



ethical
trading
initiative

PRESS RELEASE

Press release from The Ethical Trading Initiative

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“Global brands not solely responsible for workers’ rights”

Dan Rees, Director of the Ethical Trading Initiative (ETI), stated yesterday (19 October 2006) that companies implementing ethical trade strategies face an even bigger challenge today than they did a decade ago. But he urged all involved in ethical trade to “....stop pretending that the rights of workers and the transformation of industrial relations in foreign lands are the sole responsibility of global brands. Workers are best served by three things: Trade unions that are free, employers that obey the labour law, and governments that enforce it. Workers need much more of all three.”

The call came at a conference of nearly 200 ethical trade practitioners in London yesterday to launch the findings of the most comprehensive study to date of the impact of voluntary ethical trade codes. The study was carried out by the Sussex-based Institute of Development Studies.

IDS found that codes are benefiting permanent workers in important areas such as health and safety, wages and working hours, although they are making little difference in key areas such as harassment and the freedom to join trade unions, and are having minimal impact on casual and migrant workers.

Said Rees “These improvements are significant because of the numbers of workers touched by ETI’s collective ambition. Last year our members’ ethical trade activities touched over 20,000 workplaces, employing three million workers worldwide. That’s significant by any yardstick!”

Rees continued that “ For those whose role it is to make judgements on companies; remember this: ETI member companies are among the pioneers of ethical trade. They were the prime movers in an uncertain world. They are the pathfinders that allow others to follow and learn by their mistakes. Bear this in mind as you judge them for their leadership, and shine the spotlight on those who have yet to show they have made any difference at all”.

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Notes to editors

1. The study means that ETI, whose corporate members last year collectively spent over £12.4 million on ethical trade activities, including inspecting over 10,000 suppliers and delivering 4,500 hours of ethical trade training, can now pinpoint the areas where

ethical trade is achieving most impact. These include widespread improvements in health and safety, a reduction in the incidence of child labour, better pay and reduced hours.

2. The Ethical Trading Initiative (ETI) is an alliance of global brands and retailers, trade unions, development charities and campaigning organisations working to improve the lives of workers and their families in global supply chains. It believes that companies producing, supplying and selling goods for consumer markets should observe national and international labour laws. Its purpose is to identify and promote responsible corporate practice that will help make this a reality. Retailer members of ETI include The Body Shop, Boots, Gap Inc., Marks & Spencer, Primark, Sainsbury's, Tesco, and Zara. Members also include the TUC, the International Textile Garment and Leather Workers' Federation, Oxfam, Save the Children, and Christian Aid.

3. All companies that join ETI are required to adopt the ETI Base Code and to work with their supplier companies to ensure that they improve workers' conditions over time. The Code is based on ILO Conventions and as such is widely acknowledged as a model code of labour practice. It contains provisions based on the following principles:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is allowed

4. The Sussex-based Institute of Development Studies (IDS) is a leading global organisation for research, teaching and communications on international development. IDS was founded in 1966 and enjoys an international reputation based on the quality of its work and its commitment to applying academic skills to real world challenges. Its purpose is to understand and explain the world, and to try to change it – to influence as well as to inform.

5. ETI commissioned IDS in 2003 to carry out a comprehensive, independent assessment of the impact of ETI member companies' ethical trade activities on the lives of workers in their supply chains. IDS's three-year long research included interviews with a total of 418 workers and 66 supplier managers across the UK, India, Vietnam, South Africa and Costa Rica, supplemented by interviews with 21 ETI member companies, 23 agents and 80 key organisations.

6. IDS's report *The ETI code of labour practice: do workers really benefit?* is published today 19 October 2006. Hard copies of a 6-page summary flyer and the 64 page main findings and recommendations are available on request from ETI or from IDS. These documents, together with findings and recommendations of individual country case studies, are also available to download at www.ethicaltrade.org/d/impactreport or from www.ids.ac.uk/ids/news/eti.html

7. A full response by ETI to the findings can be obtained upon request and is also available at www.ethicaltrade.org/Z/abteti/press

