

ETI Update



ethical
trading
initiative

Produced by the ETI Secretariat to keep members informed of our activities. To provide feedback or to make a contribution, contact Julia Hawkins: julia@eti.org.uk

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Bulletin board

DIARY DATE

Annual General Meeting

Wednesday 23 November 2005

New deadline

Applications for ETI Head of Projects (maternity cover):

9am 6 June

Meeting dates

China Project

To be advised

Homeworkers Group

Wednesday 20 July
11 am – 2 pm,
ETI offices

Impact Assessment Group

To be advised

Smallholders Project

Monday 1 August
ETI offices

Sri Lanka Garments Project

UK Group:
Week commencing 18 July
(Exact date to be advised)
Colombo Group:
Monday 27 June
Colombo

Training QA Panel

Friday 10 June
11.30 am – 5.30 pm;
Thursday 4 August
11.30 am – 3.30 pm

Purchasing practices

Tuesday 19 July
12 - 3 pm
ETI offices

Conference highlights

Expectations of what we could all achieve at our 4th Biennial Conference on 12-13 May were vastly exceeded on many fronts. Altogether 370 participants came from more than 20 countries – a significantly higher number than we had hoped. Feedback from members and others have been overwhelmingly positive, as has media coverage. Just over a week on, we've had some chance to reflect on what it all meant, and where we go from here. Dan Rees offers his initial thoughts below...

Message from Dan Rees, ETI Director

What struck me most about the conference was that the debate among our members has moved on significantly from our last conference. For the past two or three years, we have seen signs of a 'new agenda' for ethical trade emerging. Corporate, trade union and NGO members have been saying that although auditing supplier workplaces is necessary to create sustainable change, it is not enough. That there is a need to supplement auditing with a more strategic approach that involves developing alliances with a broad set of organisations. That ethical trade must go to the core of business practice. That workers must be empowered to shape their own destinies.

We went to the conference with a brief to discuss these issues with a broad set of organisations involved in ethical trade. The buzz of conversation after Thursday's plenary session on 'marrying the commercial with the ethical' suggests that they are grounded in the experiences of companies, NGOs and trade unions alike – and not just within our own membership. Subsequent feedback on this session substantiates this (see 'conference feedback' p3). The fact that we were able to hold such honest and practical discussions speaks volumes for our membership.

Thanks must go to all those who chaired and presented at the conference. Altogether, 42 of the 77 speakers and panellists were members. Many of the rest were contractors, affiliates, suppliers and partners of ETI members. The huge amount of positive feedback (see 'conference feedback' p3) we are receiving is therefore a direct reflection of the significant efforts members have been

making, and the honesty and openness with which they shared their knowledge, experience and insights. I hope you agree with me that the conference has helped raised the profile of your own organisation's work on ethical trade, as well as of ETI overall.

Media coverage

We planned to use the conference as a springboard for ETI's new media relations strategy, which aims to support ETI's new strategic objective of raising the profile of ethical trade and of ETI. Both media presence at the conference and subsequent media coverage exceeded our expectations. The following is a summary of the coverage that we know about:

Broadcast media coverage

- BBC Radio 4: *You and Yours*, 12.30pm Friday 13 May.
- BBC News 24 (TV): *Business Today*, 10.30pm Friday 13 May.
- BBC World: (radio) *World Business Report* 6.30pm Thursday 12 May (also broadcast at other times) 9.30pm Friday 13 May (Also shown in India).

All of the above recordings will be available on the ETI website by the end of June.

Press coverage

- The Independent: article in the Business Analysis section: *Global brands look to profit from trading on ethical labels*, 18 May. The same article, which included a full list of ETI corporate members, has also appeared in several other newspapers world-wide, including the Spanish national newspaper El Mundo and Canadian newspaper The Mercury.
- Ethical Corporation: *Clothing Workers with Power* (online at www.ethicalcorp.com for subscribers); will also be in next edition of hard copy magazine.

Media relationships developed

As well as this coverage, journalists and reporters from the following companies all attended the conference:

- BBC TV Business

- BBC Radio World Service
- BBC Radio Arabic Service
- The Independent newspaper
- The Observer
- Fresh Produce Journal
- Ethical Corporation/Guardian Unlimited
- Ethike.com (an online B2B CSR resource based in Canada)

Several other journalists expressed significant interest in the event, although they were unable to attend. Work will continue on developing relations with key journalists in national newspapers, trade journals and CSR publications as well as with target BBC programmes.

PR Tools developed

Going forward, the following PR tools developed for the conference will underpin our media relations strategy for the foreseeable future:

- Key messages about ETI – aims to give ‘soundbite’ approach of three key messages in two minutes;
- Question and answer guidelines for ETI spokespeople, outlining ETI’s position on recurring questions about ETI;
- Background information releases on ETI: ‘Facts about ETI’ and ‘Key achievements of ETI’; and
- Biogs of key ETI spokespeople.

Participants’ feedback

Overwhelmingly positive feedback received.

Preliminary analysis of 66 completed feedback forms backs up positive comments received during and after the conference. Key points are:

- **Fulfilment of expectations:** 90 percent of those who filled in feedback forms said that their expectations from the conference had been achieved.
- **Overall rating:** 90 percent rated the conference 7 out of 10 or more.
- **Most useful sessions:** P3: Marrying the commercial with the ethical (42 percent); critical issue workshops (20 percent).

- **Suggestions for improvement:** too much crammed into first day; less speakers per workshop and less workshops; more southern speakers; sessions for suppliers; more panel debates; consumer organisation involvement; workers’ voices needed to bring the issue home.

Comments provided in feedback forms included:

‘I only regret that there was no way to attend more of the workshops – too many good choices, not enough time!!!’

‘Good representation of the field of ethical trade. Good debates - knowledgeable panel’

‘Liked the openness with which controversial issues were discussed’

‘It challenged my own views on ethical trade and made me think critically about possible solutions’

‘Thought-provoking and fresh’

‘The workshop directly related to my own experiences’

‘Very frank exchange between speakers’

‘Practical, concrete information from the field’

‘Got to the root of the problem’

Conference reports and presentations

Presentations will be available on the ETI website by the end of June, and a series of brief **reports on key issues** discussed at conference will be produced by the end of August.

And finally...

We would like to offer thanks to Respect PR (Jane Lyons), Barracuda AV (Roy Wallace and Nick Turnbull) and Meriden Associates (Linda Hill) for all their support in the run up to, and during the conference.

Projects and Working Groups

Child Labour Project

The **final report** on the project is now publicly available in the Child Labour section of the ETI website. We are planning a meeting to discuss with members how best ETI can approach future work on child labour.

Contact Juliet Edington: juliet@eti.org.uk
www.ethicaltrade.org/Z/actvts/exproj/chlab

China Project Group

Exploring tripartite collaboration for change

Agreement on way forward. The presence at the ETI conference of representatives from the Hong Kong-based trade unions and NGOs working on the China Project, as well as China and Hong Kong-based staff of participating companies, provided an opportunity to make good progress on planning the next steps of this Project.

In a meeting of the China Full Group on Friday 13 May, members of the Group agreed that its focus should be the OHS project. A list of key priorities was agreed and these are being taken forward. The next milestone for the group will be a visit to China and Hong Kong in July to recruit a local project co-ordinator.

Next meeting of the China Project Group: tbc.
Next meeting of the OHS project members: tbc

Contact Fiona Mabbott: fiona@eti.org.uk
www.ethicaltrade.org/Z/actvts/exproj/china

Homeworkers Project

Applying the Base Code to an invisible workforce: the Christmas cracker industry in the UK and fabric embellishment in India

Tri-partite visit to Delhi planned for Autumn. Representatives of the UK Group will visit Delhi 18 – 20 October to meet members of the local consultative group for the first time and visit homeworkers in rural and urban settings. Members will also have the opportunity to make an additional

trip to Ahmedabad for an ‘exposure visit’ to newly established forums that help connect homeworkers and exporters.

Integration of guidelines begins. The recent UK Group meeting underlined the need to begin integrating the guidelines produced to date by the UK project group with those being worked on by the Delhi-based local consultative group. ETI Project Manager Liz Kirk and our Local Co-ordinator Vinita Singh are starting to work on this.

The **next meeting** will be on Wednesday 20 July, 11 am – 2 pm.

Contact Liz Kirk: liz@eti.org.uk
www.ethicaltrade.org/Z/actvts/exproj/hmwkr

Smallholders Project

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

Smallholder guidelines published in English and Kiswahili by Sep 05. The publication process for the guidelines is well underway. Launches are planned in Kenya on 14 September and in the UK in late September.

Join up! If you are a member company with smallholders in your supply chain, you are invited to join Smallholder Group member companies in road-testing the Guidelines, and to feed their experiences into the learning framework. This framework, currently under development, aims to capture progress, challenges and difference made through implementing the guidelines. You are encouraged to attend the UK launch of the guidelines, where presentations on guideline development and approach will be followed by a Q&A session. Please contact Liz Kirk if you would like to come.

The **next meeting** will be held on Monday 1 August from 11 am – 1.30 pm at the ETI offices.

Contact Liz Kirk: liz@eti.org.uk
www.ethicaltrade.org/Z/actvts/exproj/smlhldr

Sri Lanka Garments Project

Testing different audit approaches in the ready-made garments industry

Audit trials almost complete. Three out of the four factories have completed their audit trials, having had two different audits each.

The UK group met on 18 April and the Colombo group on 3 May. Each group has agreed a process for analysing the results of the audits and drawing out lessons.

Analysis of audits to be completed by the end of June. Both groups will then review their analysis separately before tripartite representatives from the UK group visit Sri Lanka on 30 September and 1 October. The aim of the visit will be to compare each group's analysis, agree recommendations for improvements to the multistakeholder audit and plan the next round of trials.

Sri Lanka Co-ordinator Sunali Gunesequera and an NGO member of the Colombo group met informally with the UK group when they were in the UK to present at the Sri Lanka workshop at the ETI Conference.

Next meetings

UK Group: Week beginning 18 July, date and time tbc, ETI offices

Colombo Group: 27 June, Colombo

Contact Juliet Edington: juliet@eti.org.uk
www.ethicaltrade.org/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

Audits of early adopters of the Code reveal serious issues. Results of the first 29 labour provider audits presented to the GLA in early May revealed a significant number of non-compliances. Altogether, 10 non-compliances were listed as critical, 231 as major and 103 as minor. A further 107 audits are booked and the TLWG is working hard to encourage more auditors to train, so the pace of auditing can be increased.

GLA Board decision on recognition of TLWG

audit. The Board of the Gangmasters Licensing Authority has now met twice and is considering how it will use audit as part of its licensing arrangements. It has made it clear that it will recognise a TLWG audit as one of the conditions for licensing, subject to a few considerations.

Deadline for registering 1 June. Labour providers have been asked to register on the TLWG web-site by 1 June and to book either consultancy advice or an audit within two months of registering, to avoid being de-listed. Early results from the audit indicate that labour providers that have implemented consultancy advice are much better prepared for audit and have fewer and minor non-compliances. The TLWG is seeking ways to improve take-up of consultancy. The total number of labour providers now registered on the TLWG website is 549. Of these, 31 are listed as having no outstanding critical non-compliances.

Nine free briefing workshops for labour providers and labour users were hosted by supermarket members of the TLWG in April and May. Further events may be held by the Association of Labour Providers and National Farmers Union in conjunction with the GLA.

Contact Fiona Mabbott: fiona@eti.org.uk
www.lpcode.co.uk

Purchasing Practices Project

Exploring how common purchasing practices affect suppliers' ability to meet international labour standards

Ten companies have now confirmed their participation in the project and identified an aspect of their purchasing practices they would like to explore. Each company is currently in the process of working with a nominated NGO and/or union to develop a plan for their individual company case study. These will be discussed at the meeting in July.

Next meeting

ETI Offices: 19 July 12 noon – 3.00 pm, ETI offices

Contact Juliet Edington: juliet@eti.org.uk

Research

ETI Impact Assessment

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

Thirty members attended the roundtable on 14 April to hear and discuss the preliminary findings from the India, South Africa, Vietnam and Costa Rica case studies. On the whole, participants said the findings were useful and well presented, and generally reflected their own experiences in the case study locations/sectors.

The preliminary findings were given their first public airing at the ETI Conference. The study and findings generated considerable interest, although participants' questions highlighted the challenge of effectively communicating both the methodology and the nuances of the findings.

To address this challenge, **the next Steering Group meeting (date tbc) will focus on developing a communication plan** for disseminating the findings to key audiences, both within and beyond the membership.

Contact Man-Kwun Chan: man-kwun@eti.org.uk
www.ethicaltrade.org/Z/actvts/rsproj/impact

Membership support and development

New external contact list

Corporate members: don't forget to send us details of NGO and trade union contacts - both organisations and individuals - that you have used or currently use around the world. We will add them to a spreadsheet which will be posted in the members' section of our website once a month at www.ethicaltrade.info/Z/lib/pract/index.shtml

Contact Adil Rehman: adil@eti.org.uk
Corporate annual reporting on 2004

Diary date

As with the last couple of years, we will have an all-members session on 26 May to jointly review issues and trends and share examples of good practice emerging from the 2004 Corporate Annual Reports, including NGO feedback. We will also introduce the new reporting tool for 2005 onwards and share the experience some member companies have already had with the new system.

The meeting will be held after the Food and GM caucus group meetings at ETI's offices.

Contact Santiago Porto: santiago@eti.org.uk

Alleged code violation procedure review

The report of the findings of the review and options for improving the procedure was circulated to all members on 15 April. Discussion of the document is on the agenda for the May caucus meetings.

Contact Dan Rees: dan@eti.org.uk

Applications for membership

The applications for membership of corporate clothing supplier **DCC** and clothing retailer **Rohan** will be presented to the ETI Board on 26 May.

M&W Mack leave ETI

We regret to inform members that M&W Mack (Mack Multiples) have chosen not to renew their membership of ETI this year. In a letter to ETI, Mack explained that while they have benefited from the guidance and support received from the ETI over the past four years, the business no longer sees the same benefits going forwards. Mack state that they remain committed to implementing the Base Code and will continue to be involved in the work of the Temporary Labour Working Group.

Conflicts of interests

Some members hire consultants to represent them on ETI projects and committees. Members have raised the question of how ETI handles a conflict of interest that may arise. The Board adopted a conflict of interest policy for Directors in February (available on the website) and a paper outlining the

issues was also circulated to members. Following comments received, the Secretariat will draw up a standard procedure to allow members to identify and deal with any possible conflicts of interest during the course of ETI's work.

Publications and events

Roundtable report on freedom of association and collective bargaining

The report of this event is now available on the ETI website, alongside the new ETI Guide to Freedom of Association and Collective Bargaining which was produced by the ETI trade union caucus.

The roundtable report is available at:

www.ethicaltrade.org/Z/lib/2005/03/rt-foa-cb/index.shtml

The guide is available at:

www.ethicaltrade.org/Z/lib/2005/03/brief-foa-cb/index.shtml

Other ETI activities

New ETI Strategy 2005-8

The ETI Board has agreed ETI's strategy for 2005-08. The document is circulated along with this *Update* and will shortly be placed on the ETI website.

In 2004, ETI members were closely consulted about the strategy. Comments were given on two drafts and in November, 60 members debated draft strategy directions at our AGM. With a new emphasis on marrying commercial and ethical decisions within a business and building capacity among of suppliers to make a difference, the document firmly places ETI on the 'new agenda for ethical trade' discussed at the conference. The five objectives for the next three years are:

1. To develop greater capacity in supplier countries to make and sustain improvements in labour practices.
2. To create more commercial leverage for the implementation of the Base Code.
3. To raise the profile of ethical trade and of ETI.

4. To develop and disseminate practical tools to help companies implement the Base Code credibly and consistently.
5. To support our membership to work together more effectively to achieve our objectives.

ETI Training Development

Module One piloted. Module One of the training programme: 'Introduction to ethical trade and ETI' was piloted with a group of ETI members on 6 April.

Opportunity to participate in Modules Two and Five pilots: work is now progressing on these modules: 'Developing and implementing an ethical trading strategy' and 'Becoming an accredited ETI trainer'. Both will be reviewed by the Quality Assurance Panel (QAP) on 10 June and then piloted with ETI members. Please contact Fiona Mabbott if you are interested in attending a pilot course.

Modules Three and Four are now in development. They will be reviewed by the QAP in August and piloted in the same way as modules One, Two and Five. Contact Fiona if you are interested in participating in these pilots.

Business Planning: a business plan for rolling out and launching the training programme in late 2005 will be discussed at the ETI Board meeting on 26 May.

Next meetings:

10 June, (a double meeting) 11.30am – 5.30pm
4 August, 11.30am – 3.30pm

Contact Fiona Mabbott: fiona@eti.org.uk

ETI and beyond

Recent contacts

Alan Roberts, Dan Rees and Santiago Porto met with the Head of Sustainable Development Policy of the **NHS Purchasing and Supply Agency (PASA)** on 4 May to discuss whether membership of ETI would be appropriate for this leading public procurement body. PASA would like to join ETI but

there are a number of issues that we need to explore to see if this could be a possibility. **Greencell**, a fruit importer supplying to the education sector, has declared its intention to apply for membership by the end of 2005.

We have also had discussions with the **John Lewis Partnership** about ETI membership. JLP are currently reviewing their policies and procedures to develop a business-wide approach and are also looking at management responsibilities for implementation. They are interested in joining ETI as a way of supporting this process and we expect them to make a decision in the next few months. We have also had initial contact with luxury fashion brand **Burberry** about membership.

Labour Standards and Poverty Reduction Forum:

Are codes of conduct making a difference to women workers in export industries and their supply chains?

Time and Date: 6 June 2-4pm,

Venue: Palace Street. London SW1E, 5HE

All ETI members are warmly invited a multi-stakeholder event to address this key issue. Stephanie Barrientos from the Institute for Development Studies has prepared a briefing paper for the Forum. DFID are very keen for many companies to attend. Please contact Maria Cushion at DFID for an agenda and background Paper: m-cushion@dfid.gov.uk

ILO migrant labour seminar

Dan Rees attended a two-day seminar on migrant labour organised by the ILO (International Institute for Labour Studies) on 28-29 April. The aim of the event was to share policy and practice for the recruitment, trafficking and employment of migrant workers in the global economy. Dan shared the experience of the Temporary Labour working Group and the licensing and registration of 'gangmasters' in the UK. The seminar will be turned into a book and the key policy conclusions will be submitted to the by the Global Commission on Migration.

Recruitment

Appointment of the Chair

On May 6, the Board announced the re-appointment of Alan Roberts to the position of Chair of ETI, for three years from 1 June.

In January this year the ETI Board began a process to recruit a new Chair, following Alan Roberts' resignation owing to other commitments. Capita Recruitment were appointed to manage the process and the post was publicly advertised in March-April. After a change to his circumstances, Alan informed the Board of his continuing interest in the role and was encouraged to re-apply for the position. The Board considered 38 applicants and interviewed a very high-quality short-list from an impressive field.

The Board appointed a panel to oversee the selection and the main Board was consulted on key decisions such as which candidates to shortlist and interview.

Vacancy: Head of Projects (maternity cover)

We have had to re-advertise the position of Head of Projects (maternity cover for Juliet Edington). The closing date for applications is 9am on Monday 6 June. If you know anyone who might be interested in this key post, please let us know or point them to the ETI website, which has full details.

Contact Joseph Reeve at joseph@eti.org.uk

Disclaimer: The inclusion of information about other organisations and/or their events and activities does not necessarily imply endorsement by ETI.

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