

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

BOOK: ETI Roundtable

ILO/IFC Better Work Programme
Thursday 22 Feb, 11.30 am – 2 pm
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BOOK: Media 'taster' session

Friday 31 March 12 – 3pm (p.5)

Why trade ethically? poster

Chinese and Spanish pdf versions
now available:
www.ethicaltrade.org/d/posters

Meeting dates

Board meeting

2 March, 2 pm – 5 pm
ETI offices

GM and Food caucus

2 March, 10 am – 12.30 pm
ETI offices

NGO caucus

27th Feb 11am - 3:30pm
ETI offices

Trade union caucus

2 March, 10.30 – 12.30 pm
Congress House

China Project

2 April or 4 May (tbc)
ETI offices

Purchasing Practices

1 March, 12 – 4 pm
ETI offices

Colombia Flower Forum

6 March, 11 – 1.30 pm
ETI offices

Supervisor Training

6 June, 2 – 4 pm
ETI offices

Projects and Working Groups

China Project Group

Exploring tripartite collaboration for change

Recent OHS project review informs plans for broader 'Decent Work' project. Following a major review of the preparatory work we've done to look at promoting worker-management dialogue in garment factories through OHS committees, the scope of the planned project has broadened, and we have changed its name to the Decent Work Project.

Extending Shanxi child labour work. The China Group met in February to decide how the child labour remediation work carried out in Shanxi over the past year in could be built on, and what kind of wider project could be developed. We will start by identifying and mapping stakeholders, including employers, government and other local partners.

ETI corporate members meet in Schenzen. Mainland China and Hong Kong-based corporate members of the China Group gathered in January to debate the Decent Work and Shanxi streams of work, plus wider issues including purchasing practices, communication between buyers and ethical trade representatives and the challenges of auditing.

At the meeting, which was facilitated by ETI China Co-ordinator Dimitri Kessler, the group expressed a desire for more local decision-making and agreed to meet regularly on a quarterly basis. Encouraged by the call for greater local ownership, the UK Group have suggested a number of ideas to help this happen.

Next UK China Group meeting

Either 2 April 2007 or 4 May 2007, depending on tri-partite availability
ETI offices

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

Sri Lanka Garments Project

Testing different audit approaches in the ready-made garments industry

A tripartite delegation of ETI members recently returned with Project Manager Liz Kirk from a visit to Sri Lanka to discuss the future of the Sri Lanka project. The next edition of the ETI *Update* will report back and outline next steps.

Next meeting

To be confirmed.

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

Purchasing Practices Project

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

Partnership building. Companies, trade unions and NGOs in this group are finding ways of working together to understand the impact of purchasing practices on labour standards. New company participants are learning from current group members about how to begin tackling this issue.

Next meeting

1 March 2007, 12 noon – 4pm
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

The ETI Secretariat continues to work with the MFA Forum Secretariat and to contribute to the plans and activities of the MFAF Bangladesh Steering Group. ETI Deputy Director Niaz Alam will attend the next MFAF biennial meeting in Toronto in April. **Contact Pins Brown: pins@eti.org.uk**

Colombia: Multi-stakeholder meeting

April flowers meeting in Colombia confirmed. Our Colombia/Flower Forum met at the end of January to discuss plans for the proposed meeting in Colombia, which is now confirmed for 18 April. The meeting will form part of a week-long trip by a tripartite ETI delegation, and will focus on flowers only as not enough interest was expressed in possible side events on coffee or bananas.

Participating ETI members and the Secretariat are now working with Colombian stakeholders to agree logistics and make sure their issues will be addressed during the meeting and visit. We are also liaising with other relevant multi-stakeholder initiatives and non-members.

Next meeting

6 March 2007, 11 am – 1.30 pm
ETI offices

Contact Pins Brown: pins@eti.org.uk

National Homeworker Group (NHG) and Bareilly Homeworker Group (BHG)

Implementing joint activities to improve homeworkers' conditions

NHG Co-ordinator and Monsoon Accessorize address Indian Prime Minister. January saw National Homeworker Group co-ordinator Vinita Singh join a representative from Monsoon Accessorize to address a SEWA conference organised in Delhi to press for legislation to extend social security provision to the informal sector. Prime Minister Manmohan Singh and the Finance Minister Palaniappan Chidambaram attended the conference, as did the other two retailer members of the UK Group, Next plc and Gap Inc. Indian exporter members of the NHG provided data to support the case for governmental policy change to help improve homeworkers' conditions, given their unique contribution to the Indian economy. The presentation was well received, and the Government expressed interest in supporting the Bareilly initiative.

UK retailers meet NHG and BHG stakeholders for the first time. Gap, Next and Monsoon Accessorize visited India mid-February to meet the

BHG in Bareilly, Uttar Pradesh and hold full-day strategy meetings with the Delhi-based NHG. This was the first time the retailers met the contractors, exporters, trade unions and NGOs involved in the work. Crucially, it helped all involved to understand the reality of life in different parts of the supply chain, and to collectively identify joint responses to improving homeworkers' conditions. Strategic priorities emerging for 2007-8 include:

- increasing transparency and accountability throughout the homeworking supply chain (eg, introducing contracts, purchase orders and complaints mechanisms);
- mapping the shortfall in educational provision in Bareilly and increasing advocacy with the Government to address this;
- increasing homeworkers' uptake of government insurance provision;
- training on OHS and record keeping;
- establishing a monitoring mechanism to measure achievements made after one year.

Contact Vinita Singh: vinitasingheti@hotmail.com

Developing supervisor training

Promoting fair treatment of workers

Change in project timetable. This Group met on 20 February to discuss the second draft of the supervisor training manual-in-development. We have agreed the need to re-tender development of the manual. As a result, the training will not be piloted in March as originally planned. We will work with WIETA to organise re-tendering and agree a new project timetable in the coming months.

Next meeting

6 June 2007, 2 – 4 pm
ETI offices

Contact Pins Brown: pins@eti.org.uk

Membership support and development

Poultry sector research

New research commissioned into conditions for poultry workers. Following complaints by the TGWU about discriminatory employment practices and unreasonable short-term contracts for migrant workers in the food industry, ETI is hosting a new project to research employment patterns in the sector, using the poultry industry as a case study.

The terms of reference for the research were informed by a series of discussions brokered by ETI between ETI member retailers (Asda, M&S, Tesco, The Co-op) and the T&G between September and November, followed by a seminar on 15 December to explore the issue with suppliers, food manufacturers, labour providers and the Government.

Agreement to act in good faith. All these stakeholders have agreed to act in good faith to facilitate the research, which aims to determine what improvements to labour practices may be needed in the sector. We will make sure the findings, due in April, are shared across the food industry.

Ergon Associates and the Metropolitan University's Working Lives Research Institute won the tender to carry out the research.

Recruitment

London Underground Ltd (LU) first public body to join ETI. We are delighted that LU were accepted into ETI membership in December 2006, and hope they will be the first of many public procurement bodies to join ETI.

The move follows concerted efforts last year to investigate how to encourage public procurement bodies to learn from ETI members and adopt ethical trading principles. Our conclusion was that existing corporate membership rules are applicable to public bodies, with one exception concerning membership fees. For public bodies, fees will be

set according to the turnover of the product scoped within the organisation's code of practice, rather than the organisation's overall turnover. LU's membership therefore applies solely to the uniforms and workwear it sources, not to the trains and related infrastructure.

Membership applications

We have received membership applications from **Icon Live**, a privately owned jewellery and accessories company; Ecuadorian fruit exporter **Le Fruit**, and **Hallmark cards**. At this point, none of the applications are considered complete enough to be put forward to the Board.

Strong interest in membership has been expressed by **Burberry**, **B&Q** and **Jaeger**. We have also had talks with Luxury brand owner **DAKS**; Beatrix Potter licence holder the **World of Beatrix Potter**, and **A/Wear**, an Irish fashion retailer.

Corporate annual reporting

Reports due 28 February. Please note the deadline for submitting annual reports is fast approaching – all reports are due in by the end of February. They will be analysed by Ergon Associates during March, with individual feedback to member companies to follow. A full report will be submitted to the Board in May.

Contact Niaz Alam: niaz@eti.org.uk

Training, publications and events

ETI Roundtable ILO/IFC Better Work Programme *Book now – deadline 16 March*

When: Thursday 22 March, 11.30 am – 2 pm

Where: ETI offices

Speaker: Ros Harvey, Global Programme Manager of Better Work

Lunch provided

In August 2006, the ILO and the IFC agreed to collaborate on a global programme to achieve better labour standards in global supply chains. The idea of the programme is to promote

compliance with labour standards as a means of building socially responsible export strategies, at the same time as enhancing the social and economic performance of businesses. Attend this roundtable to find out more about the Better Work Programme and opportunities for collaboration.

Please contact Adil Rehman: adil@eti.org.uk to confirm your attendance by 16 March.

Report on growing auditing crisis

Auditing report sparks widespread debate.

Getting smarter at auditing: tackling the growing crisis in ethical trade auditing provides a short, sharp account of what goes wrong in auditing – and why - and makes short and long term recommendations for improving auditing practice. Based on presentations and discussions from our November AGM, it includes five real-life examples of audit fraud and poor auditing practice, and eight corporate good practice case studies. Published in January, the report has already generated widespread interest and debate.

Uncomfortable reading. The report does not make for comfortable reading - it highlights the serious challenges we face in making auditing work better. But we hope that by being honest about the problems, while highlighting the positive steps many of our corporate members have taken, the report will act as a springboard for concerted collective action to tackle the root causes of poor auditing practices.

Follow-up meeting. The ETI Secretariat will organise a follow-up meeting for interested corporate members to identify the actions ETI could take to help address the problems outlined in this report (see section 5 in the report). We will be in touch with members soon with proposed dates for this meeting.

The report is at:
www.ethicaltrade.org/Z/lib/2006/11/smart-audit/index.shtml.

Secrets and lies audit fraud video

Audit fraud video generates huge interest. Since its 'screen test' at November's ETI members'

meeting, the undercover video commissioned by ETI that reveals the extent of audit fraud has generated massive interest, with over 50 orders in the pipeline. The video highlights the pervasiveness of fraud in ethical trade audits, and contains undercover footage of interviews with factory managers, workers and others in China.

Copies available mid-March. We are pleased to say that the video is nearing completion and that copies will be available from mid-March. They will be free for members, and non-members will be able to purchase copies for £15.

Contact Adil Rehman: adil@eti.org.uk

Working with the media 'taster' session **A briefing session for small ETI member companies and organisations** **Book now – deadline Friday 16 March**

When: Fri 30 March, 12 – 3 pm

Lunch included

Where: ETI offices

In response to members' requests, this short introductory session to working with the media will cover:

- ETI's media strategy, including key messages
- How to talk about your membership of ETI and ethical trade
- How to answer common 'tricky' questions
- How the ETI Secretariat can help.

If enough people are interested, we will be happy to look into organising more in-depth, hands-on media training for a group of members, the cost of which would be paid for by those members.

Please contact **Julia Hawkins:** julia@eti.org.uk to confirm your attendance by Friday 16 March.

ETI Training Programme **Putting our learning into practice**

In-house training delivers the goods. In addition to the open programme, ETI Training can be tailored for your organisation and can address a

particular group's learning needs – such as senior managers, buyers and suppliers.

"The ETI in-house training was very well received by all attendees, and it was a pleasure to see everyone become so enthusiastic about the principles of the Base Code, and how they could apply these principles to their decision making processes regarding sourcing."

Tony Dutton, Quality Control Manager, Supremia

**** 30% DISCOUNT FOR MEMBERS ****

Interfacing with internal and external stakeholders

21 March 2007, ETI offices

Tutor: Stirling Smith

This course aims to help ethical trade practitioners develop and maintain effective partnerships with appropriate stakeholders. It looks at how to identify appropriate partners, how to build relationships, and how to develop and implement collective approaches to tackling ethical trade challenges.

Introduction to ethical trading and ETI

26 April 2007, ETI offices

Tutor: Elaine Jones

This 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.

Developing and implementing an ethical trading policy

16 May 2007, ETI offices

Tutor: Sarah Barlow

This takes 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.

Managing change in the supply chain

20 June 2007, ETI Offices

Tutor: Patrick Neyts

Aimed at those at the coal face of driving improvements in labour practices in the supply chain – be this in a corporate, NGO or trade union setting, this course shows how the processes and tools of change management can be effectively used to improve workers' conditions.

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, ETI: miriam@eti.org.uk or +44 20 7404 1463 or Chris Cooper, Co-op College at chris@co-op.ac.uk

New! ETI Factsheets

A new series of factsheets on ethical trade for consumers, suppliers and small businesses is now available at www.ethicaltrade.org/d/factsheets. We hope they will improve the consistency and quality of our response to enquiries from non-members, as well as proving a useful resource for members. For example, you could use the consumer factsheet, which suggests 'five questions to ask retailers', to help you respond to questions from the general public.

Contact Julia Hawkins: julia@eti.org.uk

'Why trade ethically?' poster

Spanish and Chinese versions now available in A4 pdf format. We have had a tremendously positive response from members to the poster for buying companies on the back of our latest Annual Review. Some companies are experimenting with using the posters as a tool for communicating about ethical trade with their store staff. We welcome all feedback on the posters and how you have used them.

Contact Julia Hawkins: 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

Progress in Turkey. The last quarter has been busy, with strong progress in Turkey.

With project staff settled into a new office in Istanbul, the assessment teams have completed their examination of current practices on wages, hours and trade union rights in six of the Turkish suppliers participating in the project. The results of the assessments, which feature off-site worker interviews as well as factory-based assessments, were examined and accepted by the Local Working Group on 30 January.

The Local Working Group then met with the Steering Committee on 7 February to discuss the implications of the assessments and possible remedial actions. The Steering Committee then developed proposals for next steps based on this consultation.

Plans for the next quarter include:

- developing remediation plans for factory-level issues with suppliers
- consulting Local Steering Group about content of remediation plans
- holding a seminar for wider Turkish industry to discuss issues effecting the whole industry and possible improvements (May 14, 15 or 16 to be confirmed)
- issuing interim project report to wider stakeholders.

ETI pushes for ethical procurement

ETI made clear in its 2005-08 strategy that harnessing the power of ethical procurement in support of membership principles is a priority. Last year, an ETI Board sub-committee on procurement concluded that government guidelines are unnecessarily conservative and act as a barrier to

the adoption of ethical good practice in public procurement.

ETI has submitted evidence to the current International Development Select Committee Inquiry into "Fair Trade and Development" which includes examination of government guidelines on procurement.

Next DFID Labour Standards Forum to be on public procurement. The next DFID Labour Standards Forum on 23 May will be on public procurement, and may provide opportunities for members to help shape DFID's agenda on procurement issues.

If you would like to know more about ETI's work in this area, contact
Dan Rees: dan@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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