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trading
initiative

PRESS RELEASE

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ETI helps companies get better at ethical trade – but ‘no room for complacency’

ETI today published its annual review of its activities: *Ethical Trade: Measuring Up?*, which looks at how ETI member companies, including retail giants M&S, Gap Inc., Tesco, Asda, Boots and WH Smith, are tackling workers’ rights in their supply chains.

The report shows that as a rule, the longer a company stays a member of ETI, the better it performs in addressing workers’ issues, with most improvements made within the first three or four years of membership.

Says Dan Rees, director of ETI: “It is good to see that ETI membership helps companies tackle the complex challenges they face in improving workers’ lives in their supply chains and that like most things in life, the harder and longer the companies work at it, the better they get.

“This year our members spent £8.6 million on their ethical trade activities and delivered 22,000 hours of training on workers’ rights. Their ethical trade activities touched 30,554 supplier companies, which collectively employ over 3.3 million workers worldwide.”

But Rees added that there is no room for complacency:

“Independent research has found that although our members’ efforts are starting to make a positive difference to workers’ lives, we all need to raise our game if we are going to achieve the widespread, lasting change we’re looking for.

“All companies across the board need to do much more to integrate ethical trade into their core business decisions – and that includes making sure the price they pay to their suppliers allows them to pay their workers a living wage.

“We also need to do more to help our members develop better approaches to strengthening trade union rights throughout their supply chains. These issues are now top priorities for ETI”.

Rees concluded:

“But let’s not forget, while retailers have a clear responsibility towards the workers who make their products, they cannot be held entirely to blame for poor working conditions. Governments in sourcing countries must create and enforce laws that protect workers’ rights, and establish environments where trade unions can flourish.”

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Media enquiries

Julia Hawkins 0207 841 5180

Ethical Trading Initiative
Cromwell House
14 Fulwood Place
London WC1V 6HZ
United Kingdom

t +44 (0) 20 7404 1463
f +44 (0) 20 7831 7852
ethicaltrade@eti.org.uk
www.ethicaltrade.org

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Notes to editors

1. Copies of the ETI Annual Review: *Ethical trade – Measuring up?* are available from the ETI Secretariat on 0207 841 5180 or can be downloaded at <http://www.ethicaltrade.org/Z/lib/annrep/2007/en/index.shtml>
2. In 2006, the Institute of Development Studies published the findings of a major evaluation of ETI members' ethical trade activities. They found that improvements for workers have been made in crucial areas such as improving health and safety, reducing child labour, increasing wages and reducing the incidence of excessive overtime. They also found that real progress has yet to be made in other key areas, such as extending the reach of codes to particularly vulnerable workers, for example migrant workers, and in helping workers organise for themselves in trade unions.
3. In response to IDS' recommendations, the ETI Board has identified the following priority areas for action:
 - o Freedom of association and the right to collective bargaining
 - o Payment of the living wage
 - o Integrating ethical principles into core business practices
 - o Audit credibility and quality
 - o Improving communications with suppliers and with consumers