

SUPPLY CHAIN ASSURANCE INTELLIGENCE

News from Intertek's Supplier Management Group.



Happy holidays, and welcome to the latest edition of Intertek's Supply Chain Intelligence! We have put together some great information, industry happenings, research, and news that we hope is timely and informative to you and the role you fulfill at your company. Our goal for this newsletter is for it to be of value to you and your daily work, so please feel free to share your feedback and suggestions with us may you have them.

When you're trying to keep up with the Joneses:

[Startup is tracking microbiomes to figure out where your shoes were really made](#)

Intertek's partner company, Phylagen, was recently featured in Fast Company magazine regarding their innovative approach of using microbiomes, a collection of bacteria, fungi, viruses, and other microorganisms undetectable to the human eye—that leaves an imprint on every person or thing that passes through it, to trace “the journey” of a product. Phylagen has helped several large North American companies discover that their products had been manufactured by unauthorized subcontractors, allowing them the possibility to switch suppliers or work more closely with their manufacturing partners to ensure ethical practices, while they were previously confident in the origin of their products. To learn more about Intertek's partnership with Phylagen and opportunities to join this initiative, contact Jenna Pires jenna.pires@intertek.com.

[Levi Strauss to pilot blockchain for factory worker welfare](#)

Harvard University and the American clothing company Levi Strauss & Co announced a collaboration with U.S. think-tank New America to develop a blockchain factory safety system. The new system aims to eventually replace external factory health and safety auditors with a self-reporting infrastructure in the form of an annual worker survey. The project is funded through a grant from the U.S. State Department.

Bangladesh launches 24/7 helpline to ensure "hassle-free" implementation of new wages

Bangladesh raised the minimum monthly wage for the garment sectors' 4 million workers by 51% from Tk 5300 to Tk 8000 (USD 95) in December 2018 (the first wage increase seen since 2013). Nevertheless, workers went on strike in January 2019 with the argument that their raise was less than this and unions say the wage hike failed to compensate for price rises in recent years. After 8 days of labor unrest, the government announced a revised pay structure for the garment industry with a slight increase in both basic and gross wages in six of the seven grades. To ensure seamless and hassle-free implementation of the latest wage structure, Bangladesh Government in tandem with 29 committees to monitor the new pay structure has reportedly also launched a helpline to facilitate the process. The helpline will remain operational 24/7 to ensure garments workers are able to register any complaint, free of charge. The Department of Inspection for Factories and Establishments (DIFE) will reportedly operate the helpline and its number, 16357, will be exhibited in all factories.

The Vietnam Textile and Apparel Association (VITAS) and World Wildlife Fund (WWF) Vietnam collaborate for a more sustainable future

The project was launched last month and will be carried out to 2020. It will involve engaging the sectoral players to better manage their water and energy use – focusing specifically on the Mekong and Dong Nai deltas, where more than half of Vietnam's apparel factories are located. The project also targets raising the sustainability profile of Vietnam's textile and apparel industry by introducing better river basin governance to improve water quality. The project is considered timely as it reinforces the need for better management of the textile and apparel industry by holding it to higher environmental and social standards in parallel with the increasing awareness of customers worldwide who demand global brands to become more ethical in their business practices.

Some Interesting Country Specific News:

China: Concerns raised on goods produced by forced labor in the province of Xinjiang

Beijing is accused of interning up to 1 million Muslim minorities, mainly Uighurs, in prison-like detention camps, forcing them to renounce their religion, native language, and even pushing them into forced labor with little to no pay. Due to the growing concern for forced labor, at least one company has decided to cut ties with one of their suppliers located in this area. Nevertheless, no evidence has yet been found to back up the forced labor claims.



Malaysia: Malaysia targets middlemen to end debt bondage of migrant workers

As per this article, under pressure to crack down on labor abuses, the Malaysian government is moving to eliminate middlemen who charge millions of foreign workers exorbitant recruitment fees, leaving them saddled with debt and vulnerable to exploitation and struck a deal with Nepal to directly recruit workers there, without going through agents. The agreement came after Nepal temporarily suspended sending workers due to concerns about their treatment. Under the agreement, Nepali workers will be hired on a government-to-government basis. Malaysian employers will have to bear all the recruitment costs, including airfare, visa, and medical check-up fees.

Mexico: Workers in the Mexican city of Matamoros strike for higher pay

Union members staged walkouts at 48 “maquiladora” or manufacturing plants in Mexico’s border city Matamoros, demanding a 20 percent pay increase. The strike is nearing victory after 44 of 48 “maquiladora” factories agreed to the 20 percent pay increases; 4 are still pending. It is argued that the courage and victory of the initial strike is inspiring new and broader sections of workers to go on strike. The “maquiladoras” claim the strikes threaten the very existence of their industry, which has attracted over 5000 mostly foreign-owned plants and 2 million jobs by paying very low wages. Union leaders say those worries are overblown, noting that workers at the border plants still earn far less than their counterparts in the United States.

Thailand: EU lifts ban on Thailand fishing industry

The EU has been accused of sending out the wrong message after removing Thailand from a list of countries failing to tackle illegal fishing. Campaigners claim that the European commission’s decision this week to lift Thailand’s “yellow card,” in place since April 2015, gives consumers an “illusion that violations of fishers’ rights are not still occurring [...] [but] reports we have from fishers on the ground in Thailand are telling us that there’s still illegal fishing happening and, more importantly, there is still significant labor abuse and debt bondage in the industry.”

Thailand: Thailand becomes the first country in Asia to ratify the ILO Work in Fishing Convention, 2007 (No.188)

The Work in Fishing Convention sets out binding requirements relating to work on board fishing vessels, including occupational safety and health, medical care at sea and ashore, rest periods, written work agreements and social security protection. It also aims to ensure that fishing vessels provide decent living conditions for fishers on board. The ILO hopes that other Asian countries will follow Thailand in ratification. As Thailand moves into the implementation phase, the ILO will continue to provide support and technical assistance.

India: The University of California at Berkeley publishes “Tainted Garments: The Exploitation of Women and Girls in India’s Home-based Garment Sector”

The Indian garment sector employs more than 12 million people in factories, but according to this study by the University of California, millions more work from home. These workers are involved in the many stages of garment production - from cutting sleeves to stitching buttons, embroidery, bead work, and giving other “finishing touches” to items of clothing. The new research showed that most home-workers are women and girls from minority or marginalized communities. As per the research paper, their work-circumstances are worrying and home-workers are denied minimum wage and have virtually no avenue to seek redress for abusive or unfair working conditions and urges action to bring improvement to the situation.



Pakistan: Human Rights Watch publishes report alleging unfair and abusive labor practices in Pakistan

The report, “No Room to Bargain: Unfair and Abusive Labor Practices in Pakistan,” details the poor working conditions at garment factories in Pakistan, which employ 4.2 million people, one of the largest by any sector. Based on interviews with more than 141 people, including 118 garment workers from 25 factories, union leaders, government representatives, and labor rights advocates, this report finds that Pakistan’s government has failed to apply the lessons on labor rights protection and safety it should have learned following the Khaadi protests and deadly fire at Ali Enterprises. As a result, the report concludes, workers in Pakistan’s garment factories continue to experience labor abuses that go unaddressed and whose plight remains off the political agenda of the country’s ruling elite.



Some Interesting Campaigns, Research and Opinions:

Severe air pollution cuts productivity at work

According to new research, long-term exposure to air pollution is not just unhealthy—it also reduces employee productivity. For the study in the “American Economic Journal: Applied Economics,” researchers gathered information from textile mill factories in China for more than a year, interviewing managers at 12 firms in four separate provinces. They also received access to data for analysis for two factories, in Henan and Jiangsu. The goal of the research was “to broaden the understanding of air pollution in ways that have not been explored. We typically think that firms benefit from lax pollution regulations, by saving on emission control equipment and the like; here we document an adverse effect on the productivity of their work force.”

Ending Modern Slavery: Discussion at the World Economic Forum

Richard Quest and the CNN Freedom Project join forces with the World Economic Forum in Davos to discuss the role business can play in ending modern-day slavery.

CONTACT US

Intertek Business Assurance

BUSINESS.ASSURANCE@INTERTEK.COM
INTERTEK.COM

