

# 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](mailto:julia@eti.org.uk)

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## Bulletin board

**Public launch of ETI Impact Assessment Report**  
19 October  
London (see page 5)

**ETI Training Programme: remaining courses 2006**  
*Module 1:* 6 Sep, 1 Nov  
*Module 2:* 4-5 Oct  
*Module 3:* 11-12 Oct  
*Module 4:* 29-30 Nov

## Meeting dates

**Board meeting**  
7 September, 2 pm – 5 pm  
ETI offices

**GM and Food caucus**  
7 September, 10 am – 12.30 pm  
ETI offices

**NGO caucus**  
5 September, 10.30 am – 3.30 pm  
ETI offices

**Trade union caucus**  
7 September, 10.30 am – 12.30 pm  
Congress House

**China Project**  
11 September  
*OHS Group:* 11 am – 1 pm  
*Child labour seminar:* 1 – 5 pm  
ETI offices

**Homeworkers Group**  
21 September, 11 am – 1.30 pm  
ETI offices

**Sri Lanka Garments Project**  
18 October, 11 am – 1.30 pm  
ETI offices

**Purchasing practices**  
8 September, 12 – 3 pm  
ETI offices

## Projects and Working Groups

### China Project Group

#### *Exploring tripartite collaboration for change*

**New ETI Country Representative.** We are delighted to welcome Dimitri Kessler as our new Country Representative for China. This new full-time position reflects the importance of having a more strategic and permanent local presence for ETI in China.

Dimitri will initially concentrate on our project to establish OHS committees in selected factories, and in particular on building relationships with local stakeholders. In future we expect him to play a key role in defining our work in China, and to provide practical support to member companies in their in-country ethical trade activities.

**In-depth seminar on child labour.** Recent experience suggests that child labour is on the rise in China and on 11 September we will hold an in-depth seminar on the issue. Through a number of different case studies, the China Group will review how brands have responded, focusing on the successes and failures of recent remediation programmes. The Group will also explore how ETI should tackle the issue in the future.

#### **Seminar: The emerging phenomenon of child labour in China**

11 September, 1-5pm  
ETI offices

#### **Next OHS Project Group meeting**

September 11, 11am – 1pm  
ETI offices.

**Contact Helen Turner:** [helen@eti.org.uk](mailto:helen@eti.org.uk)  
[www.ethicaltrade.org/Z/actvts/exproj/china](http://www.ethicaltrade.org/Z/actvts/exproj/china)

### Homeworkers Project

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

**ETI homeworker guidelines now available for free download on ETI website.** On 26 July the first draft of the *ETI homeworker guidelines* – the product of four years' multi-stakeholder research and

consultation on two continents – was launched. These are the first ever guidelines to be endorsed by a tripartite group that promote and guide responsible corporate practice in the area of homeworking. They reflect our members' collective experience that the entire industry - not just retailers but also suppliers, trade unions and NGOs - must play a part in safeguarding and improving the conditions of these workers, and so provide tailored recommendations, guidance and tools for each group.

**Test the guidelines.** We invite all those companies with homeworkers in their supply chains to test these guidelines wherever you have homeworkers, and give us your feedback. You can download them at [www.ethicaltrade.org/d/homeworkers](http://www.ethicaltrade.org/d/homeworkers).

See page 3 to find out about more and get involved with the **National Homeworker Group** in India.

#### **Next meeting**

Thursday 21 September, 11 am – 1.30 pm  
ETI offices

**Contact Liz Kirk:** [liz@eti.org.uk](mailto:liz@eti.org.uk)  
[www.ethicaltrade.org/Z/actvts/exproj/hmwkr](http://www.ethicaltrade.org/Z/actvts/exproj/hmwkr)

### Sri Lanka Garments Project

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

**Training of Labour Department officials and other key stakeholders.** The Colombo-based Sri Lanka group has been busy preparing for the second round of audit testing over the past two months. Preparations have included training a large number of Labour Department officials - who will form an important part of the multi-stakeholder audit team – and local trade union and NGO representatives. The training covered ETI, codes of conduct and freedom of association, as well as commercial audit training delivered by SGS. Feedback has been very positive.

**UK Group members to visit Sri Lanka.** September will see the UK Project Chair and UK corporate representatives visit Sri Lanka to meet the local Group and take part in key discussions around the

establishment of a confidential worker complaint mechanism for factories engaged in the pilot. The creation of such a mechanism would be an important step forward for the project and for any future work on developing a common audit agency for the garment industry on the island.

**Next meeting**

18 October, 11 am – 1.30 pm  
ETI offices

Contact Liz Kirk: [liz@eti.org.uk](mailto:liz@eti.org.uk)  
[www.ethicaltrade.org/Z/actvts/exproj/srigarm](http://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*

**This ETI group has achieved everything it set out to** and the TLWG held its final meeting on 21 June. In the past year, the TLWG helped the industry prepare for licensing by conducting over 460 diagnostic audits. The great majority of the labour providers that participated in this programme have already successfully applied for a license, and the transition from the voluntary code to the mandatory licensing regime is now complete. A full report of these activities has been drafted and will be published in September.

The Gangmaster Licensing Authority (GLA) went live on 6 April, and temporary labour providers can now apply for a licence by visiting [www.gla.gov.uk](http://www.gla.gov.uk). From 1 October it will be an offence for any labour provider to operate without a licence, and from 1 December it will be illegal for any business to use an unlicensed labour provider.

**Purchasing practices**

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

**A smaller, more focused group.** The Purchasing Practices Group now consists of four companies who are all progressing with their plans to examine the impact of purchasing practices in specific areas of their supply chains, each working with an NGO or trade union partner. Some of the sub-groups

have already completed thought-provoking work, and the next meeting will allow lessons on individual progress to be shared. New company members of ETI that are interested in tackling this issue are encouraged to join the Group and share their experiences.

**Next meeting**

8 September, 12 noon – 3 pm  
ETI offices

**Capacity building activities**

**MFA Forum**

*Helping create a national strategy for change in the Bangladesh garment industry*

ETI members and Secretariat staff continue to engage with the Multi-Fibre Arrangement (MFA) Forum, particularly in Bangladesh where earlier this summer, workers engaged in violent protests over their poor working conditions. ETI members and Secretariat staff will be participating in the full MFA Forum meeting in London in September.

**Multi-stakeholder meeting in Colombia**

ETI plans to host a multi-stakeholder meeting in Colombia on the subject of ethical trade in the flower industry and other industries of interest to ETI members. This will be in the week commencing January 15 2007. Trade union and corporate members of ETI have long expressed interest in such a meeting and have been conducting joint planning work with the Secretariat. Members will meet to discuss the format of the meeting and who will attend at the next **ETI Colombia/Flowers Forum meeting** on 26 September at 10.30am at the ETI offices.

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

**National Homeworker Group and Bareilly Homeworker Group**

*Implementing joint activities to improve homeworkers' conditions*

**April 2006 saw the launch of the unique National Homeworker Group (NHG) in Delhi.** This is a new body made up of Gap Inc., Monsoon/Accessorize and Next plc as well as Indian suppliers, national

trade union organisations and national-level NGOs, which will oversee programmes of activities aimed at improving the labour conditions of homeworkers in different regions. Local stakeholders will draw from menus of actions set out in the *ETI homeworker guidelines* to devise specific activities that are tailored to local priorities.

The first area chosen for local-level activities is the fabric embellishment industry in Bareilly, Uttar Pradesh. A local co-ordinator with combined commercial and not-for-profit experience has been recruited to help companies map their supply chains and consult local stakeholders, including contractors, sub-contractors and homeworkers. This work should lay the basis for the formation of a regional group in Bareilly. The response from local stakeholders consulted so far has been very encouraging.

**Call for new members.** The National Homeworker Group invites new members to join its activities, recognising that the larger the membership, the more effective it will be in leveraging industry-wide improvements for homeworkers. If you are a company likely to have homeworking in your supply chains in India, or another organisation involved with homeworkers in India, collaboration with the NHG is likely to offer you a more sustainable and cost-effective way to improve conditions there. **Contact Liz Kirk at ETI on +44 (0) 20 404 1463 or [liz@eti.org.uk](mailto:liz@eti.org.uk).**

## Developing supervisor training

### *Promoting fair treatment*

**Working group now up and running.** ETI now has a UK-based Supervisor Training Working Group which met with WIETA staff in June to determine the overall model of the training for site supervisors, as well as to agree practical parameters, a timeframe and workplan. WIETA have already recruited a training co-ordinator who is leading on this work, and are also recruiting a specialist in training materials development. The UK Group will comment on an outline of the training material in September, and will meet again in November to discuss an initial draft.

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

## Membership support and development

### New members

**We welcomed two new members in May...**

**Associated British Foods (ABF)** is a holding company which owns many companies including grocery, bakery, sugar and animal feeds, and a retail division, Primark. ABF's portfolio also includes Twinings Tea, a member of the Ethical Tea Partnership, which of course is a member of ETI. Although a listed company, ABF is controlled by renowned corporate philanthropist George Weston. ABF wish to join as a group and to scope the Base Code to the entire Primark business in the first instance.

**Supremia** is one of the largest businesses in the promotional goods market. It sources a wide variety of products such as glassware, apparel, clocks, watches, bags, footballs, and luggage for promotions by their large client companies.

### Applications for membership

The ETI Board will consider an application from the Spanish garment retailer **Adolfo Dominguez** in September. Adolfo Dominguez is very well known in Spain where it has 350 shops. It also has some outlets in other European countries.

### Corporate annual reporting

**Review of the new Annual Reporting Framework.** Following completion of the 2005 annual reporting cycle, the Annual Reporting Working Group has been reviewing the new Reporting Framework.

The Group, which includes ten member companies plus NGO and trade union representatives, has met three times since May and has made a number of changes to the Framework, which will be re-issued in September for the 2006 reporting cycle. Although a number of small changes have been made, the architecture of the framework remains the same.

**Deadline for annual reports end of February 2007.**

The group has agreed that the deadline for the 2006 report and all subsequent reports should revert to the end of February, to allow ETI to provide quicker feedback to companies.

**The revised Reportbook and Guidelines for 2006 reports will be issued by 30 September.**

Contact Dan Rees: dan@eti.org.uk

## **ETI Annual General Meeting 2006**

**Including members' meeting and launch of ETI Annual Report 2005/06**

**\*\*\*DIARY DATE\*\*\***

Date: Thursday 16 November

Time: 1.30 – 4.30 pm followed by a buffet and drinks

Venue: Central London (tbc)

The afternoon will start with registration and refreshments at 1.30pm, followed by the AGM business meeting. Next, as with previous years, an all-members meeting will be held. We aim to hold a number of workshops to discuss issues prioritised by members and thus provide new ideas and practical tips.

Current topics provided by the membership for discussion include:

- Case studies/examples of failed audits
- Contracts for temporary workers

Please send suggestions for topics to be discussed at the all-members meeting to **Adil Rehman: adil@eti.org.uk**

## **Training, publications and events**

### **The ETI code of labour practice: do workers really benefit?**

**Launch of the ETI Impact Assessment Report**

19 October 2006, Victory Services Club (London)

**BOOK SOON!** Over 40 people have already booked a place at this event, so book soon to secure a place.

Attend this event to hear the findings and recommendations from the most comprehensive impact assessment of labour codes to date, and to obtain free copies of the report.

We will also launch the second edition of the *ETI workbook: Ethical trade: a comprehensive guide for companies*, which includes guidance and case studies on how to address many of the

recommendations from the ETI Impact Assessment. (See page 6 for further details about the workbook).

A full event programme will be sent out shortly.

**To book a place email Adil Rehman: adil@eti.org.uk**

## **ETI Training Programme**

*Putting our learning into practice*

*"To make a real difference to workers' conditions in the supply chain we need to understand where the barriers are, how to overcome resistance to change, and how to get buy-in from all those who will be impacted by change. **Module 3: Managing change in the supply chain** explores how this can be done in a practical and solution-oriented way."* Margaret Nderitu, Ethical manager, World Flowers Ltd.

**BOOK NOW** for the following courses:

**\*\*\*30% Discount for members\*\*\***

Module 1 An introduction to ethical trading and ETI: 6 Sept, 1 Nov

Module 2 Developing and implementing an ethical trade policy: 4-5 Oct

Module 3 Managing change in the supply chain: 11-12 Oct

*Module 4 Interfacing with internal and external stakeholders: 29-30 Nov*

For further information and to download a booking form go to [www.ethicaltrade.org/d/training](http://www.ethicaltrade.org/d/training)

**Customised in-house training is also available.**

Interested in Modules 1 and 2, but want them delivered as a combined package that directly meets the needs of your team? We can develop and deliver this or other customised training packages for your organisation – contact **Fiona Mabbott, fionamabbott@dial.pipex.com** or **Chris Cooper, Chris@co-op.ac.uk** to discuss your training needs.

**Two free places now available to non-profit organisations.**

Two free places (previously one) are now available to ETI not-for-profit members for any course. These are 'protected' until two weeks before a course.

## Training programme review

Every six months the Training Review Advisory Group (TRAG) meets to review progress of the training programme and to identify any improvements required. Key measures of success are take-up of the courses and participant feedback. The figures to date, discussed in the TRAG review meeting in July, are summarised below:

**Training take-up.** So far, 96 people – almost equally split between members and non-members – have attended a total of nine training courses. The breakdown of participants by type of organisation is as follows:

- Company: 66
- NGO: 6
- Trade union: 7
- Government: 4
- Other (eg, consultants): 13

**Participant feedback.** At the end of each course, participants are asked to fill in detailed evaluation forms. Satisfaction scores for a range of criteria are then analysed in order to identify improvements. Satisfaction levels are typically around 80 – 85 per cent for all the courses, which compares very favourably with an industry standard of around 65 –70 per cent. Modules 1 and 2, which have already run several times, are particularly popular and showing increased satisfaction rates - frequently 100 per cent on some questions.

**Training development.** We will increase the diversity of training materials and resources in the months ahead to ensure that the training programme continues to develop and improve.

## ETI workbook edition 2 - LAUNCH

***Ethical trade: comprehensive guidance for companies***

The Secretariat is pleased to announce the forthcoming publication of the second edition of the *ETI workbook*. As well as updating existing chapters on planning and carrying out workplace assessments, it provides substantial **new material** on key aspects of the 'new agenda' for ethical

trade launched in October 2005, including guidance on how to:

- develop a business case for ethical trade
- communicate with suppliers and build capacity
- integrate ethical trade into core business
- work with others to achieve change.

In total, **eleven chapters** of best practice guidance, over **50 case studies** and **34 resources** will be delivered in a user-friendly CD-Rom format.

## Pricing and licensing opportunities

As with the previous edition, all members will receive two free copies of the workbook. Additional copies will be sold at:

- Companies: £75 plus VAT
- Non-profit organisations: £35 plus VAT

In response to members' requests, we will also be offering licensing arrangements for retailer members who wish to make the *workbook* available to their suppliers.

For further information about licensing, contact **Adil Rehman**: [adil@eti.org.uk](mailto:adil@eti.org.uk). For more information about what's in the workbook, contact **Julia Hawkins**: [julia@eti.org.uk](mailto:julia@eti.org.uk)

## ETI and beyond

### Joint Initiative on Corporate Accountability and Workers' Rights

***Developing a common code between six multi-stakeholder code initiatives and agreeing good practice for implementing priority code elements. See [www.jo-in.org](http://www.jo-in.org)***

**Common approaches to key issues agreed – factory audits to start September.** The project has agreed common approaches to the three focal issues of wages, hours and trade union rights. Teams of assessors have been recruited and trained to carry out four factory assessments in September, according to protocols that have been developed on the above three priority code elements and on worker interviews. The next stage will be to develop remediation strategies based on consultation with industry stakeholders.

**Positive feedback on stakeholder training.** At the request of stakeholders in the Turkish garment industry, a training course for employers, unions, NGOs and government staff was delivered in July to raise awareness of the multi-stakeholder initiatives (MSIs) and how they can engage with them, and discuss project-related issues.

The International Panel of Stakeholders has been contacted and SAI is taking the lead on convening this group for a 'remote' meeting in September.

**Recruitment of project manager.** After an exhaustive recruitment search, we hope to be able to announce the appointment of a permanent Project Manager to replace Sebastian Van der Vegt, who left in June. A final interview will be held on 5 September.

**Plans for the next six months** include:

- Establish a project office in Istanbul;
- Complete factory assessments and produce report of findings (September);
- Develop remediation plans for factory-level issues (October-December);
- Convene local Turkish group and the international advisory board (September);
- Steering Committee meeting (October);
- Stakeholder consultation event to feedback assessment results and discuss remediation strategies for root cause issues (November);
- Draft remediation guidelines on three priority issues;
- Begin two independent studies into the informal sector and complaints systems.

## Secretariat news

### **New administrative assistant**

In July we welcomed Kaiesha Gibson, our new Administrative Assistant, to the Secretariat. Kaiesha replaced Sam Mackay who left us to resume academic studies at Cambridge University.

### **Recruitment**

Five candidates will be interviewed for the position of ETI **Deputy Director** on Saturday 9 September. The standard on paper appears excellent. This new post was fully supported by the ETI Board in

May. 12 September we will be interviewing for a **Project Manager**. This post is a straight replacement for Fiona Mabbott, who left ETI in November 2005, but we delayed recruitment until funding and related project plans were in place. Two initial responsibilities will be the ongoing development and promotion of ETI training and the purchasing practices project.

### **INVITATION FROM AFRICA NOW**

#### **Ethical Business Services Seminar**

*'Ethical trade - local people, local solutions'.*

*Developing an Africa-wide network of ethical trade practitioners*

23 November, 12.30 lunch; 1pm start; at ETI offices

Africa Now is working to improve skills and understanding of ethical trade in Africa. Our strong local staff base is developing a network of trained associates across the continent. They are carrying out audits and remediation work at factories and farms, providing support for smallholders in supply chains, and looking for local solutions to labour issues. With the drive for more southern ownership of ethical trade, Africa Now would like to share our innovative model with you and seek your input on how to support African nationals to take the lead on improving working conditions in their own countries. Please join us for a lunchtime seminar where experts from the field and industry spokespeople will share their experiences and provide an opportunity to discuss how best to support local ownership of ethical trade. **Contact Adil Rehman: [adil@eti.or.guk](mailto:adil@eti.or.guk) or [kguard@africanow.org](mailto:kguard@africanow.org)**

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

**ETI Update is published every quarter.**

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