

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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- New staff
- Congratulations!

Bulletin board

New! Hard copies of Chinese version of poster for suppliers now available – contact Kaiesha@eti.org.uk to order bulk copies

BOOK NOW! ETI AGM and members' meeting on purchasing practices: 29 November. See p.4

Meeting dates

Board meeting

21 September, 10am – 1pm
ETI offices

GM and Food caucus

20 September, 10am – 12.30 pm
ETI offices

NGO caucus

18 September, 11 am – 4.30 pm
ETI offices

Trade union caucus

20 September, 2.30 – 4.30 pm
Congress House

Homeworkers Group

26 Sept 2007, 11 – 1.30 pm
ETI offices

Sri Lanka Garment Project

29 October 11am – 1.30 pm
ETI offices

Purchasing practices

30 January 2008, 12 noon – 3pm
ETI offices

ETI AGM and members' meeting

29 November, 1 pm – 5.30 pm
Reception 5.30 – 7.30 pm

Projects and Working Groups

China Project Group

Exploring tripartite collaboration for change

Decent Work Project

The UK group has now agreed the outline for this project. The underlying objective is to promote social dialogue to improve factory working conditions in a sustainable manner. Through partnerships with local NGOs and trade unions, the project aims to use participatory techniques to enable factory workers and management to shape their own framework for worker/management dialogue. Local NGO and trade union partners will provide ongoing training and support, so that key issues are discussed and resolved through this structure.

The UK group has chosen two factories in China to take part in this project. Dimitri Kessler, ETI China Coordinator, has been meeting with local NGOs, trade unions, company representatives and factory managers to fully communicate the aims of the project. The UK group is planning a trip at the end of October to meet the local tripartite group and visit the participating factories: one in Guangdong, southern China, and the other near Shanghai.

China Project Group

The Group has drafted a letter to the Chinese Ambassador in London outlining the interests of ETI members in China and requesting a meeting with her, to include ETI representatives of trade unions, NGOs and companies. The group hopes to discuss child labour in China, an issue which has increasingly been reported by both member companies and the media. The letter will be sent within the month.

China Child Labour Proposal

Members will have the opportunity at the September caucus meetings to indicate their willingness to get involved in potential work responding to child labour in China. Any work undertaken will build on the learning from both the recent remedial work done in Shanxi, China, and

the previous ETI project on child labour in Tamil Nadu, India.

Olivia Robinson has taken over the role of Project Manager from Helen Shamdasani (see 'Secretariat News' p.8).

Next meetings

To be confirmed.

**Contact Olivia Robinson: Olivia@eti.org.uk
www.ethicaltrade.org/Z/actvts/exproj/china**

Homeworkers Project

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

UK Homeworker Group meetings are proving a very useful forum for ETI member companies to share their experiences 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. The UK group is also keen to dissuade ETI member (and non-member) companies from the application of a no-homeworker policy, which forces homeworking and other sub-contracting underground. The group will be seeking to see this position formally adopted by ETI through 2007's review of ETI's Principles of Implementation.

Next meeting

26 Sept 2007, 11 – 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 readymade garments industry

Second round audits completed, project objectives fulfilled. The second round of methodology testing, which pits self-audits against commercial and multi-stakeholder formats, is now complete. UK and Sri Lankan project members have analysed the strengths and weaknesses of

the different methodologies. Currently, learning generated through the process, which has included the establishment of a three-factory wide independent worker complaint mechanism, is being gathered. This will be made available to the membership in an appropriate format.

The group will meet in October to consider the suggestions of their Sri Lankan counterparts about any further work they wish ETI to consider undertaking on the island.

ETI's Sri Lanka co-ordinator, Sonali Gunasekera, moves on take up new challenges. Now the project has been wound up, we say goodbye to our Sri Lankan Co-ordinator, Sonali Gunasekera, who has worked on the pilot for the past four years and brought dedication and great audit expertise to ETI's work in Sri Lanka. Sonali moves on to Save the Children Fund, Sri Lanka. We wish her all the very best.

Next meeting

29 October 11am – 1.30 pm
ETI offices

**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

Members strengthen initiatives to address purchasing practices. Members in the group are involved in various projects to review purchasing practices. For example, Next and Debenhams are working with NGO and trade union partners to review their purchasing practices and the impact on working conditions in Chinese factories; in September Inditex and ITGLWF will launch a comprehensive ethical training programme for buyers; and Gap Inc. continues to use the findings and recommendations from Women Working Worldwide's study of their purchasing practices. Other companies in the group are planning projects with NGO and trade union partners, drawing learning from the work so far.

Next meeting

24 September 2007, 10.30 am – 2pm
ETI offices

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

Capacity building activities

Developing supervisor training

Promoting fair treatment of workers

In June, Liz Kirk and Pins Brown spent a week in South Africa with the Wine and Agricultural Industry Ethical Trading Association (WIETA). Together they met supervisors and managers on farms and subsequently jointly developed new terms of reference for all the training documents, an outline of the trainer manual and a workplan and timetable for the project in the coming year. The UK group discussed these documents at a meeting in June.

Following the meeting, WIETA staff and UK members have made revisions, developed further documents and agreed that special expertise is needed to write the sexual harassment section of the training. WIETA staff in South Africa are currently seeking that expertise, and selecting farms to be used in the pilot training, with the support of UK members' feedback.

Candida Barbato has taken over the role of Project Manager from Pins Brown (see 'Secretariat News' p.8).

Next meeting

TBD (proposed dates 22/24/26 Oct)

Contact Candida Barbato: candida@eti.org.uk

Membership support and development

Consultation: Annual Reporting Working Group

After meeting in August, the ARWG has agreed to consult with members about ways to reduce the number of key performance indicators (and thereby questions) being asked by the ETI Reportbook from the end of calendar year 2008.

For the coming year, (calendar year 2007) the questions are largely unamended from last year, but the process will add a stage for members to comment on draft feedback on annual reports so that the process becomes more interactive. (ETI is planning some pilot visits this year to help build a system for validating information from annual reports and to improve feedback.)

Also for the coming year, ETI will send out the reportbook in an easier-to-edit word format as well as in last year's excel format. Like last year, data (where available) from last year's responses will be pasted into the reportbooks by the Secretariat.

Membership applications

On 21 September, the ETI Board will consider four new applications for membership, including one from **Jaeger**, the well known British clothing brand.

In addition, **Johnson Clothing Group** (which owns DCC, an existing ETI member) is seeking to extend the application of the DCC ethical code (and thereby the scope of its membership) across its other brands as a whole.

Review of principles of implementation

Thank you to all members that commented on the draft terms of reference for the review of ETI's principles of implementation. Consultants have been tendering for work on this project over the summer and an appointment will be made in mid September. Members will be sent a firm timetable that explains how they will be consulted about the revision of these principles by early October.

For further information, please contact Dan Rees: dan@eti.org.uk

Consultation: The Living Wage

The challenge of implementing the living wage is a priority for all ETI members. The Secretariat has produced a discussion paper on how to approach this issue in Bangladesh. The intent is to stimulate informed discussion in the membership and develop a common approach to implementation with industry stakeholders. The proposal was sent to companies sourcing from Bangladesh in August and will be discussed at ETI membership caucuses and the Board in September.

For further information, please contact Dan Rees: dan@eti.org.uk

Consultation: How should ETI respond to the impact assessment?

Please make your views on this heard.

The conclusions of the ETI Impact Assessment are challenging and offer some radical thinking for ETI, ETI members and ethical trade. There are 140 recommendations in total, of which 32 are directed at ETI.

To maximise the value of this work, the ETI Board has considered how the findings should inform ETI's future direction. As a first step the ETI Board has identified five priority areas of activity:

- The living wage
- Freedom of association and right to collective bargaining
- Integrating ethical principles into core business practices
- Improving audit quality and credibility
- Communications

A paper outlining the case for these priorities was sent to members in August and will be subject of membership caucus meetings. Please ensure your organisations views are represented.

For further information, please contact Dan Rees: dan@eti.org.uk

Training, publications and events

ETI Annual General Meeting 2007 Members' meeting & reception

Please note the ETI AGM 2007 will take place on:

Thursday, 29 November 2007 at

CCT Venues

Two East Poultry Avenue

Smithfield

London

EC1A 9PT

Registration: 1 pm
AGM business side: 1.30 pm
Members' meeting: 2 pm
Reception: 5.30 – 7.30 pm

Members' meeting on purchasing practices

There is broad acceptance amongst members that buying companies need to look at how their own practices, and not just those of their suppliers, influence working conditions. The Purchasing Practices group has started initiatives within companies and much can be learned from the various approaches taken.

This members' meeting will focus on the practical ways in which members can review and improve purchasing practices, including:

1. How to get buy-in from key decision-makers in the company.
2. How to improve understanding of the impact of buying decisions through the supply chain.
3. How to develop and implement purchasing practices that support ethical trading.

ACTION

For all company members, it is strongly recommended that both commercial and ethical staff attend - to ensure the workshop discussions cover all aspects of the issue and reach workable conclusions. If there are any individuals that you would like us to invite directly, please email their details to adil@eti.org.uk

ACTION

Please confirm your attendance via email adil@eti.org.uk. Many thanks to members that have already confirmed their attendance.

Request for company, trade union and NGO logos

One of the aims of this year's ETI Annual Review, as in previous years, is that it communicates a strong sense of who we are as well as what we do and what we stand for. This year we are looking at providing this information in a visual format for more impact, so would like to include all ETI members' logos on the review for the first time.

ACTION

Please send Adil adil@eti.org.uk your company/organisation logo in a jpg or gif format as high a resolution as possible. (if possible eps formats would be useful)

Please note that ETI will only use your logo for this purpose and will not distribute it or use it for any other purpose without prior written approval.

Many thanks to all those who have already sent their logos.

New! ETI supplier presentation slides

Now available: standard ethical trade presentations for suppliers. ETI has developed two sets of presentation slides to help corporate members raise awareness of ethical trade with their suppliers. They answer the questions "what are labour codes?" and "why should suppliers bother to comply?", and are designed to have wide relevance across different countries and industries.

Responding to members' needs. They have been developed in response to frequent requests from corporate members for standard ETI awareness-raising tools that help communicate basic messages about ethical trade in a clear, simple and engaging format.

Presentations well-received by members. So far, six member companies and one NGO member have told us that they liked the slides and plan to

use them in supplier meetings and/or training sessions.

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

New! ETI publications catalogue

Now available: printed, full-colour publications catalogue. ETI has published a full-colour flyer/catalogue designed to promote ETI's key publications and resources – and therefore our good practice – to a wider audience.

Please do order and distribute copies to colleagues, suppliers and other contacts. Single or multiple copies can be ordered from the Secretariat: contact Kaiesha (kaiesha@eti.org.uk).

New! ETI supplier poster in Chinese (hard copy versions)

In response to members' requests, we have now have full-size, hard copy Chinese versions of the ETI poster for suppliers:
www.ethicaltrade.org/Z/resrcs/posters/index.shtml
Please contact Kaiesha Gibson:
Kaiesha@eti.org.uk to order your bulk copies.

Improving auditing practice

ETI Board supports corporate members' call for action to address "audit crisis". In the last issue of the *ETI Update*, we reported on proposals arising from a corporate members' meeting on improving audit quality (19 April 2007). These proposals have since been circulated to all members for comment (May), and were then discussed at length at an ETI Board Awayday on 13 June.

Board recommends specific courses of action.

The Board clearly recognised the urgency with which the auditing "problem" needs to be addressed, and recommended specific courses of action to address each of the four corporate proposals. The Board's recommendations were then circulated by email to all members for feedback.

Board/Secretariat to develop concrete action plan on 21 September. Following further consultation

with specific members who have shown a particular interest in this issue, the next ETI Board meeting (21 September) will review members' feedback and agree an appropriate action plan to take this work forward.

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

ETI Training Programme

Putting our learning into practice

Use in-house training to build the capacity of your team. Our experienced trainers can help you develop the capacity of your team to resolve key ethical trade issues. The trainer will work with you to identify your training objectives and devise a sector-specific programme of activities for a session lasting half a day or more. For further information, please contact Miriam Neale, Miriam@eti.org.uk.

The ETI Training Programme keeps members up-to-speed. Both members and non-members are using the ETI Training programme to introduce new staff to the key aspects of ethical trading, and for existing staff to advance their expertise in dealing with the toughest ethical trade challenges.

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

Introduction to ethical trading and ETI

7 November 2007, ETI offices

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.

Managing change in the supply chain

25 October 2007, ETI offices

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, and provides an overview of the key considerations that need to be taken into account at each stage.

Interfacing with internal and external stakeholders

31 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 or 0161 246 2972.

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**.

ETI and beyond

Agency Labour in UK Poultry Industry

Between November 06 – June 07 ETI members formed a cross-industry group of unions, retailers, suppliers and their associations and labour providers to investigate employment conditions for agency workers in the sector and develop proposals for change. A report was produced and actions for retailers, suppliers and unions debated in meetings over the summer months. The process has produced consensus between ETI members on some important action including:

- better information about rights in workers own language;
- more transparent information about access to permanent work;
- accessible English language provision for workers; and
- review retailer purchasing practices to examine how these may be putting suppliers under pressure regarding employment practices

However, there remains disagreement over union demands for a single industry approach on pay parity between temporary and permanent workers

and a fixed period for transition to permanent work. These issues are subject to detailed industry discussions and ETI is working with members in the hope of reaching agreement.

For more information and/or a copy of the final report, contact Dan Rees: dan@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

Implementation of remediation plans

Having previously assessed the state of workers' rights at the six Turkish suppliers participating in the Project, remediation plans have been developed and implemented after stakeholder consultation. Improvements centre on JO-IN's key focus areas: freedom of association, wages, and working hours. Results will be analysed in follow-up assessments.

International consultation

Turkish industry and international stakeholders (brands and their suppliers, industry associations, government, trade unions, NGOs), and associated academics attended a consultation in May to discuss how to approach labour rights issues in the industry. Detailed proposals were considered both at factory, brand and national level and this has informed the remediation process.

Conclusions

Conclusions from the JO-IN project, written up in the form of a final report, lessons and guidelines, will be considered at a conference late in 2007. The final report will include how JO-IN members may collaborate more strategically in the future as well as what we have learned about how to implement the join code in the Turkish garment industry. One of the key issues is how the common code may be rolled out by the MSI's involved.

Investors talk to ETI about labour rights

Adam Ognall, deputy Chief executive of the UK Social Investment Forum (UKSIF) met with Niaz Alam and Man-Kwun Chan in August to talk about the increasing interest being taken by investors on issues relating to supply chain labour standards. This has arisen because campaign groups are increasingly seeking support from investors for shareholder resolutions on codes of conduct at company annual general meetings. In response investment analysts have been talking to companies and to each other about the level of expectations they should have on companies to uphold labor standards in their supply chains.

UKSIF has formed a small group of investment analysts to develop and review the standards and key indicators that they would like to see on these issues from companies. It is holding a seminar to examine labor rights and supply chain issues in the UK clothing industry on 18 September.

NHS meetings on ethical trade

In August, Dan Rees met with NHS Purchasing and Supply Agency (PASA) to discuss ways in which the NHS could implement ethical trade standards in its procurement.

This meeting, which is being followed up at the end of the September with PASA and NHS supply chain, is significant for highlighting growing interest in establishing ethical procurement standards in parts of the Public sector.

MFA Forum biannual convening London 17 - 19 of September

The Multi-Fibre Arrangement (MFA) Forum, will host its fourth international bi-annual convening in London during London Fashion week in September.

On the 19th of September the Forum will host a public event focusing on confronting the challenge between buying practices and workers rights.

Contact Signe Jensen at Accountability:
signe@accountability21.net

For more information about the MFA Forum, go to www.mfa-forum.net

Secretariat news

New staff

We welcomed three new members of the Secretariat team in August.

- **Olivia Robinson** is now Project manager for China, replacing Helen Shamdasani who is now on maternity leave.
- **Candida Barbato** is now project manager responsible for implementation of the supervisor training programme. Candida joins ETI for a fixed term, part time contract as maternity cover.
- **Dean James** is ETI's new administrative assistant (part time) and he is working closely with the project team.

We regret to inform members that two colleagues, Carol Sheldon and Liz Kirk, are temporarily out of the office on sick leave. Members should contact Kaiesha for any administration query in Carol's absence. Pins Brown has returned to the Secretariat on a part-time basis to support the new project team for the next two months.

And finally... congratulations!

Congratulations to Helen Shamdasani and husband Krishen on the birth of their daughter Annabel Ruth, who arrived on 3 September, a healthy 6lbs.

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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