

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

ETI Impact Assessment Reports:
complete set now available:
www.ethicaltrade.org/d/impactreport

**New one-day ETI Training
Programme modules – see p6**

Meeting dates

Board meeting

7 December, 2 pm – 5 pm
ETI offices

GM and Food caucus

7 December, 10 am – 12.30 pm
ETI offices

NGO caucus

5 December, 11 am – 3.30 pm
ETI offices

Trade union caucus

7 December, 10.30 am – 12.30 pm
Congress House

China Project

Corporate side:
5 December, 10.30 am – 1.30 pm
Full tripartite group: January (tbc)

Homeworkers Group

22 January 2007 – 11 am – 1.30 pm
ETI offices

Purchasing practices

30 January, 12 noon – 3 pm
ETI offices

Colombia Flower Forum

23 January, 10.30 – 12.30
ETI offices

Supervisor Training

20 February, 2 – 4.30 pm

Projects and Working Groups

China Project Group

Exploring tripartite collaboration for change

Lessons learnt on OHS project inform new plans. We have learnt many lessons in our pilot project to establish OHS committees in Chinese garment factories, as the Group has struggled to overcome the challenges of forming a common understanding between all stakeholders and trying to tackle a single rights issue – health and safety - in isolation.

The Group is currently reflecting on these lessons, and is in the process of constructing a revised pilot that takes them into account. There is a clear view that promoting social dialogue will be essential to achieving sustainable improvements in work environments.

We had an extremely positive response to the China Group's September seminar on child labour - thank you to all the speakers for their openness. Although there will be no formal write-up of the event, the presentations are available on request from the Secretariat and the video shown can be obtained directly from Impact Ltd.

China Group considering practical child labour project. This would build on remediation work begun in early 2006 by a number of ETI retailers in two factories where child labour was identified. Group members have since found that child labour is more extensive in the region than they had thought, and are now exploring how to broaden their remediation to a wider project that will address the root causes of the problem.

Next meetings

Corporate side only:
5 December 2006, 10.30 am – 1.30 pm
ETI offices

Full tripartite group:
January 2007, date to be confirmed.

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

Homeworkers Project

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

ETI homemaker guidelines generate interest. So far, 270 copies of the guidelines have been downloaded from the ETI website. Interest outside the membership has been strong and presentations on the guidelines have been requested from Ethical Corporation Conference 06, DFID (Labour Standards Forum), Save the Children Denmark, and IFAT.

A new agenda for the UK Group. The UK group is now setting a new Terms of Reference that will focus on supporting companies to implement the guidelines; developing new sections such as training materials for buyers; and continuing to give start-up support to the multi-stakeholder homemaker agencies in Delhi and Bareilly.

See page 3 to find out more about the **National Homemaker and Bareilly Homemaker Groups.**

Next meeting

22 January 2007, 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

Successful visit to Colombo. In September the UK Project Chair and UK corporate representatives visited Sri Lanka to meet the local group and take part in discussions on establishing a confidential worker complaint mechanism for factories engaged in the pilot. These meetings resulted in agreement on a framework for the mechanism. This is a significant step forward and one that allows the Sri Lanka group to begin preparing for second round audits, scheduled to start this February.

Next meeting

To be confirmed.

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

Purchasing practices

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

Sub-groups share experiences; initial learning now available. Sub-groups have shared their varied experiences of how to address and mitigate the negative effects of purchasing practices on suppliers. New company participants in the Group are now drawing on this learning to develop their own plans, in collaboration with an NGO or trade union partner. Initial learning from one of the sub-groups can be seen at http://www.gapinc.com/public/SocialResponsibility/sr_fac_bp.shtml.

Next meeting

30 January 2007, 12 noon – 3pm
ETI offices

Contact Miriam Neale: miriam@eti.org.uk
www.ethicaltrade.org/Z/actvts/exproj/purchprac

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 Multifibre Arrangement Forum (MFAF), and attended the September MFAF future strategy meetings. Secretariat staff also met AccountAbility's new MFAF co-ordinator Signe Jensen to share some of ETI's learning on in-country projects that may be relevant for MFAF.

Colombia: Multi-stakeholder meeting

Plans progress for April meeting. ETI is planning to host a multi-stakeholder meeting in Colombia on ethical trade in the flower industry, now scheduled for the week commencing 16 April 2007. Members met in September to discuss its format, agreeing that the focus will be flowers, with *possible* side events on bananas and coffee. Trade union and company members have held preliminary discussions with local trade unions and suppliers respectively.

In November, NGO members and War on Want met ETI Secretariat staff separately to give feedback from their Colombian partners. We hope to formalise plans with the stakeholders involved over the coming months.

Next meeting of ETI Colombia/Flowers Forum:
23 January 2007, 10.30 am - 12.30 pm
ETI offices

Contact Pins Brown: pins@eti.org.uk

National Homeworker Group and Bareilly Homeworker Group

Implementing joint activities to improve homeworkers' conditions

Delhi-based National Homeworker Group

launches officially. The new National Homeworkers Group was officially launched in September to help raise the profile of homeworking and labour standards, the *ETI homeworker guidelines*, and recruit new members. The launch was exceptionally well-attended and included international retailers, two buying agents and 13 suppliers as well as UNIDO, UNIFEM, FLA and the ILO.

Training workshop on ETI homeworker guidelines under development in India.

The September launch highlighted one clear request: the development of a training workshop on the guidelines, with different modules for different parts of the supply chain. This would aim to help companies and others understand core principles, key issues of approach, and how to start implementing the guidelines. Design of a workshop and accompanying materials in both English and Hindi is now underway.

Retailer visit to Delhi and Bareilly planned for February.

Retailers and brands backing the National Homeworker Group will visit Delhi and Bareilly 12 – 14 February to review progress and help build a three-year strategy for the development and sustainability of NHG.

Bareilly Homeworker Group (BHG) established.

September saw the first official meeting of the

Bareilly Homeworker Group after three months' work by co-ordinator Vijay Jain, supported by the NHG, to bring in contractors, sub-contractors, homeworkers, trade union, NGO, and local government contacts.

Training, children's education and finance are priorities. After consultation with Bareilly homeworkers on their needs, three initial priorities for action have emerged:

- training on health and safety, record-keeping and quality;
- addressing children's educational needs by linking with the national child labour programme and
- looking into creating savings insurance schemes for homeworkers.

The BHG will start addressing these in the coming months.

Contact Vinita Singh: vinitasingheti@hotmail.com

Developing supervisor training

Promoting fair treatment of workers

Drafting of training manual underway. Since June, WIETA have commissioned an external consultant to help develop the supervisor training material, and has set up an internal training committee to manage the work. The UK group has provided material and commented on an outline of the training and more recently on a first draft of the training manual. While our comments are fairly substantial, we hope training documents will be ready by March.

Next meeting

20 February, 2 - 4.30 pm
ETI offices

Contact Pins Brown: pins@eti.org.uk

Membership support and development

Recruitment

In September we welcomed Spanish garment retailer **Adolfo Dominguez** to ETI. The company is

very well known in Spain, where it has 350 shops. It also has some outlets in other European countries. Meanwhile, **London Underground Ltd** will be considered for membership at the next Board meeting on 7 December. If the application is successful, London Underground will be the first public sector organisation to join ETI.

Corporate annual reporting

Deadline for reports end of February. Dan Rees forwarded guidelines on filling in the revised Reportbook in October and the Annual Reporting Working Group has been helping clarify questions arising from the new format.

Any questions? ETI's new Deputy Director Niaz Alam will be available from December to help answer any questions or problems arising. If you would like help on any aspects of the annual reporting requirements, contact Niaz at niaz@eti.org.uk

New communication guidelines

As both consumer and media interest in 'ethical issues' increases and ETI's profile grows, ETI member companies are starting to publicise their membership of ETI more widely, including to consumers. In June this year we circulated a set of draft guidelines to help companies communicate consistently, credibly and effectively about their membership of ETI. The guidelines have now been finalised based on members' feedback, and are attached. They will also be incorporated into an updated edition of the *ETI Corporate Members' Handbook*, will be circulated to all members early in the new year.

Contact Julia Hawkins: julia@eti.org.uk

Review of principles of implementation

In September, the Board agreed that 10 years after ETI's creation, it would be timely to review ETI's Principles of Implementation. We have learned much about good corporate practice for implementing codes in that period, and the review is an opportunity to update the Principles. The Board will consider a draft Terms of Reference in December. When approved, the draft will then be circulated to members for comment. The proposed

TOR include a period of public consultation plus detailed discussions with members.

Contact Dan Rees: dan@eti.org.uk

New global trade union body

On 31 October, the International Confederation of Free Trade Unions (ICFTU) formally dissolved, paving the way for its former affiliates to join those of the World Confederation of Labour (WCL) to form a united international trade union organisation, the International Trade Union Federation (ITUC). ITUC has 307 affiliates – including those that previously had no global affiliation - across 254 countries and territories, with a total membership of 168 million workers.

www.ituc-csi.org

Training, publications and events

ETI Impact Assessment report

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

Complete set of reports now available. Chinese, Spanish, French and Vietnamese versions of the summary report/flyer of the impact assessment as well as *Part 3: How and where ETI member companies are implementing codes* and *Part 4: Research methodology*, have now been finalised. This completes the full series of reports, all of which can be downloaded for free from www.ethicaltrade.org/d/impactreport.

Impact assessment report making an impact! We have promoted the impact assessment report widely - with results:

- **Over 160 participants attended the report launch** on 19 October – the largest single-issue ETI event ever – with overwhelmingly positive feedback.
- **Nearly 5,000 reports have been downloaded** from our website and we hear it is being talked about in key circles, including the ILO and other multi-stakeholder initiatives.

- **The report has been covered in mainstream, trade and CSR media** including The Guardian, The Independent, Retail Week, the Fresh Produce Journal and Ethical Performance, with articles promised in Ethical Corporation, Ethical Consumer Magazine, CSR Asia newsletter, Corporate Citizenship Magazine, SEDEX Newsletter, The Meteor and MSN Codes Memo.

Responding to the challenges. While the report supports ETI's multistakeholder approach and many other aspects of our work, it also poses some serious challenges for us. In recognition of this, the ETI Board will meet for a special session to discuss the implications of the report and recommendations for ETI. A date will be fixed at the next Board meeting on 7 December and we will keep members informed of developments.

Contact Man-Kwun Chan: man-kwun@eti.org.uk

ETI Annual General Meeting and members' meeting – report back

Annual general meeting business.

Board members were confirmed as follows:

Chair: Alan Roberts

Vice Chair: Tony Young

Corporate representatives

Robert Brown, Boots

Javier Chercoles Blazquez, Inditex

Louise Nicholls, Marks & Spencer

Lakshmi Bhatia, Gap Inc. (alternate)

Trade union representatives

James Howard, ITUC

Neil Kearney, ITGLWF

Simon Steyne, TUC

Ron Oswald, IUF (alternate – pending nomination of new alternate trade union alternate)

NGO representatives

Sharon McClenaghan, Christian Aid

Peter Williams, National Group on Homeworking and Homeworkers Worldwide

Maggie Burns, Women Working Worldwide

Vacancy: Alternate

DFID observer

Danny Graymore

Members' meeting

The yawning gap between recognised good auditing practice and reality was the subject of debate at the members' meeting that followed the formal AGM. Those attending were the first to see *Secrets and Lies*: a short video commissioned by ETI showing what factory owners, supervisors, workers and others think about current auditing approaches. A write-up of the event will be circulated by 15 December and we also intend to make the video more widely available, pending the resolution of confidentiality issues – you will be kept informed.

Contact Adil Rehman: adil@eti.org.uk

New! ETI Annual Review 2005/6 – The power of partnership

After a positive response to last year's slimmed-down Annual Report and poster, this year's Annual Report, which celebrates the growing power of our alliance to bring about change, has on its reverse a **poster for staff in buying companies**. All members will receive a copy of the annual report plus two free copies of the ETI Workbook (see below) by mid-December. If you would like bulk copies of the report/poster to distribute within your company, please contact **Kaiesha Gibson**: kaiesha@eti.org.uk

New! ETI workbook – a comprehensive guide for companies

New chapters, 50 new case studies and 34 resources.... In October we published a second, fully expanded and revised edition of the ETI workbook. As well as updating existing chapters on inspections, it contains extensive new material on how to develop a business case, how to get buy-in from colleagues and suppliers, how to make the best use of resources by joining forces with others - and much more.

Licensing opportunities for companies. Find out about cost-effective solutions to make the workbook available to your suppliers: contact **Adil Rehman**: adil@eti.org.uk

New! ETI Factsheets

Coming soon... factsheets for consumers, suppliers and SMEs The Secretariat responds to a huge amount of requests for information from a wide variety of non-members, including consumers, importers, designers, auditors, supplier companies as well as brands and retailers. The factsheets will improve the consistency and quality of our response to enquiries, and we hope they will also prove a useful resource for members. The first three factsheets will be circulated and on our website by the end of the year, and we will develop others as the need arises.

ETI Training Programme

Putting our learning into practice

New for 2007: One-day modules and courses tailored to meet your needs. We continuously update the modules to incorporate participants' feedback and new learning. For 2007, each module has been streamlined to a one-day course to enable participation by the busiest ethical trade practitioners. We can tailor a course to match your organisation's needs, and deliver this at a place and time that suits your team.

**** BOOK NOW - 30% MEMBERS' DISCOUNT ****

**Module 1: Introduction to ethical trading & ETI
7 February 2007**

ETI offices

Tutor: Elaine Jones

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 getting started.

Module 2: Developing and implementing an ethical trading policy

24 January 2007

ETI offices

Tutor: Elaine Jones

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.

Module 3: Managing change in the supply chain

28 February 2007

ETI Offices

Tutor: Patrick Neyts

This course how the processes and tools of change management can be effectively used to improve workers' conditions.

Module 4: Interfacing with internal and external stakeholders

21 March 2007

ETI Offices

Tutor: Stirling Smith

This module aims to assist ethical trade practitioners develop and maintain effective partnerships with stakeholders.

To make a booking and for further information, please visit www.ethicaltrade.org/d/training or contact **Steve Kingman: steve@co-op.ac.uk**. To discuss your training needs and opportunities for a tailored course to be delivered within your organisation, contact:

Miriam Neale miriam@eti.org.uk or +44 20 7404 1463

Chris Cooper, Co-op College: chris@co-op.ac.uk

ETI and beyond

Gangmaster licensing

From 1 October it has been an offence for labour providers in the food and agricultural sectors to supply workers without a licence. By the end of October, some 900 labour providers were listed on the GLA website as having applied for a licence. Businesses that have received a licence can be found on the GLA website at www.gla.gov.uk.

From 1 December it will be an offence to trade with an unlicensed labour provider. Guidance on the steps labour users should take to check whether labour providers have a licence are available on the GLA website at: www.gla.gov.uk/embedded_object.asp?id=1013034.

GLA seeking views on proposed licence fees. The GLA has published a consultation document seeking views on its proposed licence fees for

2007-8. The full consultation document can be found on the GLA website: gla.gov.uk.

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

New international project manager appointed.

Mike Murphy (murphy@jo-in.org) brings strong experience of working in the garment industry with trade unions, manufacturers and retailers. Much of his work has been in South Africa where he has worked for trade unions, as a consultant and on a number of international labour-related projects.

Common approaches agreed to wages, hours and trade union rights.

Following agreement on approaches to these three key issues, teams of assessors have been trained to carry out factory assessments according to agreed protocols. The assessments, which feature off-site worker interviews as well as factory-based assessments, began in November and will be completed by end of December. The next stage, scheduled for January, will be to develop remediation strategies based on consultation with industry stakeholders.

Local stakeholder group convened. A local group of trade unions and suppliers was convened during October and November, becoming a useful forum for addressing issues related to the implementation of the code and the assessment process.

Representatives of an International Stakeholder Panel comprising international brands and trade unions have also been nominated. These include Matt Kelly (M&S), Neil Kearney (ITGLWF) and Dwight Justice (ITUC) ¹from ETI member organisations.

Plans for the next quarter are to:

- establish a project office in Istanbul
- complete factory assessments (December) and produce a report of findings (January)

- develop remediation plans for factory-level issues (January-February)
- hold a steering Committee Meeting (February 6, 7 or 8 (tbc);
- run a stakeholder consultation event to feed back assessment results and discuss remediation strategies for root cause issues (February 6,7 or 8 tbc)

The ILO and voluntary codes of labour practice

On 9 November Dan Rees spoke to members of the ILO Governing Body's Sub-Committee on Multinational Enterprises at an "In Focus Forum". The purpose of the meeting was to brief Governing Body members on developments in codes of conduct in advance of key decisions about the ILOs role in this area. The Sub-Committee has now asked the International Labour Office (the secretariat of the Organisation) to prepare a paper for the Governing Body in March 2007, proposing "a concrete programme to advise companies on the realization of international labour standards and the MNE Declaration". This could be a significant development and may present the kind of entry point into the ILO that many members have urged. Full minutes are available on <http://www.ilo.org/public/english/standards/relm/gb/docs/gb297/pdf/gb-13.pdf>

Secretariat news

New staff

We welcome new **Deputy Director Niaz Alam** who took up post on 27 November. Niaz joins us from the Ethical Investment Research and Information Service (EIRIS) and has a strong background of engaging retailers through ethical investment and of working with NGOs and trade unions on labour issues. Niaz is also a qualified solicitor (labour law). His initial priorities will be developing corporate membership, getting to know existing members and their needs and overseeing the annual corporate reporting cycle 2006.

We also welcome **Miriam Neale** as **Project Manager**. **Miriam** joined the Secretariat on 23

October. She was previously Co-ordinator of the MFA Forum and so brings experience of working with multi-stakeholder processes. She will be managing the ETI Training programme and taking over management of the Purchasing Practices Project from Helen. This will allow Helen to focus on China project work.

And finally... congratulations!

Our warmest congratulations to two of our staff: Adil Rehman whose son Umar now has a little brother, Zaki, to play with, and to Helen Turner – now Helen Shamdasani - who married Krishan on 11 November.

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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