

No 29 January 2006

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

Corporate annual reports

Deadline: 31 March

ETI Training Programme

Module 1:

15 February 2006, ETI offices

Module 2:

15-16 March 2006, ETI offices

Meeting dates

Board meeting

23 February, 2 pm – 5 pm

GM and Food caucus

23 February, 10 am – 12.30 pm

ETI offices

NGO caucus

22 February

11.30 am – 4.30 pm

ETI offices

Trade union caucus

tba

China Project

16 February, time to be confirmed

Homeworkers Group

24 January, 11 am – 1.30 pm

ETI offices

Purchasing practices

25 January, 12 - 3pm

ETI offices

Smallholders Project

9 March 2006: half-day learning workshop, ETI offices

Sri Lanka Garments Project

22 Feb 2006, 11 am – 1.30 pm

ETI offices

Projects and Working Groups

China Project Group

Exploring tripartite collaboration for change

OHS local site team meetings. Each of the five site teams participating in the OHS project have held initial planning meetings. Meanwhile, the UK Group is in the process of reviewing the budget for the local training NGOs to facilitate project work, and ensuring that a suitable local OHS expert is contracted to complete the technical inspections in each of the factories.

Next meeting

16 February, time to be confirmed

ETI offices

Contact Helen Turner: helen@eti.org.uk
www.ethicaltrade.org/Z/actvts/exproj/china

Homeworkers Project

Applying the Base Code to an invisible workforce: examining fabric embellishment in India

Consultations on the draft guidelines for implementing the Base Code with homeworkers are currently moving apace in Delhi. These include separate and comprehensive sessions with Indian exporters, contractors, representatives of the five central trade unions, and non-ETI brands and retailers who also source from the area, plus more consultations with homeworkers themselves. The results of consultations will be used to refine and complete the first draft of the guidelines, targeted for the end of March. This means the draft guidelines could be ready for testing by Group members in April.

Plans to establish a multi-stakeholder group. The local group in Delhi are beginning to put detail around plans to establish a multi-stakeholder group in April. This group will concentrate on implementing certain parts of the guidelines that need collaborative action across the supply chain. This element of the project may feed into our capacity building programme and represents an

exciting and unprecedented step forward in this area of work.

Next meeting

Tuesday 24 January, 11 am – 1.30 pm

ETI offices

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

Sri Lanka Garments Project

Testing different audit approaches in the ready-made garments industry

The project group in Sri Lanka is now working on feeding back results of the audit methodology analysis carried out during the recent tripartite visit to the auditors and agencies who carried out the audits. The Sri Lankan group is also enlarging to bring in the skills needed to assist with second-round audit refinement and to help put detail around plans to set up an audit agency. This element of the project may feed into ETI's capacity building programme.

Next meeting

Wednesday 22 February

11am – 1.30 pm

ETI offices

Contact Liz Kirk: liz@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

The Temporary Labour Working Group (TLWG) continues to implement its code of practice in the fresh produce industry while working with the Gangmasters Licensing Authority (GLA) on the transition from a voluntary to a statutory system. At the same time, the TLWG is commenting on government consultations that are crucial to the future of the Act.

Defra exclusions consultations. Defra's consultation on which businesses will be required to obtain a licence closed on 15 December. ETI and other TLWG members submitted responses calling for full implementation of the Act across the entire food industry - in other words, for no exclusions. The Government is expected to make a decision by the end of January. ETI also raised the issue with journalists across the trade and national press and obtained coverage in *The Grocer*, *Fresh Produce Journal*, *Food Manufacture* and *Supply Management*.

Encouraging voluntary audits. To encourage labour providers to have a voluntary audit in the period prior to obligatory licensing, the GLA is currently planning the following:

1. Labour providers who have already been through a TLWG audit *will not have to pay the full cost* of a GLA inspection. Costs will vary according to the size and complexity of businesses.
2. Labour providers who have had a TLWG audit and who apply for a licence before 31 May will receive *an additional discount of £250* off the licence fee – so labour providers with a turnover of under £1m will pay nothing.

Final licence conditions to be issued shortly. The GLA has prepared a new version of the licence conditions, taking on board many of the comments made by TLWG members and incorporating further changes made at the January GLA Board meeting.

TLWG audits – summary and deadline

To date:

- **496** labour providers are currently registered
- **222** have completed an audit and are listed as having no 'critical' non-compliances
- A further **383** have committed to have an audit
- **114** audits are booked between now and mid-May.

The deadline for having a TLWG audit and qualifying for the £250 rebate is now set at 12 May.

Next meeting

To be confirmed.

Contact Fiona Mabbott: fiona@eti.org.uk

Purchasing Practices Project

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

Individual sub-group plans now progressing. At the next meeting key milestones for each of the sub-group projects will be collated into one summary plan to enable the group to consider how to share lessons, both within the group and with wider audiences

Next meeting

Wednesday 25 January, 12-3pm
ETI offices

Contact: Helen Turner: helen@eti.org.uk

Capacity building work

In December the Secretariat consulted all members about what ETI's capacity building activities should be. Members prioritised two activities: supporting multi-stakeholder initiatives in India, Sri Lanka and Bangladesh; and developing a training programme with appropriate materials for production site supervisors. Members have until 20 January to respond to the second consultation document, which was circulated before Christmas. We will start work on different activities in February.

Contact Pins Brown: pins@eti.org.uk

Membership support and development

Corporate annual reporting 2005

Eight companies attended a three-hour training session on the new reporting framework on 12 January. The session covered the new Annual Reporting Tool in full. As a reminder to all reporting companies:

Six top tips for reporting companies

1. The tool and the guidelines are downloadable from ETI's website.
2. 2005 is a transition year. While we hope that companies will be able to provide data for the performance input and improvement action tables for the whole of 2005, *we will accept data for less than the full year provided it covers at least a six month period in 2005.* Data should cover all sites risk assessed or inspected and all relevant improvement actions during the period, and should not be limited to a selected sample of sites.
3. When completing the questionnaire, if you do not have the information for a given area, please explain why. Is it information you do not have for 2005? Is it information you will never be able to obtain? Is it information you consider not valuable or confidential? This will help enormously when the reports are reviewed and when the Annual Reporting Working Group meets again.
4. When answering questions, please be specific. It helps the reader and improves the quality of the feedback.
5. Please send your reports to Sam Mackay at the Secretariat: sam@eti.org.uk. A CD-Rom is the preferred option, particularly for large files. This year's deadline is 31 March.
6. If in doubt get in touch! Direct your questions to Sam: sam@eti.org.uk

Volunteers needed! We will be reconvening the Annual Reporting Working Group in April to review the issues raised by the members in their annual reports. We will also convene a working group to

work on definitions of minor and major non-compliances. If you are interested in participating in either of these groups, please contact Dan Rees: dan@eti.org.uk

Review of the ETI "complaints system"

ETI is reviewing the "Alleged Code Violations Guidelines" – the mechanism that has been used by members since 2001 for investigating and resolving complaints about suppliers who are not implementing the Base Code. A tripartite membership group met on 22 November and agreed how to respond to proposals made by members to amend the guidelines during a consultation held in early 2005. The guidelines are currently being re-drafted to reflect these changes and, if agreed by the group, will be sent to members for consultation in February. We hope to get board approval for a revised complaints procedure at the May ETI Board.

Membership applications

The Secretariat presents the application of packet tea brand Typhoo. Premier Foods recently sold Typhoo to the Kolkata-based Apeejay Surrendra Group. Apeejay Surrendra is a holding group with interests in tea plantations, hotels, shipping and finance. Gert ter Vorde, ex-Premier Food, is now working with Typhoo as their Head of Purchasing.

Recent contacts

The Secretariat has started discussions with the Spanish fashion retailer Adolfo Dominguez.

ETI Website tip

As preferred by the majority of members, the bulk of the material available to members on the site is integrated with the public website, but hidden from view until you have logged in. In particular, note that additional links are then visible in the Key Documents, Reports and Project Documents and What's New sections. Even within this integrated structure, there remain certain index pages exclusively or primarily of interest to ETI Members - you can find shortcuts to them from:

<http://www.ethicaltrade.info/Z/lib/libr/members.shtml>

Publications and events

ETI Training Programme *Putting our learning into practice*

*****30% Discount for members - BOOK NOW!*****

For further information and to download a booking form see: www.ethicaltrade.org/d/training

We started marketing the Training Programme last month, and places are already filling up fast for Module 1 (15 Feb) and Module 2 (15-16 Mar). If you are interested in attending either of these courses (see details below), book soon to avoid disappointment – each course is limited to 12 participants to maintain the quality of training.

Remember that your suppliers, partner organisations and affiliates may also benefit from attending our courses. Please do let them know about the Training Programme – you can download copies of the flyers from www.ethicaltrade.org/d/training or order printed copies from Sam: sam@eti.org.uk.

Tailored in-house training courses are also available. In-house training may be a cheaper option if you are interested in training several staff within your organisation. For further information on in-house courses contact **Fiona Mabbott**, fiona@eti.org.uk or **Chris Cooper**, Chris@co-op.ac.uk

Module 1: Introduction to ethical trade and ETI

When: 15 February 2006

Where: ETI offices

What it covers: This module is aimed at those with limited direct experience of ethical trade and/or ETI. Attend this module to gain an overview of the key concepts behind ethical trade, an introduction to ETI and the ETI Base Code, and some initial pointers on how to get started on implementing a code of practice within your organisation.

Module 2: Developing and implementing an ethical trading policy

When: 15/16 March 2006

Where: ETI offices

What it covers: This module is designed to take participants through the key steps in developing and implementing an ethical trade strategy, and provides an overview of the key considerations that need to be taken into account at each stage.

Next meeting

Training Review Advisory Group (TRAG) has a telephone conference call on Monday 23 January to review progress with the training programme. Dial-up details have been circulated.

ETI and beyond

ETI in the media

The Independent newspaper encourages retailers to join ETI. A cover story about poor working conditions in Chinese factories noted that 'a band of retailers is trying to improve conditions by joining the Ethical Trade [*sic*] Initiative and they should be encouraged'. Marks & Spencer, Sainsbury's, New Look and Monsoon were mentioned by name.

'How to be an ethical shopper' can be found at:

http://news.independent.co.uk/uk/this_britain/article338531.ece

The cover story itself, 'Shop until they drop' is at:

news.independent.co.uk/uk/this_britain/article338536.ece

ETI 'one of the most influential bodies in the field'. In a recent article about the 'new agenda' for ethical trade, Ethical Performance magazine reported that 'the audit-dominated era of ethical supply chain management has been declared dead by one of the most influential bodies in the field' (Ethical Performance December 2005, Issue 7 Volume 7).

Contact Julia Hawkins: julia@eti.org.uk
www.ethicaltrade.org/Z/abteti/press/index.shtml

Joint Initiative on Corporate Accountability and Workers Rights (JO-IN)

Developing a common code between six multi-stakeholder code initiatives and agreeing good practice for implementing priority code elements. See www.jo-in.org

The main focus of activity since the last meeting has been negotiating terms of engagement with the suppliers and developing the criteria and process for selecting those who will assess the factories against the JO-IN Common Code. We have also begun to develop protocols of how the three priority areas – trade union rights, wages and hours – will be assessed at factory level. These will be subject to stakeholder consultation in the coming weeks.

The immediate next steps are to:

- finalise those suppliers who are participating in the project
- establish a local stakeholder group and international stakeholder advisory committee,
- recruit experts to assess the factories in the project against the Common Code
- develop a training course for Turkish stakeholders on how they can relate to and engage with each of the multi-stakeholder initiatives.

New Ethical Tea Partnership newsletter

Talking Tea - the newsletter of the Ethical Tea Partnership - has just been published for tea producers and other stakeholders. Articles include the launch of ETP's monitoring programme in South America and the introduction of 'graded certification'. Find out more at www.ethicalteapartnership.org.

Business and Human Rights updates

The Business & Human Rights Resource Centre is an independent, international, non-profit organisation, in a collaborative partnership with Amnesty International sections and leading academic institutions. Its online library covers over 2400 companies, over 160 countries, over 150 topics and receives over 1.3 million hits per month. Sign up for its free weekly updates at: <http://www.business-humanrights.org/Updates>

Secretariat news

Goodbye to Santiago Porto

We are sad to announce that after three and a half years, Santiago Porto, Membership Development Manager, is leaving the ETI Secretariat. During his time with ETI Santiago has made a very strong contribution to growing ETI's membership, improving support to members and developing the ETI annual reporting framework. Santiago will be taking up the post of Programme Director for a new programme of ethical sourcing work at the Council for Responsible Jewellery Practices. We will all miss him.

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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