

“Investment in China” Presentation, November 16, 2005

1. Thanks SIO, explain focus on apparel supply chains, mention Transparency Report

2. What is the issue?

- ✓ Sourcing moving to China, so can't ignore it
- ✓ A modern factory -- sweatshop practices (Don't look like prisons)
- ✓ Migrant labour system: extraordinary hours of work, wages, no social security, dormitory conditions (14/room), freedom of movement (If must give up identify papers/travel documents, is it forced labour?)
- ✓ Hours of Work: Verite – 93% in violation of law
- ✓ Freedom of association??? One Big Union, but is it?
- ✓ Strikes happen outside the law (Newsletter article)

3. What are companies doing now?

- ✓ Commercial auditing that fails to uncover violations (CCC Report)
- ✓ Double booking
- ✓ Coaching workers to lie
- ✓ Weakening of standards (Wal-Mart: 72-hour workweek, 14-hour day)
- ✓ Contradictory demands re price and compliance

4. What can socially responsible companies do?

- ✓ Not calling for a boycott
- ✓ Obey the law: hours of work laws good, but local authorities give exemptions
- ✓ Do more than required to do by law (What does law say on FoA?)
- ✓ Work with local NGO on worker rights training, worker interviews
- ✓ In addition to audits, find other sources of information (NGOs, labour)
- ✓ Facilitate rather than block democratic forms of worker representation (Rebook)
- ✓ Don't call in authorities when workers stage protests and strikes; negotiate!!!
- ✓ Work with other buyers that share the same factories re remediation
- ✓ Support consistent enforcement of the law (level playing field)
- ✓ Address purchasing practices
- ✓ REPORT ON WHAT YOUR DOING

5. Other Issues:

- ✓ Why transparency, quote codes memo
- ✓ Don't cut and run (Wal-Mart policy!!!)