LABOUR BEHIND THE LABEL

SILENCED

How wage “compliance” is failing workers in Pakistan

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Acknowledgements

Silenced: How wage "compliance" is failing workers in Pakistan is a Labour Behind the Label report, published July 2026

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About

Labour Behind the Label is a non-profit UK organisation, fighting alongside workers for a garment industry where exploitation has no place. We raise awareness, research and promote international solidarity between workers and consumers. We are a UK member of the global Clean Clothes Campaign network.

labourbehindthelabel.org

This report is part of the programme 'Promoting and Advancing International Labor Rights in Pakistan', hosted by Global Rights Compliance (GRC), in collaboration with partner organisations Labour Education Foundation (LEF), the Pakistan Institute of Labour Education and Research (PILER), the National Trade Union Federation Pakistan (NTUF) and Home-Based Women Workers Federation (HBWWF).

1 Executive summary

"We are making products for you and working hard but we are not getting proper wages. What we receive is half the amount we should be paid for this work. We should be paid properly."

A worker from US Apparel, Lahore

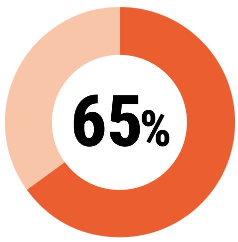
The global fashion industry is awash with sustainability reports, social audits and corporate commitments to respect human rights. Yet, despite decades of monitoring and compliance programmes, garment workers in Pakistan continue to be paid less than the legal wage and denied their most basic rights at work.

Building on extensive evidence of widespread labour rights violations in Pakistan's garment sector[1], this report seeks to understand why these abuses persist. In collaboration with local labour rights groups and trade unions, researchers gathered evidence on wage compliance and labour conditions across supplier factories. Findings were then presented to international fashion brands and the actions they took to investigate and remedy the violations were examined. Interviews with auditors and extensive off-site interviews with workers were also conducted to obtain firsthand accounts of how these violations impact people's lives, and their experiences of the due diligence systems currently in place.

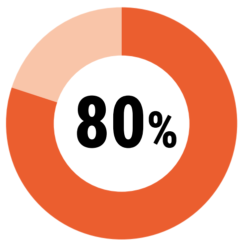
What emerges is a stark picture of a compliance system that is failing workers.

This report demonstrates how unequal power dynamics, combined with the routine devaluation of worker testimony, systematically exclude workers from the very processes theoretically designed to protect them. Efforts from brands to identify and remedy labour rights abuses are too often constrained by a focus on doing the bare minimum to comply with local labour laws and an overreliance on auditing models that fail to meaningfully engage with workers. Workers are left without safe channels to raise grievances, face retaliation when they do, and are frequently forced to accept unlawful wages and working conditions as the price of keeping their jobs. Their stories are systematically excluded from due diligence processes, both by failures in implementation and often by design.

At its core, this report presents findings from a survey of 255 garment workers employed across 8 factories in Pakistan producing for global fashion brands. The results reveal widespread and systemic violations of local laws relating to wages, contracts, overtime and social security, alongside a culture of intimidation and control that defies international standards and actively discourages workers from speaking out.



of workers reported not receiving a payslip.



had no copy of their contract thus no proof of their terms of employment.

Two thirds reported being required to work overtime, often under pressure, and 62% of these said they were not paid the legally required double rate for those hours. More than one-third of workers received no social security benefits. When skill level and overtime entitlements are properly accounted for, 65% of workers reported earning less than the legal minimum compensation. Unsurprisingly, 71% said their wages were insufficient to meet basic household needs.

Workers also described chronic employment insecurity as fluctuating orders from international brands and irregular work leave many in constant fear of losing their livelihoods. This insecurity is reinforced by workplace cultures characterised by harassment, bullying, coercion and surveillance, further undermining workers' ability to assert their rights for fear of losing their jobs.

In this environment, access to remedy is severely restricted. Factory-level grievance mechanisms are widely viewed as ineffective, inaccessible or unsafe, with workers reporting retaliation and dismissal linked to raising concerns about labour rights violations.

At the same time, inadequate, periodic and inconsistent social auditing remains the primary mechanism used by fashion brands to monitor labour conditions in their supply chains. Yet the scale and prevalence of the violations documented here raise fundamental questions about its effectiveness.

Instead, trade union engagement through collective bargaining and Community-Based Monitoring are presented as processes to draw on evidence gathered by trusted labour rights organisations and offer an alternative way to ensure that worker experiences contribute towards identifying risks and achieving meaningful remedy beyond audits to provide ongoing feedback on whether remedy has been achieved.

However, community-based monitoring must not be coopted as a mechanism to avoid employers' fundamental responsibility to uphold freedom of association. Workers' ability to join a union and participate in collective bargaining provides access to independent mechanisms through which they may raise concerns and negotiate improvements. Worker-centred dialogue programmes can support this to build workplace cultures based on trust and respect rather than fear and intimidation. Together, these approaches offer a pathway towards due diligence systems that place worker-led monitoring and worker organisations at the centre, and are better equipped to deliver meaningful improvements to workers' lives.

2 Context

Garment and textiles in Pakistan

The garment and textile sector accounts for roughly 60% of Pakistan's total exports and employs 15 million people in the full national supply chain, making it a vital driver of the national economy.[2] The industry ranks 9th in the world for garment and textile exports, after Bangladesh, Vietnam and India, although rankings do vary.[3] Due to periods of instability over the last decade linked to flooding, energy crises, soaring inflation and political change, the Pakistan garment industry is struggling with a reputation of unreliability. Current growth predictions are looking up however, with exports increasing in early 2026.[4]

Textile and garment production is found predominantly within the Sindh and Punjab provinces, with Punjab hubs in Lahore and Faisalabad (and additional production in Sialkot and Multan) and Sindh production centring mostly in Karachi. The industry produces significant volumes of home textiles, including bedding, towels, and table linen. Demin production and assembly is also significant. Pakistan also produces its own cotton, meaning the country can offer the full supply chain from field to finished garment. Many of Pakistan's estimated 10,000 garment and textile are vertically integrated, particularly the larger facilities, giving them full control over the supply chain.[5]

Although there are many thousands of garment and textile factories, including spinning, weaving and dying units, less than 10 suppliers account for more than 30% of all exports, concentrating power and money into the hands of a few influential businesses.[6]

An industry with little trust

The Pakistani garment industry is not an open industry where trust exists between buyers and suppliers. The lack of public discourse on improving conditions in the industry and the limited civic space for trade union and civil society discussion is testament to this fact.

There is also limited collaboration between suppliers themselves, particularly when compared to Bangladesh, for example. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) represents 4,500 of the roughly 7,000 suppliers in the country,[7] giving the industry a united and highly powerful voice. By comparison, in Pakistan, there are multiple supplier associations with divided membership. The Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) has 260 members, the All Pakistan Textile Mills Associations (APTMA) 209, the Pakistan Textile Exporters Association (PTEA) 199, and the Pakistan Hosiery Manufacturers & Exporters Association (PHMA) 196. This accounts for just under 900 suppliers of an estimated 5,000 garment and textile facilities in the country – less than 20%.[8]

Whilst Pakistan is a focus country of The International Accord, ILO Better Work, GIZ, and other international development agencies, industry dialogue still has a long way to go and trust is taking time to build, owing in part to the unconsolidated nature of industry representation.

A competitive job market

The closed nature of the industry is also important context from a worker perspective. Recruitment in large export suppliers is largely private and achieved through personal connections. In a recent survey conducted by ARISA covering 8 major garment suppliers in Pakistan, 89% of interviewees said they had been recruited via a personal contact versus just 6% through a job advert and 5% through other means such as going to the factory gate to ask for work.[9] We were told in interviews that supervisors who are recruited to bigger facilities may often bring their whole production line with them. The dynamic this creates is one of 'favours' and 'gratitude', the flip side of which is personal debt and a lack of willingness to raise grievances with supervisors who enable employment.

This is compounded by a surfeit of workers looking for garment industry jobs, which puts employers at a significant advantage. Pakistan's job market is not buoyant. The unemployment rate is 7.1% (5.9 million people) according to government sources, which is high compared to India at 4.2% or Bangladesh at 3.8%.[10] Employment within the garment sector in Pakistan is seen as a relatively good job in terms of manufacturing work where there is a low qualification threshold, so many jobs are competitive.

Harassment and fear

As the testimony throughout this report shows, the dominant and powerful position of management and supervisors is used to harass workers and create environments based on control and fear of job losses. Forced overtime is highly common, and workers say that they have no choice over whether to take overtime shifts as supervisors have the power to stop their access to the factory if they refuse. This sentiment keeps workers silenced in many scenarios: if they are not receiving pay in line with the law, if their hours or targets are excessive, or if they face gender-based violence, discrimination, bullying or harassment. Workers also recounted verbal abuse and physical touching from supervisors to push them to achieve their targets. One piece rate worker said, "They should respect the workers as a minimum. They abuse us, intentionally harm us, with words and physically. If we react, they will not count the piece work we are doing so we continue."

Lack of access to inhouse factory remedy mechanisms

The fear of job loss as a consequence of speaking out is potent, mentioned by almost everyone interviewed, and a very real risk for many. For example, a group of workers from the sewing section at Combined Fabrics in Lahore reported that roughly 50 workers from the jackets section had tried to raise a collective grievance in January 2026 with a supervisor, concerning an annual profit share bonus they were legally owed (the previous year the bonus had been more than a month's wage for each worker but the amount given on this occasion was only 30% of their monthly pay). The workers went to management collectively to ask for their bonus to be increased, hoping that together they would be protected from retaliation, however, everyone from the section was dismissed the next day and the factory recruited others to replace them immediately. This is just one of the many accounts of dismissals we heard where workers lost their jobs as a result of raising a grievance, rather than seeing any positive change. Retaliation is understood by all workers as the way of things, leading to a culture of repression and facilitating the harassment and fear mentioned above.

> ***"We all know, if you file a complaint, you will be terminated"***
>
> *A worker from Artistic Milliners*

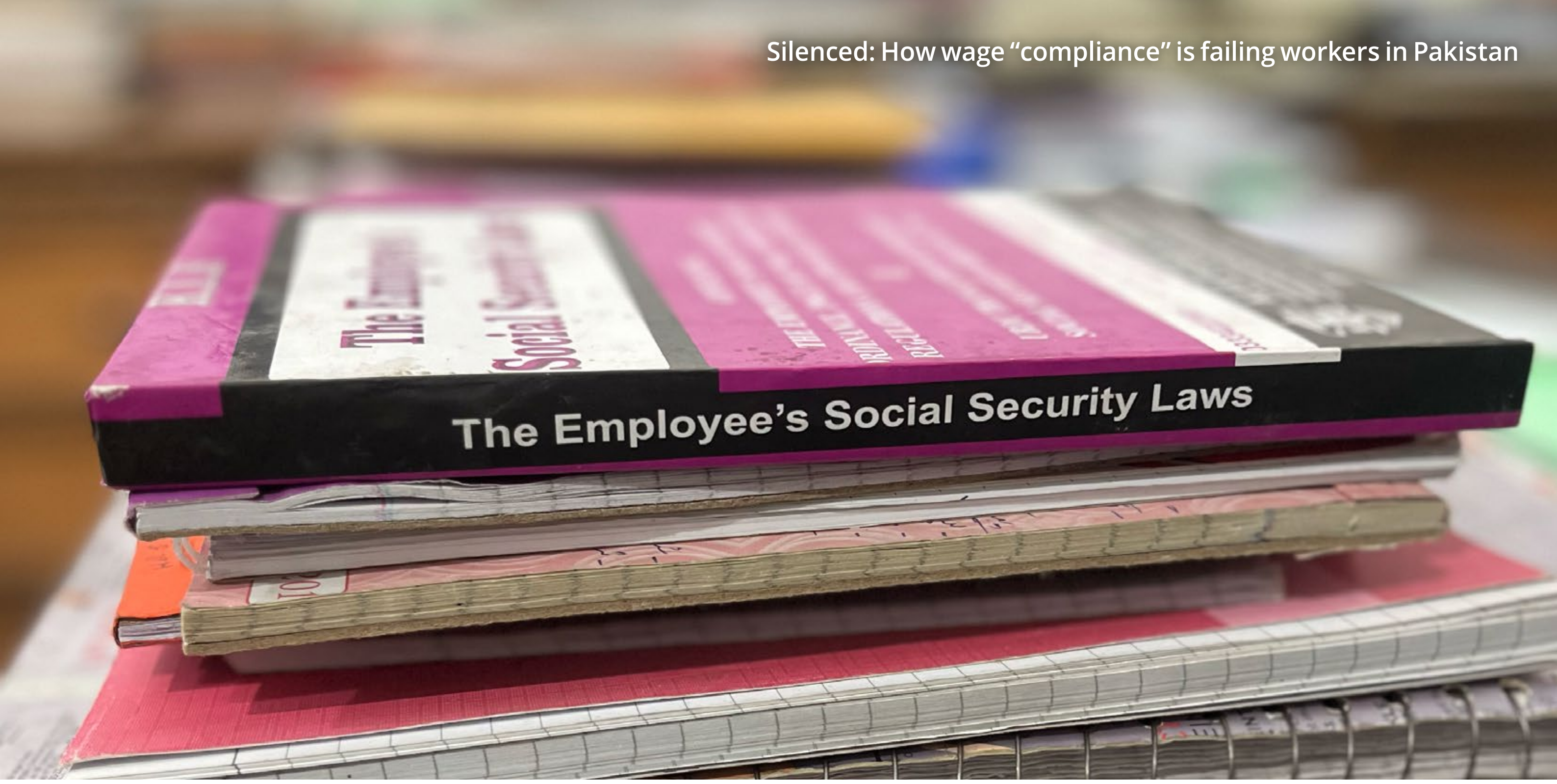
In a stark example of the design failings of existing compliance mechanisms, we heard multiple testimonies of how reporting mechanisms are adapted to serve a culture of retaliation or inaction. Some factories encourage the use of anonymous complaint boxes or internal hotlines for reporting grievances, but we heard several reports of boxes being placed beneath cameras and saw first-hand how information boards containing the details of hotlines are placed in full view of the factory floor, meaning workers would struggle to anonymously take down details.

There is also little to no visibility of what happens to complaints raised via these hotlines. When we asked about them, workers either did not know or did not trust how their complaint would be handled if they used the mechanism.

Auditing is prolific and ineffective

The use of social auditing by buyers and suppliers alike is omnipresent. Speaking at the OECD forum on Due Diligence in the Garment and Footwear Sector in February 2026, Saqib Shahzad, a general manager from Sapphire Group, said that his facility, Diamond Fabrics Limited in Lahore, had been in audit for 220 days out of the last 365. He reported that every month he had to supply data on different compliance points, via different online portals, under 45 different certifications. He described this as a symptom of the trust deficit between suppliers and brands.

As prolific as auditing may be within suppliers in Pakistan, this study addresses the fact that audits are failing to capture worker grievances because authentic workers voices are absent from these processes. This broken audit tool combined with a lack of functioning grievance mechanisms is the base reality of compliance.



Compliance is key

The current state of auditing practices and grievance mechanisms are prime examples of how fashion brands prioritise compliance over change. Most fashion brands are doing the bare minimum to comply with local laws and international standards by continuing to employ an auditing system that is widely understood to fail to accurately represent working conditions, as opposed to pushing for real change in the oppressive power dynamics identified throughout this report that keep people in unstable work, working overtime without consent, and living in constant fear of retaliation, harassment and assault.

In addition to this, not only are brands not doing enough to move towards payment of a living wage in Pakistan, but when Punjab province did not renew the minimum wage by skill level in 2025, instead designating only one minimum wage compared to the scale set previously, most brands did not challenge this or encourage suppliers to maintain pay for skilled workers at the previous higher rates, instead telling us workers were being paid the legally required amount.

This is exemplary of fashion brands wanting to tick a box and report that they have complied with the law, rather than supporting the people who make their clothes to actualise their rights to fair pay, freedom of association, and a workplace free from fear and harm.

But mass non-compliance is the reality

Despite brands' obsession with compliance, the volume of grievances documented in recent years reveal that wage theft and other wage-related abuses are not isolated incidents but are in fact symptoms of widespread, systemic non-compliance with the law. Legislation is regularly circumvented through multiple, often concealed practices that deprive workers of their legal entitlements on a massive scale. In the context of closed and opaque workplaces, non-functioning internal grievance mechanisms, harassment culture, and a focus on reporting against buyer aims rather than assurance of rights, there is space for many employers to save money by failing to comply with the labour law in Pakistan. Acceptance of this status quo from buyers then perpetuates the highly irresponsible overreliance on failing auditing systems which are designed to keep everyone in business.

Our investigation examines the specific mechanisms through which workers at fashion export suppliers in Pakistan are underpaid and exposes how existing due diligence frameworks fail to detect, prevent, or remedy these abuses. It argues that meaningful change requires a fundamental shift in brand due diligence from a compliance-driven exercise focused on auditing and reporting, to an approach grounded in the lived experiences of workers, centred on rights protection, and accountable to the organisations that represent rights holders. Only by placing workers' voices at the heart of remediation efforts can brands begin to address the structural conditions that enable persistent wage violations.

3 Methodology

Building on Labour Behind the Label's 2023 report, 'Hanging on By a Thread', which reported that minimum wage violations were common, working hours were excessive, and a large majority of workers did not have proper proof of employment, this research set out to gather first-hand evidence of the way in which wage violations occur and why. A secondary aim was to facilitate negotiation between fashion brands and labour rights advocates in Pakistan, and encourage collaborative action from major fashion brands on remedial approaches with suppliers.

As a partner in the project 'Promoting and Advancing International Labor Rights in Pakistan' which runs 23 legal aid centres across Lahore, Faisalabad and Karachi, and documents cases of worker grievances (see remedy section for case study information), we have seen clear evidence of major non-compliance with labour laws across garment factories in Pakistan. Since 2022, Labour Behind the Label (LBL) has been sharing details and analysis of these violations reported through the MyVox platform with international fashion brands to ensure their awareness of recurring issues or specific priority cases and demand they take remedial action.

Of the now over 6000+ cases reported since the project began, the majority relate to wages, including non-payment or late payment of wages, payment below the minimum wage, lack of overtime pay, illegal wage deductions, non-provision of payslips, and piece rate pay violations, leading us to conduct this investigation specifically into wage violations.

Workers from 8 export suppliers were surveyed between January and June 2025 using a long form interview carried out off-site by trusted advocates in a local language, with a target sample size of 30 workers per factory.

Suppliers and specific units were selected by staff from the legal aid centres based on proximity to the centres, access to workers, and the significance of the suppliers in the fashion export market. Although Pakistan does produce significant home textiles for export, our intention was to survey facilities producing for large fashion brands as this is LBL's focus.

MyVox is an online documentation and monitoring tool created to support this project.

Figure 1: Nature of reported violations from centres in Lahore, Faisalabad and Karachi. MyVox data, 2025 only.

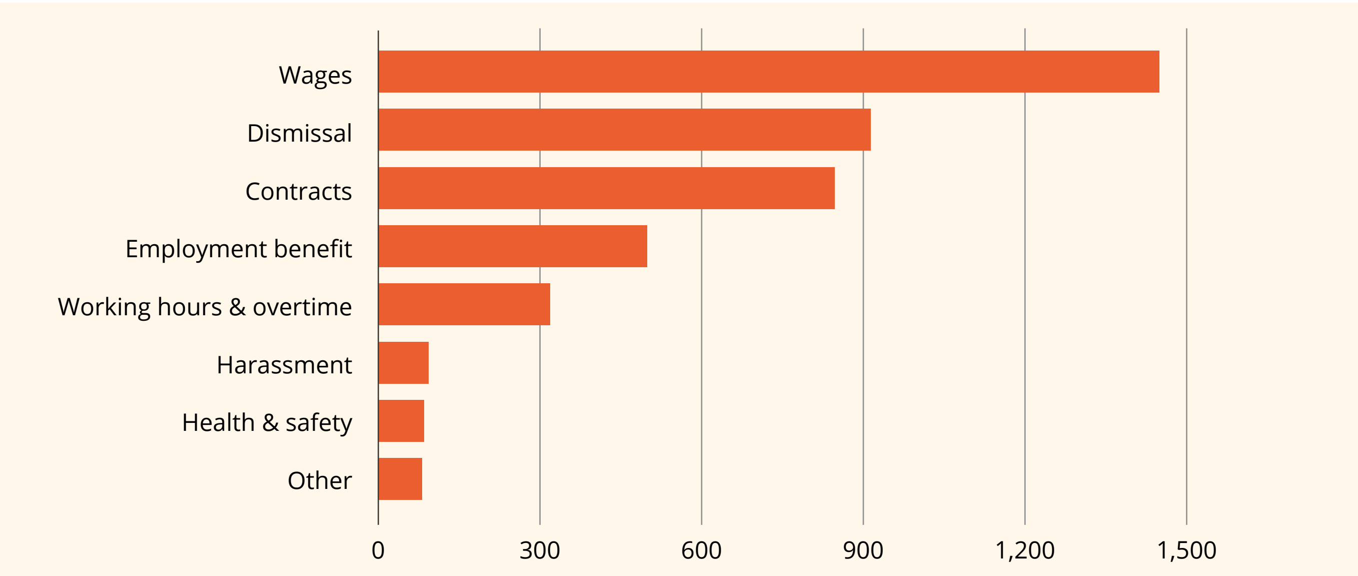
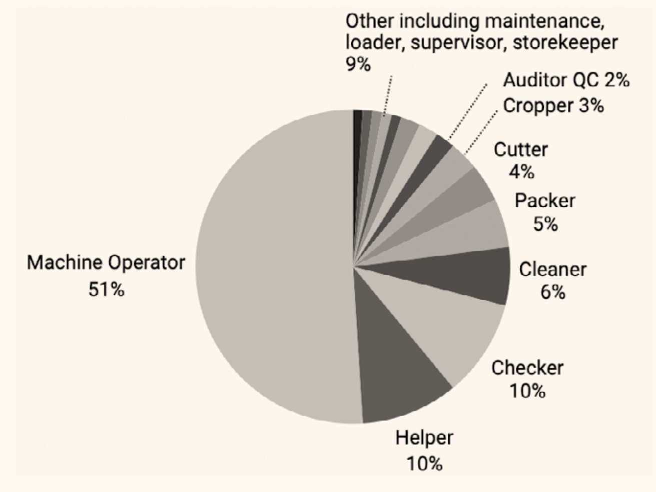


Figure 2: Table of suppliers investigated

Supplier	Unit investigated	Address	Product type	Number of workers at supplier (approx)	Number of workers in unit (approx)	Brands (non-exhaustive list)
Artistic Milliners	Unit 15	Plot 12-13, Sector 16 Korangi Industrial Area, Karachi	Denim, woven and apparel manufacturer, spinning, weaving, dyeing, garment manufacturing, and finishing	10500	2500	Bestseller, GAP, Inditex, Kontoor, Levi's
Combined Fabrics	Unit 1	Atta Baksh Road, 17km Ferozpur Road, Lahore	Printed t-shirts and jumpers, knitting, dyeing, finishing, embroidery, stitching,	7000	7000	Levi's
Interloop	Apparel Division / Unit 3	Chak 177 / JB Millat Rd, Dhanola, Faisalabad	Hosiery, denim, knitted apparel, and seamless activewear manufacturer, including spinning, knitting, processing and assembly, finishing and packing.	37000	3000	Bestseller, Inditex, Kontoor
Rajby Industries	Unit 2	Plot 77+78, Sector 27, Korangi Industrial Area, Karachi	Denim and apparel manufacturer, printing, dyeing, product assembly and material production	10000	1000	Lidl, Inditex
Soorty Enterprises	Unit 2	Plot 24-26, Sector 23, Korangi Industrial Area, Karachi	Fashion manufacture including jeans, skirts, trousers, wet processing, cut and sew, printing, embroidery.	10,000	4000	C&A, H&M, Inditex, Next, Primark, s.Oliver, Tchibo
Stylers International	Also called US-7	20km Ferozepur Road, Glaxo Town, Lahore	Denim manufacturer, washing, cut & sew, embroidery, printing.	5000	5000	Bestseller, Inditex, s.Oliver
Tauseef Enterprises	Unit 1	32km Shekhupura Road, Faisalabad	Textiles, garments and socks, including knitting machines and product assembly	2500	2500	Carrefour, Inditex, Walmart
US Apparel	Unit 3 and 4	20-km, Ferozepur Road, Glaxo Town, Lahore	Denim and apparel manufacturer, printing, dyeing, product assembly and material production	10500	5000	Asda, H&M, Inditex, Next, Primark

The sample of 255 workers had a gender split of 38% women, 62% men. The average age was 32. Respondents were spread across different departments in checking, cutting, packing, as well as helper, cleaner and maintenance roles. 51%, however, were machine operators.

Figure 3: Factory position of 255 respondents



The findings of this research were then shared with major international buyers sourcing from the factories surveyed, which we identified using Open Supply Hub and shipping data. 12 brands engaged in the process, 2 confirmed they were no longer sourcing from the identified suppliers, and 3 did not engage.

Figure 4: Participation status of brands

Engaged	No longer sourcing	Did not engage
Asda, Bestseller, Carrefour, H&M, Inditex, Kontoor, Levi's, Lidl, Next, Primark, s.Oliver, Tchibo	Boohoo, Tesco	C&A, GAP, Walmart

To encourage collaborative action, Labour Behind the Label hosted separate roundtables with each of the groups of brands sourcing from the 8 target suppliers. Following these meetings, a series of recommendations were produced in collaboration with partners in Pakistan (see Annex A for details) as well as a briefing on skill level wages that were both shared with brands in December 2025 alongside a call to work collectively when taking these issues forward with suppliers. Brands were then asked to feed back on progress in March 2026 and again in June 2026. Details of their responses and engagement can be found in section 5 of this report.

The authors of this report also travelled to Pakistan in January 2025 to host focus group discussions with groups of workers, visit factories, and meet with labour rights groups and trade unions. Much of the testimony detailed in this report was gathered during this time.

As the reliance on and failings of the auditing process became clear through this research, additional interviews were conducted with representatives from three auditing firms to better understand the discrepancy between what workers were reporting off-site and what was being told to brands via audit reports. This included one representative from the Pakistan branch of a global auditing company, one from an independent Asia-based auditing firm, and one from a US-based consultancy firm.

As this report is being developed, partners in Pakistan are conducting a second round of the survey to establish whether any significant changes have taken place as a result of this investigation and brand intervention. A follow up report will be released in Autumn 2026 detailing this analysis.

Labour Law in Pakistan

Wage documentation: Employers are required to supply an employment agreement on commencement of employment, which must be in writing and a copy supplied to both the employer and the employee.[11] Employers must also supply a monthly payslip. In Punjab this must be an itemized renumeration statement, setting out wages, allowances, deductions, overtime payments and bonuses, and also recording their remaining leave balances. Pay should be through bank transfer by law.[12]

Working hours and overtime: 48 hours per week is the maximum number of regular working hours. Overtime is limited to 8 hours per week, and capped at 2 hours a day – total working hours should not exceed 56 hours in a week. Overtime must be paid at the double rate and work required on a public holiday should be paid at triple rate. Workers must be given a weekly rest day of 24 consecutive hours.[13]

Holiday and sick leave law: Employers are required to respect public holidays which are announced by the provincial government, usually 14 per year. Workers who have 12 months' continuous service are entitled to 14 days' paid annual leave per year in Sindh and 18 in Punjab. 10 days of paid casual leave for unforeseen personal matters or emergencies are allocated in law in addition, and up to 8 days of paid sick leave per year in Punjab and 16 in Sindh. There is a provision in Punjab also for up to 14 days of paid quarantine leave per year if needed for the containment of infectious disease. Maternity and parental leave is additional.[14]

Social security and pensions regulations: Employers with 5 or more employees are required by law to register all workers with two main social security institutions: the Employees' Old-Age Benefits Institution (EOBI) and the provincial Employees' Social Security Institutions (ESSIs). Under EOBI, employers contribute 5% of the minimum wage, and employees contribute 1%. The EOBI scheme provides an old-age pension, and other benefits including survivors' pensions, disability benefits in the event of a work-related injury and loss of earning capacity.

Registering workers with the relevant provincial ESSI is also mandatory. Employers in Punjab pay 6% and in Sindh 7% of workers' wages to the ESSI. ESSI provides health benefits including free medicines, medical care in case of sickness or industrial injury, medical treatment in social security hospitals, maternity benefits and medical care for dependants. Cash benefits include sickness and injury benefits, gratuity, funeral grants and more. Registered workers are also entitled to indirect benefits from EOBI and the Workers' Welfare Fund. These indirect benefits include pension benefits, death grants, marriage grants, and education and housing schemes. Employers can be fined for non-compliance with EOBI and ESSI regulations.

Wages regulations and law: While minimum wage in Pakistan is announced nationally, it is set and enforced by province level minimum wage boards. At the time of the survey (Jan-June 2025), the minimum wage for an unskilled worker was 37000, and both Punjab and Sindh provinces had set skill-based minimum wages for worker types (semi-skilled, skilled and highly skilled), including figures for the garment industry. Minimum wage must also be applied for all contract types including piece rate workers, contract workers, and temporary workers. Deductions can be made but these must be proportionate.[15]

Living wage regulations: A living wage is recognised by the UN as a human right and is a foundational principle of the Philadelphia declaration. It is a wage that is sufficient to afford a decent standard of living for a worker and their family, should be earned in a normal working week before overtime or bonuses, and must include enough to pay for food, water, housing, education, health care, transportation, clothing and some discretionary earnings, including savings for unexpected events. The UN Guiding Principles on Business and Human Rights (UNGPs) establish a shared responsibility between governments and businesses to respect payment of a living wage, to workers in supply chains. The 2026 Punjab Labour Code also establishes a duty of employers to ensure wages are enough to cover a dignified life: "Every employer, while determining remuneration, shall take into the account the cost of living and inflation and follow the principle of adequate remuneration, which is in proportion to the quality and quantum of employee's work and ensures an existence consistent with human dignity."[16] Finally, the EU Corporate Sustainability Due Diligence Directive (CSDDD), while reduced in scope, nonetheless is the first piece of legislation to explicitly recognise the right to a living wage as a binding human right in its annex. This elevates living wage from a voluntary commitment to legal standard that companies must respect as part of their due diligence obligations.[17]

4 What workers said

Lack of wage documentation

80% of workers surveyed had not been issued an appointment letter (the local term for an employment contract) and so had no written information about the terms of their employment, working hours, leave entitlements, social security entitlement, or right to recourse. Some workers reported being asked to sign statements that they did not understand or blank pieces of paper at the start of their employment but did not receive an appointment letter in return.

Without an appointment letter workers cannot legally prove their employment, creating a significant barrier for them to bring legal cases against their employers.

In 6 of the 8 suppliers investigated, more than 50% of workers were not receiving regular payslips. When asked if they thought they were being compensated fully for the hours that they worked, more than 60% of respondents said they didn't know because there wasn't any way to check this.

Without a payslip, workers cannot easily know if they are registered for social security or what other deductions are being made from their earnings. The converse is also true – when workers do have information about how they are paid, they are able to challenge underpayment or unexpected deductions. For example, a group of workers interviewed in early 2026 had started to receive a payslip and saw that their monthly overtime hours were being recorded as 12, even though they were working 32. This led them to take action, recording footage with timestamps of themselves working past 6pm, which was then shared with management via their supervisor to evidence that they were not being paid fully for the hours they completed.

Underpayment of wages and forced overtime

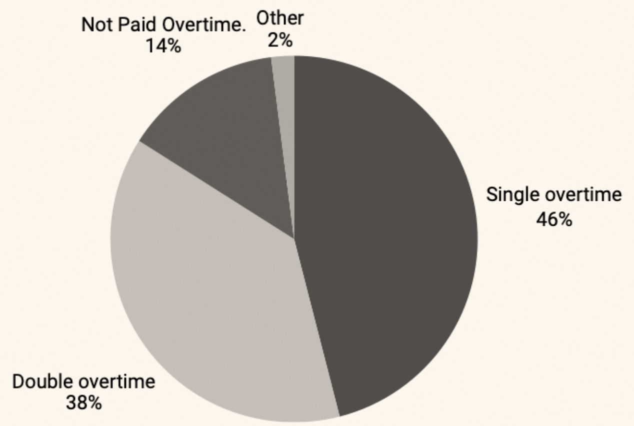
All the factories we surveyed had 8-hour regular shifts, 6 days a week, with a 1-hour break for lunch and prayers. 66% of workers said they worked some level of overtime, with a reported average of 6.2 additional hours per week. 37% of workers were working more than 8 hours overtime a week on top of a regular 48-hour week, contravening the national labour law.

Overtime was reported as forced and problematic. Of those working overtime, 75% of people said it was not optional. One respondent said, "If I refuse, they will block my card and stop my service", and another, "There are threats of dismissal if I refuse to work overtime." Many workers reported that their "gate is stopped" if they refuse to work overtime, meaning they are denied entry to the factory without warning, so they are unable to start their next shift. This is routinely used as a temporary punishment, meaning workers lose a day's pay, or sometimes as a permanent way to dismiss someone without informing them.

When asked what happens if a target is not met by the end of the day, a group of piece rate workers said they don't have a choice, they must stay until the target is met, or if someone must absolutely leave, they would be replaced by someone else from a different department and potentially face consequences the next day.

Overtime was also found to be systematically underpaid. While overtime should legally be paid at double or triple someone's usual pay in Pakistan, 62% of workers we spoke to were either paid only the single rate or, more commonly, not paid for overtime at all. Of the workers not paid for their overtime, those paid by piece rate were the most vulnerable to this exploitation, with many not being paid the minimum wage based on their reported hours and take-home pay, let alone making a take home pay rate that indicated they were compensated for their overtime.

Figure 5: Reported rate paid for overtime work



Note: For context, this chart represents overtime rate paid across all 8 suppliers. At two of them, almost all workers were paid double rate, whereas the other six, virtually none were paid the double rate.

Attempts to monitor overtime for compliance purposes have also been incredibly problematic. For example, we heard accounts of workers being asked to clock out at the end of their shift, then return to the factory to complete their overtime without clocking back in, indicating clearly how misleading electronic records can be.

Others were asked to sign a piece of paper confirming they consented to their overtime. Towards the end of 2025, one group of respondents began to be paid the double overtime rate and for one month received roughly 50,000 PKR. They were happy to sign the consent sheets during this time as they felt they were being fairly compensated. However, as their pay began to reduce again over the following months, they rightly refused to sign the consent sheets. As someone recounted, "After we refused to sign the list for a couple of days, the manager came to the floor and threatened us. This was a direct threat that if you do not sign, you will be sent away. So, we all agreed with our supervisor that he just sign on our behalf. That's how they are getting things done. They're just making fake lists."

Leave and power

Although all workers are entitled to up to 10 days of casual leave per year, supervisors can decide whether or not to allow these leave days, and very often workers report that this is denied. As one worker from Artistic Milliners said, "With our supervisor, leaves are not allowed. If you take 3 leaves they make you redundant. If we ask for leave, we are worried we will be dismissed. We get threatened every time."

Many also recounted facing threats or dismissal following a period of sickness. One female worker from US Apparel recounted, "I had Saturday off because I was sick. I went to the factory on Sunday and requested a half day because I was still not feeling well. They did not allow this, so I had to work. Around 4:30 I collapsed.

I was sent to the doctor and he told me I needed to stay off work so I have now been off for 3 days. I don't know if I will receive any pay for this time, I will find out tomorrow when I return to the factory".

Someone also reported how every week her rest day was different, meaning she couldn't plan her family life to be able to see her children. "It's very difficult for the married people. I cannot give time to the family and my children. I have a daughter who is in school. I cannot see her on Sunday. I have been discussing with the factory to have Sunday as my regular rest day every week but they're not accepting this demand."

Lack of social security

There was low access to social security in all factories. Of the workers we spoke to, more than a third were not registered for any social security scheme or didn't know. Only 15% were sure that they were registered with both pensions and healthcare. There can often be a delay between registration with the relevant social security institution and workers receiving the card, however, more than 93% of the workers surveyed had been in their posts for over a year, by which time these rights should have been assured.

Figure 6: Reported Social Security Registration status

Employees Old Age Benefits Institution (EOBI) only	**35%**
Punjab or Sindh Employees Social Security Institution (PESSI or SESSI as relevant) only	**14%**
Both EOBI and PESSI/SESSI	**15%**
Don't know	**20%**
None of the above	**16%**

The benefits of social security registration are far reaching, and the impact on those without it is significant. In Karachi we spoke to a group of 15 workers (13 women and 2 men) from different factories, some part of the study and some not, where only one person was registered for EOBI or SESSI. One woman could not afford to take her sick daughter to hospital as she is not registered for SESSI, instead having to take out a loan to cover the costs. Two other women could not afford for their daughters to take the matriculation exam at the end of high school, a fee that is covered for those registered with SESSI, meaning they could not graduate or apply for further education or employment requiring a high school diploma.

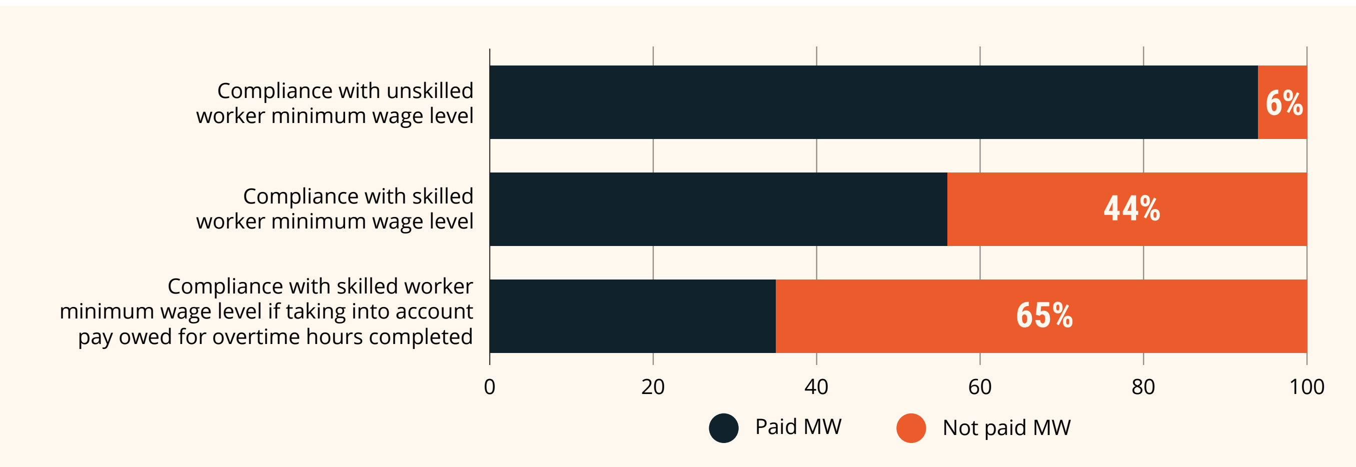
Some suppliers are now opting to provide private health insurance instead of registering workers with social security as it is cheaper for their business. However, this is not in any way an equivalent replacement and prevents access to other benefits such as outpatient healthcare, sickness benefit, injury benefit, maternity benefit, disability pension, survivor's pension and funeral grants.

Underpayment of minimum wage

The minimum wage for an unskilled worker at the time of the survey was 37,000 PKR. 6% of workers surveyed were taking home less than 37,000 PKR, in violation of the law. Most of them were piece rate workers, five were paid in cash, and some received their salary via a middleman who had arranged their employment, putting them at further risk of wage exploitation as these men are known to take deduction from people's earnings.

The most prominent issue found was the lack of respect for the different minimum wages according to skill level. At the time of the survey, both Sindh and

Figure 7: Legal compliance over wage laws, based on take home pay declared



Punjab had detailed wage declarations, issuing a minimum wage for unskilled, semi-skilled, skilled and highly-skilled workers. The majority of roles in garment factories are classed as semi-skilled or skilled e.g. machine operators, cutters and checkers are skilled roles; packers, pressers and folders are semi-skilled. Only helpers and cleaners fall into the unskilled category. The law is now slightly more complex on this (see box), nonetheless, there is a requirement to ensure skill is fairly compensated. In this study, 44% of workers reported taking home pay less than the minimum wage according to their skill level, and with overtime hours taken into account, this rose to 65%.

The vast majority of people we spoke to were aware of the discrepancies in their pay and expressed their frustration. As someone said, "All the managers at the top of our company are getting good salaries. They have luxury cars gifted by the factories. They are having all these privileges, but they don't have anything for us. They're not paying us even a basic wage."

Skill level wage law in 2026 – a complex picture

Since July 2025, skill level minimum wage requirements have been different in Sindh and Punjab. The notification from the Sindh wage board for 2025/26[18] declares minimum wage by skill level, giving these as: Unskilled 40,000, Semi-Skilled 41,380, Skilled 49,628 and Highly-Skilled 51,745 per month. A job designation list for 60 industries – including the ready-made garment industry – was issued in 2024,[19] showing the vast majority of roles within garment factory settings fall into semi-skilled and skilled pay types. Unless suppliers choose to renegotiate with an appropriate union body on the designation of the job roles per workplace, the 2024 list serves as the latest guidance and should be used as the basis for any factory pay scale.

The notification from the Punjab wage board for 2025/26[20] declares only the minimum wage for unskilled workers. In addition, the last notification which was issued in 2024 declaring the skill level wages and designations for 102 industries was withdrawn. The justification given for withdrawing the notification was that skilled workers should bargain for their wages with their employers. Expert interpretation of this is that the law in Punjab at present is that workers should be paid at least the unskilled worker minimum, but that employers should nonetheless establish a pay structure that reflects skill level and negotiate these designations with worker representatives, using the Sindh declaration as a guidance. However, given the lack of union representation and access in Pakistan, independent and fair negotiations are extremely difficult. Others have also issued guidance on this topic.[21]

Bushra works as a cutter*

She is 40, has a child and two elderly parents to support on her and her husband's wage.

Take home pay: 38000
Minimum wage for skill category: 39088
Overtime hours per week: 6

Bushra is not being paid the minimum wage for her skill level and not being paid correctly for her overtime. As overtime is paid at a double rate, she should be taking home 48860. This means, each month, the deficit in her pay is 10860. She says she wants to be compensated fairly for the work she does.

Adnan is a presser on a piece rate*

He is 21, single, but his wage is used to support a family of 5, where there is one other income earner on a small wage. Their monthly household income is 60000 PKR only.

Take home pay: 40000 PKR
Minimum wage for skill category: 38348 PKR
Overtime hours per week: 18, which means Adnan works an 11 hour day, 6 days a week.

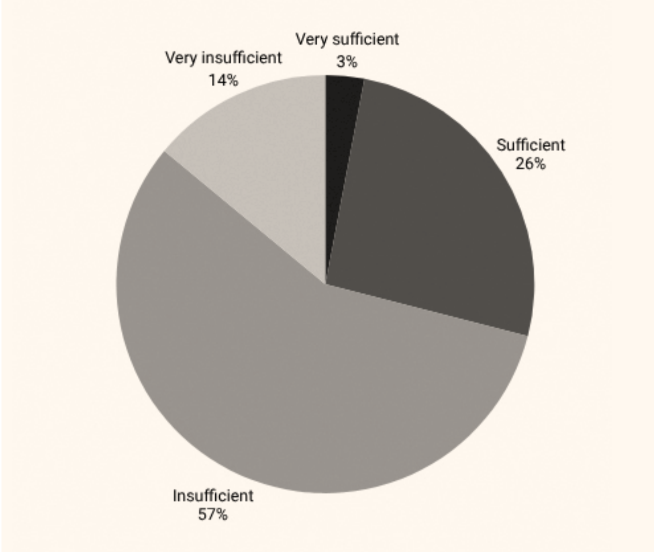
On the face of it, Adnan's take-home pay is more than his skill level minimum wage. But he is working very long hours. As overtime should be paid at the double rate, Adnan should be taking home a minimum of but 67109 PKR for the hours he does. This means, every month, the deficit in his pay is 27109 PKR. He said: "The cost of living is too high. A major chunk of my income goes to house rent so not much is left to meet the other needs of my family. My 11-hour daily duty does not leave me with an option to do a second job. What can I do? The brands should ensure that workers in their supply chain get at least living wages if not decent wages."

*Names changed for safety

Not enough to live with dignity

All respondents were asked how sufficient their salary was to cover their basic household needs. 71% said it was not sufficient.

Figure 8: Satisfaction with sufficiency of salary

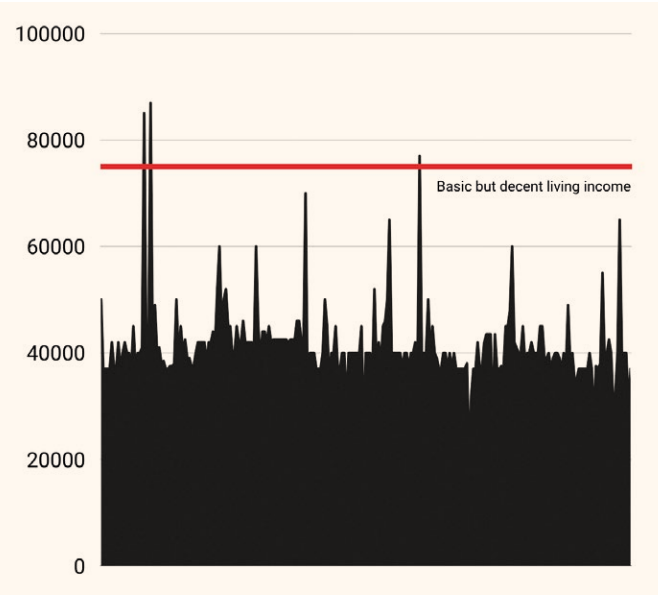


The average household size was 6.5, with an average of 3 dependants and 1.9 income earners. The majority of respondents were the main income earners with an average household income of 62,300 PKR.

The Global Living Wage Coalition (GLWC) set a living income for an urban setting in Pakistan at 79,488 PKR in 2025. The Asia Floor Wage figure for Pakistan was 103,772 PKR.[22] The average household income reported to us clearly falls far below these amounts, and the gap between take home pay and the GLWC's living wage figure is over 20,000 – almost 50%.

Only 3 of the 255 respondents were taking home pay that was within the living wage bracket, and these people all had more senior roles in the factory.

Figure 9: Take home pay compared to living income threshold



“The salary we are receiving is the same as 10 years ago but the inflation rate is so high. Even managing basic household expenses is nearly impossible. Our children are upset they cannot do things with their friends because we cannot afford it.”

Due to low pay and not being legally compensated for their work, some people reported having to take second jobs to support their families. This also presented a clear gender divide between the men and women we spoke to as the women could not sacrifice any more of their time due to their responsibilities at home and it was typically the men who would find additional employment in the evenings and on their rest days, such as working in a burger van or on a street stall.

Not only can they not sacrifice any more of their time to work, but women also reported astonishingly little time for sleep or rest. Speaking with a group of 11 women, almost all of them reported getting less than 4 hours of sleep per night. One woman said, “When we reach home the children are waiting. They say, OK, now you have to cook for us.” She continued, “We have to buy water, we have to get kitchen stuff, education and everything. Electricity is also very expensive. In the last four years, it nearly jumped 155%.” She showed us her factory ID with her image on it, which was taken a few years ago. “This is how I looked when I joined and this is how I look now! This industry has impacted our health. You work a lot, but do not get enough pay as a reward for that.”

When asked what they would do if they had free time or any spare income, many gave very modest answers: take our children to the beach, take my children out to eat at a hotel, buy some new shoes for my daughter.

5 What brands say

Our findings clearly show how brands are failing in their responsibility to prevent human rights abuses from occurring or to provide remedy for workers at risk in their supply chains. While many brands engaged in our follow up process constructively, their responses also highlight persistent challenges in ensuring that worker testimony is translated into effective action.

Figure 10: Table detailing brand engagement

Brand	Supplier(s)	Attended information session	Participated in roundtables	Disclosed audit report	Engaged collectively in brand action	Agreed action plan with supplier(s)	Shared copy of action plan
Asda	US Apparel	Y	N	N	Y	Unknown	N
Best Seller	Artistic Milliners, Stylers International, Interloop	Y	N	N	Y	Y	N
Carrefour	Tauseef Enterprises	Y	Y	N	Y	Y	N
C&A	Soorty	N	N	N	N	Unknown	N
GAP	Artistic Milliners	N	N	N	N	Unknown	N
H&M	UA Apparel, Soorty	Y	Y	N	Y	Y	N
Inditex	Rajby, Soorty, Tauseef, Artistic Milliners, Stylers, Interloop	Y	Y	N	Y	Y	N
Kontoor	Interloop, Artistic Milliners	N	Y	N	N	Y	N
Levi's	Combined, Artistic Milliners	Y	Y	N	Y	Y	N
Lidl	Rajby	Y	Y	N	Y	Unknown	N
NEXT	US Apparel, Soorty	Y	Y	N	Y	Y	N
Primark	US Apparel, Soorty	Y	N (but met bilaterally)	N	Y	Y	N
s.Oliver	Soorty, Stylers	Y	Y	N	Y	Y	N
Tchibo	Soorty	Y	Y	N	Y	Y	Y
Walmart	Tauseef	N	N	N	N	Unknown	N

As of July 2026, brands reported the following updates:

Asda confirmed an active business relationship with US Apparel and confirmed they had approached US Apparel management in collaboration with other brands to raise concerns from this investigation. They say they have been supporting the supplier to 'closeout' issues and build capacity.

Bestseller confirmed active business relationships with Artistic Milliners, Interloop and Stylers International. They provided a detailed overview of where issues identified through this investigation did or did not match those found through their own verification processes. Where corrective action was required, this was identified and explained, although specific details of action taken were not always provided in depth.

C&A initially acknowledged receipt of the findings but did not respond to any further correspondence or attend any meetings.

Carrefour confirmed an active business relationship with Tauseef Enterprises. In response to the findings of this investigation, they launched their own 'worker voice survey' on-site through a third party which showed strong indicators to support the findings. They agreed an action plan with the supplier and confirmed a collective approach was being taken in collaboration with another brand also sourcing from Tauseef.

GAP did not reply to or acknowledge any correspondence but has since contacted us.

H&M confirmed an active business relationship with Soorty Enterprises and US Apparel. They confirmed that a coordinated approach had been taken in collaboration with other brands. They confirmed verification processes had taken place regarding social security registration and employment contracts, and that 'root causes' had been identified and addressed with training, including gaps in internal supplier systems, communication practices and payroll administration processes. They were able to identify gaps in pay at both facilities and report that 3-month back payments have been made, although we haven't been able to verify this. They have developed a specific due diligence strategy for Pakistan, including more regular visits and follow up. They also shared the findings of this investigation with ILO Better Work, who agreed to conduct a further cross-check during its next assessment.

Inditex confirmed an active business relationship with Artistic Milliners, Interloop, Rajby Enterprises, Soorty Enterprises, Stylers International, Tauseef Enterprises and US Apparel. They confirmed that corrective action plans had been established, although they did not specify where or provide further details of the contents. They also highlighted their participation in Global Framework Agreement discussions facilitated by IndustriALL in Pakistan in January 2026.

Kontoor did attend the initial webinars held regarding Artistic Milliners and Interloop, but they did not respond to any further correspondence. They sent an initial overview of action taken and reported that both facilities showed compliance with legal requirements on minimum wage, appointment letters, payslips and overtime payments.

Levi's confirmed an active business relationship with Artistic Milliners and Combined Fabrics. They conducted their own assessment at Artistic Milliners which did not substantiate the findings of this investigation – further details were not provided, although they did confirm that further clarification was needed regarding the application of local minimum wage requirements per skill level. At Combined Fabrics, Levi's compared our findings to the last Better Work assessment at the facility, which did not substantiate our findings. No further action was identified.

Lidl confirmed an active business relationship with Rajby Industries. They confirmed they had commissioned a third party to assess the findings of this investigation. They report that the findings did not confirm any systematic violations regarding minimum wage payments or forced overtime.

Next confirmed an active business relationship with US Apparel and Soorty Enterprises. They conducted a joint investigation at US Apparel which found the facility to be compliant with applicable legal requirements and did not substantiate the findings of this investigation. They agreed a corrective action plan with US Apparel and report improvements such as better communication with HR, clearer payslip information and more transparent overtime consent processes. However, they acknowledge continued concerns with high numbers of overtime hours being worked and inconsistencies across attendance and payroll records.

Primark confirmed an active business relationship with US Apparel and Soorty Enterprises. They took part in the joint investigation at US Apparel and agreed a corrective action plan with the supplier, although details of this were not provided. They reported that they already had an existing joint programme of work in collaboration with other brands at Soorty and have built on this to incorporate the findings of this investigation. They reported having expanded their team in Pakistan as a result of LBL's investigations and have increased the frequency of audits and inclusion of off-site worker interviews.

s.Oliver confirmed an active business relationship with Soorty Enterprises and Stylers International. They confirmed a collective approach had been taken with other sourcing brands at both facilities and that both suppliers acknowledged the concerns raised whilst flagging that some findings are common practice within the industry. They confirmed that remediation efforts had commenced, but did not provide further details of what these were.

Tchibo confirmed an active business relationship with Soorty Enterprises. As above, they confirmed a collective approach had been taken with other sourcing brands and that the supplier acknowledged the concerns raised whilst flagging that some findings are common practice within the industry. They were the only brand to share a details corrective action plan with us, detailing time-bound commitments to action agreed with the supplier. Tchibo is also following up on the findings of our survey via the WE programme.

Walmart did not reply to or acknowledge any correspondence.

Whilst many brands did acknowledge the systemic issue of the violations raised through these findings and the need for an industry-wide response, the majority of the actions reported were based on a model of verifying worker reports via third party investigations and then requests to the supplier to take action to ensure compliance. Of specific concern were the cases where our findings were compared to existing audit results and where there was a contradiction, our findings were dismissed. Given the persistent evidence that auditing processes are designed to mask precisely the abuses we uncovered, such approach further entrenches the very mechanisms that deny workers justice.

Figure 11: Table of brand action by supplier between November 2025 and June 2026

US Apparel			
Brands	**Study findings of non-compliance**	**Action requested**	**Brand action taken**
Asda, H&M, Inditex, Next, Primark	No appointment letter **94%** No payslip **56%** Forced overtime **55%** Overtime not paid **35%** Overtime underpaid **90%** Not registered for social security owed **75%** Minimum wage for skill and OT not paid **72%** Living Wage not provided	Reissue appointment letters Show evidence of payslip receipt Require double overtime payment and monitor Check piece rate workers are paid legal rates Ensure all workers are registered for social security Require pay for skill level and check compliance Agree a timeframe with suppliers for living wage payment Update purchasing practices to support living wage payment	Brands shared LBL's investigation with US Apparel and engaged collaboratively to address allegations with US Apparel management. Brands reported that appointment letters were provided to all workers and awareness raising activities were conducted to ensure workers understand their employment terms and conditions. Some brands claimed that US Apparel has addressed the discrepancy regarding overtime payments and has now corrected their system of overtime calculation, including conducting internal capacity building. 3 months back payments were made to correct overtime miscalculations. Other brands reported that attendance and payroll systems are not reliable in their current form as they are not accurately capturing working hours. Brands reported that workers confirmed they are now receiving at least minimum wage.

Rajby Industries			
Brands	**Study findings of non-compliance**	**Action requested**	**Brand action taken**
Inditex, Lidl	No appointment letter **86%** No payslip **93%** Forced overtime **100%** Overtime underpaid **84%** Not registered for social security owed **100%** Minimum wage for skill and OT not paid **79%** Living Wage not provided	Reissue appointment letters Show evidence of payslip receipt Require double overtime payment and monitor Check piece rate workers are paid legal rates Ensure all workers are registered for social security Require pay for skill level and check compliance Agree a timeframe with suppliers for living wage payment Update purchasing practices to support living wage payment	Brands shared LBL's investigation with Rajby Industries who then conducted their own internal investigation and did not confirm any of the claims raised. In response, brands commissioned a third party to assess the allegations. This process is ongoing at the time of writing and so the findings and any subsequent actions taken are not yet known.

Soorty Enterprises			
Brands	**Study findings of non-compliance**	**Action requested**	**Brand action taken**
C&A, H&M, Inditex, Next, Primark, s.Oliver, Tchibo	No appointment letter **97%** No payslip **100%** Forced overtime **94%** Overtime underpaid **88%** Not registered for social security owed **94%** Minimum wage for skill and OT not paid **87%** Living Wage not provided	Reissue appointment letters Show evidence of payslip receipt Require double overtime payment and monitor Check piece rate workers arepaid legal rates Ensure all workers are registered for social security Require pay for skill level and check compliance Agree a timeframe with suppliers for living wage payment Update purchasing practices to support living wage payment	Brands shared LBL's investigation with Soorty Enterprises who disputed two of the findings: 1. Payment of minimum wage, 2. Insufficiency of worker income to meet basic needs. Soorty maintains that its practices are in compliance with all applicable legal requirements. Brands have established a joint Corrective Action Plan which will be monitored on a monthly basis. Brands verified corrections to overtime calculation practices and confirmed arrear payments for 3 months. Brands also verified worker registration with social security. Brands reported that appointment letters were provided to all workers and awareness raising activities were conducted to ensure workers understand their employment terms and conditions.

Combined Fabrics			
Brands	**Study findings of non-compliance**	**Action requested**	**Brand action taken**
Levi's	No appointment letter **93%** Forced overtime **80%** Not registered for social security owed **40%** Minimum wage for skill and OT not paid **93%** Living Wage not provided Payslips were provided and overtime was paid at the double rate	Reissue appointment letters Ensure all workers are registered for social security Require pay for skill level and check compliance Agree a timeframe with suppliers for living wage payment Update purchasing practices to support living wage payment	Brands say no evidence was found to substantiate the specific wage claims raised in our investigation. No further details were provided.

Tauseef Enterprises			
Brands	**Study findings of non-compliance**	**Action requested**	**Brand action taken**
Carrefour, Inditex, Walmart	No appointment letter **93%** No payslip **100%** Forced overtime **50%** Overtime underpaid **100%** Not registered for social security owed **100%** Minimum wage for skill and OT not paid **31%** Living Wage not provided	Reissue appointment letters Show evidence of payslip receipt Require double overtime payment and monitor Ensure all workers are registered for social security Require pay for skill level and check compliance Agree a timeframe with suppliers for living wage payment Update purchasing practices to support living wage payment	Brands shared LBL's investigation with Tauseef Enterprises, who disputed all findings. One brand launched their own 'Worker Voice Survey' which returned strong indicators to substantiate the findings of LBL's investigation. In response, the brand implemented a Corrective Action Plan and Tauseef reported that: 1. All workers have been issued appointment letters. 2. Payslips are being provided to all formal workers. 3. Workers are being paid according to the minimum wage scale. 4. The double overtime rate is being paid. 5. An overtime consent form process has been implemented. 5. Legal minimum wage is being paid and workers have access to short loans, Ramadan packages and a Zakat account. However, during a recent visit, they were not shown any individual payment records so it is unclear how these claims were verified.

Artistic Milliners			
Brands	**Study findings of non-compliance**	**Action requested**	**Brand action taken**
Bestseller, GAP, Inditex, Kontoor, Levi's	No appointment letter **62%** No payslip **96%** Forced overtime **94%** Overtime underpaid **65%** Not registered for social security owed **100%** Minimum wage for skill and OT not paid **83%** Living Wage not provided	Reissue appointment letters Show evidence of payslip receipt Require double overtime payment and monitor Ensure all workers are registered for social security Require pay for skill level and check compliance Agree a timeframe with suppliers for living wage payment Update purchasing practices to support living wage payment	Brands report that all workers have now been provided with a copy of their appointment letter. Brands report that workers are registered with SESSI/PESSI and any discrepancy is due to delays with the government issuing physical social security cards. Brands refuted several of the findings and reported that workers are issued printed payslips, that no workers raised concerns relating to involuntary overtime, and that no workers were paid below minimum wage.

Stylers International			
Brands	**Study findings of non-compliance**	**Action requested**	**Brand action taken**
Bestseller, Inditex, s.Oliver	No appointment letter **93%** No payslip **60%** Forced overtime **85%** Overtime not paid **63%** Overtime underpaid **89%** Not registered for social security owed **90%** Minimum wage for skill and OT not paid **87%** Living Wage not provided	Reissue appointment letters Show evidence of payslip receipt Require double overtime payment and monitor Check piece rate workers are paid legal rates Ensure all workers are registered for social security Require pay for skill level and check compliance Agree a timeframe with suppliers for living wage payment Update purchasing practices to support living wage payment	Brands also found issues with the distribution of employment contracts and payslips, and registration with social security. We were able to verify that the supplier did begin to pay overtime at the double rate and that payslips and appointment letters were being issued. However, workers we spoke to verified they had not still not been registered with social security.

Interloop			
Brands	**Study findings of non-compliance**	**Action requested**	**Brand action taken**
Bestseller, Inditex, Kontoor	No appointment letter **37%** No payslip **35%** Not registered for social security owed **85%** Only **7%** reported wages less than their skill category. Living Wage not provided Overtime was optional and paid at double rate	Reissue appointment letters Show evidence of payslip receipt Ensure all workers are registered for social security Agree a timeframe with suppliers for living wage payment Update purchasing practices to support living wage payment	Brands refuted the findings that some workers were not issued appointment letters or payslips, and that they were not registered with social security. They reported that workers were issued appointment letters at the time of hiring, that payslips were issued through an automated system and that there was no systemic concern with social security registration.

Trusting in worker testimony

The responses received from brands demonstrate that many took the findings of this research seriously and invested significant time and resources into investigating the allegations raised. A number of brands collaborated with one another, commissioned further assessments, initiated corrective action plans and engaged suppliers in discussions about remediation. These efforts reflect a growing recognition that labour rights violations in Pakistan are not isolated incidents but systemic challenges requiring coordinated action.

However, the responses also reveal important limitations in the way many brands currently approach due diligence and remedy. In most cases, the first response to documented worker testimony was not to treat workers’ evidence as a credible basis for action, but to seek additional verification through third-party investigations or supplier-led reviews. Although verification has its place, this approach risks placing worker testimony in a position where it must repeatedly prove its legitimacy before action is taken and delays can outdate reporting quickly.

In several cases, brands reported that subsequent investigations had failed to substantiate some or all of the violations identified. For us, this raises important questions about the methods used to prevent, assess and mitigate labour rights risks. Where workers experience fear, insecurity and distrust, workplace-based investigations repeatedly fail to capture the realities of employment conditions. The existence of contradictory findings should not automatically invalidate worker testimony; rather, it should prompt greater scrutiny of the tools used to assess workplace conditions and the assumptions on which they rely. In particular, it should prompt a different investigative approach to ensure the barriers workers shared when it comes to traditional auditing methods are effectively dealt with.

Some compliance issues are more fixable than others

The responses from brands also highlight an important distinction between different types of labour rights violations. Brands have addressed the issues that lend themselves to relatively straightforward compliance-based solutions, such as missing appointment letters, payroll systems adjustment, and overtime calculations. However, although we presented issues to brands around workplace cultures characterised by harassment and intimidation, and wages that fall far below a living wage benchmark, no brand outlined concrete strategies for addressing these wider issues.

This shows that current due diligence approaches are often more effective at addressing technical compliance failures than looking at the underlying power imbalances, workplace cultures and commercial pressures that drive labour rights abuses in the first place. Unless these root causes are addressed, compliance improvements risk treating symptoms rather than solving problems.

Remedy-focused approaches over compliance

Few brands reported further engagement with workers as part of their response. We offered a number of times to facilitate brands to work alongside worker organisations in Pakistan to hold offsite interviews and ensure that workers were central to remedy efforts, but this offer was only taken up by two brands which was disappointing.

In order to move away from compliance-focused work, which adapts procedures rather than addresses outcomes, workers must be central to the solutions to assess whether corrective action has delivered meaningful outcomes. Engagement with trusted labour rights organisations, community-based monitoring initiatives, and collective bargaining structures offer alternative approaches that place workers at the centre of remediation efforts. Rather than treating worker testimony as evidence to be verified and set aside, these models recognise workers as essential partners in identifying risks, shaping solutions and evaluating whether remedy has truly been achieved.

6 Auditing and how it excludes worker testimony

This section covers views from three audit firms who are active in Pakistan. The testimony gives their perspectives on the role of auditing within the violations detailed above, and adds context to the brands' response, given the strong reliance on third party audits that the brands took. This testimony is important in understanding more clearly how it is possible that wage violations and worker rights harms are ongoing in suppliers in Pakistan yet seem not to be reported to the brands at all or verified when they ask via onsite auditing processes. Findings show quite clearly that there are limitations to auditing, in time and scope and method, which actively exclude worker testimony and prioritise documentary evidence, causing incomplete representations of conditions to be reflected back. This adds to the already considerable bulk of evidence around the shortcomings of social auditing in the garment industry.[23]

While each firm brought a slightly different perspective, their accounts all describe structural weaknesses in the audit systems in which they participate, deep constraints on worker voice, and systemic incentives that undermine accountability. The firms asked to remain anonymous in this to protect their business interests.

Audit companies interviewed

Firm one was an Asia-based social compliance firm, with audit staff covering Southeast Asia, the Indian Sub-continent, and China. This firm did private social audits for brands, including in Pakistan, and covered the major certification programmes e.g. SMETA, SA8000, WRAP, Amfori. Staff we spoke with were Hong-Kong based.

Firm two was the Pakistan office of a large global audit provider, headquartered in Europe. This firm focuses on certification social compliance audits but also does bespoke audits for customers who have their own audit programmes, including Amazon, Primark, Levi's and adidas.

Firm three was a bespoke, US-based consultancy firm, which carried out regular work in Pakistan, sometimes linked to major MSIs. As it was smaller in size, it generally was hired to investigate or do risk management interventions, although they had auditors also who could carry out certification audits and brand social compliance audits as needed. The firm also provided training or consultancy for brands and suppliers to help them improve their supply chain management systems.

Auditing is entrenched but fundamentally limited

All three companies we spoke to were in agreement that social auditing in general has its use for buyers, but that the system as a whole has deep structural flaws. One said: "It definitely has its limitations – significant ones – but at the same time it does serve a purpose. It gives something to the brand who is looking to find out where the risks are and that is important." Another added: "These audits are helpful. But if we talk these as a final solution, I will not agree. We need other checks and balances. There are chances that the audit doesn't dig out the noncompliance."

Each in separate ways shared the following sentiment: "Given the audit frameworks, it is very, very challenging to bring worker experience within the space of typical audit methodology."

One auditor described how the absence of consequences for factories and the presence of consequences for workers, creates a culture where disclosure is less and less likely over time: "The problem is that, for the big factory, especially when some brands rely on that factory, they will never get punished even though you find big problems. The workers see everything. They tell you the truth but they see that the management don't get any punishment. The workers are the ones who get retaliation. So over time the workers stop being willing to tell you the truth."

Another provided a description of how the culture of not speaking out to auditors isn't only something held by the workers, but by families and the community as a whole, who have all seen the process unfold for over 30 years, absorbing the attitudes around worker coaching and the ingrained practices that these entail: "Everybody's aware of what the process is. You even go to a day care centre in the factory and the little kid would know. The little kids say 'Buyer is here, buyer is here', and you kind of roll your eyes and think, ok, we've contaminated the kids as well."

We discussed in our interviews the reason for the fundamental difference between the workers' lived experiences reported outside of the factory, and those captured through audit. Typically interviews with workers were described as onsite, and fairly short in length, conducted under surveillance from management with time pressure to obtain verifiable feedback: "Generally speaking, offsite interviews are rare. Out of 2 man days, you may be spending 2 to 3 hours for worker engagement. That typically happens during the audit, during those working hours on site." Auditors described how interviews with workers onsite appear coached when they clearly provide rehearsed responses: "They are normally speaking in a fixed type of the pattern of lines like 'oh no, there is no overtime, the salary is given on time, all of the things are OK.'"

Even if attempts are made to engage workers outside the factory, auditors described how these interactions are constrained by fear and lack of trust: "If somebody approaches you as you're walking out of your workspace, you don't know who that person is. Would you willingly engage? Chances are no, particularly if there are cameras outside the factory."

Evidence requirements systematically exclude key worker findings

Looking to the process of the audit itself, the companies described the need for documentary proof to back up findings and verification from multiple sources to evidence any findings that get put into the audit report. There were a number of descriptions given about how audit systems privilege documentary evidence over and above worker testimony, making it difficult to translate worker experiences into formal findings. One said: "If we find something based on the interviews, then we have to find a way to confirm it through documents… so that we can put it on the table."

This becomes a problem when either worker accounts cannot for structural reasons be substantiated with documentary evidence, or when documents presented by the factory contradict the accounts given by workers. One auditor shared: "You sense the things may not be right. The signature might not be the real one, but, then comes into a dilemma for the auditor because if you raise this as an issue on your report or include the testimony, then a lot of people will challenge you like, how come you made this conclusion? That is a difficulty for the auditors – you may not have solid evidence so you may not be able to include this in this audit."

In practice, this leads to the exclusion of many suspected violations from audit reports. An auditor shared that, "For the most part, we do not end up raising it unless we have firm proof because we do not want to compromise the workers' situation… Our hands are tied… we have to give a documentary trail."

We discussed in more detail options to include worker testimony as a main source of evidence in audit conclusions, especially for findings relating to wages, harassment, or coercion, which are unlikely to be able to be backed up with multiple sources of documentary evidence. On some audits there is the option to give notes of suspected violations, on others this is not possible.

One auditor described how there is a difference between what you can include on a certification programme audit, or a private audit: "If it's a certification say Sedex or whatever programme, you should *conclude* whether this is an issue, yes or no. You can't say oh, I have certain things that I want to say – this is an inconclusive statement that you can't put in the report. The methodology makes it difficult for the auditors to actually report these things."

He continued: "The information that you've got may not reach the criteria as a finding, but there is no way you can put it as a separate comment because when you put a separate comment all the stakeholder will question you – how have you verified this? People always think that as auditor, we should have a definite answer. I'm like, oh, I have an issue and it's often not definite. That's the reason that a lot of times, particularly on the contract or pay slip or things, the auditors tend to go for a formality. They say OK, there are some people signing that."

This means that even if findings from worker testimony do come through in an audit process, they are often filtered out unless they can be formally evidenced. In particular, violations related to working culture or human rights freedoms, which don't naturally lend themselves to documentary evidence, are unlikely to be verified.

In addition to the structural barriers to unverified and unverifiable worker testimony being included as a finding, we heard from auditors that they have to shape the outcomes to ensure the brands could use them internally. The lack of trust in workers' voices as a reliable source of evidence comes into play also with this. One auditor said: "On the brand side as well, there is a severe pressure that they have with their commercial teams. They want us to provide them with evidences or some confirmation which then gives them the confidence to go back internally and have that conversation with their internal stakeholders. As a company, then they go to the supplier. For the most part, the brands do not want to rely on worker interviews in front of the supplier – the supplier would always ask for proof and not hearsay."

Obtaining factory sign off on audits further reduces findings

Our discussions revealed that power dynamics and the role of the closing meeting between auditors and factory management also had huge repercussions on what findings were able to be included in an audit. Auditors described how they have to find evidence that will be accepted by the factory, because, even though workers may share information, the factory have to agree it at the end of the process: "After spending some days doing an assessment, we have to eventually sit with the factory in the closing meeting, and before we walk out we have to agree, or we have to convey what the findings are. We've had some closing meetings that have run for hours. We've had some closing meeting where the team had to walk away."

Closing meetings were described to us as this: "There are a lot of suppliers who will argue on everything because they get it from their management. They get rated or assessed on how well or badly the audit went. Even if you say, for example, this exit light was broken they will argue with you on that as well. They will send somebody to fix the light and then they will push you to come and have a look at that or give you a picture. Then they say, "There, so we have to negotiate". We have to sometimes argue. There are some suppliers where you end up arguing on every noncompliance that you find. It's literally a fight in the end."

This further limits the likelihood that findings based solely on worker testimony would last through to the report that is confirmed at the conclusion of the audit.

Factories actively manage and manipulate audits

Auditors spoke also about how they fear retaliation from factory management if they try to collect evidence in ways that are unconventional in order to back up worker testimony findings. One auditor shared: "If you do something out of the box, they will file a complaint to you. If we try to check, for example, workers' bank transfer on their handphone and those kind of things, they will file a complaint saying that you are invading the workers' privacy. Even there were cases in the industry where factories actually report you to the police and say 'you are threatening the workers'. Some workers will actually show you, but then you run into a dilemma of whether or not you should take a picture or not because the brand will ask you for evidence. But if you take a picture, then there is a risk that the factory will file complaints against you."

The role of the factory in adapting to audit expectations and managing outcomes was also clear. One auditor said: "Suppliers know how to play the game. Often the factory is so smart, it outsmarts us… there is no way we can find out what is actually going on."

It was pointed out that suppliers not only manipulate, fabricate or strategically present certain documents, but they also influence the selection of auditing firms to work with. One auditor, talking about the difference between certification programme audits and private brand social audits, said: "The factory knows, once I get a shareable report I can give it to everybody, so this is what they are doing. Besides, we have to understand, if it's a SLCP audit for example, the factory chooses the auditor – nobody will choose someone that's not favourable to them, so they'll choose someone who they know is going to give them a favourable outcome."

'Consultants' – companies hired by a factory to help pass an audit – were also cited as a significant problem in audit manipulation. Accounts exist in the industry about how consultants are hired to create documentation and records for the factories, and that this may or may not verge on document fraud. "Consultants do not give the true picture. The consultant will visit one time in a month, maybe 2 times in a month. They provide only temporary solutions. I suggest that the factory directly hire their own team and then their systems will be matured. There are a lot of consultants in the industry."

Precarious work and hidden labour difficult to document

We spoke to auditors about how they deal with precarious employment scenarios such as third-party contracting temporary or piece rate employment systems. Previous research on this topic[24] has documented how some workers in the factory are hired via a third party, and their wages and employment documentation therefore are dealt with offsite. The auditors shared that third-party arrangements were associated with heightened risk of wage theft, underpayment, and lack of legal compliance. One auditor described how factories deliberately distance themselves from responsibility: "Management pay a lump sum for thirty people and suppliers can get rid of them when they want. They say 'I already paid a lump sum for them. I don't have the right to actually check how much that company pays to the workers.'"

There was a lack access to reliable information about workers employed via these routes. The use of non-electronic attendance systems was a red flag, and cash payment, and they described how they tried to verify suspicions of non-compliance. "If the same electronic attendance system is used, there is less risk. But if the payment is made in cash, then it rings alarm bells." They also triangulate between documents, worker interviews, and site observations, but sometimes there is a lack of access to workers for interview, the tools available to auditors are limited in these cases.

Documentation may be held offsite or not provided. Although auditors try to demand more information about workers employed via a third party, they found in practice that the information was not there. One auditor said: "A lot of audit programmes, they actually try to push further. But in reality, the facility really cannot provide you with what you need. Because of the request, they may make up a set of documents to say that "Oh, I do, I do have a monitoring on how do they pay." So they will make out a payroll for you. It's difficult for you because some of them, they actually pay in cash or whatever way, rather than have a proper documentation."

Descriptions were also given about how factories actively conceal some precarious workers during audits. One account described how temporary workers are removed before an audit: "If you announce the day when you are going to the factory, they will evacuate the workers and you will have no chance to see those temporary workers. Even though you provide the factory with a window period, they know how to stall you in the opening meeting. Then they evacuate the workers from the from the back door. This is something that happened very often." This practice effectively removes the testimony of precarious workers from audit scrutiny, meaning that the accounts from the most vulnerable workers are least likely to be captured.

Potential improvements

We discussed with each of the auditors what they saw could be done to improve the audit system. They all indicated that meaningful improvement required changes well beyond audit technique alone. Their suggestions point to the need for systemic reform across methodology, stakeholder behaviour, and the role of worker voice.

There were implicit calls to reform audit methodologies to allow for uncertainty and suspicion. Auditors emphasised the need to treat compliance as an ongoing process rather than a snapshot and their frustration at brands who wanted answers. They described how they saw the effectiveness of audits as iterative, that often if they go back they are able to raise things and look for things on the second or third visit. As one interviewee put it: "You can't rely on one audit. It's a process along the road… you have to empower different stakeholders in order to know where the gap is rather than base it on one or two audits."

There was recognition of the understanding that credible information about working conditions often sits outside the factory gate, and that audit systems need to integrate, not dismiss, evidence gathered from offsite interviews. Some support was given for expanding collaborations with offsite labour rights organisations that have deeper access and trust.

Our auditor explicitly advocated for this: "Getting worker feedback is challenging. So there has to be more engagement and partnership, with organisations on the ground. There can be mechanisms set up, and this can be done in a very authentic and a professional way. It need not be just testimonies and stories. It can be very specific."

The auditors suggested that there was a need for shared oversight and accountability for outcomes, and that reforms must address not just auditing but the incentives and oversight of the system from brands and certification schemes. Once an audit has happened, it is sent back to the buyer and then a discussion is had between the buyer and supplier, but the wider compliance environment in which this exists is often not questioned. One auditor said: "Everybody is doing their own part within the system, but there's nobody looking at how to improve the whole thing. Everybody wants to get a quick fix. Everyone say, 'I want to do the audit', and from the audit I want to hear the result." Another said: "We have to change the quality of all stakeholders. What about the one who received the report? What about the one who oversaw the programme? What about the commercial team? There is no proper management on the whole thing."

Reflections

Reflecting on each of these conversations, it is clear that the burden of proof for many worker rights violations are not able to be met, despite the violations happening and even being reported. Auditors themselves described how they couldn't meet the evidence criteria despite violations being clearly apparent to the people visiting the factory.

Indeed, we uncovered a scenario where workers are not heard, auditors can't report, and brands aren't given evidence of violations, showing how worker voice is often systemically excluded from brand monitoring practices, resulting in the perpetuation of rights violations, happening despite or even because of the proliferation of auditing in the industry.

7 Remedy and Recommendations

The evidence so far indicates that wage violations are common in Pakistan, that there is a fear of reporting from workers due to dismissals and oppresive factory culture, that brand responses rely heavily on auditing investigations by third parties, and that these methodologies often fail to capture worker testimony. While there are no easy solutions to these issues, there is a strong need for change and to strengthen supply chain remedial action to include workers in both monitoring and remedy.

Recent research has documented remedy available for workers in Pakistan, showing structural barriers and regulatory gaps.[25] The focus overall of due diligence efforts on 'compliance' rather than solutions is clearly failing to fix even the consequences of underlying issues, let alone address the root causes. It is clear from this investigation that the violations on labour rights, on wages, on freedom of association, on factory culture, are not being mitigated by auditing and involvement in industry level programmes. Real remedy must place workers and trade unions at the centre of remedy efforts and redefine meaningful stakeholder engagement to ensure they are central to design, monitoring and delivery.

Including workers, trade unions and CSOs in monitoring and remedy

While there exist a number of approaches for introducing more worker voices into due diligence risk assessments, such as apps or grievance mechanisms, these are rarely delivered by trusted community-based organisations who are able to have frank and honest conversations with workers resulting in reliable accounts of conditions and requests for remedy. As experts in local labour law and the factory environments, unions and labour rights groups on the ground have valuable information that could strengthen remedial approaches, but due to the lack of trust or time for engagement, as well as pervasive anti-union sentiment from buyers and suppliers alike, these links are rarely established.

Freedom of Association as a baseline need

Trade unionism in Pakistan has been repressed by state and industry actors for many decades.[26] Long standing anti-trade union sentiment has limited the development of healthy industrial dialogue in the sector and this lack is at the root of many of the worker rights failings documented in this report.

Genuine freedom of association is necessary for workers to be able to meaningfully speak to violations they experience in their workplaces and contribute towards monitoring and remedy. In the face of the oppressive rights environment in Pakistan, brands have an active and critical role to play in ensuring policy commitments on freedom of association are actually put into practice, turning the tide on trade union oppression through safeguarding the rights of supply chain workers to organise, speak freely and bargain. Meaningful actions from brands can promote social dialogue between suppliers and trade unions to solve supply chain issues, take critical action on instances of union busting and actively ensure the space is provided for trade unions to build their membership and gain collective bargaining status.

> ***"If we tell auditors the truth and then something happens to us, they will not know because they do not keep contact."***
>
> *Worker from US Apparel, Lahore*

Community-Based Monitoring

Although one solution among many, an approach that holds potential to bring worker voice into due diligence processes is Community-Based Monitoring (CBM). CBM involves systematic engagement with evidence gathered by trusted labour rights organisations and trade unions, allowing brands to incorporate documented worker experiences into their human rights due diligence efforts. This evidence can be used to complement and triangulate information gathered through audits and other monitoring systems, providing a more complete picture of working conditions and labour rights risks.

By strengthening the role of trade unions and labour rights organisations, it creates trusted channels through which workers can safely report concerns and provide ongoing feedback. In contexts where fear, retaliation and power imbalances limit workers' ability to speak openly, CBM offers a vital mechanism for ensuring that worker voice is not treated as an afterthought but becomes a central source of evidence for identifying risks and evaluating remedy.

Case Study: MyVox

Since 2022, Labour Behind the Label has taken part in a project alongside Labour Education Foundation (LEF), the Pakistan Institute of Labour Education and Research (PILER), the National Trade Union Federation Pakistan (NTUF), and the Home Based Women Workers Federation (HBWWF), coordinated by Global Rights Compliance (GRC), to promote and advance labour rights in Pakistan's garment sector.

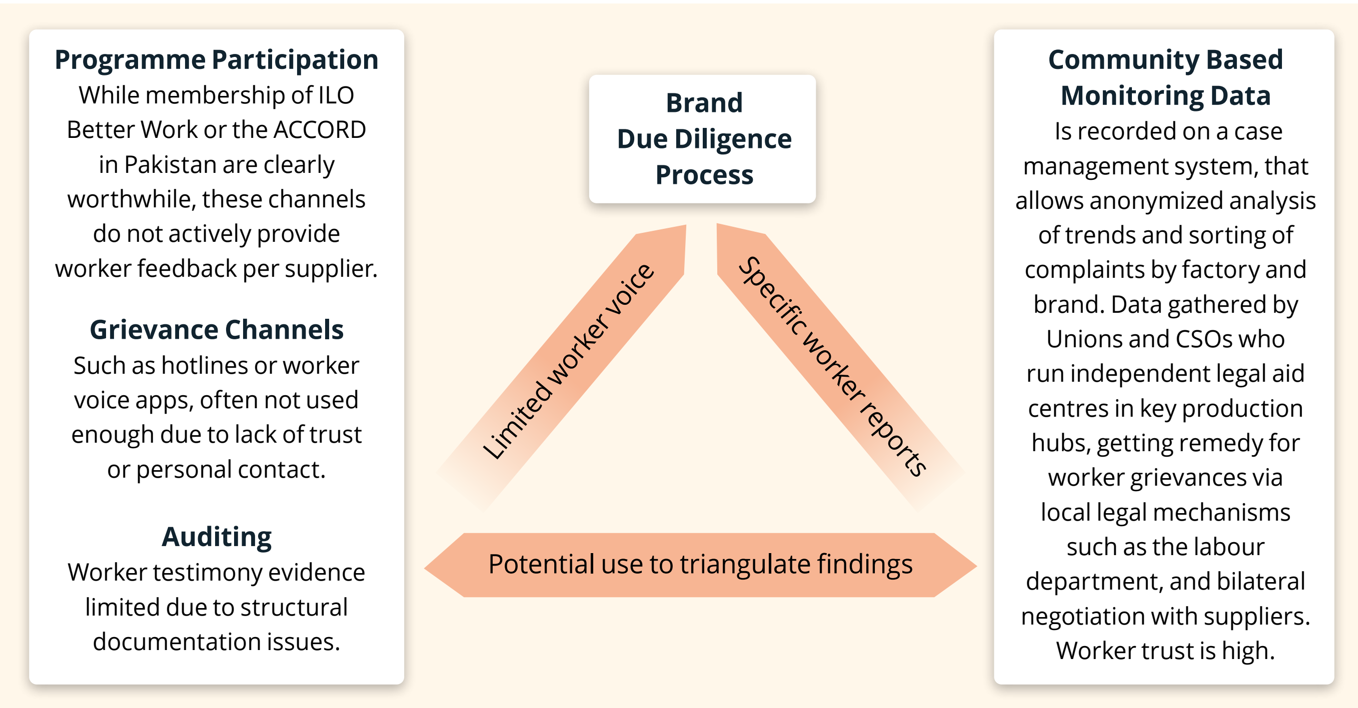
The project runs 22 worker advice centres, employing 17 paralegal staff to offer free legal advice, document worker grievances, and help workers seek remedy via local legal mechanisms.

A key feature of this project has been the use of the MyVox system, which is a monitoring and case documentation tool (app and web-based). Since its launch in 2023, the program has documented over 6000 worker cases, many of which involve multiple labour rights violations. More than 11,600 violations have been linked to these cases across the three project locations.

In 2025 alone, paralegals recorded 2,128 workplace-related cases, capturing 4,287 individual violations, highlighting the prevalence of multiple, overlapping abuses within single workplaces. Many more workers have come through the centres to also receive additional support, training and advice.

Labour Behind the Label's contribution to this project has been to facilitate discussion about the cases documented with international fashion brands, and push for buyer engagement in remedy. These early-stages of Community Based Monitoring form an interesting test case for the concept and allow for data gathering that addresses the chronic lack of worker-voice evidence in brands' compliance mechanisms. At the same time, as our engagement results show, the challenge remains to fundamentally shift the industry culture towards full trust in worker reporting, which is not a matter of technology fixes but transformative industry change.

Figure 12: Potential use of Community Based Monitoring in risk assessment processes



Building workplace cultures of respect and empowerment

The widespread reports of harassment, intimidation and retaliation documented in this research point to a deeper challenge beyond non-compliance around respect. Worker's fear of speaking out facilitates the lack of effective functioning of grievance mechanisms, and unreliable reporting via auditing systems. As a result, many labour rights violations remain hidden until they become severe or systemic.

Addressing this challenge requires a fundamental shift in factory culture. Employers must move beyond viewing workers as passive recipients of compliance measures and instead recognise them as rights holders whose perspectives are essential to identifying and resolving workplace problems. Managers and supervisors should be trained and incentivised to foster respectful workplace relationships, while workers should be encouraged to participate in dialogue about working conditions without fear of retaliation.

Case study: The WE Programme

One programme carrying out this kind of work is The WE Programme – a worker-centred approach to improving labour conditions that focuses on building respectful workplace cultures through dialogue, participation and relationship-building between workers and management. The programme creates structured opportunities for workers to share their experiences, raise concerns and contribute to solutions to workplace problems. By strengthening communication, trust and mutual understanding, the WE Programme seeks to address the root causes of issues such as harassment, discrimination and poor working conditions, while empowering workers to play an active role in shaping safer, more equitable and more productive workplaces. The programme gathers multiple worker stories and maps patterns, it engages with management in trainings and listening exercises, and pushes for understanding of complex in-factory issues, with repeat engagement.

Collective bargaining as a solution

Brands and suppliers should view collective bargaining as a core component of effective due diligence, rather than an additional compliance requirement. Engaging constructively with trade unions and strengthening collective bargaining processes can help shift due diligence from a reactive model focused on identifying violations to a preventative model that empowers workers to resolve problems as they arise. Any serious work to address the issues raised in this study therefore must surely include convening suppliers and unions, and ensuring collective bargaining takes place to address workplace level concerns and support wage growth.

Recommendations

Brands must:

- Guarantee that all workers who are involved in the production of their clothing in Pakistan are paid according to local labour law, ensuring that the legal minimum wage by skill level is paid for all workers, that workers have access to payslips and appointment letters, that overtime is properly documented and compensated at the double or triple rate, that all workers are registered for social security (both EOBI and ESSI).
- Act to support freedom of association and collective bargaining by convening suppliers to negotiate with trade unions in Pakistan, supporting union access and space in each supplier to negotiate CBAs, and ensuring union busting is actively prohibited and penalised with a zero-tolerance approach where found.
- Urgently ensure payment of a living wage to workers in all Pakistan suppliers, including monitoring and planning for its payment, and addressing pricing to mitigate the risks associated with low-cost sourcing models.
- Redesign human rights and environmental monitoring systems to ensure that the voices of rights holders and workers are primary in the data they consult, ensuring that the testimony of workers is gathered offsite in relationships of trust, that Community Based Monitoring mechanisms are put in place, and that unions and CSO representatives are involved in the design and delivery of any factory programmes.
- Work with suppliers to ensure that factory cultures prioritise respect and that it is clearly communicated to workers that they are protected from retaliation, so workers are free to raise grievances about their employment conditions without fear, addressing dismissals and recruitment practices as a first point. Trade unions and CSOs should play a part in this.

Suppliers must:

- Ensure legal wage compliance for all workers, including payment of the minimum wage by skill level, issuance of payslips and appointment letters, proper documentation of overtime and compensation at the double or triple rate, and full registration for all workers with social security institutions.
- Work towards payment of a living wage for all workers, with clear timelines for achievement, communicating expectations to buyers about pricing linked to this.
- Remedy the climate that represses unionisation in their workplaces by making open and regular approaches to independent trade unions and clearly communicating the freedom of association to workers. Suppliers must negotiate CBAs in their supplier units, ensuring skill level pay is set collaboratively, and agreement is reached over actions to protect workers from retaliation in the event of speaking out about conditions or reporting to auditors.
- Work alongside community-based monitoring approaches to act to remedy cases raised bi-laterally from worker rights groups.
- Introduce regular training and communication plans to address factory culture and instil respect between workers and management, including giving workers more say in factory systems and ensuring complaints mechanisms solve worker grievances without retaliation.

Legislators must:

- Ensure that mandatory human rights and environment due diligence legislation in any jurisdiction includes meaningful stakeholder engagement as a key component of risk analysis, prevention and remedy, mandating companies to engage with genuine rights holders and their representatives to collaborate on the prevention, remedy and eradication of human rights abuses within the garment and textile industry.
- Set higher minimum wage levels to ensure workers are not left in poverty.

Annex A

Labour Behind the Label Pakistan Wage Investigation Follow-up

All recommendations:

1. All employees (any reference to employees henceforth includes those employed via third party contractors and piece rate workers) receive and understand their appointment letter.
2. All employees receive a monthly payslip.
3. All employees are registered for EOBI and ESSI and have proof of registration to enable them to utilise services.
4. All employees are aware of the skill level of their job role and are paid accordingly.
5. End the practice of suppliers administering and controlling bank accounts for employees.
6. All employees are paid a living wage.
7. All employees should be required to work a maximum of 8 hours per day, inclusive of a 1-hour break and no more than 6 days per week.
8. All employees are paid the legally gazetted double rate for any overtime completed and triple rate for any hours worked on public or festive holidays.
9. All employees have the freedom to choose whether or not they work any overtime.
10. Piece rate workers are able to achieve the minimum wage for their skill level during the regular 8-hour working day (inclusive of a 1-hour break).

Throughout this document, any reference to employees should be interpreted in the widest sense to include those employed via third party contractors and those employed on piece rate contracts. These employment types often represent an increased risk of exploitation for workers, so as far as piece rate contracts and third party employment systems are used in any supplier, we also recommend that they should be minimised or phased out.

In each of these areas of work, we would also recommend collaboration with one of our partner organisations who run legal advice clinics in Karachi, Faisalabad and Lahore, and regularly interact with workers who are reporting the above human rights violations and malpractice. For example, they can arrange independent offsite interviews to corroborate audit findings and the effectiveness of CAPs, or can assist in providing training on a range of topics relating to labour rights.

Please bear in mind the following recommendations and suggestions for implementation are non-exhaustive. It is not our intention to be prescriptive, rather to share examples of best practice that we recommend brands and suppliers implement to ensure the human rights and dignity of all workers are respected.

Documentation

Findings:

- Suppliers may be holding appointment letters and payslips on file but these are not being systematically issued to workers.
- Audits are not picking up on this as many only check documents are present in the office and confirm receipt via onsite interviews.
- Without appointment letters workers cannot prove their employment or conditions of their employment, and without payslips they do not have oversight over their own earnings and deductions. This leaves them at risk of further exploitation and prevents them from being able to access legal mechanisms in the event they should need to do so.

Recommendation 1:

- All employees (any reference to employees henceforth includes those employed via third party contractors and piece rate workers) receive and understand their appointment letter.

Implementation:

1. Appointment letters, including all legally required information, should be re-issued to all current employees and issued to new employees during their onboarding.
2. Receipt of appointment letters should be verified via:
   - **a** Photographic confirmation that employees have been re-issued appointment letters.
   - **b** Offsite interviews where workers are asked a) whether they received their appointment letter and b) whether they understand it. Workers should be able to present either their letter or a photograph of their letter.

Recommendation 2:

- All employees receive a monthly payslip.

Implementation:

1. Suppliers must ensure workers are actively given their payslip each month, on the day they are paid, confirming their pay, overtime hours, and any salary deductions that have been made.
2. Receipt of payslips should be verified via:
   - **a** Offsite interviews where workers are asked a) whether they received their payslip, b) whether hours and deductions were accurate and they were paid as they were expecting and c) whether the amount listed on their payslip matches the amount they received in their account.

Social Security

Findings:

- Suppliers may be holding registration of workers for EOBI and ESSI but are not following through with the relevant institutions to ensure payments are made and cards are issued.
- Audits are not picking up on this as they mostly involve document checks via management and onsite interviews.
- Without EOBI and ESSI registration cards, workers cannot access vital services, and without payslips, they do not know if the correct deductions are being made.

Recommendation 1:

- All employees are registered for EOBI and ESSI and have proof of registration to enable them to utilise services.

Implementation:

1 All employees should be registered with EOBI and ESSI at the earliest opportunity and informed once this has been done.

2 Registration should be verified via:

  a Requesting a record of registration dates from suppliers.

  b Crosschecking a random sample of names with the public record available via the EOBI website and the private record available via ESSI institutions.

c Offsite interviews where workers are asked a) if they are registered and b) if they have received their registration card. For those who haven't, crosscheck the record to confirm when they were registered. Cards should be issued to workers within 30 days, if they have not been received within this time frame, suppliers should follow up with the relevant government department.

Wages

Findings:

- Workers are not being paid according to their skill level. The majority of workers have roles in the semi-skilled, skilled and highly-skilled categories, but this is not being recognised in pay.
- Suppliers often set up bank accounts for workers to receive their monthly salary into, but workers do not have full access to these accounts, contributing to a lack of transparency over earnings and creating additional risk of corruption and wage theft.
- Audits may not be picking up on this if they are only checking workers are paid the unskilled worker minimum wage via documentation and onsite interviews.
- Very few workers receive a wage that is sufficient to meet the basic needs of their family.

Recommendation 1:

- All employees are aware of the skill level of their job role and are paid accordingly.

Implementation:

1. Ensure suppliers have a full pay scale that reflects skill level in the factory and that this list is publicly shared on notice boards.
2. Ensure wages by skill level are factored into pricing calculations and purchasing practices with suppliers.
3. Accurate payment of wages should be verified via:
    - **a** Cross checking payslips to verify job role matches skill level which then matches wage paid.
    - **b** Offsite interviews where workers are asked a) their job role and corresponding skill level and b) whether they are being paid according to their skill level.

Recommendation 2:

- Ensure employees are paid digitally and end the practice of suppliers controlling employees' bank accounts.

Implementation:

Option 1:

1. Require that suppliers update the status of payroll accounts so the employee is the sole administrator and has unrestricted control over their own accounts, ATM cards, mobile banking and withdrawals, without any interference from employers.
2. Verify this via offsite interviews where workers are asked a) how they are paid, b) whether they have full access to their company-issued account.

Option 2:

1. Require that suppliers pay employees into their own personal account of their choosing.
2. This can be verified via:

a. Checking bank statements to confirm payment of salary into a new account.

b. Offsite interviews where workers are asked a) how they are paid, b) whether they selected this payment option and c) whether they have full access to the account.

Recommendation 3:

- All employees are paid a living wage.

Implementation:

1. Require suppliers calculate the 'wage gap' between their remuneration and the living wage and to develop a plan to close this gap.
2. Include the requirement that a living wage achievement plan is developed in agreements and contracts with suppliers.
3. Factor living wage remuneration into responsible purchasing practices on any orders made.
4. Publish at a brand level wage data showing average pay vs living wage benchmarks per supplier.
5. Monitor and ensure that wage growth is closing the wage gap to a living wage, and if not take corrective action.
6. See the CCC Living Wage Roadmap for further guidance on this issue: here

Overtime and hours

Findings:

- Workers are not being paid the legally required double or triple overtime rates.
- Workers are being required to work overtime and threatened with job loss if they do not comply.
- Most people are working 8 hours plus 1 hour break, rather than the legally mandated 7 hours plus 1 hour break.
- Audits are not investigating whether the correct overtime rate is paid and do not create enough trust and reassurance for workers to be honest about whether overtime is forced.
- Suppliers may be masking true overtime hours worked by forcing workers to clock out and then continue to work.

Recommendation 1:

- All employees should be required to work no more than 8 hours per day, inclusive of a 1-hour break and no more than 6 days per week.

Implementation:

1. Ensure a standard working day of 7 hours plus 1 hour break is factored into any agreements made with suppliers.
2. This can be verified via:
   - **a** Cross checking clock in and out times of workers with payslips and the rest day/leave chart, taking into account skill level and overtime also.
   - **b** Offsite interviews where workers are asked a) their contracted working hours, b) whether these are respected and c) whether they receive a 1-hour break every day.

Recommendation 2:

- All employees are paid the legally gazetted double rate for any overtime completed and triple rate for any hours worked on public or festive holidays.

Implementation:

1. Ensure legal payment of overtime is factored into responsible purchasing practices and staff costs.
2. Ensure suppliers are accurately monitoring and recording overtime hours.
3. Accurate payment may be verified via:
   - **a** Enhanced checking of payslips, taking into account skill level and overtime hours worked to calculate whether the correct rate has been paid.

   b Offsite interviews where workers are asked a) how many hours overtime they have completed, b) whether they were accurately paid for this, and c) whether this was accurately reflected in their payslip.

Recommendation 3:

- All employees have the freedom to choose whether or not they work any overtime.

Implementation:

1. Ensure purchasing practices with suppliers include a transparent reflection of whether overtime will be required to meet the requested delivery time of orders.
2. Ensure suppliers adopt policies that protect workers' employment so they cannot be threatened with dismissal should they refuse overtime hours, and that this is clearly communicated to workers.
3. Freedom to choose may be verified via offsite interviews with workers where they are asked a) whether or not they work overtime and b) for those who do, whether they freely choose to do so.

Recommendation 4:

- Piece rate workers are able to achieve the minimum wage for their skill level during the regular 8 hour working day (inclusive of a 1-hour break).

Implementation:

1. Ensure purchasing practices and agreements with suppliers factor in piece rates and that it is possible for them to make the minimum wage for their skill level within the 8 hour standard working day.
2. This should be verified via:

   a Crosschecking a sample of piece rate workers hours against payroll.

   b Offsite interviews where piece rate workers are asked a) how much they are paid b) how many hours they typically work and c) whether they are required to complete overtime to meet orders.

Endnotes

1 **Arisa (2025)** *Overworked and underpaid: Excessive hours, wage theft and poor working conditions in Pakistan's garment export factories*. Utrecht: Arisa – Advocating Rights in South Asia. Available at: https://arisa.nl/wp-content/uploads/Overworked-and-Underpaid-2025.pdf (Accessed: 23 June 2026).

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