BIZCOMMUNITY

Winecorp first SA company formally recognised for ethical trading

South Africa's Wine Industry Ethical Trade Association (WIETA), an NGO created to monitor and promote fairness in working conditions throughout the wine industry, has awarded its first accreditation to Winecorp Holdings.

The certification, says Nicky Taylor, who is WIETA's CEO, is of enormous significance not only to the wine industry, but to the entire South African agricultural sector, where some of the worst human rights violations have occurred in South Africa's history.

"Support of and compliance with the WIETA code of socially responsible and ethical labour practices sends out a very compelling signal that working conditions and the protection of workers' rights matter both morally and practically. We know that a safe and fair working environment impacts favourably on worker productivity and performance levels and can contribute significantly to a venture's sustainability."

The landmark accreditation is based on a system modelled on the UK retail sector's Ethical Trade Initiative. It comes after an extensive road show to familiarise all South African wine growers, producers and farm workers with the detailed criteria that must be met in order to comply the WIETA code of ethical conduct.

"We are also confident that now the accreditation process is underway, more members of the wine industry will sign up with WIETA as they work towards achieving world-class standards in all aspects of their operations," said Su Birch, CEO of Wines of South Africa and a founder member of WIETA.

Winecorp Holdings is the only organisation of those audited in WIETA's initial audit phase to have succeeded in complying with all aspects of the code at its three sites, as assessed by a multi-disciplinary team of auditors, whose specialist skills include labour law, health and safety, and community work. The three sites are Winecorp PLS, the company's bottling plant, as well as the Winecorp (SA) cellar and warehouse facilities.

The audit process covers a comprehensive range of issues such as health and safety; freedom of association; the right of workers to participate in decisions affecting them; worker benefits and conditions; child labour; fair disciplinary procedures and the sourcing of and contractual obligations to seasonal workers.

Taylor said the remaining four sites audited in the initial phase were close to receiving accreditation but still had to meet certain criteria, which were largely administrative. "They are in the process of delivering improvements in relatively minor areas and they should be certified by the end of July."

She said WIETA aimed to audit the primary production sites of the organisation's 50 founder members by the end of the year. The next auditing phase would cover some of the larger wine industry players, where there were as many as 18 sites per company involved.

In addition to the audits, WIETA is also producing a photo-comic for farm workers on the WIETA code and the social auditing process. "We are also currently exploring other forms of communication to functionally illiterate workers that could involve industrial or other forms of theatre."

WIETA has been hailed internationally as an effective and highly sustainable model because its stakeholders represent all facets of the South African wine industry. Members include Government, organised labour and NGOs, virtually all South Africa's large-scale producers, whose output accounts for most of the country's exports, and several of the country's high-profile award-winning boutique wineries. According to Taylor, current WIETA membership represents about 65% of the wines produced in South Africa.

Tesco, the leading UK retail chain, is also a member, while other major UK retailers, such as Waitrose, Sainsbury, Asda, Marks & Spencer, Somerfield, the Co-op and Threshers have lent their support to the initiative. Taylor said UK retailer involvement made it clear to South African producers exporting in that market that they had no choice but to subscribe to the WIETA code.

WIETA was formed at the end of 2002, principally funded by Customs Clearance Tax exemptions derived from the EU-SA Wines & Spirits Agreement, which permits South Africa an annual export quota to EU countries of 42 million litres of duty-free wine.   Instead of the benefit of the reduction in import prices going to importers' agents or retailers, most UK trade are repatriating the money for the good of the South African industry. Their support includes funding WIETA as well as generic South African retail promotions.

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