

Case Study

Proposal for a multi-stakeholder corporate responsibility mechanism for the Australian garment industry and example of international practice

The Brotherhood of St Laurence is working with industry stakeholders to establish a multi-stakeholder platform to promote and implement Corporate Responsibility (CR) practice in the Australian garment sectors international supply chains. Membership should include small and large companies, NGOs, industry associations, unions, government, suppliers, sourcing agents, and workers.

This initiative would respond to the following barriers to the development of a robust CR framework, as identified by companies and industry stakeholders interviewed for the BSL's *Ethical threads* research:

- the lack of trust between workers, suppliers, labour rights organisations, and principal companies, who do not work collaboratively and often fail to understand each other's circumstances.
- the need for companies to develop their CR processes in consultation with organisations representing both suppliers and garment workers.
- the need for companies to develop ethical sourcing strategies which are documented for all stakeholders and the public and integrated into their mainstream business operations.
- the lack of resources, support, and information available to Australian companies about developing ethical supply chain processes.
- a perceived lack of organisational resources, expertise, and capacity to influence international supply chains when Australia is such a small market.

A model in the United Kingdom: the Ethical Trading Initiative

The British Ethical Trading Initiative (ETI) is an alliance of companies, NGOs, and trade union organisations working to promote and improve the implementation of corporate codes of practice that cover supply chain working conditions.

The initiative was established in the late 1990s in response to food and clothing companies coming under increasing pressure from consumers, NGOs, and unions about the conditions under which their goods were produced in their overseas supply chains.

According to the ETI website, companies responding to this community pressure would commonly adopt a code of practice setting out minimum labour standards that they expected their suppliers to comply with. However, many soon realised that they did not have the mechanisms, nor the necessary experience and skills, to address these issues alone. They realised they needed the backing of civil society organisations, in particular of trade unions and NGOs with expertise in labour issues and overseas development.

Underpinning all of ETI's work are the Base Code and the accompanying Principles of Implementation. When corporate members join ETI they commit to progressively adopt the ETI Base Code throughout their supply chains. The Code is based on ILO conventions and as such is widely acknowledged as a model code of labour practice. It contains nine clauses that reflect the most relevant international standards. The Principles of Implementation set out general principles governing the implementation of the Base Code. These two documents provide member organisations with a basic platform for good practice and a generic standard for company performance.

According to the ETI (2008) website, in addition to supporting implementation of the Base Code, ETI undertakes the following:

- carries out activities to identify and promote good practice in the implementation of the code
- runs experimental projects working collectively with partners to tackle areas of code implementation that are particularly challenging to members
- conducts and makes publicly available impact assessments
- builds the capacity of relevant organizations to implement codes effectively
- builds strategic alliances with other organisations working on ethical trade
- and shares learning through seminars, publications, and training materials.

The Ethical Trading Initiative has 40 corporate members, including companies such as Marks & Spencer, The Gap, and The Body Shop.

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