



## **ETI Principles of Implementation**

### ***Preamble***

The purpose of the ETI is to promote improved conditions for workers through the implementation of codes of labour practice based on national law and international labour standards. By becoming a member of ETI, a company commits itself to adopt and implement the ETI Base Code and to undertake activities intended to promote respect for workers' rights and to achieve real improvements in working conditions within their supply chain. Member companies should give special attention to the rights of workers most vulnerable to abusive labour practices, notably women, homeworkers, agency workers, temporary workers, migrant workers and smallholders.

These Principles set out the approaches to ethical trade expected of ETI members. It is recognised that members will apply these principles in different ways according to their circumstances, but all members are expected to work towards their full implementation and to report on how they are applying the Principles each year. Expectations of achievement will be based on a performance framework agreed by members.

### ***The Principles***

#### **1. Commitment to ethical trading**

1.1 Ethical trading, including the adoption of the Base Code and these Principles, is recognised at the highest level as a company objective and the implementation of this policy is assigned to a senior manager.

1.2 Commitment to ethical trading is communicated publicly, throughout the company, to its suppliers and to the people who work in its supply chain.

1.3 The company makes available sufficient resources to ensure that its commitments are fulfilled and that there is continuous improvement in the application of these principles.

1.4 The company requires its suppliers to comply with the Base Code and also requires them to engage with their own suppliers to comply with the Base Code throughout the supply chain.

1.5 The company has a strategy for implementing the Base Code and these Principles, based on time-bound measurable actions.

1.6 The company plays an active role in ETI caucuses and activities and applies good practice learning wherever possible.

1.7 In undertaking ethical trade activities, the company works collaboratively with other ETI members and with other parties including suppliers affected by its activities.

## **2. *Integrating ethical trade into company culture and business practices***

2.1 The company selects suppliers with good labour practices that are likely to observe the provisions of the Base Code.

2.2 The company recognises the contribution that stable business relationships can make to the observance of good labour practices and endeavours to establish long term relationships with its suppliers.

2.3 The company ensures that the terms of agreements with its suppliers such as prices, lead times and quantities are consistent with the ability of the supplier to observe the provisions of the Base Code.

2.4 Buying staff and other personnel whose decisions may affect working conditions and labour practices in the supply chain are made aware of the potential impact of such decisions. They are provided with training and guidelines that enable them to carry out company ethical trading policy and their performance is assessed and managed accordingly

## **3. *Capacity-building for suppliers and others***

3.1 The company provides information, guidance, training and support for its suppliers to observe the Base Code and to comply with any other policies on ethical trade required by the company of its suppliers.

3.2 The company seeks the views of its suppliers over their ability to meet the Base Code given existing buying practices, and assists them to meet their concerns.

3.3 The company ensures that all workers covered by the code, and their representatives, are aware of the provisions of the Base Code and of the commitments to ethical trade that it has made through its ETI membership.

3.4 The company supports and encourages the development of effective management systems among its suppliers and mature systems of industrial relations that require full respect for freedom of association and collective bargaining.

## **4. *Identifying problems in the supply chain***

4.1 The company undertakes activities to be aware of the working conditions and labour practices in its supply chain in order to understand the nature and location of risks to ethical trade, uses this information and shares it with other members.

4.2 The company gathers and analyses verifiable information about its suppliers' performance on complying with the Base Code and uses this information to inform its sourcing decisions.

4.3 The company ensures that mechanisms exist to enable workers in its supply chain to report confidentially and without detriment any failure to observe the Base Code and to deal with such complaints.

## **5. *Improvement actions***

5.1 The company works with its suppliers to rectify any problems identified and implement improvements that are consistent with the provisions of the Base Code.

5.2 The company negotiates time-bound plans for improvements with suppliers and makes sure that the improvements are actually made.

5.3 The company provides support and advice to help suppliers make agreed improvements.

5.4 The Company recognises the fundamental importance of independent and democratic organisations of workers' own choosing – commonly known as trade unions – in achieving sustainable improvements and encourages an open and positive attitude towards trade unions and collective bargaining because they are the essential elements of all mature systems of industrial relations.

5.5 The company terminates supplier relationships where serious breaches of the Code persist only after reasonable attempts have been made to work with the supplier to implement improvements, and where there is no reasonable prospect of securing improvements. Such terminations should be carried out in a responsible way.

5.6 The company works with suppliers, other ETI members and other parties affected by its activities to address the root causes of non-compliances through the design and implementation of activities which identify and test good practice and effective solutions.

## **6. *Transparency***

6.1 The company reports fairly and accurately on its ethical trade activities.

6.2 The company complies with ETI reporting requirement.

6.3 The company reports publicly, and in more detail as its experience grows, on its commitments to ETI, its ethical trade activities and impacts.

6.4 The company encourages its suppliers to be transparent about their ethical trade performance.

6.5 The company responds rapidly, fully and openly to any complaints about code violations in its supply chain.