

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 members' ethical trade activities now reach over 3.3 million workers
see p3

Media relations

Request for *photos*, *case studies* and *quotes* – see p6

Meeting dates

Board meeting

17 May, 2 pm – 5 pm
ETI offices

GM and Food caucus

17 May, 10 am – 12.30 pm
ETI offices

NGO caucus

15 May, 11am - 3:30pm
ETI offices

Trade union caucus

17 May, 10.30 – 12.30 pm
Congress House

China Project (Decent Work)

29 June 2007, 10am – 1pm
ETI offices

Purchasing Practices

18 May 2007, 10am – 2pm
ETI offices

Supervisor Training

6 June, 2 – 4 pm
ETI offices

Homeworkers

5 June 2007 1 – 4pm
ETI offices

Sri Lanka

31 July 11am – 1.30 pm
ETI offices

Projects and Working Groups

China Project Group

Exploring tripartite collaboration for change

Decent Work project taking shape. The China Project Group is currently refining the first draft of the scope and outline of this project and the business arguments that will be used to explain it to suppliers. A small subgroup of three companies plus an NGO and trade union representative will be responsible for taking the work forward, the first step of which will be to start discussions with suppliers.

Work on child labour in Shanxi. ETI China Co-ordinator Dimitri Kessler recently joined retailer members in Shanxi to explore options for broadening out ongoing remediation work on child labour. Options for consideration will shortly be presented to all stakeholders, and we will seek agreement on the best way forward.

Updating induction document on China. Our Group is updating an induction document designed to help new members get to grips with the ethical issues of sourcing from China. New material will include information on child labour, discrimination and parallel means of worker organisation. A section on Chinese Law will also be updated to provide information on the new draft labour law. We will also review how to make the document more accessible to members.

Next meetings

Decent Work Sub-group

29 June 2007, 10am – 1pm

ETI offices

China Project Group

Week beginning 3 September 2007 (exact date and time to be confirmed)

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

Homeworkers Group

UK Homeworker Group meetings are proving a useful forum for ETI member companies to share their experiences of applying the *ETI homeworker guidelines* to parts of their supply chains.

We strongly encourage companies interested in using the guidelines to join this forum and learn from the experiences of other companies.

New sections for homeworker guidelines. This Group is also developing further sections of the *ETI homeworker guidelines*, including a leaflet to communicate the ETI Base Code to homeworkers as well as country annexes that set out the legal status of homeworkers, the main sectors they are involved in, contact details for local organisations and useful resources in each country.

Next meeting

5 June 2007, 1 – 4pm

ETI offices

Contact Liz Kirk: liz@eti.org.uk

Sri Lanka Garments Project

Testing different audit approaches in the ready-made garments industry

Common worker complaint mechanism in use; second round audits near completion.

Following a successful tripartite visit to Colombo in February, the proposed worker complaint mechanism has been agreed and is now operational for workers at all factories participating in the second round audits. This round, which is testing refined models of self-audit against commercial and multi-stakeholder formats, is near completion.

The next few months will see small groups in Sri Lanka and the UK assess the strengths and weaknesses of the different audit methods tested. The next UK meeting in July will draw together this analysis and look at possible new directions for ETI in Sri Lanka.

Next meeting

31 July 11am – 1.30 pm

ETI offices

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

Reviewing buying practices; raising awareness.

Members of this group are undertaking various initiatives to address purchasing practices that undermine suppliers' compliance with the Base Code, including developing comprehensive training for buyers, reviewing the critical path to identify pressure points, and engaging with suppliers to understand the impact of purchasing decisions. As companies begin to look more closely at the procurement process, we are working towards closer collaboration with trade unions and NGOs to look more closely at the process.

Next meeting

18 May 2007, 10am – 2pm
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 Deputy Director Niaz Alam attended the **April MFAF biennial meeting in Toronto 16-18 April** on behalf of ETI. The conference's packed agenda emphasised the work of the forum in bringing together brand-name companies, governments, trade unions, NGOs and international institutions in promoting socially responsible competitiveness in Bangladesh and Lesotho.

A ministerial delegation from Lesotho held a reception attended by the country's High Commissioner to Canada, while the Bangladesh Buyers Group reported on detailed progress made towards developing a self sustaining 'home grown, home-owned' multistakeholder forum to collaborate on these issues.

Detailed discussions were also held by the Americas and Morocco/Romania working groups

on a number of topics, ranging from purchasing practices to responsible transition. With Toronto-based Maquila Solidarity Network acting as hosts the event functioned smoothly, with promise of further progress to come by the next meeting, provisionally scheduled to be held in London in mid-September.

Contact Niaz Alam: niaz@eti.org.uk
Find out more at www.mfa-forum.net

Colombia: multi-stakeholder meeting

Local ongoing discussion platform agreed. A tripartite ETI delegation visited Colombia from 15-19 April, the highlight of which was a multi-stakeholder seminar on the Colombian flower industry in Bogotá on 18 April.

Turnout at the seminar was excellent, with over 100 participants from all stakeholder groups. The British Ambassador to Colombia delivered a useful speech, and strong presentations from delegation members combined with group work with Colombian stakeholders members made sure the seminar met the ETI Flower Forum's objectives, which were to:

- get greater commitment from Colombian stakeholders to improving labour rights in floriculture;
- ensure Colombian employers understand the importance of labour rights to UK businesses;
- create more space for trade unions and NGOs to work with producers, other stakeholders and each other;
- share ETI lessons from South Africa and Kenya
- ensure Colombian stakeholders have greater understanding of working collaboratively to implement codes of conduct.

Some stakeholder concerns are yet to be addressed but all agreed to create a continued platform for dialogue. This is a very positive step, particularly in the Colombian context. Thanks are due to all those who worked hard to attend and organise events.

As well as taking part in the seminar, our delegation had three interesting trips around different types of flower farm; met with workers to hear about the reality of their working lives, and also held dinner meetings with NGO and TU colleagues.

Two representatives of War on Want joined the delegation.

Next meeting

24 May 2007, 1 – 4pm
ETI offices

Contact Pins Brown: pins@eti.org.uk

Developing supervisor training

The UK group met in February to discuss the second draft of the supervisor training manual under development in South Africa. We agreed that this draft did not meet requirements and will be drafting a new terms of reference for the training materials. The bulk of the work to develop the materials will now be carried out directly by WIETA staff, who will bring in extra expertise where needed. Pins Brown of the ETI Secretariat will be travelling to South Africa in mid-June to help take the work forward.

Next meeting

28 June 2007, 1.30 – 4pm (*provisional*)
ETI offices.

Contact Pins Brown: pins@eti.org.uk

Membership support and development

Corporate annual report feedback

ETI members' ethical trade activities now cover over **30,000** scoped suppliers, with **3.3 million workers** at sites subject to risk assessment or inspection - an increase from 2.9 million in 2005.

These are some initial figures about ETI members' activities in 2006 from consulting company Ergon, which is working with us to analyse this year's ETI corporate members' annual reports.

Collectively the reports summarise the work carried out on ethical trade last year by reporting member companies, which have a combined turnover of **£107 billion** and **970,000 direct employees**.

Ergon is preparing a full report for the Board in May. The Food and GM caucus meetings on 17 May will feature a presentation on key trends emerging from their analysis, plus NGO feedback.

Following Board approval of Ergon's report, at the end of May the ETI Secretariat will write a letter of individual feedback to each member, together with a summary of the overall findings.

ETI Annual Report process review

Participants in the Annual Report Working Group's first meeting of the year on 25 April reviewed feedback from members on completing and reading ETI Annual reports.

Concerns raised about the existing report tool included the difficulty of formatting and printing pages, which limits its effectiveness as a way of communicating work on ethical trading by members. As well as IT issues, members also expressed concern about the amount of time taken to enter site data.

Meeting participants also considered principles for helping assure/validate data received from members and discussed ways in which communication of the reports' findings could be progressively improved.

The Secretariat has been asked to come up with a proposal to help reduce the amount of time needed to complete the Annual report, while keeping the option open for members to continue to use the existing reporting tool if they wish.

Contact Niaz Alam: niaz@eti.org.uk

ETI Principles of Implementation

Almost a decade after its inception, ETI is revising its Principles of Implementation. All members have been consulted about the terms of

reference for this review, which will go to the ETI Board for approval on 17 May. Members will then be consulted about how they think the Principles should be amended. The review process will be concluded by December.

Contact Dan Rees: dan@eti.org.uk

Membership applications

An application for membership from **Stone Emporium Ltd.** will be put to the Board at its next meeting on 17 May. The company is a small (£2.5m turnover) natural stone importer and distributor of natural stone paving and accessories to trade customers. Privately owned by two partners, it imports the bulk of its stone from India.

Changing places

We are pleased to announce that **Teresa Mackay** of the TGWU has been appointed as the new trade union alternate member of the Board. Teresa brings extensive experience of ETI through her involvement with the smallholders and gangmasters projects.

Teresa replaces **Ron Oswald** of the IUF, who has stepped down after nearly ten years on the Board. The Secretariat offers its sincere thanks for Ron's long service to ETI.

Aisha Aswani is to join Cooperative Retail in June to take up a newly created position of Ethical Trading Manager. Aisha will join the Co-op from John Lewis where she is the Responsible Sourcing Manager. Many ETI members will already know Aisha from her previous incarnation as ethical trading manager at Safeway.

Training, publications and events

ETI Training Programme

Putting our learning into practice

Broad opportunities for in-house tailored training.

In-house workshops are increasingly popular for teams wanting to raise their performance in specific areas of ethical trading. We can tailor a

workshop to address the specific learning needs of managers, buyers, technologists or suppliers, and devise activities that address sector-specific issues. For further information, please contact Miriam Neale at the ETI Secretariat:

miriam@eti.org.uk or Chris Cooper at the Co-op Colleague **chris@co-op.ac.uk**

Details of upcoming training courses (30% discount for members) are as follows:

Introduction to ethical trading and ETI

13 June 2007, ETI offices

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.

Managing change in the supply chain

19 September 2007, ETI Offices

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

Developing and implementing an ethical trading policy

10 October 2007, ETI offices

This takes participants through the key steps in developing and implementing an ethical trade strategy, with an overview of key considerations at each stage.

Interfacing with internal and external stakeholders

17 October 2007, ETI offices

This course aims to help ethical trade practitioners develop and maintain effective partnerships with appropriate stakeholders.

To make a booking and for further information, please visit www.ethicaltrade.org/d/training or contact **Annette Haworth: annette@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 or +1161 246 2926.

Secrets and lies audit fraud DVD

Now available: Secrets and Lies DVD. As most of you are already aware, the ETI DVD *Secrets and Lies: uncovering ethical trade audit fraud* is now for sale at £15 plus VAT. ETI members may obtain a limited number of copies for free.

DVD in demand. As well as the huge demand from members, we have already sold over 25 copies of the video to non-member companies and organisations. Several member companies have shown it to colleagues internally, and have found it an effective awareness-raising tool.

To obtain additional copies of the DVD contact Kaiesha Gibson: kaiesha@eti.org.uk

Tackling the auditing crisis: follow up Corporate members put forward proposals to ETI.

In response to a request from the GM caucus, the ETI Secretariat organised a follow-on meeting for interested corporate members to take forward some of the key recommendations for improving the quality of auditing identified at the AGM auditing event last November.

Participants proposed that ETI should consider:

- producing a standard communication encouraging members' suppliers to share audit reports;
- accrediting individual auditors, or supporting an external organisation to do so;
- engaging directly with key auditing companies to push for change; and
- issuing a statement on how member companies should allocate ethical trade resources.

A short report from this meeting will be circulated to all members for discussion at the May caucus and Board meetings.

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

ETI and beyond

ETI in the media

We need your help! Photos, 'human interest' stories studies and quotes all help get the ethical trade message across to all audiences - particularly the media. We are building up a bank of materials to use in press work and other communications activities and are specifically looking for pictures of:

- people at work – in factories, farms, packhouses etc.
- 'good' conditions and 'bad' conditions
- workers or suppliers in training or education, participating in interviews or focus groups; and
- workers organising.

N.B. when you send photos, please note the following:

- indicate to whom the photo should be credited
- provide a caption to explain the image if you wish
- photos supplied on CD or emailed are acceptable
- note any restrictions on usage

As well as photos we are also looking for human interest case studies and quotes – from workers, suppliers, brands etc. Please send your material to Julia Hawkins: julia@eti.org.uk

Press activities this quarter focused on preparing for and delivering responses to a series of negative reports and campaigns involving ETI and/or our members, including Actionaid's report '*Who pays?*' on supermarket buying power in April. We also contributed to in-depth features on ETI and ethical trade in *Company Clothing Magazine*, *Financial Management* and *Time Out*. If you would like copies of these articles, please contact julia@eti.org.uk

Working with the media 'taster' session. In March we held a media 'taster' session to brief smaller member companies and organisations on how to answer common tricky questions about ETI and ethical trade. If you would like ETI's communications team to come to your offices to

spend an hour or so briefing your press/corporate communications team on key messages about ETI and ethical trade and opportunities for maximising media coverage of ethical trade, contact julia@eti.org.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

JO-IN remediation phase begins

In late February, JO-IN began the series of meetings, consultations, planning and negotiations which make up the "Remediation Phase" of this project. Having previously assessed the state of workers' rights at the six Turkish suppliers participating in the Project, attention now shifts to what can be done to improve or "remediate" the situation through all-stakeholder collaboration. Improvement efforts will centre on JO-IN's key focus areas: freedom of association, wages, and working hours. The Remediation process includes meetings with suppliers, retailers, trade unions and NGOs.

International Advisory Panel (IAP) progress

The JO-IN IAP has convened a second and third time. It will meet the Steering Committee on 14 May to discuss various issues, including global developments relating to workplace codes of conduct and how lessons emerging from the JO-IN Project might impact this global context.

International consultation 15 May. Attending this "by invitation only" event will be the JO-IN Turkish Local Working Group (brands and their suppliers, industry associations, government, trade unions, NGOs), JO-IN Turkey office staff, and associated academics. International invitees include the IAP, the Steering Committee and head office personnel from other brands in JO-IN, MSI-linked brands that source from JO-IN-participating Turkish suppliers, and donors that have funded JO-IN's work.

The agenda addresses remediation on freedom of association, wages and hours of work.

JO-IN Steering Committee begins the JO-IN project evaluation process. As part of its two-day meeting in Istanbul mid-May, the JO-IN Steering Committee will be considering the final phase of the project. This will conclude with a conference late in 2007, and the write-up of the project findings in the form of a final report and "lessons and guidelines" (ie, learning from the project as applicable elsewhere and/or by other actors).

Under scrutiny during this phase will be:

- how well JO-IN partners have collaborated
- actual improvements on the ground
- any other developments, whether positive or negative.

For more information go to www.jo-in.org

Agency labour in the poultry industry

The TGWU has engaged other ETI members about their concern over a growing two-tier workforce in the poultry industry, with agency workers on inferior terms and conditions to permanent workers. ETI members have responded by forming a cross-industry group to investigate the issue and develop proposals for change. So far the group has:

- agreed a set of principles to guide an investigation into employment practices (November 06)
- organised and hosted a seminar for the retailers, key suppliers, trade union officials, government, labour providers and other food manufacturers (December 06) to consult these stakeholders on how best to research the issues.
- raised funds from industry and appointed researchers (January)
- completed a survey of industry employment practices and carried out worker and management interviews on 8 sites (February-May)
- produced a draft report and recommendations for the industry.

A final report will be produced in May which include recommendations designed to address concerns raised by the T&G and the workers interviewed in the process. For further information contact dan@eti.org.uk

New HSE leaflet for migrant workers

The Health and Safety Executive (HSE) has produced a new leaflet for migrant workers in the form of a pocket card, which provides basic and essential information on their rights and responsibilities under UK health and safety legislation. The leaflet is available in English, Polish, Ukrainian, Latvian, Lithuanian, Russian, Romanian and Bulgarian.

The leaflet is available at www.hse.gov.uk/agriculture/overseas.htm

New documentary on Bangladesh garment workers

An ambitious new 60 minute documentary on the Bangladesh garment industry is currently being promoted by Dhaka-based Kino-Eye films. The film focuses on the life of an 18 year old Bangladeshi garment worker and includes interviews from her co-workers and family, while also putting the industry into a wider global and national socio-economic context.

The film captures a wide range of views, including those of trade unionists, families of workers killed by fires, buying company representatives, NGOs and ordinary shoppers on Oxford Street as well as our own Dan Rees, making for some thought provoking discussion.

The documentary 'Bostrobalikara' – subtitled 'Garment Girls of Bangladesh' – was directed by Tanvir Mokammel and produced by Shafiur Rahman. More information can be found at www.bostrobalikara.com

DFID Labour Standards Forum on ethical 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 attend the event, contact alastair.usher@ergonassociates.net

If you would like to know more about ETI's work in the area of public procurement contact Dan Rees: dan@eti.org.uk

Secretariat news

Staff changes

We are sorry to announce that **Pins Brown will be leaving the Secretariat this summer**. Pins joined ETI in September 2002 and has made an outstanding contribution to ETI's work, bringing exceptional knowledge of ethical trade and superb project management skills to the organisation. She will be sorely missed by secretariat and members alike. We will inform members of Pins' final leaving date once this has been finalised.

As many of you already know, **Helen Shamdasani will also be going on maternity leave** in the summer. Helen plays an exceptional role in advancing ETI's work in China. We wish her all the very best for the coming months.

The ETI recruitment process for both positions will begin soon. We will email the job adverts to all members, and would appreciate your help in circulating these among your networks.

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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