

# Resignation of Levi Strauss & Co. from ETI

## Statement for members

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### By the ETI Secretariat

5 February 2007

We regret to announce that Levi Strauss & Co. (LS&Co.) has resigned from ETI following their suspension for refusing to adopt the 'Living Wage' provision of the ETI Base Code.

LS&Co. were suspended from ETI membership in December for up to 12 months after two years of discussion between ETI's tripartite Membership Disciplinary Panel and LS&Co., in accordance with ETI's *Procedure for Enforcing Members' Obligations*.

LS&Co.'s position is that it cannot responsibly commit to the Living Wage provision because it does not believe it can implement it with its suppliers. It has also communicated that it does not believe it will be possible to resolve this point of disagreement with ETI within the period of suspension.

The ETI Board's position is that all members of ETI must adopt all the provisions of the Base Code in full and may not pick and choose which elements they wish to implement. Every member company faces the same difficulty in defining a living wage and in implementing it in different contexts. However this has not prevented any other member company from adopting this provision of the Base Code.

The Board wishes to acknowledge the contribution of LS&Co. to ETI activities during recent years and the commitment it has made to continuing to improve conditions for workers in its supply chain.

### **About the 'living wage' clause of the ETI Base Code**

Section 5.1 of the Base Code states that "Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. *In any event, wages should always be enough to meet basic needs and to provide some discretionary income.*"

The last sentence is included because the wages of workers in supply chains can be insufficient to meet their families' basic needs, even when they conform to legal minimum or industry prevailing wages.