

# ETI Update



ethical  
trading  
initiative

Keeping members informed of our latest developments and events. To provide feedback or to make a contribution, contact Julia Hawkins: [julia@eti.org.uk](mailto:julia@eti.org.uk)

## Contents

### p2 Projects and Working Groups

- \_ Child Labour Project
- \_ China Project Group
- \_ Homeworkers Project
- \_ Smallholders Project
- \_ Sri Lanka Garments Project
- \_ Temporary Labour (Gangmaster) Working Group

### p4 Research

- \_ ETI Impact Assessment

### p5 Membership support and development

- \_ Review of annual reporting process
- \_ 2003 corporate annual reports
- \_ New and prospective members

### p5 Publications and events

- \_ Roundtable: purchasing practices
- \_ ETI Strategy Consultation seminar

### p6 Other ETI activities

- \_ Training development
- \_ Opportunities to shadow company audits

### P6 ETI and beyond

- \_ Multistakeholder initiatives project
- \_ HEBI
- \_ SEDEX Advisory Committee

## Bulletin board

### Purchasing practices

*ETI members' roundtable*  
7 July, 1- 5pm, ETI offices.

### ETI Strategy Consultation seminar

*Presentation and discussion of key findings*  
15 July, 10.30am - 4pm, ETI offices.

### China conference hailed as great success!

Read more about the event on page 2.

### Want to shadow an audit?

See page 6 or contact Carol Sheldon: [carol@eti.org.uk](mailto:carol@eti.org.uk)

### TUC conference *Justice for Migrant Workers*

12 July, 10.30am - 4:30pm, Congress House, London.

## Meeting dates

### Annual Reporting Working Group

24 June

### Child Labour Project

To be confirmed

### China Project Group

22 June and 16 July, 10.30am, ETI offices

### Homeworkers Project

8 July, ETI offices – **check page 3 for details**

### Smallholders Project

30 July, 11am - 4pm, ETI offices

## Projects and Working Groups

### Child Labour Project

*Identifying and mitigating risks in the supply chain: focus on Tamil Nadu, India*

#### Tamil Nadu Core Committee visits London

Three members of the Tamil Nadu Core Committee visited London in early May. During a full day meeting, an activity plan for the next year was developed and agreed. The following day, the visitors received an induction on ETI from Secretariat staff, and further discussions were held on recruitment and office space (see below).

#### Recruitment under way for local co-ordinator

Recruitment for a local co-ordinator is under way, with 6 people shortlisted for interview. The interviews will be held in Tamil Nadu on the 22 and 23 June, and will be conducted by the ETI Project Manager and representatives of the local tripartite group.

The next meeting will be held in July (date to be confirmed).

Contact Juliet Edington: [juliet@eti.org.uk](mailto:juliet@eti.org.uk)  
Find more information on our website at:  
[eti.org.uk/Z/actvts/exproj/chlab](http://eti.org.uk/Z/actvts/exproj/chlab)

### China Project Group

*Exploring tripartite collaboration to promote change*

**Conference and group visit a resounding success.** Group members, conference delegates and the British Council alike hailed the ETI conference in Guangzhou as a great success (*An introduction to ETI*, 11 May, Asia International Hotel, co-hosted by the British Council). The conference, together with other meetings and interaction that took place during the group visit to China, contributed significantly to three of the project group's aims: raising awareness of ETI and the Base Code, developing relationships with Chinese institutions and organisations, and provision of information and learning to group members.

The visit also stimulated interest amongst supplier companies to work on the Occupational Health and Safety Project planned by the China Project Group.

#### Guangzhou conference attracts 170 delegates

The 170 plus delegates included representatives, local staff and suppliers of the 16 members companies who sit on the China Project Group, as well as local NGOs and organisations working on labour rights.

Presentations covered:

- the aims, purpose and rationale of the China Project Group;
- the importance of corporate social responsibility in China (British Consul Guangzhou);
- Chinese law (Guangdong Human Resource Management Association, GDHRMA);
- the ILO and the basis for labour standards (ILO);
- the importance of occupational health and safety in the workplace environment (Institute for Occupational Health and Safety and Environment, Bangkok).

Papers and presentations from the conference will be available shortly on the ETI website.

#### Group members develop links with local organisations.

As well as participating in the conference, group members and representatives met with a range of local organisations, including nine Hong Kong based NGO and trade union groups, and three mainland groups (the Migrant Workers Documentation Centre, the Guangdong Human Resource Management Association, and the Guangdong Academy of Social Science Centre of CSR and Public Welfare). The purpose of these meetings was to learn about the work of these organisations and to understand any opportunities for working together on the Group's work.

Group members also met with the British Council to review the partnership we had established for hosting the conference and to

explore options for working together in the future.

**Next steps?** The group will focus over the summer on finalising the Occupational Health and Safety proposal and agreeing what relationships it wishes to pursue in China and how it will structure the work.

Feedback from the Hong Kong NGOs on the draft proposal will arrive in time for discussion at the next group meeting (22 June). A sub-group will then meet to revise and develop the proposal on 6 July.

**Future meetings** will all be held at the ETI offices at 10.30am, and will be on 22 June, 16 July, 1 and 28 September.

Contact Fiona Mabbott: [fiona@eti.org.uk](mailto:fiona@eti.org.uk)  
Find more information on our website at:  
[eti.org.uk/Z/actvts/exproj/china](http://eti.org.uk/Z/actvts/exproj/china)

## Homeworkers Project

*Applying the Base Code to an invisible workforce: the Christmas cracker industry in the UK and jewellery making in India*

### In the UK ...

10 May saw the **launch of the TUC/NGH/Oxfam campaign and report on UK homeworkers**. The event was well-attended and received extensive media coverage. Copies of the report *Made at home* are available from Oxfam.

The Group's **work with cracker suppliers has unfortunately been put on hold**, as many members are no longer sourcing from UK homeworkers. This situation will be discussed at the next Group meeting in July. In the meantime, consultation will take place with three sets of homeworkers who produce greetings cards.

### ... and in India

**Local co-ordinator appointed.** We are pleased to announce the appointment of Ms Vinita Singh as our new Local Co-ordinator for the Homeworker Project work in Northern India. Vinita is based in Gurgaon (near Delhi), and any

members visiting are welcome to get in touch with her – contact details with the Secretariat.

**Seminar held for agents and suppliers.** The Group held an awareness-raising seminar for members' agents and suppliers in Delhi on 5 May. Over 60 people attended and feedback from participants was overwhelmingly positive. Trip/seminar reports are available from Pins.

The **next meeting** will be held on 8 July at the ETI offices, as follows:

- 10 – 11.30am: Homeworkers Group **crackers only**
- 11.45 – 1pm: Homeworkers Group **crackers only + crackers suppliers**
- 2 – 4.30pm: Whole Homeworker Group

Contact Pins Brown: [pins@eti.org.uk](mailto:pins@eti.org.uk)  
Find more information on our website at:  
[eti.org.uk/Z/actvts/exproj/hmwkr](http://eti.org.uk/Z/actvts/exproj/hmwkr)

## Smallholders Project

*Progressing the Base Code through the supply chain: developing guidelines and testing them in the Kenyan tea and fresh produce sectors*

### Preliminary findings from survey discussed

The Group discussed the preliminary analysis of the survey of Kenyan tea and fresh produce smallholders at its May meeting. Since the survey already appears to indicate the need for major changes to the draft Guidelines, the Group's feedback workshop for Kenyan stakeholders has been moved to October.

### Mid-term project review to be conducted

Maggie Opondo, the Local Co-ordinator in Kenya, will attend the next UK meeting at which a mid-term project review will be conducted and a revised version of the draft Guidelines agreed.

The **next meeting** will be on 30 July, 11– 4pm, at the ETI offices.

Contact Pins Brown: [pins@eti.org.uk](mailto:pins@eti.org.uk)  
Find more information on our website at:  
[eti.org.uk/Z/actvts/exproj/smlhldr](http://eti.org.uk/Z/actvts/exproj/smlhldr)

## Sri Lanka Garments Project

### *Testing different audit approaches in the ready-made garments industry.*

**Workers' information leaflets circulated.** The cartoon leaflet developed by the Colombo Working Group to inform workers of their rights has been distributed to the factories involved in the project. Thousands of extra copies are being distributed by the manufacturers in their other factories.

**Worker briefing and awareness raising sessions underway.** Following distribution of the leaflet (above), on 17 May workers at a factory in the Free Trade Zone were trained on both their rights and the audit process. The session was videoed, reviewed by the group and improvements made for subsequent worker briefing sessions. Workers at the remaining three factories will be briefed during June.

**Testing of audit approaches scheduled for July.** Progress is being made on the multi-stakeholder audit process with the worker interview tool almost finalised.

The **UK group** met earlier this week (14 June) at the ETI offices. The **Colombo Group** will meet again on 16 June.

**Flying visit...** Juliet will be visiting Colombo for two days en route from Tamil Nadu. She will meet with the Colombo group and Co-ordinator for discussions on the forthcoming audits.

Contact Juliet Edington: [juliet@eti.org.uk](mailto:juliet@eti.org.uk)  
Find more information on our website at:  
[eti.org.uk/Z/actvts/exproj/srigarm](http://eti.org.uk/Z/actvts/exproj/srigarm)

## Temporary Labour (Gangmaster) Working Group

### *Towards a licence to operate: designing a code of practice and inspection process for providers of temporary labour in UK agriculture*

The **Gangmaster (Licensing) Bill** has passed from the House of Commons to the Lords and the Second Reading will be on 16 June. If the

Bill progresses without amendment, it could pass for royal assent in a matter of weeks. The Bill empowers the Secretary of State to establish a Gangmaster Licensing Authority - members wanting a full briefing on the bill should contact Pauline Doyle at the TGWU ([pdoyle@tgwu.org.uk](mailto:pdoyle@tgwu.org.uk)).

**Group considering a new work plan.** Should the legislation be enacted, the Group will have met all of its original objectives. However, a licence regime is unlikely to be effective within two years and members are now formulating plans to build on their success and promote good labour practices in the short and medium term. The group met earlier this week (14 June) to consider a new work-plan that includes:

- Improvements to the inspection methodology and refining the code of practice
- A collective programme of experimental audits
- Promoting good labour practices with gangmasters and raising awareness of the impact of the legislation.

### **Group members may join Defra committee.**

It is expected that some Group members will be asked to join a Defra committee in order to advise on the development and implementation of the legislation.

**Publication postponed.** The report of the Group's work has been written, but publication has been postponed until after the Second Reading of the Bill. Members will receive a copy of the report when released.

Contact Dan Rees: [dan@eti.org.uk](mailto:dan@eti.org.uk)  
Find more information on our website at:  
[www.eti.org.uk/Z/actvts/exproj/ukagr](http://www.eti.org.uk/Z/actvts/exproj/ukagr)

## Research

### ETI Impact Assessment

#### *Assessing and improving the impact of corporate members' implementation of the ETI Base Code*

**All set for Vietnam and India.** The IDS team will be in Vietnam and India during June and July to set up the research for these two garment case studies. Man-Kwun will spend one week each in Vietnam (26 June to 3 July) and India (3-10 July), where she will assist with training local research partners and developing and testing the research methodology.

Contact Man-Kwun Chan: [man-kwun@eti.org.uk](mailto:man-kwun@eti.org.uk)  
Find more information on our website at:  
[eti.org.uk/Z/actvts/rsproj/impact](http://eti.org.uk/Z/actvts/rsproj/impact)

## Membership support and development

### Review of annual reporting process

Acona (a consultancy firm) will be presenting a final draft of their work on indicators to the Annual Reporting working group on 24 June. Once the group has agreed on a final proposal, we will consult the wider membership and possibly other relevant organisations. We anticipate this exercise to take place during July and August 2004.

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

### 2003 corporate annual reports

**Companies received feedback and follow-up to the reports.** In the second week of May, we sent individual feedback letters and the anonymised analysis report to all reporting members. We are currently arranging follow-up meetings with a number of companies for further discussion. Please do not hesitate to contact us if you have any questions or want to know more about our analysis.

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

### New and prospective members

**William Lamb Footwear Ltd joins ETI.** We are pleased to announce that William Lamb Footwear Ltd has been accepted as an ETI member. They are a private, family owned

business that has been trading since 1885. The company was formed by the current Chairman's grandfather and originally manufactured and supplied clogs to the miners operating around the Yorkshire coal fields. The Company currently sources its products (mostly children's footwear) from factories predominantly located in the Far East. Their major customers within ETI include Asda, Mothercare, Next and Tesco.

We have started discussions with **Adams** (children's wear and clothing).

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

## Publications and events

### Purchasing practices – marrying the commercial with the ethical?

*ETI members' roundtable, 7 July, 1-5pm, ETI offices*

#### Background and objectives

Many of us are all too aware that inappropriate buying practices can undermine the efforts of ethical trade programmes, by inadvertently restricting suppliers' ability to uphold international labour standards.

This roundtable will highlight the key impacts that retailers' purchasing practices can have on workers, and explore possible approaches to improving buying strategies with a view to better integrating commercial and ethical considerations. It aims to take forward thinking on this issue, by building on recent discussions and work done by Oxfam, Acona/Insight and ETI.

This roundtable will:

- Raise awareness of the impacts that retailers' purchasing practices can have on workers
- Encourage both commercial and ethical trade staff within retailing companies to review current purchasing practices, with a view to better integrating commercial with ethical trade practices
- Provide retailing companies with possible "win-win" strategies and tools for improving

their purchasing practices, and progress our collective understanding in this area.

#### **Who should attend**

This event is specifically targeted at ethical trade staff **and buyers** from our member companies. Of course, trade union and NGO members are also welcome.

A small number of non-member retailers who were involved in the Acona-Insight study may also attend.

**Booking deadline: 25 June.**  
**Contact Adil Rehman: adil@eti.org.uk**

### **ETI Strategy Consultation Seminar**

*Presentation and discussion of key findings, 15 July, 10.30-4pm (drinks 4-5pm), ETI offices.*

**Please take this opportunity** to have your say in shaping ETI's priorities for the next three years.

#### **Background**

ETI is approaching the end of its 2001 – 2004 strategy period. By April 2005, we will need to have a new Strategy in place. The Secretariat carried out a Strategy Consultation with members and others in May 2004. Its aim was to provide sufficient information to the Board for it to be able to make decisions on our future direction that are based on a sound understanding of members' priorities and needs.

#### **Objectives**

The aim of the Seminar is for the Secretariat to check that the findings from the Consultation exercise present an accurate picture of the views and wishes of the membership across its different constituents. We want to make sure we have understood the 'burning issues' that you feel ETI should address going into the next Strategy period.

#### **Who should attend**

All members are welcome.

**Booking deadline: 2 July**  
**Contact Adil Rehman: adil@eti.org.uk**

## **Other ETI activities**

### **ETI Training Development**

We would like to thank those of you who provided suggestions for potential partner organisations with whom we can develop and deliver training. These organisations are now being invited to submit formal "expressions of interest".

**Contact Dan Rees: dan@eti.org.uk**

### **Opportunities to shadow company audits**

We would like to remind you that, following a recommendation from the Collective Risk Assessment Group and several requests from members to set up a register of opportunities for shadowing company audits, we have set up a yahoo group for this purpose. **We strongly encourage members to make use of this opportunity.**

Details of the group ID and password were circulated by email on 2 April. Please contact the Secretariat if you would like to receive these details again, or if you experience any problems. We welcome any feedback.

**Contact Carol Sheldon: carol@eti.org.uk**

## **ETI and beyond**

### **Multistakeholder initiatives project**

**Steering Committee meeting held.** ETI hosted a meeting of the Steering Committee on 11 May. Progress was made on developing the:

- Common code
- Criteria for selecting manufacturing sites to work with
- Focus areas for testing during the project
- Future fundraising strategy.

**Progress made on recruiting International Project Manager.** Following a rigorous recruitment process, the post has been offered to an excellent candidate. Negotiations with the candidate are underway.

**EU funding looks promising.** We are still awaiting a formal response from the EU on the funding proposal submitted for E135,000. However, indications are positive and we expect a formal response by the end of June.

**The next meeting** will take place in Washington on 4 August, to be hosted by the Fair Labor Association (FLA). This meeting will discuss next steps in involving member companies, engaging with stakeholders in Turkey and refining the key areas of code implementation for testing during the first phase of the project.

Contact Juliet Edington: [juliet@eti.org.uk](mailto:juliet@eti.org.uk)  
Find more information on our website at:  
[www.eti.org.uk/Z/actvts/other](http://www.eti.org.uk/Z/actvts/other)

### **Horticultural Ethical Business Initiative (HEBI), Kenya**

HEBI has appointed an administrator, and is meeting in June to discuss finalisation of the HEBI Code for the Kenya flower industry that was drafted last year. ETI will be writing a report of members' involvement with the flower industry over the past eighteen months. The report should be completed in July.

Find more information on our website at:  
[www.eti.org.uk/ Z/actvts/capblid](http://www.eti.org.uk/Z/actvts/capblid)

### **SEDEX Advisory Committee**

SEDEX, the data exchange designed to facilitate the sharing of information about supplier labour practices, has established a tri-partite Advisory Committee. The role of the Committee is to advise the SEDEX Board on good practice and nominations for membership of the committee are made by ETI.

Michael Pennant-Jones (Premier Foods) is the current corporate representative, but an

additional (alternate) corporate representative is needed. If you are interested please contact Michael to find our more.

Contact Michael Pennant-Jones: [michael.pennant-jones@premierfoods.co.uk](mailto:michael.pennant-jones@premierfoods.co.uk)

### **Justice for migrant workers**

*A TUC Conference, 12 July, 10.30-4.30pm, Congress House, London*

**The TUC invites ETI members to attend this major conference.**

The British economy is increasingly relying on workers from other countries to fill skills gaps and regional labour shortages. Unscrupulous employers (many of them agencies) are taking advantage of the new arrivals' vulnerability by denying them their rights, or paying below the going rate. But at the same time, media coverage blurs the distinction between refugees and migrant workers, and between breaches of employment rights and immigration rules.

This major conference will explore the legal, economic and political background to the recent growth of labour migration, how to provide for the needs of migrant workers, and how refugees and existing black and ethnic minority communities may be affected. While the event is targeted at the trade union movement, ETI members with an interest in the issues are very welcome to attend.

Contact Pat Brown at the TUC: [pbrown@tuc.org.uk](mailto:pbrown@tuc.org.uk)

*ETI Update* is published every six weeks.  
EDITOR: Julia Hawkins: [julia@eti.org.uk](mailto:julia@eti.org.uk)

Ethical Trading Initiative  
Cromwell House  
14 Fulwood Place  
London WC1V 6HZ  
United Kingdom

t +44 (0) 20 7404 1463  
f +44 (0) 20 7831 7852