

## **Retailers head back to ethics school**

*Tobias Webb – Ethical Corporation  
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“Capacity building” is a favourite term of consultants, NGOs and companies engaged in trying to encourage responsible business, particularly in the developing world.

In plain English, it means teaching and educating managers, community groups, trade unions and government officials so they are up speed on the latest ethical issues.

Now, some of the UK’s leading retailers are sending their managers back to study ethics in their company supply chains, to build a little “capacity” of their own at home. A new training course on supply chain ethics, run by the Co-operative College in Manchester in association with the Ethical Trading Initiative, is the result.

They say charity begins at home, no doubt this not a bad place to start for business managers too. While around half of the UK’s big retailers are members of the Ethical Trading Initiative, a body of trade unions, companies and NGOs designed to share good practice on ethical supply chains, much of the knowledge these firms have on managing complex supply chain issues is only held within their corporate social responsibility teams.

Now some of them want to spread that learning a little wider, and educate mainstream business managers on what can happen when, say, lead times are shortened or product design changes at the last minute. This is simple to do in the fast moving UK fashion world, but, says Dan Rees, long time director of the Ethical Trading Initiative, it can have unforeseen results further down the supply chain.

For example, he says, a Christmas rush or sudden bulk order for a certain product is often the reason factory owners in places such as China make their workers undertake overtime, perhaps breaking the buying company’s code of conduct on working hours and conditions as a result.

So the idea behind the new training scheme is show company buyers, designers and technologists the results of their actions on workers in the supply chain.

The ETI’s work is financially supported by the UK’s Department for International Development. At the launch of the new training scheme on October 31st at the House of Commons, Baroness Amos, the leader of the House of Lords, talked about how UK company “commitments must be backed by action” on supply chain issues.

“Consumers want to be assured that the food we eat and the clothes we wear come from reputable sources”, she said.

After some seven years of work between ETI members on ethical supply chain issues, the desire for more rigorous independent training came from the members, says David Gibson of the Co-operative College, a training institute in Manchester which dates back to 1919 which will host the training courses.

So far the pilot training scheme has had 36 participants to date, from companies such as Marks and Spencer, Sainsbury and Inditex who have also provided some cash to fund the scheme via their ETI membership fees.

Julia Dobson, an ethical trade manager at Marks and Spencer, says the desire for such a course has come out of a growing awareness among retailers wanting to improve workers conditions in the supply chain that “auditing alone does not bring about sustainable change”. M&S, she says, wants to put workers “centre stage” and have its technologists and buying managers learn about supply chain issues together with NGOs and trade unions on the training course.

M&S, Sainsbury’s, and the Spanish firm Inditex, which owns Zara, have sent managers on the course so far. Monsoon has also been involved in its development, says Julia Hawkins of the ETI. In 2006 ETI members will pay around £2000 per business manager that completes most of the course, according to Steve Kingman at the Co-operative College.

M&S has become a leading light in both the ETI’s work and in the UK’s corporate social responsibility scene in general. Monsoon, too, is often seen as company that well grasps some of the ethical supply chain challenges faced by UK retailers in light of the changes wrought by the last decade’s globalisation. And Sainsbury’s is often seen as the supermarket among the UK’s big four – Tesco, Asda and Morrison’s being the others – that is most interested in tackling ethical supply chain issues.

But the work done by these companies still leaves a great deal of the UK High Street retailers who do much less on ethical supply chain issues. Some, such as Tesco, Asda and Morrison’s, are ETI members, while many others are not.

Despite the fact that some high street names are beginning to engage in serious staff training on ethical supply chain issues, many others are less caring and not engaged, according to some of the campaigning NGOs.

Recently both Tesco and Asda have been the subject of campaigns by ActionAid and War on Want with regard to their supply chain conditions in places such as South Africa. The NGOs say that workers are kept on temporary contracts and are not paid enough to live properly, amongst other problems.

It may be a while yet before more than half the UK’s high street begins to train their managers on globalisation and its impacts on workers, but training courses such as the ETI’s may show some of the way forward.

<http://www.ethicaltrade.org>

<http://www.co-op.ac.uk/ethicaltradingtrainingprogramme.htm>