

ETI Update



ethical
trading
initiative

Keeping members informed of our latest developments and events. To provide feedback or to make a contribution, contact Penny Street: penny@eti.org.uk

Contents

p2 Projects and Working Groups

- China Forum
- Shanxi child labour remediation
- Decent Work Project
- Homeworkers Project
- Sri Lanka Garments Project
- Purchasing Practices Project
- Wages Project

P4 Capacity building activities

- Developing supervisor training

P4 Membership support and development

- ETI annual reporting update
- Update on review of Principles of Implementation
- New members
- New website

P5 Training, publications and events

- ETI films for suppliers and retailers
- ETI conference 2008
- ETI training programme

P6 ETI and beyond

- ETI in the media
- Uzbekistan cotton
- Implementing ETI principles in the health service
- BRC internal auditors group meeting
- Report on working conditions on Kenyan flower farms

P7 Secretariat news

- Adil Rehman leaving ETI
- Carol Sheldon retiring

Bulletin board

HAVE YOUR SAY! ETI Principles of Implementation under review – see page 4.

NEW! Briefings available on Uzbekistan cotton and Valentine's Day Flowers – see page 7.

Meeting dates

Board meeting

27 February, 2 – 5 pm
ETI offices

GM and Food caucus

27 February, 10.30 am – 12.45 pm
ETI offices

Trade Union caucus

27 February, 10.30 – 12.30 pm
Congress House

NGO caucus

26 February, 11 am – 4 pm
Fairtrade Foundation

Decent Work Project

26 February, 9 – 10.45 am
Congress House

Homeworker Project

21 May, 11.30 am – 2 pm
ETI offices

Purchasing Practices Project

28 February, 10.30 am – 1.30 pm
ETI offices

Wages Project

29 February, 10.30 am – 1 pm
ETI offices

Projects and working groups

China Forum

Change of name for the China Project Group. At the last meeting (January 2008) the China Project Group agreed to change its name to the **China Forum**, with immediate effect. The new name reflects the fact that the group meets primarily to discuss common issues in China and to share experiences, and therefore does not fit into ETI's usual project group structure. Discussion of what the China Forum should focus on in 2008 produced some interesting ideas in line with ETI Board priorities. These will be considered as part of ETI's planning process and agreed upon at the next China Forum, to be held in April.

Next meeting
April 2008 (tbc)

Contact Olivia Robinson: olivia@eti.org.uk

Meeting with Chinese Embassy press department. Members of the ETI Secretariat attended a meeting with Press Officers of the Chinese Embassy in London, where they heard about the Chinese government's efforts to eradicate child labour from the workforce. The Press Officers listened to the concerns put forward on behalf of ETI members and were sympathetic to raising awareness of these issues with visiting government officials from sourcing areas. ETI will continue to try and secure a meeting for members with the Ambassador herself.

Roundtable on possible child labour project. A proposal to start a child labour project in China, which was tabled by Next at the GM caucus meeting in September 2007, did not generate any formal expressions of interest. However, following discussions at the last China Forum meeting in January, a group of members now plans to hold a roundtable event to discuss what a possible project might look like.

Contact Olivia Robinson: olivia@eti.org.uk

Shanxi child labour remediation

Shared learning about child labour remediation in Shanxi. Representatives from the four companies (Next, Sainsbury's, Debenhams and M&S) involved in the remediation process for code violations in two Chinese glassware factories met on 5 February 2008 to discuss next steps. A final report on learning experiences and activities will be compiled by the China Project Manager, with input from the four companies. This report will be completed by the end of March 2008 and will represent the completion of the remediation process.

Contact Olivia Robinson: olivia@eti.org.uk

Decent Work Project

Participating factories identified and workshop to be held in March. Two of the original companies involved in this project (Debenhams and Monsoon Accessorize) have now selected factories to take part in project activities, and have been paired with local NGO and union groups to help implementation within the factories.

Patrick Neyts, a former ETI Board Member, has been engaged to deliver a workshop on participatory techniques for Hong Kong union and NGO groups. The aim of the workshop is to help NGO staff to act as impartial facilitators in discussions with both workers and management of the factories involved. The workshop is scheduled for March 2008, and activities in the factories will start after that, with ongoing support from Pat.

Changes in membership of the project group. After attending the last project meeting in January, Next has now formally joined the Decent Work project and will identify a suitable factory site as soon as possible. M&S has formally withdrawn from the project due to lack of resources.

Next meeting
26 February 2008, 9 – 10.45am, Congress House

Contact Olivia Robinson: olivia@eti.org.uk

Homeworkers Project

Applying the Base Code to an invisible workforce: testing our guidelines

UK group visit to Delhi and Bareilly, 10 – 14 March 2008. A tri-partite delegation of the ETI's UK Homeworker project group will visit the National Homeworkers Group in Delhi and travel up to Bareilly in March 2008. The aims of the visit are:

- To hear from homeworkers and contractors about the difference that the Bareilly Homeworker Group (BHG) is making to their work conditions.
- To hear from homeworkers and contractors about their aspirations for the BHG's work for the coming year
- To attend and give advisory input to the National Group's annual strategy planning process.
- To visit the SEWA (Self-Employed Women's Association) Delhi stitching centre and understand how this centre functions and the benefit it brings homeworkers.

Next meeting

21 May 2008, 11.30 am – 2 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

As reported in the last Update, this project is now almost at an end. The UK Group met in London in January to solidify learning from the pilots, which will be made available to the membership in 2008.

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

Exploring good practice in fresh produce buying. Tesco has partnered with Women Working Worldwide (WWW), trade union partners and two

suppliers to review buying practices in fresh produce supply chains. The aim of the project is to adopt buying practices which will support both large and small farms to tackle workers' issues. M&S and Oxfam are working together to review buying practices across all food products, and plan to focus on specific product areas to develop and test good practices more thoroughly.

Learning from buyers, suppliers and workers.

Next and Debenhams, alongside a project team including trade union and NGO representatives, have started research to assess which specific buying practices affect working conditions in Chinese factories. The project will involve interviewing UK buying teams, supplier head offices, factory managers, supervisors and workers, to identify current good practice and areas for improvement.

Equipping buyers to trade ethically. Gap Inc and WWW are using their research findings to carry out workshops with designers and buyers in UK offices. The aim is to raise buyers' awareness of the good working practices highlighted in the research, and to find ways to integrate these practices into their daily work.

Next meeting

28 February 2008, 10.30 am – 1.30 pm, ETI offices

Contact Miriam Neale: miriam@eti.org.uk

Wages Project

Addressing the problem of very low wages

This new initiative aims to test approaches to implementing ETI Base Code clauses on wages by testing new and collaborative approaches to addressing the problem of very low wages.

To date, ETI members involved in the initiative have agreed draft terms of reference (ToR) for the project, and a multi-stakeholder group has been formed. A detailed and expert opinion has been commissioned to ensure that we fully understand and avoid any possible conflict with UK or European competition law. The next steps planned for February and March are to:

- Amend the ToR and establish any communication protocols needed to demonstrate compliance with competition law.
- Secure members' agreement to the ToR and communication protocols.
- Identify common suppliers.
- Develop communications plan for engaging key stakeholders.

Next meeting

29 February, 10.30 am – 1 pm
ETI offices

Contact Dan Rees: dan@eti.org.uk

Capacity building activities

Developing supervisor training

Promoting fair treatment of workers

Changes to the Supervisor Training work programme. Since the start of the Supervisor Training project, the Wine and Agricultural Industry Ethical Trading Association (WIETA) has been working with ETI to develop training material for site supervisors. Unfortunately, however, WIETA no longer has the resources and the capacity to deliver the project outputs within the timescale and to the standard required by ETI members.

Maggie Opondo to develop the training material.

We have contracted Maggie Opondo of the University of Nairobi to complete the development of the training material. Maggie has an excellent track record of working with ETI, having been involved in the development of one of ETI's most successful publications – the Smallholder Guidelines. Maggie will write the material, which will be reviewed by the tripartite subgroup.

Options for field testing still to be discussed.

Options and planning for the pilot phase will be discussed in the next full group meeting.

Next meeting

March 2008 (tbc)

Contact Candida Barbato: candida@eti.org.uk

Membership support and development

ETI annual reporting update

More interactive feedback for this year's reporting process. ETI is planning to make this year's annual reporting feedback process more interactive by allowing companies to comment on draft feedback. Under the new process, Ergon Associates will provide reporting companies with a draft feedback letter in March 2008. Companies will then have three weeks to comment on the draft feedback before it is finalised.

Volunteers wanted for pilot validation exercise.

We are seeking four volunteer companies to help ETI develop a system for validating members' annual reports. Each pilot company will receive a one-day visit from consultants Ergon Associates and representatives from ETI, during which they will discuss their annual reporting process for last year. The visits will take place in April. Learning from the pilot visits will inform ETI's formal feedback to volunteer companies.

Deadline for volunteers: 29 February 2008.

To take part in the pilot visits, contact Niaz Alam (niaz@eti.org.uk) by 29 February 2008.

Deadline for reports: 28 February 2008.

Completed 2007 annual report workbooks should be submitted to Niaz Alam, (niaz@eti.org.uk) by 28 February 2008.

Update on review of Principles of Implementation

ETI is reviewing its Principles of Implementation.

Initial consultation completed. Under the initial consultation phase:

- All members were consulted about how they think the ETI Principles of Implementation should be changed.
- A core group of non-member organisations was also contacted for its views and a separate online-discussion board established.
- A desk-based review of ETI learning was carried out and fed into the process.

Next steps. The next steps are as follows:

- **Draft proposals (February 2008).** Draft proposals for amending the Principles have been drawn up and will be discussed at the ETI Board meeting on 27 February 2008.
- **Formal consultation (March–April 2008).** Subject to Board endorsement, the draft proposals will be circulated to all members for formal comment. An all-member meeting to discuss the proposals is envisaged; non-members involved in the initial consultation will be notified of the proposed changes.
- **Agreement on new Principles (May 2008).** A revised set of Principles and background document will be drafted for the May Board meeting. If approved, it will be sent to all members for their formal endorsement.

Contact Dan Rees: dan@eti.org.uk

New members

Three new members. The ETI Board accepted three membership applications from companies at its meeting in December 2007. The new members, who are in their induction period this quarter, are:

- BTC Group – a privately owned printing and promotional goods supplier to major UK brands.
- Brett Landscaping Ltd – a family owned building materials company which is part of the Brett Group.
- Le Fruit Inc – a privately owned Ecuador-based exporter of bananas (primarily exporting to Europe).

Four new applications. The Board is due to consider applications from a further four companies at its next meeting in February.

New website – members' own section

We are in the final stages of developing a new ETI website, which will have a dedicated section for members. The members' section will provide easy access to key membership information including meeting dates, members' consultations, annual reporting guidelines, contacts, governance documents and projects that are open to join.

Due to be launched in early March, the website will have clean and professional look and feel, in line with ETI's print materials.

Contact Julia Hawkins: julia@eti.org.uk

Training, publications and events

ETI films for suppliers and retailers *Selling the business case for ethical trade*

ETI is making two films to help members promote ethical trade. ETI is making two short films to help convince more suppliers and retailers to take ethical trade seriously. The films are being made in response to widespread demand from ETI corporate members, who have asked us for short films and other simple awareness-raising tools to help them sell the 'business case' for ethical trade to their suppliers and internal colleagues.

We are working with a professional film company, Tom Dick + Debbie Productions Ltd (www.tomdickanddebbie.com), which has extensive experience of making both corporate and educational films. We will be filming/interviewing selected members, suppliers, workers and others during March and April 2008.

Free multiple copies of films available to all members by July. We are aiming to finalise the films by July 2008. We will be making 5,000 copies, so there should be plenty to go round!

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

ETI conference 2008 *Celebrating ETI's tenth anniversary*

Planning is underway for ETI's tenth anniversary conference, **October/November 2008**. The main conference will be a one-day event in late October or early November. Members will be notified of a confirmed date in the next couple of weeks.

Dedicated conference manager to be recruited. We are currently recruiting a dedicated conference

manager, who will be responsible for organising the conference under the guidance of the Head of Communications (Man-Kwun). We hope to appoint someone with a background in and commitment to the issues, as well as strong experience of organising similar events. The conference manager should be in post by the end of February.

Member consultation on conference themes. The next stage will be to consult members about the themes/issues for the event. The consultation will take place in **March-April**. Further information on the consultation process will be available shortly.

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

ETI training programme

Putting our learning into practice

Reviewing and updating ETI training. Since the ETI training programme was launched in 2006, we have delivered training on ethical trade to almost 300 participants on open and tailored workshops. Over that time, the course has built a reputation for high-quality training on the practical application of ethical trade principles.

To ensure their continued relevance and quality, we are currently carrying out a detailed review of members' training needs, and exploring ways to ensure that learning from ETI projects and activities are fully incorporated into the training.

New courses from summer 2008. We are taking a break from our regular course schedule while this review is carried out. We look forward to launching the revised ETI training programme in early summer, so look out for the new schedule.

Tailored training continues. We continue to deliver in-house training for members which is tailored to your specific needs, including the issues most relevant to your sector, ethical trade strategy, and current level of expertise. To discuss your training needs and opportunities for a tailored course, please contact **Miriam Neale**: miriam@eti.org.uk or +44 (0)20 7841 5187.

ETI and beyond

ETI in the media

This year marks ETI's 10th anniversary and we are planning to celebrate! We plan to run a PR campaign about our anniversary throughout the year to celebrate our successes over the past ten years, to de-mystify what ethical trade means, and to provide strategic direction for the future. The campaign will culminate in our 10th anniversary conference. More details about how members can be involved will follow shortly.

Media briefings on Uzbekistan cotton, Valentine's Day flowers and Fairtrade Fortnight. Recent moves by ETI member retailers to ban the use of cotton from Uzbekistan have prompted widespread media interest and we have produced a media briefing note on the issue. In anticipation of media interest in flower workers' conditions around Valentine's Day and Mother's Day, we have sent out a background briefing document to journalists about the issues for workers, what retailers should be doing about these, and what our members have already achieved. We have also distributed a briefing document about ethical trade and fairtrade prior to Fairtrade Fortnight. All briefing notes are available at www.ethicaltrade.org.d/press.

Press and broadcast coverage. Look out for Dan Rees' online comment, *No time to cut back on ethics*, in Retail Week's first ever 'Responsible Retailing' column (www.retailweek.com and also on our website at www.ethicaltrade.org/d/press), and soundbites from ETI media relations manager Julia Hawkins for SkyNews in the piece *Fashion industry goes eco-chic* (<http://video.news.sky.com>).

Contact Julia Hawkins: julia@eti.org.uk

Uzbekistan cotton

ETI met the British Retail Consortium (BRC) in January to discuss what role it could play in leading a market-wide ban on Uzbek cotton and in lobbying the Uzbekistan Government, as well as the UK Government and the EU Commission. BRC is currently discussing what role it could play, and we will provide GM members with an update at the next GM caucus meeting on 27 February 2008.

Contact Dan Rees: dan@eti.org.uk

Implementing the ETI principles in the health service

ETI and the NHS Purchasing and Supply Agency (PASA) have agreed a joint project to define an approach to implementing the ETI Base Code and principles in health service procurement. The project aim is to develop a strategy for implementation, including consideration of ETI membership for PASA. To date we have reviewed the NHS procurement process and identified parts of the supply chain and procurement processes where labour standards could be more robustly considered. Initial proposals have been developed and are being discussed within the NHS. We will then consider the most appropriate role for ETI to play in supporting the implementation of ETI principles in the Health Service.

Contact Dan Rees: dan@eti.org.uk

BRC internal auditors group meeting

ETI input to discussions on risk management

The BRC and Institute of Internal Auditors held a joint session for internal auditors from major UK retailers at a seminar in Stafford in January 2008. Niaz Alam (Deputy Director ETI) provided the group with an update on the role of ETI and facilitated a broader discussion on corporate social responsibility (CSR) risks. The auditors discussed how far their current risk management processes recognise or can provide assurance on ethical sourcing issues.

To receive a summary of the session contact Phil.Pennicott@sainsburys.co.uk. See <http://www.brc.org.uk/SIG/> for further information.

New report on working conditions on Kenyan flower farms

A report about working conditions on Kenyan Flower Farms is available on Women Working Worldwide's website (www.women-ww.org). It gives information about persistent problems on Kenyan farms, as well as improvements that have been made in the last two to three years.

Secretariat news

Adil Rehman leaving ETI

We are very sad to announce that, after six years with ETI, Adil will be leaving us at the end of March. We will all miss his energy, enthusiasm and commitment – and his sense of fun! Adil will be joining Next, as a Code of Practice Manager within the Product Division, which means he will continue to be involved in ETI activities and the ethical trade agenda.

We will be starting the recruitment process for a new Communications and Events Co-ordinator later this month, and hope to get the new postholder in place around June.

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

Carol Sheldon retiring

With great regret we would like to inform members that Carol Sheldon (Office Manager) has decided to retire in March 2008. Carol has been a key member of the Secretariat from the early days and we will miss her greatly. We know that members will join in wishing Carol a long and happy retirement, and plans are afoot to ensure we give her a good send off! We are currently recruiting for a new Office Manager.

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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