

# Definitions and Key Issues in ethical trade

International Coffee Organisation, London

Dan Rees  
Director

18 May 2004

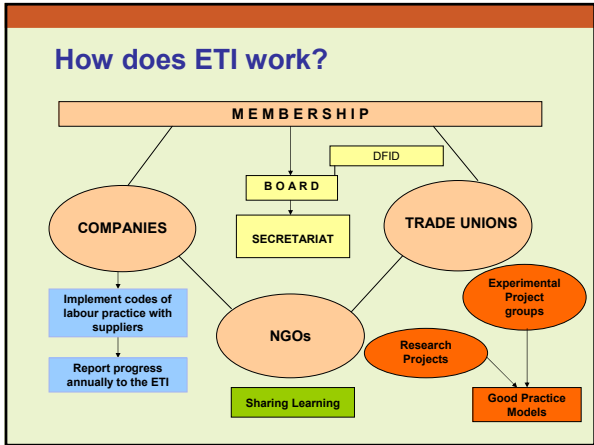


## ETI's aim and purpose

Improve lives of workers and their families in global supply chains

Work together to identify and promote good practice in code implementation

2

## What is Ethical Trade?

'the assumption of responsibility by a company for the labour and human rights practices within its supply chain'

4



## Company responsibilities

- Adopt** the ETI Base Code
- Communicate** the code throughout company and suppliers
- Monitor** their supply chain against the Base Code
- Support independent verification**
- Establish improvement plans** with suppliers
- Inform workers** about the Code
- Provide a means for confidential reporting** of breaches
- Report annually** to ETI on progress made
- Participate** in projects to develop good practice

5



## What labour standards?

- Employment** is freely chosen
- Freedom of association** and the right to collective bargaining
- Working conditions** are safe and hygienic
- Child labour** shall not be used
- Living wages** are paid
- Working hours** are non excessive
- No discrimination** is practiced
- Regular employment** is provided
- No harsh or inhumane treatment** is provided

6



### Why do companies accept these responsibilities?

- Risk/brand management
- Maintain sales/share price
- Productivity and quality improvements
- Retain customer and employee trust
- Pressure from investors and customers
- Because it's the right thing to do!

7



### Ruthless gangmasters and £14 a day – how an army of immigrant workers puts food on your plate



**T**he food on your plate is the result of an army of immigrant workers, many of whom are paid as little as £14 a day, according to a new investigation by Olivia Stewart-Liberty and Sarah Oliver.

**SPECIAL INVESTIGATION**  
by Olivia Stewart-Liberty and Sarah Oliver

The investigation reveals the hidden costs of cheap food, from the exploitation of workers to the impact on the environment. It also highlights the role of gangmasters in the food supply chain, who are often responsible for the worst abuses.

*Continued on Page 35*

8



### Some key issues for the future

- Improve code implementation
- Worker involvement
- Build capacity in sourcing countries
- International consensus on good practice
- Improvements in efficiency
- Purchasing practices

9



## Ethical Trading Initiative

Cromwell House  
14 Fulwood Place  
London WC1V 6HZ  
United Kingdom

t +44 (0) 20 7404 1463  
f +44 (0) 20 7831 7852  
eti@eti.org.uk  
www.ethicaltrade.org.uk

10

