropriate breaks during extended shifts.

8. Management Responsibility

Factory and site management must:

- Plan production schedules realistically to minimize reliance on overtime.
- Ensure supervisors understand and implement overtime policies correctly.
- Train HR staff on legal requirements and ethical considerations.

9. Enforcement and Consequences

- Increased monitoring of corrective actions and performance evaluations
- Potential commercial consequences

10. Related Documents

- 14 Rules of Trade
- Supplier Agreement
- Confidential Hotline
- Mutual Recognition reports