Definitions and Key Issues in ethical trade

International Coffee Organisation, London
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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

ETI’s aim and purpose

How does ETI work?

What is Ethical Trade?
‘the assumption of responsibility by a company for the labour and human rights practices within its supply chain’

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

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 practices
Regular employment is provided
No harsh or inhumane treatment is provided
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!

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