



DRIVING CHANGE FOR WORKERS

ANNUAL REVIEW 2009



Ethical Trading Initiative
Respect for workers worldwide

The Ethical Trading Initiative is a ground-breaking alliance of companies, trade unions and voluntary organisations. We work in partnership to improve the working lives of people across the globe who make or grow consumer goods – everything from tea to T-shirts, from flowers to footballs.

Our vision is of a world where all workers are free from exploitation and discrimination, and work in conditions of freedom, security and equity.

Worsening conditions for workers around the world, exacerbated by the global economic crisis, demand radical new approaches to promoting workers' rights.

This year we developed a new three-year strategy which channels our energies into areas that we believe will make the most difference to workers' lives. These include helping to build stronger management systems in suppliers' worksites; raising wages; and changing companies' buying practices so they help, rather than hinder, suppliers' ability to provide decent pay and conditions.

This brief review of our work in 2009 highlights some of the actions we've taken over the year to achieve our goals.

2009 in numbers

8.6 million workers in member companies' supply chains

84,520 actions agreed to improve workers' conditions

1,700 people trained, including 996 workers and 304 supplier staff

10 new company members

1,408 YouTube views of our 10th anniversary DVD

5,000 visitors per month to our website

8 members' roundtable meetings

HELPING SUPPLIERS BECOME BETTER MANAGERS

We have driven forward initiatives that are empowering workers and managers to work together to build a culture of respect at work.

Tackling discrimination and harassment

We piloted a new training programme to help suppliers tackle the highly sensitive and widespread issues of discrimination and sexual harassment in the agricultural sector. So far we have trained over 70 site supervisors – the people who manage workers on a day-to-day basis – and their managers, who collectively manage an estimated 4,000 workers.

Post-course visits have revealed supervisors' changed attitudes and greater confidence in dealing with worker welfare issues – in short, happier workplaces. The training is already in high demand and we plan to roll it out in Kenya and beyond over the coming year.



Ethical trade skill building

We designed and delivered introductory ethical trade training to large suppliers in China, the Dominican Republic and St Lucia. This year we will continue to help suppliers build their ethical trade skills and know-how, kicking off with a series of labour law briefings for member companies' UK suppliers.

"The feedback has been so positive. The trainer's delivery was top class and it appears we have had 100% engagement [from buyers]."

Lisa Domoney, CR Manager, Sainsbury's

Fostering constructive communication in China

Most workers in China have few opportunities to air their grievances or get them resolved with the support of representatives they trust. As part of our Decent Work Project in China, we ran participatory training courses with 996 workers and 34 managers in two factories on how to communicate constructively with each other to resolve workplace issues.

A new workers' committee has already been established in one factory, holding its first meeting with management in December 2009. We aim to create similar models for establishing effective worker-management dialogue this year.

"The training helped elected worker representatives develop a new sense of camaraderie and confidence. It was encouraging to see them starting to ask insightful questions about retailers' business practices and what ETI is trying to achieve".

Dimitri Kessler, ETI China Representative

REACHING VULNERABLE WORKERS

In India we supported the National Homeworker Group (NHG) to deliver services to poor homeworkers in the remote region of Bareilly, Uttar Pradesh. This included helping them access vital government-funded health insurance schemes and providing health and safety and quality training. So far this local multi-stakeholder group's activities have helped improve the lives of more than 25,000 homeworkers, including 10,000 in 2009.

"I have found out how to communicate about my problems, and how I can get help solving them."

Hidyad, Bareilly homeworker

As new member companies continue to join the NHG, we have supported the expansion of its activities in Delhi and the surrounding area. We have also helped progress work on wages, and ETI members of the group will soon finalise guidelines to ensure homeworkers get a fair piece rate for their work.

RESOLVING MAJOR WORKERS' RIGHTS VIOLATIONS

We created a safe space for talks between the Turkish supplier company Desa and the Turkish leather workers' union Deri Is after 44 union members had been dismissed. After months of protracted and often stormy negotiations, in September 2009 Desa signed a protocol agreement with Deri Is, committing to reinstating a proportion of the dismissed workers and giving first priority in any new hiring opportunities to the remaining workers.

MOBILISING SUPPORT WHERE IT COUNTS

Stimulating demand for training among buyers

Building ethical trade skills and commitment among buying staff is crucial in embedding ethical trade into business practices, and demand from companies to train these key decision-makers is growing. This year we developed a new tailored training course which we've already delivered to 290 buyers, designers and merchandisers.

Inspiring wider audiences to get involved in ethical trade

To help us build our profile and inspire wider support for ethical trade, we re-launched our website with accessible and user-friendly information, advice and resources, as well as compelling stories told by workers. This will help us build support for ethical trade among companies, consumers and other key audiences.



TACKLING CRITICAL ISSUES TOGETHER

Building consensus about the key challenges for workers

At our 10th anniversary conference in October 2008 we challenged more than 450 ethical trade power-brokers to explore how to drive forward radical new approaches to ethical trade. "There was incredible consensus that the real issues for workers are about wages, trade union rights, and businesses walking the talk." Dan Rees, ETI Director.

[Click to view conference footage and briefing papers >>](#)

Stimulating collective debate and action

We held a series of tripartite members' roundtables to discuss solutions to critical and often complex issues for workers, including:

- **Responsible cotton sourcing.** A staggering 250 million people work in cotton production worldwide, often toiling in hot, dangerous conditions for poverty wages. We brought key industry players together to help establish the dialogue and trust that will be crucial to improving their conditions.
- **Tackling migrant and forced labour.** Migrant workers suffer unique abuses and hardship compared to national workers. Our AGM in January catalysed debate on what can be done.
- **Raising wages:** Spiralling food prices have eroded the value of workers' wages in many countries. We hosted a presentation by the Clean Clothes Campaign to discuss their proposals for a new approach to raising wages.
- **Company purchasing practices:** Members of our Purchasing Practices Project led the way in sharing their progress in putting workers' rights at the heart of the way they do business.

EXTENDING OUR REACH

Expanding our membership

Corporate membership continues to grow, bringing the total number of ETI member companies in January 2010 to 59.

Membership growth in the stone sector has been particularly rapid. We have established a tripartite group that has started to tackle the often grave exploitation that exists in Indian sandstone production, which includes child labour, forced and bonded labour as well as difficult and often dangerous conditions.

Measuring member company performance

Analysis of our member companies' annual reports to ETI shows that the scale of our member companies' influence over working conditions continues to grow, with more than 8.6 million workers now touched by members' ethical trade activities - up from 6 million in the previous year.

[How ETI members are performing >>](#)

£100 billion turnover of member companies

416 staff dedicated to ethical trade

£18 million dedicated expenditure on ethical trade

39,692 suppliers covered by members' ethical trade activities

8.6 million workers employed by those suppliers

84,520 actions agreed by those suppliers to improve workers' conditions

(Data from member companies' annual reports for 2008)

OUR NEW STRATEGY FOR 2009-2012

Tackling the root causes of poor working conditions...

Our new strategy commits us to tackling the root causes of poor working conditions. Our priorities are:

Promoting good workplaces. We will work with our members to support suppliers to build stronger management systems and help build mature systems of industrial relations in their workplaces.

Demonstrating how to raise wages. We will help our members to develop tools to calculate a living wage and to find ways to ensure that workers are paid fairly for the work they do.

Integrating ethics into core business practices. We will facilitate collaborative work to understand how company buying practices influence workers' lives, and to implement business practices that bring benefit.

Tackling discrimination in the workplace, for example by rolling out our new training programme for supervisors (see p.4).

Focusing improvements on the most vulnerable workers, building on work we have already started with homeworkers (see p.6) and smallholders.

Improving audit practice. We will find ways to make audits and other assessment tools more effective and develop alternative ways of understanding workers' conditions.

"Companies must champion mature industrial relations as the sustainable way to protect rights at work. And they must do far more to integrate their ethical values across their core business practices."

Alan Roberts, ETI Chair

...and providing greater support and direction to members

Achieving these ambitious plans will require a step change in the way we work. This will include providing greater support and direction to our member companies, to enable them to make swifter progress in tackling workers' issues. For example, we will:

engage greater numbers of companies in our tripartite activities

We are developing a range of new work programmes to enable an increasing number of member companies to engage in tripartite activities aimed at tackling key workers' issues.

provide greater clarity in our expectations of members' ethical trade progress

We have strengthened our annual reporting framework for member companies by developing a series of management benchmarks that illustrate the progress we expect them to make in implementing their ethical trade commitments.

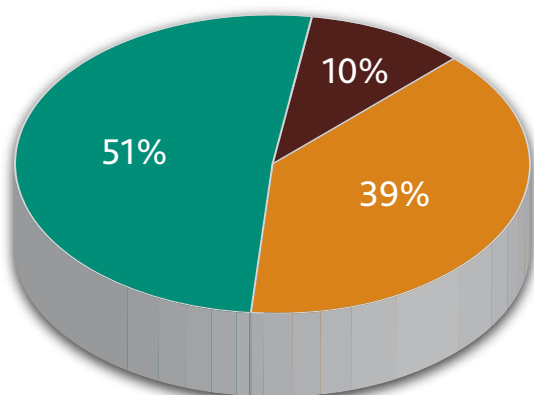
offer more direction and support for new starters

We launched a Foundation membership scheme for companies new to ETI, to give them greater support and direction in starting out on their ethical trade journey.



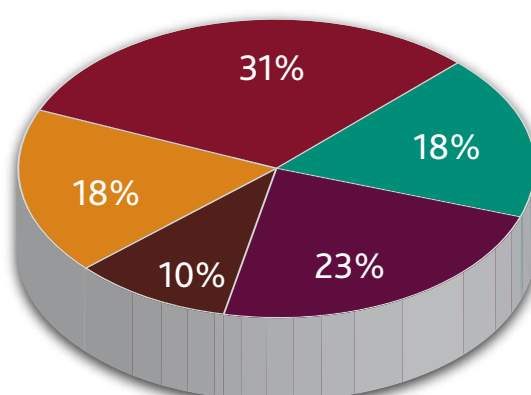


OUR FINANCES 2008/9



Income

Members fees, a grant from the Department for International Development and other sources totalled £1,328,929



Expenditure

We spent £1,415,930 on developing capacity, building commercial leverage, promoting ethical trade, developing ethical trade tools and supporting members

NEIL KEARNEY, 1950 – 2009

We were deeply shocked and saddened by the death on 19 November 2009 of Neil Kearney, General Secretary of the ITGLWF and ETI Board member since 1998.

We cannot begin to pay full tribute to Neil, who has been so prominent a leader and such a vital personality within ETI and the wider labour rights movement.

Quite literally, hundreds of thousands of workers have improved their lot as a result of his inspiration and actions. The best tribute we can all pay him is to double our efforts to help make his vision of Decent Work a reality for millions of workers worldwide.



“The unintended consequence of the past decade or so of ethical trade, and its heavy focus on audits, has been to weaken the employer–employee relationship. We need to help rebuild that relationship.”

The late Neil Kearney, General Secretary of the International Textile, Garment and Leather Workers' Federation (ITGLWF), ETI Board member

[Read tributes to Neil >>](#)

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