

No 14 February 2004

# ETI Update

Keeping members informed of our latest developments and events. To give any feedback or to make a contribution, contact Adil Rehman: [adil@eti.org.uk](mailto:adil@eti.org.uk)



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## Bulletin board

### New ETI website:

[www.ethicaltrade.org.uk](http://www.ethicaltrade.org.uk)

Reminder: **Corporate Annual Reports 2004** deadline  
27 February 2004,

The report from **Phase 1 of the ETI Impact Assessment** will be circulated to all members by Friday 20 February 2004

## Meeting dates

### Gangmaster Working Group

23 February, 2–5pm and  
29 March 10.30am–4.30pm

### Sri Lanka Garment Project

2 March, 2–4pm  
at the ETI office

### Homeworkers Project

10 March 11am–2pm,  
venue to be confirmed.

### China Project

16 March from 10.30am  
at the ETI office

### Smallholders Project

25 March, 11am–2pm and  
12 May, 11am–2pm  
at the ETI office

### Child Labour Project

23 April or 6 May (to confirm)  
depending on availability of  
Tamil Nadu representatives.

### 2004 Board, Food Group, General Merchandise

26 February 2004  
13 May 2004  
2 September 2004  
2 December 2004

## Projects and working groups

### Child Labour Project

The local tripartite Core Committee met in late December 2003 in Coimbatore and the UK group on 28 January 2004. The UK group discussed:

- Broadening the Core Committee to six members
- Communications and consultation between the Core Committee and wider group
- Staffing
- Development of an action plan.

The Tamil Nadu group were tasked with developing a detailed action plan (with budget) and the Core Committee have been invited to come to the UK to attend the next group meeting in late April/early May to present and discuss the plan with the UK group.

**The next meeting will be on either 23 April or 6 May (to be confirmed) depending on the availability of the participants from Tamil Nadu.**

Contact Juliet Edington: [juliet@eti.org.uk](mailto:juliet@eti.org.uk)

### Collective Risk Assessment Project

The UK group met on 28 January to discuss a third draft of the final Project Report, how to roll-out the methodology and what follow-up to the project there should be. The group had a number of recommendations that will be taken forward to the Annual Reporting Working Group, as well as agreeing to an annual review to update and improve the methodology (to be held in June each year starting 2005). The project report was agreed (subject to minor amendments). The methodology documentation will be launched at a members roundtable followed by a public seminar on the 25 or 26 May (to be confirmed). The tasks of the project group now complete this project is now closed.

Contact Juliet Edington: [juliet@eti.org.uk](mailto:juliet@eti.org.uk)

### Smallholders Project

The group met on 14 January. The Group discussed the effect on smallholders of various certification schemes, namely EUREPGAP and Utz Kappeh, and members of the Group will meet with both those organisations in February. In Kenya, the project is proceeding well, with the survey of smallholders being conducted in January and February. Members' suppliers in Kenya have also fed back detailed comments on one section of the draft Guidelines on Smallholders. That section will now be redrafted to prepare for testing the draft Guidelines later in the year.

Retailers and NGOs have drafted a section of the Guidelines on their responsibilities that will be finalised at the next meeting. Supplier and trade union responsibility sections are still being drafted. The Group also agreed to aim to complete testing of the Guidelines in Kenya by end of 2004, and aims to complete a final version of the document by the end of March 2005.

**The next meetings will be on 25 March, 11am–2pm and 12 May, 11am–2pm, at the ETI office.**

Contact Pins Brown: [pins@eti.org.uk](mailto:pins@eti.org.uk)

### Homeworkers Working Group

The full group met on 29 January, followed by a meeting with cracker suppliers. The Group agreed a nomination process to elect a Chair by the next meeting. The Group discussed NGO and TU frustration at lack of progress within the project, in particular on time and motion studies with the UK cracker industry. These have now been agreed with suppliers and should take place before Easter. Consultation exercises with members' suppliers' homeworkers will also be planned for the spring.

Homeworkers Worldwide presented a report with results and recommendations on the draft Guidelines gathered in a consultation process with their partners in 2003. These recommendations will be incorporated in February, when a draft implementation section to the Guidelines will also be written. Oxfam,

NGH and the TUC announced further details of their forthcoming UK campaign on homework, to commence in April/May this year. The Group has responded to the DTI on proposed changes to piece rate systems under the National Minimum Wage regulations.

Re work in India, the Group agreed to recruit a local project officer, work with individual suppliers to try testing the draft Guidelines, consult with homeworkers and suppliers, and hold an awareness raising day for Delhi suppliers.

**The next meeting is on 10 March, 11am–2pm, venue to be confirmed.**

**Contact Pins Brown: pins@eti.org.uk**

### **Sri Lanka Garment Project**

The Colombo Working Group met on 23 January and the UK group on 29 January. The Colombo group has negotiated a way forward and is keen to get on with audits (now planned for July). The UK group welcomed the agreement and encouraged the group to move forward swiftly.

**Contact Juliet Edington: juliet@eti.org.uk**

### **Annual Reporting Working Group**

The new chair of the group is Michael Short. As you know Alan Roberts' new work commitments meant that he was unable to devote the time required to chairing this group. He and the Secretariat feel that Michael Short is well suited to this role. Michael drafted the procedures for Enforcing Membership Obligations and has been involved in dealing with issues relating to implementing those procedures. It was agreed that he will chair future meetings.

Given the central importance of annual reporting to corporate members, the group felt that it was desirable that all the main sectors (food and non-food; retail; and supplier) should be represented. There are already representatives from non-food retailers (Robert Brown from Boots) and non-food

suppliers (Larissa Luy from Levi). For food retailers, Louise Nicholls of M&S Food has joined the group and George Jaksch of Chiquita has agreed to join the group.

During the next caucus meetings on 26 February, a member of the working group will give an update to ensure the membership is alerted to the activities and objectives of the Working Group and consulted on next steps.

**Contact Santiago Porto: santiago@eti.org.uk**

### **China Project Group**

The China Project Group met on 10 February. Plans continue for the tripartite events (Seminar and H&S Workshop) the group will hold in Guangzhou on 11 and 12 May. A tripartite sub-group will meet on the afternoon of the 26 February to finalise details of the proposed H&S project for agreement at the **next full China Project Group meeting on 16 March**. In order to plan these two events group members are identifying key suppliers to invite. Members are reminded that agent/supplier names need to be with Fiona Mabbott by the 28 February. Also the group is collating its value of business with China. This stands at in excess of £1.2bn worth of goods sourced from China. Two members' values still awaited.

The Group has had a legal review of Chinese law carried out and scrutinised this. With one remaining addition required to the document, the next step is for the group to decide how it will use this document. The small ETI leaflet has been translated into simple Chinese text and is being printed. Group members will receive copies at the March meeting.

The China Hong Kong based group of corporate members staff, which has been meeting since September 2003, will be joined by a Hong Kong NGO representative at its next meeting on 2 March and also hopefully by a representative from the Hong Kong trade unions. This is a key step in making this local group tripartite.

Group members will lead a workshop titled 'Working with Suppliers in China – What is

best practice?’ at the Ethical Corporation China Conference on 31 March. Members will outline how best practice in dealing with China is not yet established, will present from the tripartite perspective some of the difficulties of implementing codes and the law for those sourcing from China, and outline the work of the members of the China Project Group.

Contact Fiona Mabbott: [fiona@eti.org.uk](mailto:fiona@eti.org.uk)

### **Foreign and Seasonal Labour in UK Food Industry (Gangmaster Working Group)**

This Group convened 18 months ago in order to design an inspection process robust enough to be the basis of a statutory licensing and registration scheme for temporary labour providers (gangmasters) in the UK food and agricultural industry. We are now reaching the final stages of this task and hope that our findings will prove timely as the political momentum to regulate Labour Providers is stronger than ever before.

**A Private Members Bill calling for the licensing and registration of Gangmasters will receive a Second Reading in the House of Commons on 27 February.**

- The Environment Food and Rural Affairs Select Committee has re-opened its inquiry into gangmasters.
- The Transport and General Workers Union is co-ordinating a broad coalition of retailers, growers, packers and trade unions in support of this regulation (including of course all the group members).

Contact Peter Allenson: [pallenson@tgwu.org.uk](mailto:pallenson@tgwu.org.uk)

- The tragedy at Morecambe Bay on 5 February that resulted in the death of 20 temporary workers has prompted renewed public scrutiny of the activities of gangmasters and convinced many of the need for effective controls.

The following progress can be reported since the last *Update*:

- In the week of 23 February, a series of 6 field trials of a two-day audit process will have been completed.

- A worker awareness leaflet has been written and translated into Portuguese and Italian. This trial encourages workers to call a help-line or visit one of four Citizens Advice Bureaux offices in the South Lincolnshire area.
- A tool-kit (eg, checklists, a model contract, basic management controls) to assist those gangmasters who are willing to implement the code has been developed and this has also been trailed.
- A data-base to help gangmasters manage the information requirements has been commissioned.
- One of the aims of the project was to identify gangmasters who are willing to implement the Code of Practice and on 11 February the UK’s first Association of Labour Providers was inaugurated.

The next step is to produce a final report of findings and recommendations and this will be available in early May. The Group has two further meetings planned on 23 February, 2–5pm and 29 March, 10.30am–4.30pm.

Contact Dan Rees: [dan@eti.org.uk](mailto:dan@eti.org.uk)

### **Impact Assessment**

Over the last two months, the IDS research team and Impact Assessment Steering Group have:

- presented project progress and preliminary insights from Phase 1 at the ETI members’ meeting on 26 November 2003
- prepared a report on findings from Phase 1, which has been approved by the Steering Group and will be circulated to all members by Friday 20 February
- initiated the first Phase 2 case study in the fruit sector in South Africa. Other work which will take place during Phase 2 (2004) will be a case study in the garment sector in India, a scoping study on garments in China, and two additional case studies (final locations/sectors to be decided).

Contact Man-Kwun Chan: [mankwun@eti.org.uk](mailto:mankwun@eti.org.uk)

## Publications and events

### 'Inspecting labour practice in the wine industry of the Western Cape, South Africa 1998–2001'

Report on the methodology of the ETI pilot project will be sent out to members on Monday 16 February.

Contact Joseph Reeve: [joseph@eti.org.uk](mailto:joseph@eti.org.uk)

## Membership support and development

### New ETI website

#### Background

We have invested in overhauling the website to create an altogether more useful resource. We hope that you will find the new structure more user friendly and more manageable.

The new ETI website aims to provide:

- a comprehensive and user-friendly resource for our **members**, and
- a first port of call for the **general public** where they can find out what ethical sourcing is and what ETI does.

The redesign of the website will ensure that, on arrival, members can quickly understand the site's purpose and content, and navigate quickly and easily to the appropriate pages. We have created clearer themes throughout and members have a 'shortcut menu' which gives access to member only documents, for example, minutes of meetings, in addition to the core library of information. Please note you must log in to be able to access members only documents.

Please note that this is as much a **members' resource** as it is our public face on the web. The redesign took account of a great deal of very useful member feedback, and your continued input will ensure its ongoing usefulness. The 'new look' website is designed to be flexible and will continue to grow with the organisation and membership.

A letter has been sent out to all members which includes a visual layout of the new menus and details of **your new username and password**. Please keep this information safe.

#### Future development

If you have any questions or suggestions about the new website, please feel free to email me at: [adil@eti.org.uk](mailto:adil@eti.org.uk), alternatively if you wish, arrangements can be made for you to meet with a member of the web project team to clarify any points.

Information will be updated on a regular basis (once a month – more often for key dates and notices) and a list of 'new' documents circulated via email for your information.

Please visit the new ETI website at [www.ethicaltrade.org](http://www.ethicaltrade.org)

### Publication of ETI Board Minutes

Minutes of ETI Board meetings are now placed on the public area of the ETI web-site and members will be prompted via an email (that contains the link) when each set of minutes are posted.

For the Board meeting minutes of 4 December 2003, go to [www.ethicaltrade.info/Z/abteti/who/gov/board.shtml](http://www.ethicaltrade.info/Z/abteti/who/gov/board.shtml)

### Membership Applications

The applicants for February Board meeting are:

- Flamingo (cut flowers and fresh produce)
- Lingarden (cut flowers and fresh produce)

If you have any queries or issues about either of these companies, please contact Santiago. A full list of members is available on [www.ethicaltrade.org](http://www.ethicaltrade.org)

Contact Santiago Porto: [santiago@eti.org.uk](mailto:santiago@eti.org.uk)

### ETI and the Supplier Ethical Data Exchange (SEDEX)

In the last Update it was reported that the Board was considering proposals that ETI nominate representatives to the advisory

Board of SEDEX. The Board approved this proposal and representatives of the three membership constituents were invited to nominate representatives. Katherine Astill is the NGO representative (Maggie Burns is acting as her reserve), Michael Pennant-Jones is the Corporate Representative and Trade Union members will appoint their representative at a meeting on 26 February.

Contact Dan Rees: dan@eti.org.uk

### **Company codes and ETI Base Code gap analysis**

A systematic review of all our members' codes was carried out by Income Data Services in November 2003 and member companies with gaps in their codes were sent a letter highlighting the specific differences (see *Update November 2003*).

On 4 December 2003, the Board decided all member companies codes should be aligned with the ETI Base Code by December 2004 and has asked the Secretariat for a quarterly report on progress. In order to bring about this convergence the Board approved a series of next steps to engage on a constructive basis with companies. These steps include further explaining the correct interpretation of particular provisions of the Code, offer assistance to rewrite company codes, working together on specific code gaps, or find effective ways of publicly endorsing the ETI Base Code and ensuring its implementation by suppliers. To this effect a letter has been sent to all members individually proposing a specific course of action.

Contact Santiago Porto: santiago@eti.org.uk

### **Recruitment at the Secretariat**

#### ***New staff***

We are pleased to welcome **Julia Hawkins** as the new Writer and Media Relations Manager at the ETI Secretariat. Working closely with Adil and Man-Kwun, she will be responsible in particular for the further development of the *ETI Workbook*, writing ETI annual reports, and development of a media relations strategy for ETI. Julia has a background in overseas

development, has worked with the corporate sector on CSR and business development, and has lived and worked in the Middle East. In the selection process, we were particularly impressed by her writing experience and skills, which will be critical for this post.

## **Beyond the membership**

### **New Policy Institute**

In December, Pins attended a consultation exercise organised by the New Policy Institute, 'a progressive think tank, founded in 1996 to advance social justice in a market economy' in conjunction with UNISON. This concerned the possibility of setting up a successor to the former London Low Pay Unit, a resource centre for UK low pay issues. ETI will continue to be involved in this consultation exercise.

### **Leadership, Governance and Human Rights seminar**

Pins attended a seminar on 'Leadership, Governance and Human Rights' organised by various international CSR NGOs (Respect Europe, Ethical Globalisation Initiative and others). The seminar was part of the Business Leaders Human Rights Initiative, chaired by Mary Robinson, and aimed to better define the role of business in human rights and to promote business leaders driving human rights standards in their own companies and with their peers. Discussion at the seminar covered ways in which business can promote human rights, dilemmas faced, decision-making processes and ways of strengthening the relationship of business with governments, NGOs and other sectors of society. This included focusing on ways of working with the newly conceived United Nations Norms on Business and Human Rights endorsed by the UN Human Rights Sub-Committee.

### **Mack Multiples**

Pins attended a conference in February organised by Mack Multiples for their vegetable suppliers. She made a presentation about ETI, its history and work to date, in

particular work in agriculture and the fresh produce industries.

### **Multi-stakeholder organisations decide on trial collaboration**

Representatives from the six multi-stakeholder code initiatives met in Washington on 15 January to progress the collaborative project focusing on garments in Turkey.

- Amendments to the draft Common Code were discussed. A new draft will be circulated for comment in mid-February.
- The draft project design was discussed – a final version will be circulated in mid-February
- The revised background research on Turkish labour law and the garment industry was agreed.
- External funding from the US State Department was confirmed and a proposal to the EU is currently being developed.
- The recruitment process for the International Project Manager was finalised. The advertisement has gone out with the closing date for applications 29 February. For details and an application form go to the ETI website homepage [www.ethicaltrade.org](http://www.ethicaltrade.org) Interviews for the post will be held in London on 10 May.

**The next meeting will take place in London on Tuesday 11 May 2004 hosted by ETI.**

### **Flower Industry**

The Horticultural Ethical Business Initiative (HEBI) in Kenya held a meeting in January to report back feedback to all industry stakeholders from social audits conducted last year according to the new HEBI methodology and to discuss HEBI's future. The audits went very well, with all stakeholders agreed that the new methodology was a great success. Furthermore, sales volumes in Kenyan horticulture increased significantly in 2003. HEBI will now be planning on how to operate in 2004 and beyond, including co-operation with current industry bodies, the need for trade union involvement and for continued government support.

Contact Pins Brown: [pins@eti.org.uk](mailto:pins@eti.org.uk)

### **One year on: Fairtrade, Union Coffee Roasters and the Abahuzamugambi Bakawa Co-operative**

**Wednesday 10 March 2004, 6pm–8pm  
Attley Suite, Portcullis House, House of Commons**

Rwanda Maraba Bourbon from Union Coffee Roasters is the first ever Fairtrade coffee from Rwanda.

It is over one year since Rwanda Maraba Bourbon first hit the supermarket shelves in the UK. This event will show the developments that the Co-operative can now undertake because of Fairtrade – such as its increase in membership to 1500 growers, the employment of greater numbers of trained and skilled staff to maintain quality levels. And how this initiative is imperative to the rehabilitation of Rwanda, ten years since the genocide.

Confirmed speakers include: Clare Short MP, Oona King MP, Rwanda Minister for Agriculture

**For further information please contact Dominic Lowdell [dom@unionroasters.com](mailto:dom@unionroasters.com)**

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