

Terms of Engagement between the Joint Initiative on Corporate Accountability and Workers' Rights and Suppliers

Six organisations committed to improving the lives of workers in global supply chains, through the promotion of international labour standards, have agreed to a collaborative project in the garment industry, to be tested in Turkey (the “Turkey Garment Pilot Project”). The project will assess how voluntary codes of labour practice and various approaches to their implementation can best contribute to better workplace conditions, identify best practices and seek agreement on a common standard worldwide.

The Turkey Pilot Garment Project represents a unique opportunity for buyers and several of their most valued suppliers in Turkey, as well as other stakeholders and interested parties, to be in the forefront of developments in code implementation and the improvement of labour practices in global supply chains.

The six organisations involved in the project are Clean Clothes Campaign (CCC), Ethical Trading Initiative (ETI), Fair Labour Association (FLA), Fair Wear Foundation (FWF), Social Accountability International (SAI), and Worker Rights Consortium (WRC) (collectively referred to below as the “six organisations”). Collectively the six organizations make up the Joint Initiative on Corporate Accountability and Workers' Rights (Jo-In).

The project will also involve eight European and US brand/retail companies currently engaged by the six organisations – adidas-Salomon AG, Gap, Inc., Marks & Spencer Group plc, Nike Inc., Hess Natur, Patagonia, Inc., and Puma AG (collectively referred to below as the “buyers”), and roughly a dozen facilities/production sites in Turkey operated by key suppliers to these companies (collectively referred to below as “suppliers”), as well as other stakeholders including local trade unions, non-governmental organisations, and other interested parties (collectively referred to as “stakeholders”).

For the purposes of the Turkey Garment Pilot Project, the six organisations have agreed to the attached draft Jo-In Common Code of Labour Practice (“common code”), which consists of the highest provisions from the different codes of labour practice of all six organisations.

The buyers and suppliers will each use their regular approaches to implement the draft common code. The pilot will focus on three code provisions (freedom of association and collective bargaining, wages, and hours of work). After an initial assessment of the extent to which a particular factory meets these code provisions, the project will focus on remediation and on the effective resolution of complaints.

Participating buyers, in recognition of supplier commitment to code compliance and best practice, have committed to continue their business relationship with supplier participants for the duration of the pilot, barring a breach of contract. Participating buyers have agreed to also not terminate their relationship with the supplier as the result of a non-compliance, except in circumstances where the facility either refuses to

undertake reasonable corrective action or the buyer deems the non-compliance to be of such a significant nature that they are no longer able to maintain production there (see the attached Terms of Engagement with buyers).

The six organisations, buyers and suppliers will work together in good faith in support of the goals and objectives of the project. The following points reflect the terms of this engagement between Jo-In and suppliers and are designed to ensure that the conditions necessary for the success of the project are in place:

I. ROLES AND RESPONSIBILITIES OF THE PARTIES

A. The Six Organisations

1. The Six Organisations will provide appropriate and feasible assistance, including information, training and other expertise, to participating suppliers in order to support their meeting their commitments in the project.
2. Throughout the course of the project, the Six Organizations will continue to consult with, and their decisions will be informed by, buyers, suppliers, and other stakeholders:
 - a.) The project will establish an appropriate consultative forum in Turkey, to which it will invite participating suppliers as one of the project stakeholders.
 - b.) The project will provide suppliers with a copy of the agenda of Steering Committee meetings, invite comment on any of the agenda items by stakeholders, and send a short report of the decisions taken at these meetings to all stakeholders.
 - c.) The project will provide suppliers with regular bi-monthly updates on progress to all stakeholders.
3. The Six Organizations will publicly recognize those suppliers that have participated in the project by, for example, listing their names as project partners on the Jo-In website (if suppliers so wish). The Six Organizations will also recognize suppliers that are making a good faith effort at improvement in project reports.

B. Supplier

1. The Supplier agrees to cooperate with the project, with the six organizations and with its respective buyer(s) in line with the objectives of the Trial Project Design (attached).
2. The Supplier will continue to meet existing code implementation obligations it has with its respective buyer(s) participating in this project. For the purposes of the pilot project, the Supplier will also implement the relevant clauses on working hours, wages and freedom of association in the draft Jo-In Common Code.
3. While it is understood that the Supplier may not meet the workplace

standards in the draft Common Code at the beginning of the project, the Supplier commits to making real, good-faith efforts during the course of the project to comply with these code provisions and implement the remediation plan agreed between the supplier, the buyer and Jo-In.

4. The Supplier agrees to provide reasonable access to reports, to the workplace, workers and to management.

5. The Supplier agrees to attend consultative meetings together with other national and international stakeholders, to review reports and to provide feedback regarding the project and its execution to the Steering Committee of the Joint Initiative.

6. Any complaints arising in the Supplier factory in the context of the common code will be dealt with by the complaints mechanisms which the factory and buyer already have in place. Should any serious issue not be resolved in this manner, it will be dealt with according to an agreed Jo-In project dispute resolution process (attached).

II. REPORTING AND CONFIDENTIALITY

The project will be reporting on what is learned (process and outcome) on a periodic basis and will release a comprehensive project report at the end of the project trial. These reports will be public. In all its reporting the project will abide by these principles:

1. Reporting will be done by the six organisations as a group.
2. Participating buyers, suppliers and other stakeholders in the project will have the opportunity to see the project report drafts prior to finalization, to provide comments and, should they wish to do so, include a written comment from their own perspective that will be published in the project reports.
3. Reporting will recognize suppliers that are making a good faith effort at improvement.
4. As required by all initiatives involved in this project, the identity of workers who issue complaints and/or other communications will be kept confidential, unless the worker communicates that she/he wants this information to be made public.
5. While the project encourages full public reporting and disclosure, it has been responsive to concerns in this regard and developed a model that allows buyers and their respective suppliers to participate in the project at differing levels of disclosure. These are:

1. Full reporting: Buyer, supplier name, location and issue reported together.

2. Partial reporting: Buyer name reported and a nominal codes for supplier
on which issues are reported (i.e. factory 11; factory 12; factory 13). The
supplier name will remain confidential.

Participating buyers have agreed to partial reporting. It is hoped that buyers and their
suppliers will progress incrementally to full public disclosure during the course of the
project.

Agreed by:

Supplier: XXXXXXXXXXXXXXXXXXXX

MSIs: MEMBERS OF THE JO-IN STEERING
COMMITTEE.

Signed and dated:

Signed and dated:

Ineke Zeldenrust, Clean Clothes Campaign (CCC)

Dan Rees, Ethical Trading Initiative (ETI)

Rut Tufts, Fair Labor Association (FLA)

Sjef Stoop, Fair Wear Foundation (FWF)

Alice Tepper Marlin, Social Accountability International (SAI)

Scott Nova, Worker Rights Consortium (WRC)

