

PRESS RELEASE

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Ten years of ethical trade brings benefits to workers – but more needed

A decade after sweatshop scandals first prompted global brands to adopt codes of conduct to improve the conditions of workers in their supply chains, the most comprehensive study to date of the impact of voluntary codes released today reveals that members of the Ethical Trading Initiative, which include Gap Inc., Marks & Spencer and Sainsbury's, have achieved concrete improvements to workers' conditions.

Release of the findings of the cross-country 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.

Says ETI Director Dan Rees: "ETI member companies are clearly making a very real difference to the lives of poor workers and their families, and on a large scale – last year the scope of our members' ethical trade activities reached at least three million workers. But many fundamental issues remain to be addressed. Notably, migrant and casual workers have so far achieved little benefit from ethical trade. We are committed to working together to address this, and other urgent concerns."

Says Neil Kearney, General Secretary of the International, Textile, Garment and Leather Workers' Federation and ETI Board member: "Some ETI member companies are making sterling efforts to promote international labour standards, but much more needs to be done in key areas like freedom of association and the right to bargain. Unfortunately, most UK retailers outside the ETI are doing nothing to clean up their supply chains, which is undermining the good work being done elsewhere."

Dr. Stephanie Barrientos of the Institute of Development Studies, Sussex (IDS), which was commissioned by ETI to carry out the research into its members' activities, said: "There have been some improvements for workers in global supply chains, but significant challenges remain. Collaboration between companies, along with trade unions and non-governmental organisations, can have greater positive impact on working conditions than companies acting alone. ETI, whose membership is made up of these organisations, provides an important forum for this."

Dan Rees welcomed the Institute's report, noting that common company purchasing practices, including ever shorter lead times and lower prices for suppliers, are constraining suppliers' ability to comply with their codes, often forcing them to reduce wages and cut corners in health and safety to satisfy buyers' demands.

Says Rees: "Companies must start to seriously address the impact that their core business practices are having on workers down the supply chain. But we must all recognise that despite the growing pressures on UK retailers to address consumers' ethical concerns, they face much greater pressure to deliver the cheapest products in the shortest possible time. Perhaps it is time for a more open and honest debate about the cost to workers of demand for cut price products".

ENDS

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Notes to editors

1. 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.
2. 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
3. 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.
4. 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.
5. 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
6. A full response by ETI to the findings can be obtained upon request and is also available at www.ethicaltrade.org/Z/abteti/press