



Global Companies Global Unions !

**An education pack for use
with the ITGLWF video**

Acknowledgements

This manual has been developed by the ITGLWF and is designed for use with the video 'Global Companies Global Unions', a video produced by Merlin films.

Thanks go to the workers and unions who cooperated with the filmmakers during the production phase and to the contributions of ITGLWF regional staff .

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Graphics : Doug Miller
Stills : Merlin Films

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Introduction

Globalisation is today the driving force in the world economy. It now affects everyone.

Five years ago there were around 40,000 multinational enterprises with 250,000 subsidiaries worldwide. Today, the numbers of global companies have increased by half to 60,000 with more than 700,000 subsidiaries employing 125 million workers.

Nowhere is globalisation more apparent than in the textile, clothing and footwear industries, where production is carried out in 160 countries for export into the markets of only about thirty nations.

As many as ten different countries may have contributed to the production of any single garment we are wearing. The cotton grown in Senegal, spun in Pakistan, woven in Turkey, cut in Germany, stitched in Tunisia, the thread from Ireland, the buttons from China, the labels from Indonesia, the packaging made in Mexico, the garment finished in Malta.

In addition, much of the production is now carried out in Free Trade Zones, where national labour legislation either does not apply or is ignored by employers and the authorities. More than 27 million workers are now employed in such zones.

This competition, fragmentation of production and lack of respect for basic worker rights is having a major impact on workers in the sector, presenting major challenges for trade unions, including global union organisations such as the International Textile, Garment and Leather Workers' Federation.

But, these challenges must be met. Trade union organisation and membership must be expanded and strengthened, the representation of those so organised improved, and every member actively involved in the democratic life of their union. Effectively, to defend workers' rights in a globalised economy, trade unions will also have to globalise their activities, targeting global companies for organising and bargaining.

The targets should include European, US, Taiwanese and Korean based global companies, including those who contract, sub-contract and licence. The aim must be to build an organising strategy throughout the companies involved, including those in the importing countries and to seek to conclude international framework collective agreements with each global company.

The real task here is to engage global companies and to make them accountable. While working to secure international framework agreements with such companies, unions need to make full use of the Codes of Conduct that many have adopted to force adherence to international labour standards

Change will have to come at local, national and international level. Indeed, the watchword for the future might be, 'think local, act global – think global, act local'.

In this era of globalisation there is an urgent need to build strong trade union organisations—locally, nationally, regionally and internationally. If this effort fails, exploitation will have free rein and workers will be in real danger of seeing a union free world – a world of exploitation where young women will continue to drop dead at their machines, where children not much older than babies will toil rather than go to nursery and where global companies will ride rough shod over national governments and the international institutions. Workers cannot afford such failure!

Neil Kearney
General Secretary
ITGLWF

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Global Companies

The global textile, clothing and footwear industry is characterised by complex supply relationships, which exist between different types of multinational companies operating upstream and downstream in what is known as the **supply chain**.

Upstream in this chain there are multinationals which specialize in the manufacture of **raw materials** (e.g. Du Pont (USA) Far Eastern Textiles (Taiwan), yarn and components (Coats plc (UK)), fabrics (Arvind (India); Nien Hsing (Taiwan)) and components (YKK (Japan)).

These supply products to **manufacturers**, which may wholly or partially own their production facilities. Vanity Fair (USA), which specializes in jeans-wear, lingerie and work-wear still owns most of its domestic and overseas production but is constantly restructuring and moving its factories to low cost locations. Levi Strauss (jeans-wear) is another example but increasingly is seeking to **outsource** its work.

The new breed of multinational is the **merchandiser**, which owns marketing and design but subcontracts all of its production to low cost overseas suppliers. In some cases these **suppliers** are themselves multinational operations e.g. Nien Hsing, Tuntex. Some suppliers may be no more than **assembly** operations engaging in what is known as cut make and trim or **CMT**.

Multinationals in Textiles Clothing and Footwear



Apparel merchandisers



Retailers



Apparel Manufacturers



Suppliers



Buying agents/supply chain managers/trading companies

Globalisation has also led to the rise of the **multinational retailers**, such as Wal-Mart, Marks and Spencer, H&M, which sell both their own **private labels** as well as those of the **merchandisers** and **manufacturers**. In some cases retailers and merchandisers will enlist the services of multinational **supply chain managers** such as Mast Industries (USA) or Li & Fung (Hong Kong), which can source a complete consignment on behalf of a client from a number of suppliers.

As Naomi Klein says in the video, in today's global market the brand name has become everything.....

"The thinking that has taken hold now is that if you really want to remain competitive what you need isbrand identity, as opposed to the products that you manufacture... And this has profound implications for workers around the world and for labour unions because what it essentially means is that manufacturing ...is just seen as less important for these meaning driven, brand driven companies."

Naomi Klein (Author of No Logo)



So what brands do you wear ?



Activity : Finding out about brands

Aims : to develop an awareness of your company's customers

Task : Bring in as many labels/logos as you can which are used in your factory to attach to the garments/ footwear you make.



If no labels/logos are attached try and find out where your garments are sent to be labeled.

Make a list of the brands/labels and see if you can find out which countries they are sent to and which companies they belong to.

If you are a textile worker, see if you can find out which countries and companies the fabric is sent to.

Enter these in the table below :

Your company's name

Label/ brand	Country of destination	Company which owns the label

Global Supply Chains

Multinationals in textiles clothing and footwear operate in quite complex relationships with each other. This relationship is often called the **supply chain**.

The product you make may be manufactured on behalf of a **retailer** like *Target*, or *K-Mart* or *Walmart* or a **merchandiser** such as *Nike* or *Adidas*.

The supply relationship here is called **outsourcing**. Here the contractor, i.e. the retailer or merchandiser, subcontracts the work out to a supplier/manufacturer, rather than undertake the work themselves.

In some cases these companies may have direct links to suppliers. In other cases they may go through a **buying house** and or **supply chain management company**, which has the contacts to reliable supplier companies.

Let us look at a simple example :

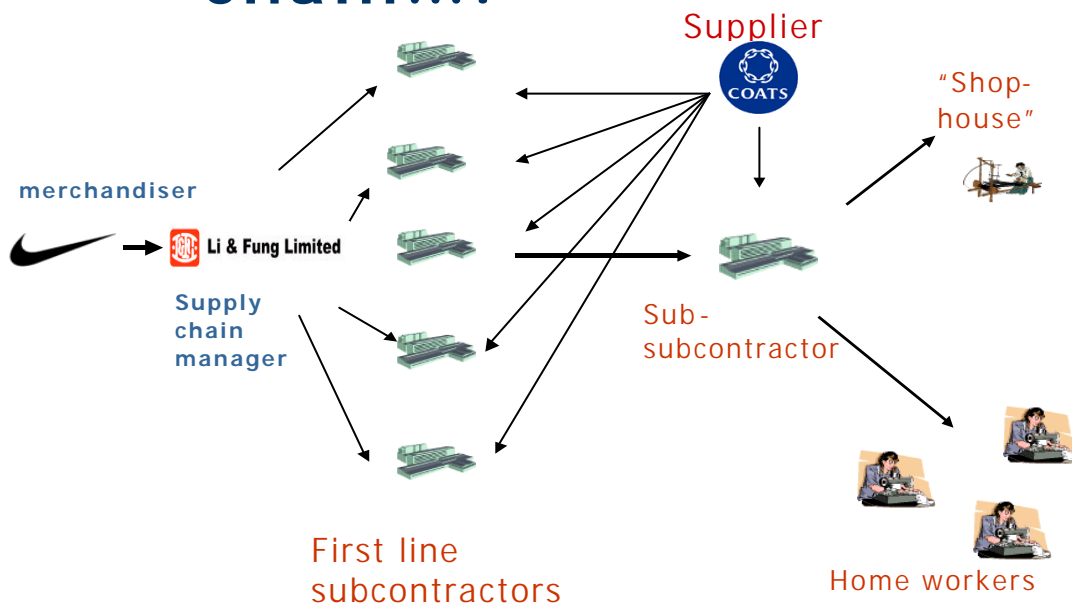
Nike, a merchandiser, may enlist the services of a supply chain manager like **Li and Fung** which in turn has contacts with hundreds if not thousands of supplier companies. Li and Fung may split the order for, say, sports apparel between 5 **sub-contractors** in 5 different countries in order to meet deadlines and source different markets.

Nike and **Coats** have a co-sourcing agreement whereby any goods made on behalf of **Nike** must be assembled using **Coats** thread. So each sub-contractor will be contractually bound to take supplies of thread from **Coats**.

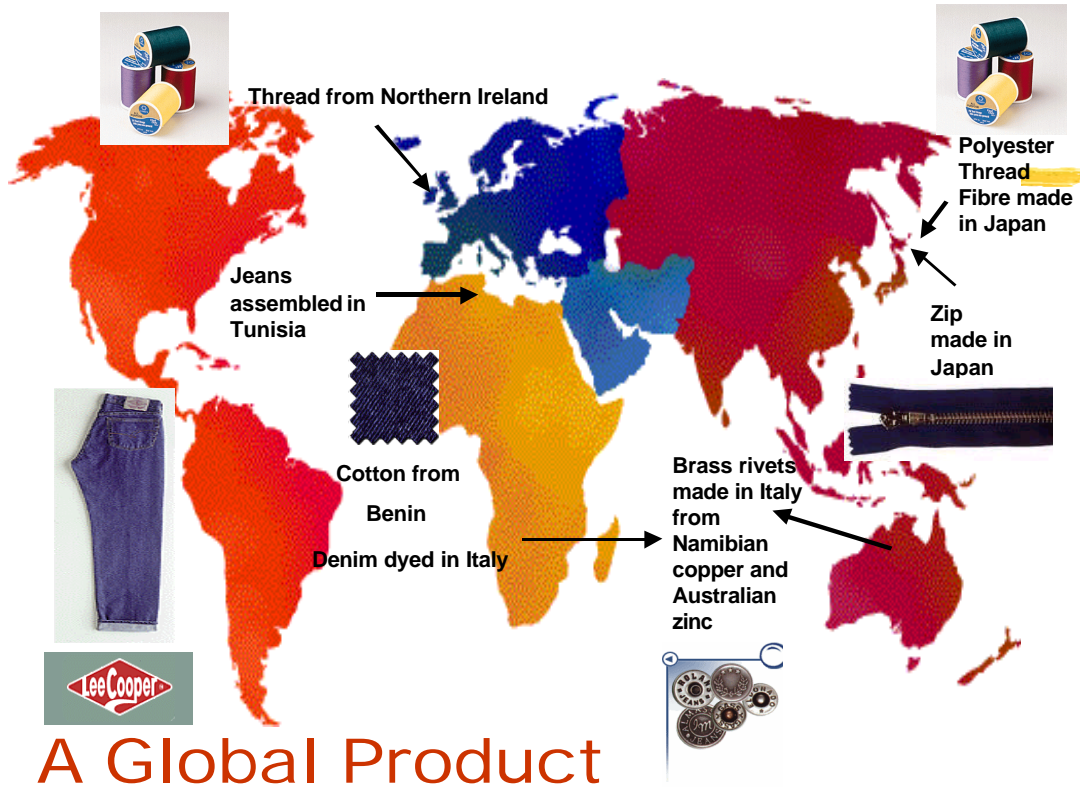
The sub-contractors may themselves outsource or **sub-subcontract** part of the garment assembly such as embroidery or stone-washing to a specialist company, or quite simply to a factory which can do the work more cheaply. Some work may be put out to **home-workers** or small workshops.

Your company could be part of an overall supply chain which might look like this one below, in which it becomes increasingly difficult to find out how workers are being treated.

The subcontracting chain....



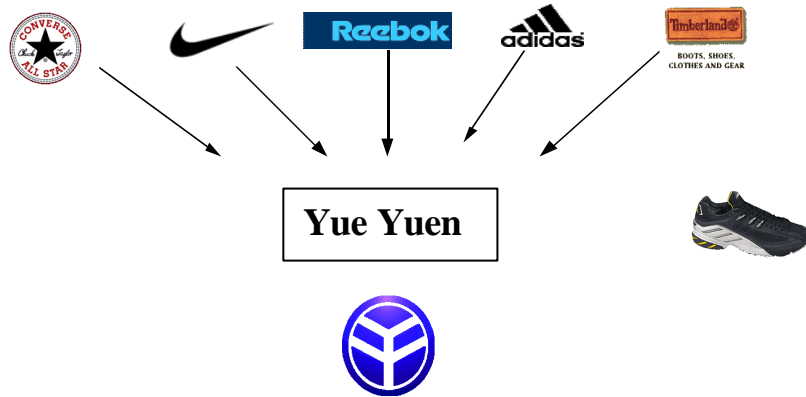
Let us now see how these relationships translate in a geographical sense. In the video we saw that a pair of jeans carrying the **Lee Cooper** label and sold in the UK is assembled in Tunisia from components which come from all over the world



The denim for the jeans is made from cotton grown in **Benin** which is dyed in **Italy**. The jeans parts are sewn with thread made in **Northern Ireland** using polyester core made in **Japan**, where the zips are also sourced. The brass rivets are manufactured from **Namibian** copper and **Australian** zinc.

Let us at a similar example in footwear

In **sports footwear**, the major brand owners rely on footwear manufacturers, which are geared up for mass production. One such official equipment manufacturer is a Taiwanese multinational called Yue Yuen.

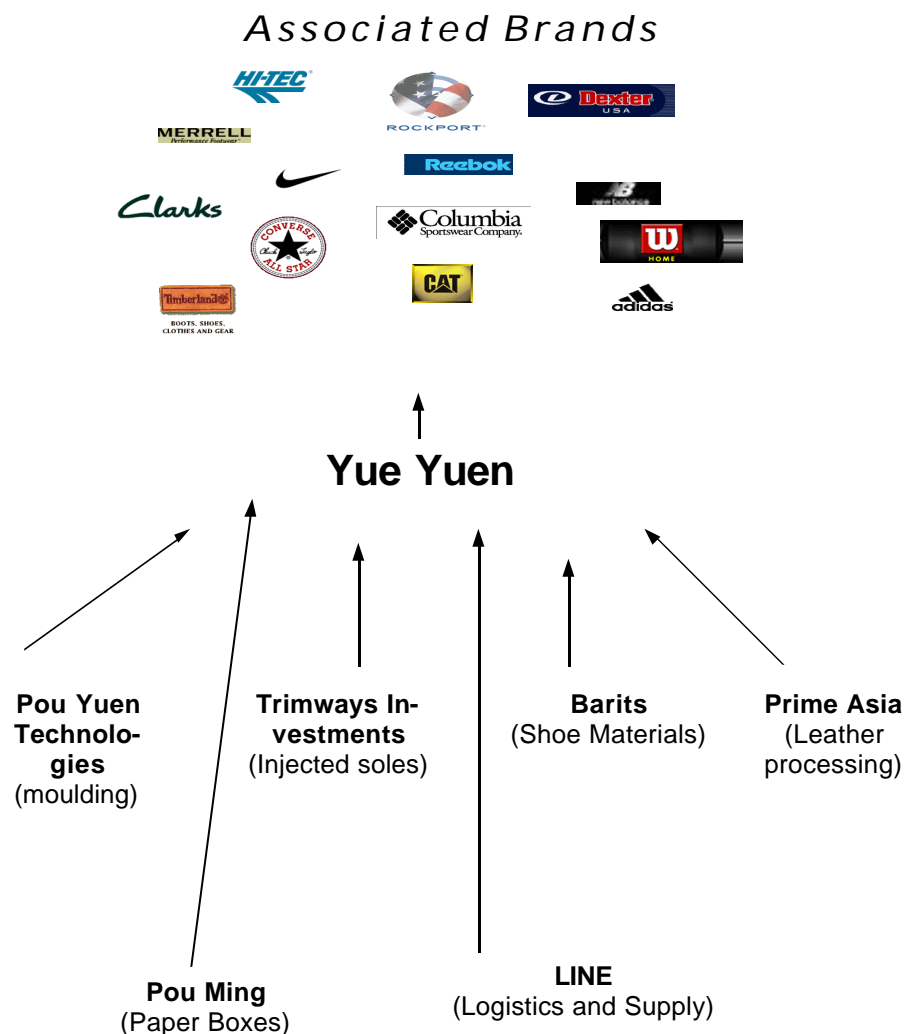


Yue Yuen owns enormous factories with mass workforces. See the figures below.

Locations



In Yuen Yuen's case the company has what is known as a **vertically integrated** manufacturing operation which means that it owns some 13 other companies which are involved up and down the manufacturing and delivery process e.g. raw materials and b-gistics and supply. Some of these companies are listed below. Whilst we know something about what is happening to workers at Yue Yuen we know very little about the working conditions in other parts of the company's own supply chain.



Activity : Mapping your company in the supply chain

Aims : to develop an awareness of your company's position in the global supply chain

Task : Look at the diagrams on pages 9-12 and try to build a similar picture starting with your factory in the middle. You will need to ask questions at work to find out where the raw materials come from and where the finished product goes to.

Ask your management for final destination information or check with the transport department. You will need to put names and paces in the boxes as far as possible.



Bangladeshi workers at a shirt factory in an Export Processing Zone

It's a case of almost the dog chasing its tail. Today it might be Vietnam. Tomorrow it's Cambodia. The day after it's Laos. Wherever it's possible to get the cheapest labour costs, that seems to be where the new kings of industry, that is the retailers and merchandisers, are hunting for their produce

Neil Kearney



During the last 20 years there has been a massive movement of jobs from the North to the South. But the intensity of the global competition is such that the newly created jobs in some countries are now being replaced by even lower paid jobs **within** the developing world. And it's not just a question of wages. Unfortunately for reasons we can understand, a greater problem is the absence of trade unions representation and collective bargaining. For multinationals one of their aims is to find a workforce that is easily exploitable.

In an effort to encourage foreign capital, governments throughout the world have set up Export Processing Zones. Fenced and guarded they often offer foreign investors zero taxes and substantial subsidies. Many exempt employers from national employment laws & health and safety regulations. It is estimated that 27 million people currently work in over 1000 EPZ's in more than 80 countries. Inside people are working up to 15 hrs a day.



An EPZ in El Salvador



The giant Ramatex plant in the newly created EPZ in Windhoek , Namibia

Ramatex is an example of a multinational, which is exploiting the provisions of the US Africa Growth and Opportunity Act passed in 2000 which permits textiles and garments to be exported from

sub-Saharan Africa to the USA quota and duty free providing they use US and African made textiles and/or yarn. The company, Malaysian in origin, and with a track record of anti union policies in Malaysia has helped itself to generous subsidies offered by the Namibian government in return for the creation of several thousand jobs. As the company commenced recruitment, young women trainees have been forced to take pregnancy tests, have been subjected to bullying by their trainer/managers and have a struggle on their hands to form themselves into a union. In addition many inhabitants of Windhoek are concerned about the environmental impact of this factory complex on the overall water supply and services.

They don't know about the unions because they are young and usually the employers pay for this type of worker because they are obedient and don't think about unions....

*Akiko Gono : Regional Secretary
ITGLWF Asia Region*



Activity : Organising Young Women Workers

Aims : To get you thinking about ways of reaching young workers

Task : Discuss the following in small groups

What specific ideas do you have for making your trade union attractive and relevant for young women ?

Without doubt organising succeeds best when there are issues which affect the workers you are intending to organise. Most certainly there is no shortage of issues along the supply chains of the major multinationals in our sector .

Let us look at some of these issues in a bit more detail



Women workers line up in a garment factory in El Salvador

Activity : Why we need to organise 1

Aim : to develop an awareness of wage exploitation in the supply chains of multinationals

Task : The diagram below details the number of steps required to assemble a garment in a factory based in an Export Processing Zone in the Dominican Republic and the time allowed for this

Look at the information and then answer the questions underneath

Anatomy of a Nike Children's Sweatshirt



5 Steps



11 Steps



6 Steps



Total time allowed

6.6 minutes



Sent to the Dominican Republic for assembly

If the hourly rate in the EPZ in the Dominican Republic is 70 cents How much on average does a worker earn for each sweatshirt made?

The sweatshirt retails in the US for \$22.99

What does a worker earn expressed as a percentage of the retail price?

Activity : Why we need to organise 2

Aims : to develop your problem solving skills

to get you to think how local problems can be tackled globally

Task : In the video you have heard about Peter Kavundi.

Here is Peter's story.

Peter worked as a sewing machinist in a company called J.A.R., which opened in a new Export Processing Zone in Nairobi, Kenya to take advantage of the Africa Growth and Opportunity Act.

JAR has over 1000 workers and produces jeans with the Jordache and Gasoline labels. Peter is a member of the Textile and Tailors' Union of Kenya and has been assisting the union in its efforts to organise the workforce. After collecting more than 500 signatures and achieving the required percentage to trigger the recognition procedure, the company began to harass Peter.

First, they tried to query his efficiency and quality at work but on both counts he was able to hold his own. At the same time management began to intimidate his fellow-workers, threatening to sack them if they do not resign their union membership and offering money to those prepared to revoke their membership.

One morning at 9:30am the production manager approached Peter at his workstation, accompanied by 2 policemen who roughly manhandled him upstairs to an empty room in the factory where he remains detained under armed guard all day without lunch until 4.30 pm. Then he was driven to police headquarters, where he and a stranger were forced to slap each other about the face. The police then knock their heads together.



Peter Kavundi goes through the list of new members with John Nyandiga , General Secretary of the Tailors and Textile Workers Union of Kenya

He then has to spend a night in a police cell before being released following protests by his General Secretary to the Ministry of Labour and pressure from the national trade union centre.

Peter was informed that he had been sacked.

Task :

If we are to do something for Peter and maintain pressure in this recognition campaign what action should we take

- at local / national level
- at regional level
- at international level

what further information are you going to require to assist you in this?



Activity : Why we need to organise 3

Aims : to develop an awareness of the exploitative nature of the supply chain in textiles clothing and footwear.

to give you practice in working with figures

Task : Look at the example below and try and work out what you earn per item or part item you make. In some cases you may know because you are paid by the piece.

Try and find out what the ex factory price of the item is. The try and find out the retail price.

Divide your pay

a) by each piece

b) by the ex factory price

Anatomy of a track shoe



Source: NCOS from Suedwind 1996 Das Kreuz mit dem Faden

What is being done ?

The ability of multinationals to pass the responsibility for wages and working conditions down the supply chain has its limits. The disclosure of major human rights abuses and violations of trade union rights by trade unions and NGOs (non governmental organisations) has forced those multinationals, which subcontract their production to issue their own corporate codes of conduct in an effort to get their suppliers to agree to certain minimum employment standards.

Crucially, these codes are unenforceable. Often they have not even been translated into the local language or even made available to the workers. They rarely make reference to the freedom of workers to organise trade unions or the need to pay all workers a “living wage”. They will involve some form of internal **monitoring** process by which management substantiates that it operates according to the code laid down by the client or prime contractor, and an external audit involving an inspection by a third party – a process known as **verification**.

The **International Labour Organisation** has attempted to provide a legislative framework by establishing a number of minimum labour standards which have been adopted, but not always implemented, by most countries in the world. The key elements are:-



- Freedom to join trade unions**
- Freedom to bargain collectively**
- Ban on slave and bonded labour**
- Ban on Discrimination**
- Elimination of Child Labour**
- Payment of a Living Wage**
- Limits on working hours**
- Decent working conditions**

These labour standards form the basis of a yet further attempt to rein-in the worst excesses of international companies. Called multi-stakeholder initiatives they bring together trades unions, employers and non-governmental organisations. Significantly, each includes a commitment to pay a living wage to provide for basic needs.

Multi-stakeholder initiatives



Social Accountability International SA 8000



Ethical Trading Initiative ETI



Fair Labour Association FLA



Worker Rights Consortium WRC



Clean Clothes Campaign CCC

Clean Clothes Campaign

Initiatives like these have a number of stakeholders involved—companies, government, trade unions and NGOs. (Please see the ITGLWF/SAI publication *Globalisation, Workers Rights and Codes of Conduct*). **SA 8000** for example, is based on the principle of factory certification. Where such certification has been awarded, that supplier has to provide access to unions. Where unions do not exist - the supplier has to provide the opportunities for workers to organise. For example, we have seen as a result of SA 8000 the establishment of a number of workers committees in China elected from the shop floor by the shop floor and having the opportunity to discuss and essentially bargain with management.

Whilst the **ITGLWF** has extensive involvement in some of these initiatives, for example, SA 8000 and ETI, it is necessary to keep these measures in some perspective.....

A Code of Conduct no matter how good is no substitute for effective labour legislation which is properly implemented by governments all around the world. Primary responsibility for the establishment of law and its application lies with governments... And we also have to recognise that no matter how good a code is it is no shortcut to better wages and working conditions....The vast majority of Codes of Conduct are nothing more than fig leaves for exploitation.....public relations exercises on the part of major retailers and merchandisers.

Neil Kearney



Activity: Codes of Conduct

Aims : to help you think critically about codes of conduct in textiles clothing and footwear.

Task : In small groups look at the following questions

1. Does your factory have one or more codes of conduct?
2. If so, which company has issued it?
3. What does it contain?
4. Are your members/fellow workers aware of it?
5. Has it been used at all to improve any conditions?
6. If so was the union involved? If not, why not?

International Framework Agreements

Because the only dependable way to ensure a decent employment relationship for workers along the supply chains of multi-nationals is through recognised trade unions and collective bargaining rather than through monitoring and verification, it is vital that we enter into dialogue with global companies to establish International Framework Agreements. The purpose of these agreements is not to deal in detail with the issues that have to be negotiated locally. Their function is to provide the framework to enable such negotiations to commence and to proceed, concentrating primarily on freedom to organise and the right to bargain collectively.

Such agreements, which exist in other industries, have already been negotiated in our sector but this has generally been at a level **above** the enterprise :



In Europe, for example, there is the multi-employer charter negotiated between the **ETUF-TCL**, the European regional organization of the ITGLWF and **EURATEX** – the European employers association for the textile and garment industry.

There is the **FIFA** code negotiated FIFA and representatives of the international trade union movement, from the International Confederation of Free Trade Unions **ICFTU**, the International Textile, Garment and Leather Workers Federation **ITGLWF**, and the International Federation of Commercial, Clerical, Professional and Technical Employees (**FIET**). This code was intended to apply to employers via the World Federation of Sporting Goods Industries—(**WFSGI**).

There is the multi employer **Australian Home-workers Code of Practice** negotiated between the Textile Clothing and Footwear Union and representatives of the retail and manufacturing sectors.



Triumph International's Code of Conduct

Based on the

“Corporate Image of TRIUMPH INTERNATIONAL”

and the “Charter of the European Social Partners of the Textile-
and Clothing Sectors”

the Management of TRIUMPH INTERNATIONAL

and the European Works Council of TRIUMPH INTERNATIONAL

Framework agreements negotiated above the level of the company and plant can assist affiliates but are difficult to implement and need focussed application in each enterprise for them to be effective.

One example of an agreement being negotiated with a specific company is **Triumph International**.

Although it is referred to as a ‘code of conduct’, the Triumph agreement was negotiated following sustained campaigning by the **ITGLWF**, the IGMetall (our German affiliate), and NGOs – in particular the Clean Clothes Campaign – to cease production in Myanmar (Burma), where the military regime has repeatedly violated workers rights particularly in relation to freedom of association, collective bargaining and forced labour.

In addition to requiring multinationals to disclose the locations of all their suppliers, adherence to international framework agreements would place a condition on all contracts between a multinational and its suppliers - large and small, worldwide and local to abide by a schedule of agreed labour standards and undertake to correct any breaches in those standards.

The full text of the Triumph and the ITGLWF draft international framework agreements can be found in the Annex.

Activity : Comparing Codes of Conduct

Aims : to develop your ability to critically look at management documents and trade union agreements

Task : Look at the two codes **Sara Lee Knit Products** and **Triumph International** in the Appendix .

Consider these alongside the set of principles on the facing page.

Which would you recommend and why ?

Using Framework Agreements



Shoemaker: Courtesy ILO

The **ITGLWF** believes that the most effective way to advance and protect worker rights and terms and conditions at work is through strong trade union organization. International framework Agreements could assist us in organizing workplaces so that employers have to engage in collective bargaining. On the other hand, we may need to have good trade union organization in order to force multinationals to concede to an international framework agreement.

International Framework Agreements—Some principles

1. They should be **negotiated** (in the case of multi stakeholder initiatives there should be bona fide trade union involvement).
2. They should be as **representative** as possible of those workers affected by its terms.
3. They should **disclose** the **locations** of owned production and those of suppliers, licencees, subcontractors and franchise holders.
4. They should contain a schedule of employment norms or **standards** to which each party mentioned in 3. above is expected to adhere. This should at least be **based on the ILO Conventions and OECD guidelines**.
5. Primacy of place should be given to the principles of **freedom of association** and **collective bargaining** as the most effective method for dealing with employment relations issues along a supply chain.
6. There should be a **management implementation system**.
7. There should be a **procedure for monitoring** the application of standards.
8. There should be a procedure for **independently verifying** the information provided by the monitoring process.
9. There should be a periodic **impact analysis** and a procedure for **corrective action**.
10. Provision should be made for at least one **annual review meeting** to establish an **ongoing dialogue** between senior management of the multinational and the relevant trade union body or bodies – usually the ITGLWF and/or its regional body and where appropriate one or more affiliates represented in the headquarters of the MNC.

Activity : Developing an Organising Strategy

Aim : to develop your ability to think strategically

Task : In small groups discuss the following question

How would you see an international framework agreement being used to assist national trade unions to organize workers?

What would be the key steps in an organizing strategy



Bangladesh Garment Workers hold a union meeting

ITGLWF Policy on Multinational Enterprises



The **ITGLWF** will:

- promote cooperation between affiliates dealing with the same multinational enterprises;
- in conjunction with its regional organisations, develop a dialogue with multinational enterprises with a view to concluding international framework agreements relating to trade union organisation and collective bargaining as well as to information and consultation rights;
- promote the creation of world-wide company councils within individual multinational corporations;
- actively participate in the debate on the social responsibility of business;
- seek to be represented where standards of implementation, monitoring and verification of codes of conduct covering labour practices are set;
- exert pressure on multinational manufacturers, merchandisers and retailers to set down guidelines on workers' rights for their own operations and for those of their suppliers, contractors and sub-contractors, such guidelines to reflect all of the fundamental principles of the ILO, including the right to form trade unions and to bargain collectively and preferably be in the form of a framework agreement negotiated through the trade union movement, or, where this cannot be achieved, in the form of a multi-party sponsored corporate code of conduct reflecting all of the fundamental principles of the ILO;
- encourage affiliates to make use of such framework agreements and codes of conduct as a tool for organising workers and improving working conditions;
- campaign to ensure that a uniform approach is adopted to the content of codes of content, and that companies adopting such codes put in place a system of implementation, internal monitoring and viable independent verification, with regular impact assessments;
- campaign to ensure that codes of conduct are not used as a substitute for effective labour legislation, nor as an alternative to union organisation;
- demand that companies externally sourcing their production provide full disclosure of their suppliers worldwide.

Sara Lee Knit Products Code of Conduct

Sara Lee Corporation

Sara Lee Knit Products

International Operating Principles

Position Statement

The policies that govern our business are based not only on laws and regulations, but also on dignity and respect for the individual, common sense, fairness, and good business practices/principles and Sara Lee Knit Products (SLKP) operating philosophies. The policies that have traditionally applied to our domestic operations have been, for the most part, applied to our international operations as they have been developed. The only exceptions have been in countries where local laws, regulations, customs or culture have dictated modifications and departures from our domestic practices.



The fundamental principles of our domestic policies, to the greatest extent possible, extend to our international locations. Our workforce has become more diverse and our operations now extend to many countries and regions. In addition to our own international operations, we also buy materials and finished products from international suppliers. The principles that apply to our own operations, also apply, to the greatest extent possible, to our business relationships with suppliers.

While there is a continued need for development and revision of formal policies, it is desirable that we restate the principles under which we have operated in the past and which will continue to apply to our international operations.

Laws and Regulations

SLKP is committed to adherence to laws, practices and regulations which apply to the areas where we conduct business. SLKP will conduct a thorough due diligence of all potential sourcing/joint venture parties and will not enter into business agreements, sourcing agreements or joint ventures where parties to such agreements are in conflict with, or in violation of, local laws or regulations.

Ethical Practice

SLKP believes in conducting all of its business activities with honesty,

operates. The company will not make or condone illegal payments or other facilitating payments, nor will it involve itself in activities or practices of questionable ethical standards.

Environment

SLKP is strongly committed to the strict adherence to all environmental rules, regulations and standards that are imposed by local, state and national government authorities. In countries where standards differ from those in force in the United States, SLKP will observe environmentally sound practices.

Wages and Benefits

SLKP prides itself on providing employees with competitive wages and benefits. Regardless of location, SLKP offers wages which are competitive and which are at or above wages paid by others within our industry in the area. SLKP believes that an important way to motivate and retain good employees is to pay them at competitive levels without causing undue disruptions of local, regional or national economics.

Working Conditions

SLKP believes in providing employees with superior working environments which are designed, built and equipped to the same high standards everywhere we operate.

Hours worked each day, and days worked each week shall not exceed legal limitations or requirements within each of the countries where we operate.

The company believes that employees are entitled to work in a drug-free environment and is actively implementing an extensive substance abuse policy in accordance with applicable laws to include educational programs, safety sensitive, accident, applicant testing and rehabilitation programs in all places where we operate.

Employee Communications

SLKP operates on the principle that an informed employee is a better

employee. The company actively encourages two-way communications between employees and supervisors and supplements such communications with timely publications, bulletin board notices, employee meetings and video communications.

Workplace Safety

SLKP is committed to providing a safe working environment. Unsafe practices will not be tolerated and employees will be trained in safe practices. Safety rules related to the wearing of safety equipment or devices will be strictly enforced.

Open Door Policy

SLKP believes that employees have a right to present complaints, problems, grievances and comments to receive satisfactory responses. If employees are not satisfied with responses at the first level of supervision, they are entitled and encouraged to present their issue to higher levels of the organization.

Labor Unions

SLKP believes in a union-free environment, except where laws and cultures require us to do otherwise. The company treats people with equity and fairness, and believes that employees themselves are best able to voice their concerns directly to management. SLKP is committed to the strict observance of laws and regulations related to union activity, and encourages individual freedom and direct dealing between employees and management while actively discouraging union representation of employees where the law allows.

Equal Opportunity and Employee Training and Development

SLKP is an equal opportunity employer. The company actively seeks and promotes diversity within its workforce and strictly prohibits discrimination with regard to race, color, national origin, religion, sex, age or disability.

The company respects employees and believes in the fundamental dignity and worth of the individual. SLKP offers its employees company-paid or subsidized work-related training, which enables employees to improve job skills and to qualify for positions of greater responsibility.

While the legal definition of children sometimes varies from country to

country, SLKP will not employ individuals who are under 16 years of age.

Employee Recognition, Empowerment and Treatment

SLKP believes that employees should be recognized and rewarded for good performance, and actively encourages the adoption of suitable programs for this purpose.

SLKP is committed to employee empowerment in the belief that employees have good ideas and should be given the opportunity to voice those ideas and to implement better and more productive procedures and methods. SLKP believes that empowerment directly and significantly contributes to the company's goal of achieving lowest-cost, highest-quality producer status and that this, in turn, enables the company to effectively compete in world markets.

Community Relations

SLKP believes in being a good corporate citizen in every community, locality and country where we operate. All of the company's operating facilities are actively encouraged to become involved in the life of their communities by participating in and sponsoring activities that result in community betterment. Involvement has taken many forms. Some plants have adopted schools; some have promoted drug education programs; others have adopted orphanages; while still others have helped establish child-care centers and community child-care homes.

In some less developed areas, plants have helped establish parks, recreational facilities, health care facilities, drug abuse programs and have contributed to the building of housing and infrastructure. Individual employees are encouraged to become involved in service organizations, school board, chambers of commerce, industrial park associations and local government.

Corporate Contributions

In every community where it operates, SLKP actively seeks out opportunities to contribute money and materials to worthwhile causes. SLKP wants to make the community a better place for its employees to live and work. SLKP is particularly interested in programs that benefit youth, drug education and abuse programs, health, welfare, education, family, culture and art.

Triumph International's Code of Conduct



Triumph International's Code of Conduct

Based on the

“Corporate Image of TRIUMPH INTERNATIONAL”

and the “Charter of the European Social Partners of the Textile- and Clothing Sectors”

the Management of TRIUMPH INTERNATIONAL

and the European Works Council of TRIUMPH INTERNATIONAL

agree to the following

Code of Conduct

Introduction

TRIUMPH INTERNATIONAL has been active in Germany for 115 years and internationally for over 50 years. So, over several generations, a continuous contribution has been afforded to the prosperity of employees as well as a considerable spur to economic development in some disadvantaged regions.

TRIUMPH INTERNATIONAL is aware of the responsibilities that arise from its international business activities and the employment of a labour force world-wide. TRIUMPH INTERNATIONAL acknowledges that these responsibilities extend to all employees who produce TRIUMPH INTERNATIONAL products regardless of whether they are employees of TRIUMPH INTERNATIONAL or not.

Both parties emphasise the paramount importance of the protection of human rights laid down in the “General Declaration of Human Rights”. The parties are governed by the relevant agreement from the IOA and Global Compact of the United Nations for the regulation and furtherance of working and economic relations.

The parties declare themselves in favour of open and fair world trade, because in this respect they see the best prerequisites for a profitable and lasting development of the company and consequently for more secure jobs.

TRIUMPH INTERNATIONAL commits itself to follow the minimum standards and recommendations listed below;

1. Working Voluntarily – Illegal Forced Labour

Employment within TRIUMPH INTERNATIONAL companies is exclusively on the basis of a voluntary agreement. Any kind of forced labour, carried out in servitude/bondage or through imprisonment is prohibited (ILO-Agreement 29 and 105)

2. Union- and Freedom of Wage Negotiations

Every employee has the right to establish and join unions and the right for wage negotiations is acknowledged. (ILO Agreement 87 and 98).

Employee - representatives must not be discriminated against and must have access to all necessary work places so that they are able to look after their representation function. (ILO-Convention 135 and Recommendation 143).

3. Actual exclusion of child labour

Children and juveniles must not be employed. Only persons are employed who when taking up their job have reached the age of 15 or passed the compulsory school age. (ILO-Convention 138).

4. Discrimination is forbidden

All employees are exclusively employed on the basis of their ability and suitability. Any kind of different treatment or discrimination of persons because of their descent, colour, religion, nationality, origin, political or union involvement or employment or because of sex or age has to cease. (ILO Convention 100 and 111).

5. Appropriate remuneration and occupational advancement

TRIUMPH INTERNATIONAL grants its employees an earned income that is orientated to comparable standards in the relevant country and is within the general remuneration guidelines of TRIUMPH INTERNATIONAL.

Wages and other performance related payments conform to the legal or, for the industry applicable, minimum wage, which is enough to fulfil the basic needs of the employee and also leaves an amount, for free disposal.

Before taking up employment all employees receive in writing understandable information regarding the wage conditions exact particulars regarding their wages for each period of payment.

Capable employees are supported and whenever possible within the framework of the respective personnel development taken into consideration for future management function.

All employees are offered an up to date working environment, whereby the general working conditions were created under protection of the relevant national standards and rules.

6. Job Security and Health & Safety

A safe and hygienic working environment is guaranteed at the place of work. Health and Safety measures are promoted under consideration of up to date knowledge and possible specific dangers within the industry.

Prohibited are physical mistreatment, threatening and physical force and mistreatment, unusual punishment or disciplinary measures, sexual and other molestation or intimidation.

7. Regular working hours

Working hours are set according to the current laws and the industry norm. Generally, a working week is not more than 48 hours and all employees receive at least one day off within a period of 7 days. Overtime is voluntary and as a rule restricted to no more than 12 hours per week. Each time this is compensated with an additional overtime payment, provided nothing different is agreed within flexible working arrangements.

Suppliers and Licensees Commitment

TRIUMPH INTERNATIONAL binds contractors, sub-contractors, suppliers and licensees to support and participate in the monitoring of the Code of Conduct; by:

- * providing TRIUMPH INTERNATIONAL with the relevant information regarding their activities
- * Allowing the work place and activities to be checked at any time
- * Recording the names, age, working hours and wage level of all the employees and make this documentation available upon request;
- * Informing the employees concerned verbally and in writing regarding the setting up of this Code of Conduct.
- * Apart from disciplinary measures, dismissals or other discrimination of employees; passing on information about the keeping of the Code of Conduct.

about the keeping of the Code of Conduct.

If a supplier violates one or more of the regulations contained within this Code of Conduct, the company concerned will be approached to instigate immediate measures to correct this. Should the requested corrective measures not be carried out TRIUMPH INTERNATIONAL can stop the actual production, annul existing orders, suspend future orders or terminate the business relationship.

Implementation Rules

TRIUMPH INTERNATIONAL commits itself to take the necessary steps for the implementation of the Code of Conduct; by;

- establishing where responsibility belongs within the Company on all questions in connection with the Code of Conduct.
- instructing in particular supervisors and operational employee representatives in a suitable way regarding the contents of the described standards, recommendations and aims.
- ensuring that all employees know the Code of Conduct. For this purpose TRIUMPH INTERNATIONAL will instigate that the Code of Conduct is translated into the relevant language of each country and displayed in each respective factory and explained to employees in an understandable way.
- product management briefing and informing contractors and suppliers regarding the contents of the Code of Conduct.
- integrating into all contracts with contractors and suppliers as well as licensees the duty to keep to the Code of Conduct and all its regulations.
- checking, within the bounds of possibility and reasonability, that the Code of Conduct is being kept.

Monitoring

TRIUMPH INTERNATIONAL, the European Works Council and the EGV/TBL are setting up a committee for the supervision of the regulations of this Code of Conduct. TRIUMPH INTERNATIONAL is sending 2 representatives to this Monitoring Committee, likewise the Euro-Works Council 2 representatives and EGV/TBL 2 representatives. The committee dictates the tasks and authority of the Monitoring Committee according to the principle of unanimity.

Zurzach, 12th December 2001

TRIUMPH INTERNATIONAL

EURO Works Council

SPIESSHOFER & BRAUN
KOMMANDITGESELLSCHAFT

gez. G. Korsawe

gez. W. Spießhofer

European Regional
Organisation of the |
ITGLWF

gez. M. Schallmeyer
IG Metall



ITGLWF's Draft International Framework Agreement

International Framework Agreement

between

(name of company)

and

The International Textile, Garment and Leather Workers' Federation ("ITGLWF")

Preamble

The parties enter this agreement freely and acknowledge that its implementation will constitute a good example of meaningful social dialogue, effective industrial relations and responsible corporate management. *(name of company)* recognizes the **ITGLWF** as the global trade union organisation for workers engaged in the production of textiles, footwear and apparel. Both therefore undertake actively to support the implementation of this agreement and declare their readiness to co-operate in preventing and remedying any contravention.

This agreement does not preclude other agreements between the **ITGLWF** or any affiliates of the **ITGLWF** and *(name of company)*, its contractors, their subcontractors, principal suppliers and licensees (franchise holders).

Section 1

Purpose and Scope

The parties to this agreement understand that its primary purpose is to establish a global relationship between *(name of company)* and the **ITGLWF**, to promote strong local governance of the employment relationship at the point of production in companies within the *(name of company)* supply chain, to improve communication and to put in place mechanisms for the reduction and

resolution of conflict. Accordingly, its purpose is to establish a mutual relationship which can facilitate the improvement of working conditions, protect workers from abuses, eliminate certain labour practices such as child labour, and assist in the resolution of labour disputes in accordance with international labour standards and, the relevant national legislation and collective agreements governing supplier factories.

Under the terms of this agreement (*name of company*) recognises its obligations to workers for the conditions under which its products or services are made and that these obligations extend to all workers producing products or services for (*name of company*) whether or not they are employees of (*name of company*). In order to meet these obligations, (*name of company*) will observe and require its contractors, principal suppliers and licensees (franchise holders) to observe labour practices based on internationally recognised standards as set down in section 2 of this agreement.

(*name of company*) also recognise the **ITGLWF** as a partner to work with in the area of global labour practices and agrees to work with **ITGLWF** and its relevant affiliates in ways set down in sections 3 and 4 of this agreement.

The **ITGLWF** agrees for its part to provide practical support to establish and promote employee representation and social dialogue within the (*name of company*) supply chain. This will include work with affiliates to build their capacity, skills-development including union leadership and worker representative training, and assistance in avoiding and resolving disputes.

This framework agreement is intended to facilitate the negotiation of detailed collective agreements between affiliates of the **ITGLWF** and (*name of company*), its contractors, their sub-contractors, principal suppliers and licensees, at national or other levels. It should serve as an important basis for developing labour relations within the company and throughout its supply chain. Accordingly, the requirements contained herein shall apply universally with regard to geographic location, industry sector and company size, and shall cover homeworkers.

Section 2

Standards.

2.1. Introduction

2.1.1 *(name of company)* will provide and require its contractors, their sub-contractors, principal suppliers and licensees (franchise-holders) to adhere to those internationally recognised standards listed in Annex 1 and described in this section of the Agreement, when producing or distributing products or components of products for *(name of company)*.

2.1.2 Prior to placing orders with principal suppliers, engaging contractors and subcontractors or granting licenses, *(name of company)* will assess whether the provisions of this Agreement can be met and will make it a contractual obligation that they be met and continue to be met.

2.1.3. The provisions of this agreement constitute only minimum standards. *(name of company)* will not use, and will not allow any contractor, subcontractor, principal supplier or licensee to use, these minimum standards and conditions as maximum standards, or as the only conditions permitted by *(name of company)*, or to serve as the basis for any claim as to what standards or conditions of employment should be provided.

2.2. Standards

The following standards shall apply to *(name of company)* and its contractors, their sub-contractors, principal suppliers and licensees (franchise-holders). For the purposes of this section of the agreement, unless otherwise specified, the term “company” shall refer to *(name of company)* contractors, their sub-contractors, principal suppliers and licensees (franchise-holders).

2.2.1. *Freedom of Association & Right to Collective Bargaining*

2.2.1.1. The company shall respect the right of all workers to form and join trade unions of their choice without previous au-

thorization and to bargain collectively; and shall afford the workers the necessary facilities to conduct appropriate elections .

2.2.1.2. The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, take particular care to protect the rights of workers and facilitate parallel means of independent and free association and bargaining for all such workers;

2.2.1.3 Where a recognition agreement has been signed between a subcontractor, licensee or franchise holder and a local union, it is expected that negotiations concerning wages and conditions, health and safety shall commence within the first year of such an agreement being undertaken.

2.2.1.4. The company shall ensure that representatives of such workers are not the subject of discrimination and that such representatives have access to their members in the workplace and are provided with the information, facilities and resources necessary to conduct negotiations effectively.

2.2.1.5. The company shall adopt a positive approach towards the activities of trade unions and an open attitude towards their organisational activities including recognising their right to draw up their constitutions and rules, to elect their representatives, to organise their administration and activities and to formulate their programmes. It shall refrain from any interference that restricts these rights or impedes their lawful exercise.

2.2.2. Forced Labour

2.2.2.1 The company shall not engage in or support the use of slave, forced, or indentured labour, nor shall workers be required to lodge 'deposits' or identity papers upon commencing employment with the company. Workers shall have the option to leave employment and the company shall facilitate such departure by providing all the necessary documentation and facilities.

2.2.3. Child Labour

2.2.3.1. The company shall not engage in or support the use of child labour as defined in Annex 2 and shall contribute to its abolition.

2.2.3.2. The company shall establish, document, maintain, and effectively communicate to workers and other interested parties, policies and procedures for the remediation of children found to be working in situations which fit the definition of child labour. It shall provide adequate support to enable such children to attend and remain in school until no longer a child as defined in Annex 2.

2.2.3.3. The company shall establish, document, maintain, and effectively communicate to workers and other interested parties, policies and procedures to promote the education for children covered under ILO Recommendation 146 and young workers who are subject to local compulsory education laws or are attending school. This shall include the means to ensure that no such child or young worker is employed during school hours and that combined hours of daily transportation (to and from work and school), school, and work time does not exceed 10 hours a day;

2.2.3.4. The company shall not expose children or young workers to situations in or outside of the workplace that are hazardous, unsafe, or unhealthy.

2.2.4. Health And Safety

2.2.4.1 Bearing in mind the prevailing knowledge of the industry and of any specific hazards, the company shall provide a safe and healthy working environment. It shall take adequate steps to prevent accidents and injury to health arising out of, associated with or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment;

2.2.4.2. The company shall appoint a senior management representative responsible for the health and safety of all workers, and accountable for the implementation of the Health and Safety elements of this agreement;

2.2.4.3 The company shall make information about the health and safety standards relevant to their local activities available

to all their workers in their local language and in both written and oral form. The information shall include details on the effects of all substances used in manufacturing processes, on special hazards that tasks or conditions of work involve and the related measures available to protect workers;

2.2.4.4 The company shall ensure that all workers receive regular and recorded health and safety training, and that such training is repeated for new and reassigned workers;

2.2.4.5. The company shall establish systems to detect, avoid or respond to potential threats to the health and safety of all personnel. It shall investigate work-related accidents and keep records of all such incidents, stating their cause and remedial measures taken to prevent similar accidents;

2.2.4.6 The company shall provide, for use by all personnel, clean bathrooms, access to potable water, and, if appropriate, sanitary facilities for food storage;

2.2.4.7. The company shall ensure that, if provided, dormitory facilities are clean, safe, and meet the basic needs of workers.

2.2.5. *Discrimination*

2.2.5.1 The company shall not engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, or political affiliation;

2.2.5.2 The company shall not interfere with the exercise of the rights of workers to observe tenets or practices, or to meet needs relating to race, caste, national origin, religion, disability, gender, sexual orientation, union membership, or political affiliation.

2.2.5.3 The company shall not allow behaviour, including gestures, language and physical contact, that is sexually coercive, threatening, abusive or exploitative.

2.2.6. *Disciplinary Practices*

2.2.6.1. The company shall not engage in or support the use of corporal punishment, mental or physical coercion, and verbal abuse nor shall a worker be disciplined without fair procedures.

2.2.7. *Working Hours*

2.2.7.1 The company shall comply with applicable laws and industry standards on working hours. The normal workweek shall be as defined by law but shall not exceed 48 hours on a regular basis. Workers shall be provided with at least one day off for every seven-day period.

2.2.7.2. The company shall ensure that overtime work is voluntary, does not exceed 12 hours per worker per week, is not demanded other than in exceptional and short term business circumstances, and is always remunerated at a premium rate.



Bangladesh union members campaign for better employment standards

2.2.8. Remuneration

2.2.8.1 The company shall ensure that wages paid for a standard working week shall meet at least the legal or industry minimum standards and shall always be sufficient to meet basic needs of workers and to provide some discretionary income;

2.2.8.2 The company shall ensure that deductions from wages are not made for disciplinary purposes nor shall any deduction from wages not provided for in national law be permitted without the express permission of the worker concerned. It shall ensure that all workers are provided with written and understandable information about the conditions in respect of wages before they enter employment and of the particulars of their wages for the pay period concerned each time that they are paid. The company shall also ensure that wages and benefits are paid on time and rendered in full compliance with all applicable laws and that compensation is rendered either in cash or check form, in a manner convenient to workers;

2.2.9. Maternity Protection

The company shall provide a favourable environment to all pregnant workers as provided by ILO Convention No. 103, granting 6 weeks prior to and after the presumed date of confinement and guaranteeing them a job that is compatible with their physical condition from the moment they are informed about the pregnancy until 120 days after childbirth.

In accordance with Convention No. 3 female workers shall be entitled to half an hour twice during her working day to nurse her child. No deductions shall be made in the event of such work interruptions.

2.2.10 Training

The company shall provide adequate and timely training for everyone for the job for which they are employed, and offer training and advancement opportunities related to performance.

2.2.11. Employment Relationships

The company shall ensure that labour-only contracting arrange-

ments and false apprenticeship schemes are not undertaken in an effort to avoid fulfilling its obligations to workers under applicable laws pertaining to labour and social security legislation and regulations.

2.2.12 *Security Arrangements*

The company shall, in its use of security arrangements, abide by applicable laws and professional standards in so far as these do not conflict with international human rights standards. It shall ensure that security personnel at no time violate the rights of individual workers while exercising their rights freedom of association and peaceful assembly, to engage in collective bargaining or to enjoy other related rights set down in this international framework agreement.

2.2.13. Disclosure of Information

The company shall ensure timely and regular disclosure of reliable and relevant information relating to its activities, structure, financial situation and performance. This information shall be disclosed for the enterprise as a whole and, where appropriate, along business lines or geographic areas. In general, company information should include:

- a. The financial and operating results of the company;
- b. Company objectives;
- c. Major share ownership and voting rights;
- d. Members of the board and key executives, and their remuneration;
- e. Material foreseeable risk factors;
- f. Material issues regarding employees and other stakeholders
- g. structures and policies.

2.2.14. Procedures in the event of redundancy

In the event of redundancy, the company shall give the workers representatives concerned, as early as possible, an op-

portunity for social dialogue on measures to avert or minimize such redundancies and/or measures to mitigate the adverse effects of such redundancies.

2.2.15. Insolvency rights

Where proceedings have been opened relating to an employer's assets with a view to the collective reimbursement of its creditors, workers shall be regarded as primary creditors.

3. Management System

(*name of company*), its contractors, subcontractors, principal suppliers and licensees (franchise-holders) (hereafter referred to as 'the company') shall undertake to support and co-operate in the implementation and monitoring of this agreement by introducing management systems that contain the following elements: -

3.1. Designation of responsibility

3.1.1. The company shall appoint a senior management representative who, irrespective of other responsibilities, shall ensure that the provisions of this agreement are met.

3.2. Policy

3.2.1. Senior management shall define the company's policy for social accountability and labour conditions to ensure that it:

- a) includes a commitment to conform to all requirements of this agreement;
- b) includes a commitment to comply with national and other applicable law, other requirements to which the company subscribes and to respect the international instruments and their interpretation (as listed in Annex 1);
- c) includes a commitment to continual improvement having met all legal requirements;

d) is effectively documented, implemented, maintained, communicated and is accessible in a comprehensible form to all workers, including, directors, executives, management, supervisors, and staff, whether directly employed, contracted or otherwise representing the company;

e) is publicly available.

3.3. Planning and Implementation

3.3.1 (*name of company*) shall contractually ensure that suppliers, their sub-contractors, and licensees (franchise-holders) fully understand the terms of this agreement and implement its requirements at all levels of their respective organization. Action to ensure such compliance shall include, but are not limited to:

a) the establishment of clear definition of roles, responsibilities, and authority;

b) periodic effective training and awareness programs for managers as well as workers and their representatives;

c) training of new and/or temporary employees upon hiring;

d) continuous monitoring by all concerned of activities and results to demonstrate the effectiveness of systems implemented to meet the requirements of this agreement;

3.4. Disclosure of information

3.4.1. The purpose of this agreement is to enable strong local governance within the factories of the (*name of company*) supply chain. This can only be achieved via a full disclosure of (*name of company*)'s own operations, and of those of their contractors, their sub-contractors, principal suppliers (as far as is reasonably practicable) and licensees (franchise-holders). Where appropriate, such information shall include lists of homeworkers.

3.4.2. This information shall be provided twice yearly to the

ITGLWF .

3.4.3. **ITGLWF** and its affiliates shall this use this information solely to promote the terms of this agreement and the development of social dialogue within the *(name of company)* supply chain.

3.5. Control of Suppliers

3.5.1. *(name of company)* will place a contractual obligation upon its contractors, their sub-contractors, principal suppliers and licensees (franchise holders) to adhere to the terms of this agreement and will ensure that all contracts allow for the termination of the contract for failure to observe such terms.

3.5.2. *(name of company)* shall establish and maintain appropriate procedures to evaluate and select its contractors, their sub-contractors, principal suppliers and licensees (franchise-holders) based on their ability to meet the requirements of this agreement .

3.5.3. *name of company)* shall maintain appropriate records of suppliers' commitment to social accountability, including, but not limited to, the suppliers' written commitment to:

- a) conform to all requirements of the standards contained in this agreement (including this clause);
- b) participate in *(name of company)*'s monitoring activities as requested;
- c) promptly remedy any non-conformance identified against the requirements of this agreement;
- d) promptly and completely inform the company of any and all relevant business relationship(s) with other supplier(s) and sub-contractor(s);
- e) supply a written commitment to provide at regular intervals independently certified evidence of compliance with the requirements of this agreement

3.5.4. *(name of company)* shall require its contractors, their sub-

contractors, principal suppliers and licensees (franchise-holders) to provide at regular intervals independently certified evidence of compliance with the requirements of this agreement. Certification under an internationally recognised multi-stakeholder code of conduct could satisfy the requirements of this agreement

3.6. Addressing Concerns and Taking Corrective Action

3.6.1. *(name of company)* shall investigate, address, and respond to the concerns of workers and their unions with regard to conformance/non-conformance with *(name of company)*'s policies as set out in this agreement. *(name of company)*, its contractor, subcontractor, supplier or licensees (or franchise-holder shall refrain from disciplining, dismissing or otherwise discriminating against any worker for providing information concerning observance of the agreement.

3.6.2. *(name of company)* may authorise a procedure with fixed time limits to rectify situations where the Agreement is not being fully observed by a contractor, subcontractor, supplier or licensees (or franchise-holder). The agreement by the contractor, subcontractor, supplier or licensee (or franchise-holder) to abide by this procedure would enable the continuation of the contract with *(name of company)*. *(name of company)* may authorise contractors, suppliers or licensees (or franchise-holder) to institute similar procedures with respect to their contractors, subcontractors, principal suppliers and licensees (or franchise-holder). Such procedures shall be authorised only where:

- there is a reasonable expectation that the situation will be corrected and that the agreement will be observed in the future;
- the period specified for correcting the situation is reasonable;
- and recognisable and unmistakable violations of the Agreement are ended immediately.

Such procedures shall not be authorized more than once for the same contractor, subcontractor, supplier or licensee (or franchise-holder).

With respect to child labour, such procedures shall require that there be no further engagement of children and that child workers be replaced by adults, where possible from the same family. Where specific child labour eradication programs are involved, procedures shall also include measures to assist the children concerned through provision of educational opportunities and transitional economic support.

3.6.3. Where there is repeated failure to observe or to ensure observance of the agreement by a particular contractor, subcontractor, supplier or licensee (or franchise-holder) the agreement shall be terminated. Repeated failure may be defined as two occasions for the same or similar violation.

3.7. Verification

The parties to this agreement acknowledge that the best form of monitoring is that by workers themselves in individual plants through an organised trade union.

A key aim of this agreement would be to ensure that workers in every part of the *(name of company)* operation (contractor, subcontractor, supplier or licensees (or franchise-holder) are so empowered. In the absence of trade union organisation, compliance with the terms of this agreement must be independently certified in a way acceptable to all parties to the agreement.

Independent certification under an internationally recognised code could meet this requirement. Where such situations are determined to exist, they will be the subject of discussion and where necessary negotiation between the parties to this agreement.

(name of company) shall provide reasonable information and access to the agreed parties seeking to verify conformance to the requirements of this agreement.

(name of company) shall be required to incorporate a requirement in the company's purchasing contracts that suppliers, sub-contractors, licensees (franchise-holders) provide reasonable information and

grant access to the agreed parties seeking to verify conformance to the requirements of this agreement.

In situations where it is not clear whether a particular practice constitutes a violation of the agreement, relevant international labour standards of the International Labour Organisation (ILO) shall be used as reference points and the expert advice available from the ILO shall be sought for guidance. When such situations are determined to exist, *(name of company)* agrees to inform and consult the **ITGLWF**.

Section 4

Review

4.1. Joint Review Procedure

4.1.1. *(name of company)* shall establish and maintain procedures to communicate regularly to the signatories of this agreement, data and other information regarding performance against the requirements of this document, including, but not limited to, the results of management reviews and monitoring activities.

4.1.2. A joint group shall meet twice a year to review the implementation of this agreement and any related issues. The members of this joint group shall be (representatives of the *(name of company)* management), the General Secretary of the **ITGLWF**, together with representatives of ARCC (Africa), FITTVCCORI (Americas), TWARO (Asia) and ERO-TCF (Europe). Where necessary, other representatives of the parties to this agreement shall be co-opted to this group from time to time.

4.1.3. Both sides commit themselves to contact each other directly and immediately in cases where conflicts or violations of the agreement arise, in order to seek a common solution.

4.1.4. **ITGLWF** undertakes to provide all of its affiliates with details of this agreement and will encourage its implementation throughout the *(name of company)* supply chain. With its affiliates and regional organisations it will, annually, assess progress on and impact of the implementation of the agreement, and will establish procedures to ensure it brings benefits to the workers concerned, improves communications, helps avoid and resolve conflicts and promotes social dialogue.

4.1.5. *(name of company)* undertakes to inform all of its employees and its contractors, their sub-contractors, principal suppliers

(franchise-holders) of the terms and meaning of this Agreement. To achieve the full potential of this agreement will require knowledge of its content at all levels of the company.

4.1.6 Both the **ITGLWF**, and (*name of company*) undertake to promote training programmes to develop awareness. Where possible these should be done jointly.

Section 5

Interpretation and Termination

5.1. This voluntary agreement enters into force with the signature of both parties and will be reviewed within 3 years of the agreement coming into force.

Both parties enter this agreement freely. They acknowledge that its purpose is to establish a mutual relationship which can facilitate the improvement of working conditions, and protect workers from abuses in accordance with internationally recognised labour standards and the relevant national legislation and collective agreements governing supplier factories. Accordingly they undertake actively to support its implementation, and declare their readiness to co-operate in preventing and remedying any contravention.

5.2 Questions concerning the interpretation of this Agreement shall be resolved through consultation between the signatories. Every effort will be made to find common agreement but where this is not possible the parties to this agreement shall in appropriate instances seek the expert advice of the ILO.

Signed on behalf of the Board

Signed on behalf of the
ITGLWF

Annex 1: International Labour Office Conventions and other relevant instruments

ILO Conventions 29 and 105 (Forced & Bonded Labour)
ILO Convention 87 (Freedom of Association)
ILO Convention 98 (Right to Collective Bargaining)
ILO Conventions 100 and 111 (Equal remuneration for male and female workers for work of equal value; Discrimination)
ILO Convention 103 (Maternity Protection Convention)
ILO Convention 135 (Workers' Representatives Convention)
ILO Convention 138 & Recommendation 146 (Minimum Age and Recommendation)
ILO Convention 155 & Recommendation 164 (Occupational Safety & Health)
ILO Convention 159 (Vocational Rehabilitation & Employment/ Disabled Persons)
ILO Convention 177 (Home Work)
Universal Declaration of Human Rights
The United Nations Convention on the Rights of the Child
OECD Guidelines on Multinational Enterprises

Annex 2 : Definitions

A.2.1. The term 'contractor' shall mean any natural or legal person who contracts with (name of company) to perform work or provide services.

A.2.2. The term "sub-contractor" means any natural or legal person who contracts with a contractor, as defined above, for the purpose of performing work or providing services related to or as part of an agreement with (name of company)

A.2.3. The term "principal supplier" means any natural or legal person who provides (name of company) with materials or components used in the final products, or the final products, sold by (name of company)

A.2.4. The terms "licensee" and "franchise-holder" mean any natural or legal person who, as part of a contractual arrangement with

(name of company), uses for any purpose the name of (name of company) or its recognised brand names or images.

A.2.5. Definition of remedial action: action taken to remedy a non-conformance.

A.2.6. Definition of corrective action: action taken to prevent the recurrence of a non-conformance.

A.2.7. Definition of child: any person less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply.

A.2.8. Definition of young worker: any worker over the age of a child as defined above and under the age of 18.

A.2.9. Definition of child labour: any work by a child younger than the age(s) specified in the above definition of a child.

A.2.10. Definition of forced labour: all work or service that is extracted from any person under the menace of any penalty for which said person has not offered him/herself voluntarily or for which such work or service is demanded as a means of repayment of debt.

A.2.11. Definition of remediation of children: all necessary support and actions to ensure the safety, health, education, and development of children who have been subjected to child labour, as defined above, and are dismissed.

A.2.12 Definition of homemaker: A person who carries out work under direct or indirect contract, other than on an employer's premises, for remuneration, which results in the provision of a product or service as specified by the employer, irrespective of who supplies the equipment, materials or other inputs used.

Links and Resources

ITGLWF & SAI 2002 *Globalisation, Workers Rights and Codes of Conduct*, Brussels and New York

ICFTU 2001 A Trade Union Guide to Globalisation, Brussels :
ICFTU available online at

http://www.icftu.org/www/pdf/pub_glob_2002-3.pdf

Useful addresses

International Confederation of Free Trade Unions

International Trade Union House
155 Boulevard Roi d'Albert
1210 Brussels
www.icftu.org

International Labour Organisation

CH-1211
Geneva 22
Switzerland
Tel : 00 22 7997912
www.ilo.org

Trade Union Advisory Committee to the Organisation for Economic Cooperation and Development

26 Avenue de la Grande Armée
75017 Paris
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Tel. 00 322 512 2606
Www.tuac.org

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