



FAIR LABOR  
ASSOCIATION

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## *The FLA Update*

**March 2006**

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### Message from the Executive Director

The FLA Board of Directors met on February 6-7 in Princeton, NJ for its first meeting of 2006. In addition to the full Board meeting, the Monitoring, Communications, and Executive Committees met, as well as the NGO Advisory Council. We were pleased to have Halton Cheadle, a member of the ILO Committee of Experts, address the Monitoring Committee on the issue of retrenchment and to engage in a discussion on best practices when a company retrenches—reduces employment in a factory or shuts down a plant altogether.

The Board meeting included an extensive discussion about strategic planning—part of an 18-month strategic planning process that will continue at the Board's June meeting.

An important outcome of the meeting was the Board's approval of the first FLA Participating Supplier, Chenfeng Group, based near Shanghai. Mr. Yin Guoxin, president and CEO of Chenfeng, attended the Board meeting and made a presentation on his factories' operations manufacturing apparel for five FLA brands. Chenfeng is among a select group of suppliers already implementing a Code of Conduct and working on CSR issues. The FLA intends to admit additional suppliers in the future on a limited and carefully considered basis.

The FLA Board will next meet on June 13-15 in Bamberg, Germany. Before the Board meeting, the FLA will hold two days of meetings focused on issues of code implementation for companies and NGOs.

### Board Approvals

#### *Approval of Company Affiliation*

The Board approved the affiliation of sportswear brands Majestic Athletic and Under Armour Inc. as Category B licensees at its February meeting. The licensees are under provisional affiliation for thirty days until they complete certain requirements, at which time they will become FLA Category B licensees.

In December, the Board accepted H&M as an FLA Participating Company for its apparel and accessories produced in China.

### *Accredited Monitors*

Also in February, the Board approved the application of the Fair Wear Foundation (FWF) to monitor in India and Tunisia, the International Resources for Fairer Trade (IRFT) to monitor in India, and the Kenan Institute Asia to monitor in Malaysia.

### NGO/Trade Union Update

In early December, HeeWon traveled to Hong Kong and China to build and strengthen relationships with NGOs and to pre-introduce FLA 3.0 and the Soccer Project prior to the local NGO stakeholder forum held in Hong Kong on March 3. HeeWon will lead a similar-formatted local NGO and Trade Union forum in Bangkok on April 10.

### UAC Update

The USAS Designated Supplier Program (DSP) proposal has been a major focus for the FLA and its member universities and licensees over the last few months. To this end, the FLA facilitated a conference call forum at the end of February in which panelists from FLA licensees Gear for Sports, Jansport, Nike, and Vesi engaged with 40 representatives from colleges and universities in a discussion about the DSP proposal. Participants had the opportunity to ask questions of the licensees and each other to better understand the DSP proposal. The FLA also participated in the WRC's annual University Caucus meeting in February, which focused on the proposal.

The FLA is currently under discussion with the WRC to co-host one or more forums entitled "Achieving Decent Work in Global Supply Chains" in April. The objective is to bring together schools, licensees and other stakeholders to look at the challenges of improving workers lives and addressing issues such as freedom of association, and sudden shifts in production.

The University Advisory Council held its annual meeting on March 5 in Houston. At that meeting, attended by licensees and FLA colleges and universities, the group approved a plan to support enhanced work with the Category B and C licensees; specifically to work with category C licensees to assess a large number of their factories and provide capacity building training for them. The FLA's work with university licensees assists companies to engage more constructively with their suppliers and local stakeholders while identifying and encouraging the use of suppliers who are better able to achieve sustainable compliance.

Please contact Kathy Stevens, [kstevens@fairlabor.org](mailto:kstevens@fairlabor.org), for all inquiries regarding the DSP program, the joint forum, and the licensee program.

## Special Projects Update

Jorge and Barbara attended a closing ceremony in Guatemala on January 17 of the Central America Project. The event, which was co-hosted by the Ministry of Labor of Guatemala, Vestex (Guatemala Apparel and Textile Industry Commission), INTECAP (Technical Institute of Training and Productivity), and the Fair Labor Association drew approximately 85 representatives from the region. Speakers stressed the importance of promoting a culture of compliance among all actors of society as a key element to ensure competitiveness of the maquila sector in Central America.

A rigorous set of orientation and training sessions is now underway to promote the Sustainable Compliance Program, which includes the Soccer Project. A series of Balanced Scorecard trainings and needs-assessments related to the Soccer Project were conducted in China and Thailand in January and February. On March 2, FLA met with factory owners and brand representatives from China and Thailand to share the results of the Balanced Scorecard trainings and needs-assessments. In April, the FLA will hold trainings on the Guidelines of Good Practice, grievances handling, and Balanced Scorecard for factory executives. Please contact Roopa Nair ([rnair@fairlabor.org](mailto:rnair@fairlabor.org)) for more information about these activities.

The FLA continues its collaborative work with CCC, ETI, FWF, SAI, and WRC on the Jo-In project in Turkey. The Steering Committee has proposed the creation of an International Advisory Group (IAG) consisting of trade union, NGO, participating brand, and supplier representatives. It will advise the Steering Committee with regard to key issues of global impact that are likely to arise as the project unfolds. In the coming months, the project will seek to solidify factory participation; finalize protocols for factory assessments; recruit the factory assessment team; design a local stakeholder training; host a discussion about wages; and begin factory assessments.

## FLA Conference Participation Update

The FLA has been very active in the lecture circuit recently promoting its core program, compliance issues, and corporate social responsibility. Auret kicked off 2006 with a special presentation to the U.S. Congressional Human Rights Caucus in February. The panel consisted of representatives from the ILO, FLA, Phillips Van-Heusen, and Human Rights First; each panelist discussed his or her perspective on the role of government and multinational corporations in promoting respect for labor rights. Auret described the decline of labor enforcement globally and the rise of multinational brands assuming the role of enforcer due to weak government oversight. In addition to national law enforcement, brands condition business with their own set of standards, giving rise to the concerns over the privatization of labor law. Auret argued that brands legitimize their compliance programs when they demonstrate collaboration with other brands and multi-stakeholder initiatives and when they are transparent.

The panelists agreed that the national governments should strengthen their capacity to enforce labor laws and that brands should continue to raise labor standards. Please visit the FLA Newsroom/Speeches to read Auret's testimony <http://www.fairlabor.org/all/news/speeches.html>.

Auret spoke at the Global Corporate Social Responsibility Forum sponsored by China News Week on February 22. Auret delivered a similar message on multi-stakeholder initiatives shouldering social responsibility to an audience of industry, NGOs, and local governments in China.

In February, Jorge visited Guatemala City at the invitation of the Global Fairness Initiative and the Continuous Improvement in the Central American Workplace program. He joined prominent international leaders in the garment industry for a one-day symposium, exploring the applicability of best practices for the Guatemalan context. Jorge spoke about the Guidelines of Good Practice as an effective tool developed out of the FLA Central America Project. The GGP provides guidance on the development and implementation on policies related to hiring, termination, grievance procedures, and disciplinary measures at the factory level.

Jorge also represented the FLA at the annual Intertek Ethical Sourcing Conference on March 9. Organizers created multiple tracks led by experienced practitioners who facilitated an exchange of successes and challenges in a small group setting. Jorge focused his presentation on the FLA program and special projects.

HeeWon reached out to fellow international NGOs during the Cornell Conference on Global Campaigning, where 500 NGOs and Trade Unionists from around the world gathered to talk about many different campaigns, including the garment/apparel sector. The School for Industrial Labor Relations hosted the event in New York.

Please see Upcoming Conferences for a list of conferences in the coming months.

## Upcoming Conferences

\* FLA will be a guest presenter

### March

Prime Source

\*International Apparel Forum

March 28

Hong Kong

<http://www.internationalapparelforum.com/>

Center for Sustainable Enterprise at Kenan Institute Enterprise and Kenan-Flagler Business School at UNC  
Reinventing Today's Business for the Challenges of Tomorrow  
March 30 – 31  
North Carolina  
[www.kenan-flagler.unc.edu/KI/cse/conference/index.cfm](http://www.kenan-flagler.unc.edu/KI/cse/conference/index.cfm)

April

Verite and UNIFEM  
Advancing Women in the Global Workplace: Principles in Action  
April 27  
New York  
Contact: [advancingwomen@verite.org](mailto:advancingwomen@verite.org)

May

Ethical Corporation  
Business-NGO Partnerships  
May 9 – 10  
New York  
[www.ethicalcorp.com/nycpartnership/](http://www.ethicalcorp.com/nycpartnership/)

Sustain' Magazine  
In the City: Sustainability, the Media and the City  
May 15  
London  
Contact: [r.peacey@sustainmagazine.com](mailto:r.peacey@sustainmagazine.com)

Cornell University School of Industrial and Labor Relations  
\*Monitoring Freedom of Association  
May 31 – June 2  
Ithaca, NY  
[www.ilr.cornell.edu/international/events/2006FreedomofAssociation.html](http://www.ilr.cornell.edu/international/events/2006FreedomofAssociation.html)