

ETI Annual report book 2007

Ethical Trading Initiative

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ETI Annual reportbook Calendar year 2007

Monsoon

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INDEX

Key elements	2
Analysis, assurance and sharing of ETI Company Reports	3
CEO Sign Off	3
Company Information	4
Financials/Number of employees	5
Overview	6
Challenges and lessons learned	9
Targets	12
Proposed Targets	15
Management Indicator (MI) questions	18
Principle 1: Commitment	18
Principle 2: Monitoring, Independent Verification and Reporting	28
Principle 3: Awareness Raising and Training	43
Principle 4: Corrective Actions – initiatives	51
Principle 4(ii): KPIs for Corrective Actions (Performance input data)	57
Issues for Improvement Actions	70
Guidance for providing data KPIs on current Inspection Ratings for sites against the Base Code	71
Principle 5: Management procedures, pricing and incentives	87
Glossary	99
Self Assessment tables for indicators	102
Self assessment of principle 1: Commitment –self assessment	103
Self assessment of principle 2: Monitoring, Independent Verification and Reporting	106
Self assessment of principle 3: Awareness Raising and Training	108
Self assessment of principle 4: Corrective Actions	110
Self assessment of principle 5: Management Procedures, Pricing and Incentives	112
Management Indicators: Self assessment summary	115
Management Indicators: ETI's Assessment of the Company (leave blank)	116

Key elements

The questions in this report are grouped together to document the following elements:

Company Information – *Basic information about the company, a brief narrative overview of the key messages the company draws from the report and its **Targets** for the forthcoming years.*

Management Indicators – *Details of the company's efforts to improve labour standards in its supply chain. These are organised by reference to ETI's 5 Principles of Implementation*

Improvement Actions – *Details of what has been done to address breaches of the Base Code and the results.*

Key Performance Indicators – *based on performance and improvement action data.*

Self Assessment – *The company is required to assess its own efforts based on the above answers by reference to the pen pictures in this section. As part of its analysis and feedback to members, ETI will comments on the self-assessments made by members.*

Analysis, assurance and sharing of ETI Company Reports

The completion and sharing of annual reports is an important part of members' commitment to ETI and is an essential element in helping ETI to monitor trends and assess the membership's overall impact.

ETI reserves the right to call for additional information and documentation and to inspect the management and data systems on which the information in the report is based. The purpose of this process will be to find out whether the information presented in the annual reports is meaningful and accurate, and whether it is based on data collected through robust management and record-keeping systems.

ETI's evaluation of the performance of individual companies will be shared with that company and, on a confidential basis, with the members of the ETI Board, the ETI Secretariat and any consultants engaged by ETI to assist with that evaluation.

Each company report will also be made available on request, on a confidential basis to other corporate, trade union and NGO members of ETI.

Anonymous information about the performance of all of ETI's corporate members will be made available to the public. Please confirm in accordance with the Data Protection Act that you consent to the information contained in your company's report being used in this way by inserting your name and position.

Name: Derek Jackson

Position: Global Ethical Trading Manager

CEO Sign Off

As in previous years, ETI requires the company's Chief Executive Officer *or other main Board member* to sign a letter endorsing the report.

Please give the name and position of your CEO or other Board member who has signed a letter to ETI endorsing the report.

Name: _____

Position: _____

On behalf of _____

DATE:

Company Information

Company Name	Monsoon
Web address	www.monsoon.co.uk
Name of holding company (if applicable): Web address	www.monsoon.co.uk
REPORT CONTACT (name)	Derek Jackson
Title	Global Ethical Trading Manager
Email	djackson@monsoon.co.uk
Telephone	(0) 207 313 4540
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Address	Monsoon Building, 179 Harrow Road, London W2 6NB
Sector	<ul style="list-style-type: none"> • General Retailers
Main areas of activity	Ladieswear, Menswear, Childrenswear, Home and Accessories
Year company joined the ETI	1999
Company code of conduct sent to ETI	Yes
Will you be making your report to ETI public?	Yes
Please explain your reasons.	The content of our report will be made public and will be posted on our website.

Financials/Number of employees

If the company's financial year does not coincide with the calendar year it should give details of its turnover and trading profit for the financial year which ended during 2007.

Turnover (GBP £'000):	£530,540,000
Trading profit (GBP £'000):	£30,566,000 (after tax)
Permanent employees (FTE):	6500
Temporary employees (FTE):	500

Answers should give the Full Time Equivalent (FTE) numbers of permanent and temporary employees. This means that part-time, temporary and seasonal workers should be counted as the appropriate fraction of a full time worker who is employed throughout the year. For example, someone who works 2 full days out of a 5 day week should be counted as 0.4 and someone who works full time but only for 3 months each year should be counted as 0.25.

Overview

Please provide a brief summary (typically 250-300 words but not more than 600 words) of the key messages to be drawn from your report. This overview will provide the context against which the detailed information contained in your report should be understood.

Suggested content for your summary:

- *Overview of supply chain and challenges it poses*
- *Most important management processes for tackling ethical trading*
- *Main developments (changes, initiatives, new problems identified etc) during the year*
- *Main achievements*
- *Priorities for future efforts*

Our sources of supply are primarily from the Far East (52%) and India (34%). Europe however, has grown in significance throughout the year and now accounts for 14% of the total and has therefore impacted on our audit strategy.

Our sources of supply are via a combination agents and direct sources who are fully briefed on our ETI expectations and they in turn place orders with manufacturers who they believe are best suited to satisfying the needs of our business. As stated in our previous report, a major challenge was getting many of our established suppliers (some of whom have been associated with our business for over 20 years) to change their mind set and come to terms with the need for ETI compliance at factory level. This was a major task undertaken throughout the year and a number of supplier seminars were convened in the country of origin together with supplier meetings in the UK to reinforce the message and instil the business case. It is pleasing to report that a more positive attitude is now evident

Monsoon Accessorize is a unique fashion business with a heritage which has its roots in India (where its artisan skills offer exceptional products). Whilst today our business draws upon manufacturing expertise from around the world we remain focused on offering a diverse range of products which differentiates us from the rest of the market place. A key element to our success is our ability to continually refresh our product range and meet delivery schedules. We are aware of the constraints that this imposes on supply base, particularly with regards to working hours. In conjunction with our suppliers we intend to review of our purchasing practices to establish what improvements can be made going forward.

Our suppliers are now risk assessed taking into account the findings of our pre-appraisal questionnaire, country of origin, volume of business and the propensity for sub-contacting and homeworking. Our pre-appraisal questionnaire and Code of Conduct has now been integrated into our Supplier Monsoon Accessorize Sourcing Manual which includes policies and statements on our commitment to CSR and environmental issues generally. Our supply base has been reviewed and rationalised to make it more manageable and whilst a number have been exited to reduce duplication this has not necessarily lessened the workload especially where agents are involved. Our mapping now goes deeper into the supply chain resulting in many of these tertiary suppliers being included in the monitoring programme. Supplier information on ETI Base Code compliance is compiled within a database to aid monitoring the improvement programme.

Aside from monitoring first tier suppliers, subcontracting is an area which poses high risk. Some progress in addressing this issue and in particular transparency has been made. Homeworking has particular significance in this regard and we are tackling the reluctance of a number of established suppliers to be more open.

India has hitherto been the major focus on homeworking, but China is gaining in significance. Our Contract to supply now includes a clause which states that the supply of goods must only come from approved sources of supply and failure to adhere to this requirement will nullify the contract. We have published a Homeworking policy to reinforce our commitment to improving working conditions and we will continue to monitor the implementation of the Homeworker Guidelines throughout 2008 and beyond.

Following the findings and recommendations of the ETI Impact Assessment at the end of 2006 our commitment to drive change has been reinforced in the recruitment of additional ETI auditing staff.

Business Trading Ethically (BTE) were engaged to verify the adequacy of our audit strategy and protocol in India and many of their recommendations are in the process of implementation. This has precipitated a review of the mechanics of our auditing techniques and changes are in place to standardise in line with SMETA methodology and reporting procedure.

Awareness Raising and Training (Principle 3) is now fully embraced within our business and its importance is recognised in tackling ethical issues. Communication and commitment from all Monsoon Accessorize stakeholders has been improved. Diarised monthly feedback sessions are on going to include all those engaged in sourcing activities (for e.g. buying, merchandising, design and technical staff). Training not only encompasses internal staff but our supplier base too.

We continued our programme of supplier seminars throughout the year, the emphasis being to demonstrate the business case for Code compliance and to obtain greater supplier ownership. These were positively received with our suppliers and agents who adopted a more proactive approach. Compliance was further assisted with the introduction of our Workbook which is designed as a self-assessment guide. All our suppliers have been provided a copy which fully explains our expectations and assists with their preparation prior to audit.

The health and safety element of our Code remains the largest sector of non-compliance, and was specifically targeted through awareness raising seminars in India and China during 2007. It is pleasing to report that significant progress has been achieved, although there is still much work to do.

Child Labour continues to be a source of concern and our work on the Bareilly project highlighted the risks associated with homeworking. Although many of the clusters in the region have been found to have access to education, concern centres on the reluctance of parents to use the facilities provided. Our participation here is ongoing and we will continue with our commitment to the SEWA project, which is further assisted by Monsoon Accessorize Trust funding.

Child labour in China is a growing problem and there is a need to build capacity to cope. In recognition of this, we have been working with CLSN to identify causes and develop plans to enable us to put into practice suitable remediation schemes.

Challenges and lessons learned

Please describe the key challenges you face in the next three years in your efforts to improve working conditions in your supply chain.

BTE and the verification exercise conducted in India on our behalf drew attention to the fact that our audit protocols needed to be managed more effectively. It is clear that we need to monitor and manage (via our UK and Delhi offices) audits more closely to ensure that they are conducted more professionally, to ensure defined protocols are fully followed and corrective action programmes are pursued with greater tenacity. Whilst our China office auditing systems are more positively controlled, we recognise that there are improvements to be made here too. We will use our ETI Audit Best Practice Guide as a training tool to ensure that we have more consistency across the audit teams and audit processes generally and will provide a more participative approach to involve workers, their representatives and management teams.

The complexity of our supplier chain and the lack of transparency is an area of concern. India is especially difficult due to the propensity for sub-contracting and homeworking. Many suppliers have shown a reluctance to engage, particularly with the homeworking project which raises some serious concerns as to how this can be approached. Evidence of homeworking in China is also gaining in significance. Whilst we recognise the complexities of the challenges faced it is essential we remain focused, prioritising in line with targets identified.

Intransigence on wages and benefits with a number of Indian suppliers is apparent due to their alleged inability to pay and this will need managing responsibly. Freedom of Association continues to be an area of concern and again some suppliers are demonstrating a reluctance to engage.

We are continually being pressured to implement the Living Wage (which we are committed to aspire to), but as yet do not have the tools to assure its implementation satisfactorily.

Reducing the number of non-compliances in respect of working hours will require a more proactive approach together with improvements in our purchasing practices. In turn many of our suppliers will need to improve their management information systems and planning techniques to ensure these benefits are not dissipated. However, a number of suppliers still argue that overtime provides an incentive or inducement in the retention of key workers. We need to bring about a change in mind set within this area.

Child labour continues to pose high risk particularly within the homeworking sphere.

Please explain what learning from ETI you have found most useful during the year.

The shared learning within the Homeworker Group continues to be useful to us and it is clear that the issues faced are common to many corporates within the ETI.

Assistance in tackling H&S issues has been beneficial and we would like to thank Pentland in particular for the use of their training modules which we tailored for use in our own supplier seminars.

Our participation in the China Decent Work Project has shown that there are suppliers in China who are willing to engage with worker committees and see them as a useful forum to affect improvements in working conditions and we look forward to using this learning to demonstrate best practice across our supplier chain.

The Purchasing and Practices Working Group has drawn attention to the fact that improvements to our in-house procurement systems can provide the conditions for supplying factories to reduce excessive working hours.

The ETI PowerPoint presentations have proved useful in training Monsoon Accessorize personnel and drawing attention to ethical issues and the benefits of Code implementation.

What were the key lessons that you learned during the year?

That our auditing systems (i.e. the protocol, the audit process, documentation and monitoring improvements) in India were not robust enough. Our documentation was not sufficient for "due diligence" purposes and that much of our learning in India can be applied to our auditing procedure in China too.

That our supplier base is more diverse and complex than originally thought and the propensity to sub-contract is a major area of concern. The latter tendency (where some of our agents switch supply to unknown factories without permission), has caused us to reiterate our stance that all our goods must come from known sources of supply. This message has been reinforced with the introduction of a clause within our Purchasing Agreement which states that the contract will be terminated should this occur.

That many suppliers do not understand the meaning of Child Labour remediation and how to implement it properly.

India poses just as big a problem with implementing Freedom of Association in the supply chain as does China.

That we need to engage with workers more positively and provide more effective feedback.

What issues would you like ETI to work on?

The Living Wage is still an ongoing issue where we need support and guidance to deliver.

The Clean Clothes Campaign and Labour Behind the Label continue to lobby and expect us to do more. Given our ability to influence and percentage uptake this is something that is difficult to deliver on our own. We therefore suggest that until there is a clear and defined business model we should not be measured against it or forcibly challenged on our lack of progress in such a detrimental way.

For the Purchasing Practices Group to broaden its scope and look at examples of best practice in production planning to ensure the benefits of improved critical path management are not squandered by inadequate planning within factories.

Child labour remediation programmes and establish a country specific network of contacts.

Be more proactive when planning overseas Working Group visits. We need a business plan which is issued well in advance so that we can justify the expense and plan our travel budget accordingly. This will make it easier for Monsoon personnel to obtain authorisation and partake in overseas visits.

Targets

Please report on progress towards achieving the objectives for 2007 which were specified in the 2006 report.

Proposed Targets (Year 2007)	Progress made
<p>Review and modify the Ethical Strategy and its priorities to reflect the business growth</p>	<p>Achieved and is ongoing to take account of the dynamics and changing needs of our business. Our sources of supply are primarily from the Far East (52%) and India (34%), however, the Near East has grown in significance throughout the year and now accounts for 14% of the total. The change is due to market forces and the dynamics of our business and this has impacted on our auditing strategy. In Europe where we have no auditing presence we are now using 3rd party audits (in particular SEDEX reports).</p> <p>Our suppliers are now risk assessed taking into account the findings of our pre-appraisal questionnaire, country of origin, volume of business and the propensity for sub-contacting and homeworking. Our pre-appraisal questionnaire and Code of Conduct has now been integrated into our Supplier Monsoon Accessorize Sourcing Manual which includes policies and statements on our commitment to CSR and environmental issues generally. Our supply base has been reviewed and rationalised. Our mapping now goes deeper into the supply chain to assess and prioritise.</p>
<p>Establish a rolling ethical strategy, for the next three year period, in line with ETI requirements which will take into account the varying and developing business needs.</p>	<p>Strategy is now implemented and is formally reviewed bi-annually.</p>
<p>Continue with active participation of the ETI Homeworkers Group, test the HW Guidelines, engage with SEWA</p>	<p>Our attendance record demonstrates that we continue to play an active role. We visited Bareilly in February 2007, and commenced work with SEWA. Started to implement and test the Guidelines. Supply chain mapping has shown homeworkers to be more widespread especially China.</p>
<p>Continue with active participation in the ETI China WG, identify supplier to engage in the "Decent Work in China" sub-group.</p>	<p>Participation continues and we have identified a supplier who is willing to engage in the Decent Work project. We attended the ETI tripartite meeting in Hong Kong in December and the subsequent Debenhams factory visit to consider strategy.</p>

<p>Refresh awareness raising within the business, and externally with supplier seminars</p>	<p>Induction of new employees draws attention to our ethical strategy and Base Code implementation within our business. Regular training sessions have been convened with Monsoon and Accessorize buying teams.</p> <p>ETI training sessions with the technical team have taken place to include a general introduction to the ETI and the health safety element of our Code. Diarised monthly briefing sessions are convened with executive management to include Directors, Head of Buying (Monsoon and Accessorize), Marketing, Head of Design and weekly briefing sessions are held with operational personnel within the sourcing and technical teams.</p> <p>In India and China we have convened supplier ETI Awareness Raising seminars and Health and Safety Training seminars. We launched our Workbook to suppliers in China and India. During 2007, training on the Homeworking Guidelines and the mapping of supply chains was carried out in India.</p>
<p>Encourage supplier ownership of Base Code through self-assessment, by adoption of workbook to provide guidance on requirements prior to audit.</p>	<p>We have developed a country specific, supplier self-assessment Workbook. This was launched in China and India at supplier training seminars in Delhi (July) and Shanghai (November). This message was reinforced at our UK Supplier Seminar in August.</p>
<p>Target health & safety pilot workshops at a local level in India and China</p>	<p>We held training seminars in Delhi and Shanghai to draw attention to the importance to practice good health and safety management within our factories. We have since seen a significant improvement in the reduction of N/C's on a like for like basis.</p>
<p>Develop capacity building within the regions we are manufacturing in.</p>	<p>We have commenced working with CLSN (a Hong Kong based NGO) who continue to work with us to develop remediation strategies and establish the cause and growth of child labour in China. We are considering rolling out the learning from this to the China WG.</p>
<p>Work with local organisations to improve remediation strategy for child labour</p>	<p>We are working with SEWA to develop their activities in Bareilly and we are seeking to provide additional support through Monsoon Accessorize Trust funding.</p>
<p>A second full-time Social Accountability auditor for our China operation is allocated for recruitment in our 2007 budget.</p>	<p>Ms Rainy Chen has been appointed and is based in our Shanghai office.</p>

- *Propose three measurable objectives to be achieved by the end of each of the 3 following years 2008, 2009 and 2010.*

The targets for 2009 and 2010 may be an extension of targets for earlier years or new objectives intended to replace earlier ones as they are attained.

When submitting its annual report in subsequent years the company may, in the light of experience, wish to propose changes to the targets which have previously been agreed for the next two years as well as a new target for the third year.

New targets and any amendments to existing targets must be agreed by the company and ETI. When providing feedback on the annual report ETI may suggest changes to the targets proposed by the company. A company's readiness to accept challenging targets and its performance against those targets will be taken into account in the Self Assessment and the ETI Assessment of the company's efforts (see final section).

Proposed Targets

(Add rows if more targets)

Proposed Targets (Year 2008)	
1.	In line with the findings and recommendations of the BTE verification project, we intend to standardise the audit reporting format to reflect industry norms (for e.g. third party audits), to include suitable protocols for pre and post audit (number of days to file report & action plan to site, responsibilities and recommended timeframes/procedures for follow up etc). Use the SMETA guidelines to improve structure and consistency in audit reporting. To promote consistency and effectiveness of our own audits, we will carryout regular refresher training of our internal auditors and arrange for external assessors to shadow a number of audits and report on the efficacy.
2.	Implement a more participative approach with the involvement of other players (especially workers and management) in our supply chain assessment process and provide effective feedback. Ensure audits are collaborative, aimed at building understanding of the requirements to meet pre-requisite standards. Establish feedback mechanisms for suppliers, to provide better means of communicating concerns about the process and to help shape the resources necessary. Building upon the launch of our Workbook and through the provision of detailed information on our requirement, develop the audit process to make it more effective in delivering improvements. Consider ways of engaging the workers in the audit process more fully and where appropriate use anonymous means of feedback on sites, to ensure that their anxiety is minimized and trust promoted. Ensure that our Code of Conduct is displayed on factory notice boards and that there is a point of contact and telephone number on our Code for workers to "whistle blow" should it not be properly implemented.
3.	Continue with active participation in the ETI China WG, and partake in the "Decent Work in China" sub-group.
The above 3 targets relate to specific issues, but we recognise the need for our continuation in ETI projects and Monsoon Accessorize Trust activities (shown opposite) which we are actively engaged in and wish to consolidate our position and continue progress.	Continue to work with the ETI Homeworkers Group. Identify more suppliers to engage with and implement the guidelines and provide feedback on implementation.
	Continue our programme of awareness raising within the business and externally.
	Develop capacity building within the regions we are manufacturing in. Continue to work with local organisations to improve remediation strategy for child labour and the impoverished.
	To establish an effective working relationship with SEWA
	Continue and extend Monsoon Accessorize Trust activities to include:

	<p>Salaam Baalak Trust - a project to provide rehabilitation, shelter, education and healthcare for street children around New Delhi railway station. Fund the building of girls' hostel.</p> <p>Radico Welfare Centre - a school for slum children in Delhi. The Trust will be provide funding for a dispensary, some visual and performing arts provision, school uniforms and school transport.</p> <p>Seva Mandir - a rural development project, working with tribal communities outside Udaipur. The Trust will fund an immunisation programme and the provision of educational materials for pre-schools.</p> <p>Vidya Community Programme - informal education and training for women and children in 3 slum areas in Delhi.</p> <p>The Afghanistan Project - to train 30 disadvantaged Afghan women in textiles and embroidery, combining traditional techniques with modern design and offering them valuable skills and a sustainable living. These women are also passing on this knowledge to friends and family. The project is being managed by the Turquoise Mountain Foundation, a registered charity that is investing in the regeneration of the historic commercial centre of Kabul.</p>
Proposed Targets (Year 2009)	
Review and modify the Ethical Strategy and its priorities to reflect the business growth and changing needs	
Critically assess our purchasing practices to drive out a partnership approach to critical path management. Monitor suppliers to ensure they have adequate management information systems to plan their factories properly and deliver improvements.	
Continue to work with ETI Homeworkers Group , introduce the Guidelines across a wider supplier base (to include China) and monitor its implementation	
Continue to work with the ETI China WG, and the "Decent Work in China" project	
Review the Supplier Assessment process, assess trends make adjustments to the risk assessment criteria if appropriate.	
Improve feedback on audit findings by establishing a system for downloading audit information directly from site of manufacture into our data base.	
Develop our relationship with SEWA.	
Extend Monsoon Trust activities.	

<i>Proposed Targets (Year 2010)</i>
Review and modify our ethical strategy and priorities to reflect the business growth and changing needs
Monitor suppliers to assure that they have adequate management information systems to plan their factories efficiently so that they can deliver the improvements caused by improvements to our buying procedures.
Continue to work with ETI Homeworkers Group, introduced the Guidelines across the supplier base and monitor improvements.
Continue to work with the ETI China WG, and work with our nominated supplier to meet the aims of the "Decent Work in China" project.
Monitor trends and changes to our supplier base and modify audit strategy accordingly.
Improve feedback on audit findings by establishing a system for downloading audit information directly from site of manufacture into our data base.
Further develop our relationship with SEWA.
Extend Monsoon Trust activities.

Management Indicator (MI) questions

As part of the annual reporting procedure each company is required to provide data for a comprehensive set of indicators using the standard format and included in the following sections M1 - M5. These indicators are organised by reference to the five principles of implementation of the ETI:

1. Commitment
2. Monitoring, Verification and Reporting
3. Awareness Raising and Training
4. Corrective Actions
5. Management Procedures, Pricing and Incentives

This format allows many questions to be answered Yes/No with the addition of details, explanations or comments as appropriate. The structured nature of the indicators will facilitate analysis of the report and comparisons between member companies.

Companies should answer questions by reference to their activities during 2007. Data relating to activities in earlier or subsequent years should not be included (except when answering 4.1 when you may wish to report on ongoing projects and initiatives which have commenced in an earlier year).

Principle 1: Commitment

1.1: How have you set about explicitly endorsing the ETI Base Code and its principles of implementation? Please indicate below all the methods that you have used in your company. Where you have answered Y please provide brief details.

Method	Y/N	Details
The Base Code has been explicitly endorsed at a Full Board meeting of the controlling company and recorded in Board minutes.	Y	The Base Code and our strategy to integrate fully within the business, was endorsed by the Board when Monsoon Accessorize joined the ETI in 1999. Our Code of Conduct replicates the ETI Base Code in its entirety. The Board continues to fully endorse and provide resources necessary to deliver strategy and CSR generally. A Head of CSR was appointed in October 2006.
We have published our membership of the ETI and our commitment to the Base Code via:		
• Social / environmental reports	N	
• Our company website	Y	The ETI Base Code along with the Monsoon Code of Conduct are referred to on our website and there is a link which takes you directly you to the Monsoon Accessorize Code of Conduct. There is also a direct link to the ETI's website where the Base Code can be viewed separately.

		Our ETI report submitted for year ended 2006 is also listed on our web site together with the Monsoon Accessorize Homeworking policy.
• Reports to Shareholders	Y	
• Supplier materials	Y	<p>The Monsoon Accessorize Code of Conduct is included under the CSR section of our Supplier Manual which is provided to all our suppliers. Our Conditions of Purchase (which all suppliers must sign their understanding and agreement) includes a section: <i>"Suppliers must adhere to a specified code of business ethics"</i>. This states that the Supplier shall comply with (and shall ensure that its sub-contractors fully comply with) the terms outlined together with those in our Supplier Manual. This entitles us to reject any Goods or Services supplied if the Supplier breaches these Conditions; or if any sub-contractor of the Supplier breaches any of the terms.</p> <p>Prior to audit suppliers are issued a Request to Audit letter, which reiterates that we support the principles of ethical sourcing and highlights its significance within our conditions of supply. The letter includes a copy of our Code (in English and the local language). The letter details the scope of its application and requests that this must be displayed on the factory notice board and must be accessible to all workers. Senior management must sign a declaration and agreement to comply with our Code and an anti-corruption clause.</p>
<u>We have acted as an advocate for the ETI and its Base Code:</u>		
Within trade/employers associations	N	
When speaking in public at non-ETI events	Y	Our UK Supplier Conference includes a section on the ETI to reiterate its importance. A summary on supply Base Code improvements are tabled for the year and we introduced an awards ceremony in August 07 to publicly recognise the best achieving and best improved supplier throughout the year.

		We work with most universities who run textile and design courses and provide student placements. We help students apply their academic learning within an ethical context. We provide them with an insight into ethical consumerism (for e.g. ETI, Fairtrade and the environment) which are a key influence in our decision making and their learning.
In other ways	Y	We frequently receive letter and e-mails which question our ethical stance and what we are doing to improve working conditions. Our response draws attention to our ETI monitoring programme, what we are trying to achieve and what progress has been made. We explain our long term aims and the difficulty of bring about change due to the limits of our ability and the need for ETI partnerships (with TU's, NGO's and other stakeholders) and buy-in from governments (especially the country of origin).

Method	Y/N	Details
We consulted a range of stakeholders prior to joining the ETI (including trade associations, investors and clients)	Y	We were one of the founder members when we joined the ETI in 1999.
We have explicitly endorsed the ETI and its Base Code in other ways not covered above	N	

1.2: To what extent has your company participated in ETI activities? Please indicate below details of your staff's involvement with ETI.

Where you answer 'Yes' please provide brief details.

Method	Y/N	Details
<u>In the last year a staff member has:</u>		
<ul style="list-style-type: none"> Actively participated in ETI Caucus meetings 	Y	We regularly participate in the General Merchandise Group and have shared case studies in the meetings to help encourage discussion.
<ul style="list-style-type: none"> Actively participated in one or more ETI working groups 	Y	<p>We are an active member of the Homeworker WG and are pursuing the endorsement of the Homeworker Guidelines within our supply chain and participate in the activities of the NHG (India) and Bareilly.</p> <p>In the China WG we have engaged with the Decent Work project and met the Hong Kong NGO's and TU's in November 07.</p> <p>We participate in the ETI ARWG development which is ongoing and are one of the piloting companies of this reporting format.</p> <p>We have joined the Purchasing Practices WG and are formulating strategy and establishing contact with a suitable NGO partner to monitor our current systems and effect improvements and thereafter monitor the benefits at factory level.</p>
<ul style="list-style-type: none"> Been a member of the ETI Board 	Y	<p>Sarah Barlow was elected onto the ETI Board in Nov 2005.</p> <p>Derek Jackson offered his candidacy for election to the Board in 2007.</p>
<ul style="list-style-type: none"> Chaired an ETI working Group 	N	No, but we are prepared to do so if asked.
<ul style="list-style-type: none"> Participated in the ETI in other ways not covered above 	Y	We have attended round table discussion groups on Purchasing Practices and have supported the team at the ETI in numerous ways throughout the year.

We have acted as an advocate for the ETI and its Base Code:		
Within trade/employers associations	N	
When speaking in public at non-ETI events	Y	<p>We were invited to speak at the high profile conference on Trade & Homeworking during January 07 in Delhi, where the Indian Prime Minister and the Minister for Trade & Commerce attended.</p> <p>Our ETI Manager, India gave a presentation emphasising our commitment to homeworkers and to improving their conditions and emphasised Monsoon's commitment to homeworkers by quoting our Chairman (Peter Simon) who stated that <i>"Monsoon started sourcing from India in 1970s precisely because of the unique skills and products offered by its vibrant craft sector. Today Monsoon Accessorize draws upon specialised manufacturing expertise from around the world, but we continue to come to India for our product. Hand embellished and embroidered products are a Monsoon Accessorize trademark and the skills provided by Indian artisans are a critical part of the value chain."</i></p>
In other ways	N	

1.3: Who are the senior managers with responsibility for labour standards and the implementation of the base code?

Details of the most senior individual in the company with responsibility for labour standards/ ETI code implementation:

Name: Peter Simon
Position: Chairman

Details of the person responsible day-to-day for labour standards / ETI code implementation:

Name: Derek Jackson
Position: Global Ethical Trading Manager

Describe how the key individuals named above fit into the company's reporting and decision making structures and provide an organisational diagram.

See Organisation chart appended.

1.4: Do you have regular meetings of relevant staff to discuss progress on implementing labour standards?

Please indicate below meetings where these issues are discussed, their frequency, and provide brief details in the comments box.

Under frequency – W=weekly, M=monthly, Q=quarterly. A=annually or enter ad hoc, or Other, or n/a

Method	Y/N	Frequency	Details
Ethical trading reports are discussed at board level meetings	Y	A + ad hoc	Ethical trading issues are openly discussed formally at Board meetings on a regular basis. In addition, monthly summaries showing the status of non-compliances are compiled and tabled for examination and discussion on progress.
We have an ethical trading committee with the most senior individual (named in 1.3) present	Y	M	The progression of Ethical Trade and the development of the company's strategy is reviewed on a monthly basis at an operational level and regularly at the full Board Meeting.
We hold meetings of other staff to explicitly discuss ethical trading issues	Y	Weekly	Updates are given to the Senior Technologists at our weekly team meeting. Monthly updates and briefings are given to the Buying teams, on an individual basis, as and when relevant.
Ethical trading issues are discussed with staff as part of a wider CSR or trading meetings	Y	M	Updates are given to the whole team on a regular basis.
We use other means by which to discuss progress and drive change	Y	Rolling	Where new CSR concerns arise, these are generally discussed inline with our Ethical Trading Policy. Briefing meetings are held with all buyers prior to any overseas trips.

1.5: How have you communicated your membership of the ETI and the requirements of the Base Code within your company?

Please indicate below the communications methods that you have adopted. Wherever you answer in the positive please provide brief details in the comments box.

Method	Y/N	Details
We have communicated our membership of the ETI and requirements of the Base Code:		
To all employees through one or more 'all staff' media	Y	The Intranet has an Ethical Trading Module which all employees are encouraged to access and are initially made aware of during their formal induction to the company. There is a direct link from this module to the ETI website.
To employees whose roles are affected by ethical trade issues (please specify who is included) through:	Y	All new Buyers, Merchandisers, Technologists and Managers follow an in-depth induction plan which includes time spent within the Sourcing and Ethical Trading Departments. During this time our Ethical Strategy, Code of Conduct and implementation process are discussed.
- explicit written communication on the Base Code		
- face-to-face communication on the Base Code	Y	
In other ways not covered above		

1.6: What resources do you deploy in support of your commitment to the ETI and its Base Code?

This question asks companies to report the numbers of staff who spend at least 5% of their time on ethical trade.

Where questions (about staff who devote at least 30% or 5% of their time to ethical trade) we are asking for actual numbers as well as *full time equivalent* numbers. Eg; Someone who works 2 full days each 5 day week exclusively on ethical trade and someone who works full time but spends 40% of that time on ethical trade should each be counted as equivalent to 0.4 of a full time worker.

When calculating *budgeted expenditure* and actual expenditure the company should count all direct expenditure devoted to improving labour standards in the supply chain including staff and travel costs and payments to third parties. Where staff devote part of their time to these issues an appropriate fraction of their costs should be included. Reductions in margins in order to support certain goods should not be counted because that is not expenditure. Marketing costs related to publicising the company's work in this area should not be counted and nor should indirect costs such as premises and share of overheads. Work on improving labour standards may include work on issues which are not covered by the ETI Base Code but wider community work e.g. supporting educational, social or rehabilitation projects, should not be counted as expenditure on ethical trading.

Please state: Number of staff within the company working on ethical trading issues and what this equates to in full time equivalents (FTEs).

Resource Deployed	No Staff	FTE	Details
Staff for whom ethical trade represents at least 5% of their role	23	2	Company Chairman; Group International Director; Senior Buyers (X4); Manager; Shanghai Office Manager; Monsoon Product Manager, China; Accessorize Product Manager, China; Manager, Delhi Office; Monsoon Manager, Delhi; Accessorize Manager, Delhi; Head of Technical; Senior Technologist (X 6); Monsoon Sourcing Manager; Accessorize Sourcing Manager; Development Technologist; Fabric Manager; Sourcing Assistant.
Staff for whom ethical trade represents at least 30% of their role	7	4	Sourcing Director; Global Ethical Trading Manager; Ethical Trading Manager, China; Ethical Trading Officer, China; Ethical Trading Manager, India; Head of CSR; Corporate Responsibility and Charity Manager.

Please state: Number of external resources working with the company on ethical trading issues and what this equates to in full time equivalents (FTEs).

Resource Deployed	Y/N	FTE	Details
Do you use third party auditors?	Y		
How many audits have they undertaken in the last year?		37	
Were these costs met by you or by your suppliers?			Monsoon paid for 5 of these
What was the estimated total amount paid by you towards the cost of third party audits?		£2,200	

External resources continued	Details
Do you use external advisors or specialists in any other, related, capacity?	<p>We employed BTE to carry out verification of audits in India.</p> <p>We are working with CLSN to develop child labour remediation.</p> <p>We have previously engaged with specialists to assist in 'Production Efficiency' Training and are reconsidering applying across our supplier base following the review of our Purchasing Practices.</p>
If so what was your estimated expenditure on such external advisors or specialists last year?	GBP £5 k
What was your total budgeted expenditure devoted to ethical trading in the year?	GBP £420 k
What was your total actual expenditure devoted to ethical trading in the year?	GBP £420 k
Do you have other budgets devoted to ethical trading?	No
If so what was your other expenditure in this area last year?	GBP £ 0

Principle 2: Monitoring, Independent Verification and Reporting

NB: Questions 2.1 and 2.2 are to provide background information only. They will not be evaluated as part of your overall assessment.

**2.1: What parts of your supply chain are covered by your ETI membership?
Please identify all areas which are included and provide brief details.**

Method	Y/N	Details
Our ETI membership is limited to:		
• Own-brand products	Y	All product sold within Monsoon and Accessorize is own branded.
• Suppliers from certain countries	Y	We have scoped all suppliers regardless of the country in which they are manufacturing. Our supply base is primarily focused in India and China, but as new suppliers are added we review to reflect additional countries. We now monitor suppliers in the Near East, Vietnam and Thailand.
• Suppliers of sellable product	N	We include suppliers of packaging and labels in our scope.
• Certain product types	N	All products sold by Monsoon Accessorize are included in our scope.
• Other criteria		

2.2: Approximately, what proportion of your supply chain is covered by your ETI membership?

%	100% (for first tier and sub-contactors)
Comments	Now request that the Base Code is communicated down the supply chain.

tier of supplier: *The level of production site at which goods are produced or transformed.*

A first tier site is a production site at which the goods are finished ready for supply to or sale by the member company. If the member company is a retailer the first tier supplier will normally be where the goods are packed and labelled. An agent who buys and sells product but who does not transform it in any way (e.g. by packaging) should not be counted as a tier. If goods are bought through an agent the first tier will be the production site from which the agent sourced the goods.

A second tier site is a production site which supplies goods or materials to a first tier site for incorporation into the finished product. The same site may be a first tier supplier to one ETI member (e.g. a food supplier "S" who sorts, packs or labels the produce or a retailer "R1" who sources direct from that site) and a second tier supplier to another ETI member (e.g. a food retailer, "R2", who obtains the produce from supplier S).

A third tier site is a production site which supplies goods or materials to a second tier site for incorporation in goods or materials that site supplies to a first tier site.

What percentage of your total number of first tier suppliers is covered by your ETI membership?

%	100
Comments	All agents and direct suppliers have agreed to and sign a commitment to implement the Monsoon Accessorize Code of Conduct. All our suppliers are required to make workers aware of our Code and display it on factory notice boards. Our Code is incorporated within our terms and conditions of trade. As a minimum, all suppliers receive a copy of our Code of Conduct and are required to complete our pre-appraisal questionnaire. Our ethical strategy, which was outlined initially in 2003 required 40 of our agents and direct suppliers to be audited within phase 1 followed by phase 2 which widened the supplier base further. Phase 3 commenced in March 2005 and continued throughout 2006 and beyond to ensure that all our first tier suppliers are in tune with our Codes requirement and especially those whose processes and locations are identified as high risk.

What proportion of your total spend is covered by your ETI membership?

%	100
Comments	All agents and first tier suppliers are covered by ETI Membership and a number of tertiary suppliers too.

22.3: How many first tier suppliers are covered by your ETI membership? If you are not sure of an exact number please give an approximate number and explain in the Comments box.

No:	530
Comments	530 at year end 2007, but in a supplier base consolidation programme which is anticipated to reduce to 315 by year ended 2008

To what extent do you engage with second and lower tier suppliers? Please give the number of suppliers with which you have engaged and brief details of what this engagement consists of:

ETI is not requesting the number of second and third tier suppliers. Instead the question seeks details of the extent of engagement with second and lower tier suppliers

Second tier no	51
Second tier Comments	

Third tier no	0
Third tier Comments	

2.4: Which of the following risk factors do you take into account to prioritise your efforts? Please explain in the Details box the reasons you prioritise these factors and how the different factors are weighted or interrelate.

Method	Y/N	Details
• Amount of spend	Y	The top 40 suppliers in terms of volume and value account for 80% of our total buy.
• Supplier country	Y	Our current supply base is heavily focused on India and China, but with business growth, and diversification of product offer, the country of location remains a significant factor.
• Product type	Y	We scope all products. However, we recognise that risks are increased in certain product categories, either as a result of processes involved (i.e. production), or from geographic location. (for e.g. at product development we now risk assess product for homeworking potential).
• Location of factories within EPZs	Y	
• Particular elements of the base code	Y	We have prioritised H&S as a quick win and this has delivered significant improvements. This will continue throughout 2008 and beyond. We have placed more focus on child labour and young workers - particularly where homeworking (for e.g. Bareilly) and sub-contracting is endemic.
• Tiers of supply chain	Y	Our supply chain is complex and we recognise the additional risks associated with second, third and fourth tier manufacturers and homeworkers.
• Scores on desk based assessment of supplier questionnaires	Y	Within our Supplier Profile procedure, suppliers are rated Red, Amber, Green, dependent on the information held on file and their progress towards implementing the Base Code.
• Scores on risk assessments that include a site visit	Y	We carry out a risk assessment for all new suppliers. This is a combination of desk-based assessment using pre-appraisal questionnaires, previous audit history and

		<p>other information supplied and from the initial site risk assessments.</p> <p>We take cognisance of the comments and observations from Buyers and QA staff following their factory visits.</p>
<ul style="list-style-type: none"> Results of previous inspections 	Y	<p>The results of previous inspections would determine the frequency and priorities of any follow-up visits.</p> <p>Providing they are relatively recent, we also take into account other 3rd party audit reports held by the supplier. These may be SEDEX reports or not and we judge a suppliers commitment on their commitment to the CAPR</p>
<ul style="list-style-type: none"> Concerns expressed by colleagues e.g. buyers or quality team, or technical auditors (internal or external) 		<p>As indicated previously, we value the views of our commercial and technical staff who regularly visit the site(s) of manufacture. Their ability to make a more accurate assessment has been developed through general awareness raising and health & safety training sessions throughout the year. On their return to the UK they debrief the ETI Manager of their assessment which is generally supported by photographic evidence.</p>
<ul style="list-style-type: none"> Complaints from workers, Trade Unions, NGOs or other groups 	Y	<p>This is an area identified for improvement and we have started to provide a contact telephone number on our Code (which is displayed on the factory notice boards), to enable the workers, TU's or NGO's to "whistle blow".</p>
<ul style="list-style-type: none"> Dialogue with external stakeholders e.g. Trade Unions and NGOs 	Y	<p>Through our ETI China Working Group activities we are in contact with several TU's and NGO's</p>
<ul style="list-style-type: none"> Other issues 	Y	<p>We take cognisance of ethical trade (and CSR) journals.</p>

2.5: Do you divide your suppliers into risk categories in order to prioritise efforts?

Y/N	Y
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Comments	Our Supply Base is prioritised according to a combination of risks (outlined previously). The majority of our business is sourced from India and China, but given the dynamics of our business and the increased diversity of our product range etc, our system is now flexed to ensure screening of all new suppliers, to take account of the country of origin and exposure. A supplier of unknown pedigree (for e.g. no ETI Base Code supporting documentation) would be deemed to be high risk (and classified red).
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If so, please list each risk category you use (e.g. high, medium, low) with the highest risk as category 1. (You can have as many or as few risk categories as you like and may refer to them by other names (e.g.; red, yellow, green.) instead of <<Risk Category 1>>, ..2 etc)

Indicate the estimated percentage (by number) of your suppliers in each and briefly describe the criteria by which suppliers are included.

Risk Category	%	Comments
High Risk	10%	Volume of business, geographic location, processes employed in production and complexity of the supply chain.
Medium Risk	44%	
Low Risk	46%	

2.6: What type of organisation(s) do you use to inspect your suppliers? Please indicate all the types of monitoring organisation that you use, provide details of when and why each type of organisation is used and the approximate % of inspections on which they are used.

Type of organisation	Y/N	%	Details
Own staff	Y	90%	<p>All new suppliers are contacted to inform them of our expectations and introduce them to the Monsoon Accessorize Ethical Trading Policy. A copy of our Code of Conduct is provided, together with a copy of our pre-appraisal questionnaire. Using the information documented on the questionnaire and other relevant supporting documentation provided by the supplier, we assess the level of risk in the context of product type, location and value of business to determine priority for audit.</p> <p>Established suppliers fall within the remit of our monitoring programme. Assessment is ongoing and we have 6 monthly supplier assessment reviews with the sourcing team to assess the risk category status of each (i.e. red, amber green).</p> <p>In China and India our own ETI staff carry out the initial and follow-up audits and monitor the corrective action programme. For suppliers outside these geographic locations we use the services of 3rd party auditing companies. Their findings are documented within our database and progress monitored directly from the UK.</p>
Commercial auditors	Y	8%	<p>BVQI are our preferred third party auditors when we use an external auditing body. They are called upon when our auditing staff is either overstretched and/or to provide visibility in those factories/countries where we do not have a presence.</p> <p>The growth in supply from the Near East, and other Far East suppliers is causing us to use 3rd party auditing companies more</p>

			frequently an use audit information from other 3rd party audits not initiated by us. The latter are usually SEDEX audits using the SMETA protocol, but we will on occasion consider audit findings against other Codes (for e.g. WRAP), providing we are satisfied with the integrity of the document. The age and quality of information contained on the report has significance and we tend to steer away from a " tick box approach".
NGO auditors	Y	2%	We engage with NGO's and local government organisations for capacity building (for e.g. CLSN child labour remediation).
Trade Union auditors	N		
Multi-stakeholder bodies	N		
Suppliers' own staff	Y	Too soon to say	Throughout the year we have given encouragement to our suppliers to take more ownership in the management of their ethical performance. Our Workbook was designed for this purpose (i.e. a self-help internal auditing tool) for them to appoint an Ethical Champion to assess the status of their own factories against our Code. Similarly, our quest to improve H&S was supported by supplier seminars to draw attention to the benefits of practising good H&S management. Particularly internal risk assessments and legal obligations.
Other bodies	N		

2.7: How do you ensure that workers' views are taken into account in your inspection methodology?

Please indicate all the methods that you use, and if you are able to give a realistic estimate, to what proportion of your inspections each method applies. Please explain in what circumstances each method is used and how effective it is for obtaining workers' views.

Note: this question relates both to inspections carried out by the company's own staff and also to inspections carried out on its behalf by third parties. This question acknowledges that the company may not know how often each technique is used and seeks to encourage more explanation of the company's answer.

Method	Y/N	%	Details
Anonymous questionnaires are sent to workers	N		
A sample of workers are interviewed individually: In confidence (without management presence)	Y		We have produced a Best Practice Guide for ETI Auditors. See Monsoon Accessorize protocol below which details our procedure for worker interviews.
A sample of workers are interviewed individually: In confidence (Off site)	Y		
Groups of workers are interviewed individually: In confidence (without management presence)	Y		
Groups of workers are interviewed individually: In confidence (off site)	Y		
We receive briefings from trade union(s) recognised by the supplier as representing workers at that site	Y		
We receive briefings from relevant unrecognised trade unions	N		

We receive briefings from external community organisations	N		
Inspection findings are disclosed to the workers and their representatives	Y		Monsoon Accessorize staff work closely with the factory, prior to and post audit. They encourage communication to be cascaded throughout the factory, from the Management to employees at all levels. Our staff make it known to workers during the interview process that they can be contacted outside of the audit process. Interviews are always treated in the strictest of confidence.
There is an independent and confidential complaints mechanism for workers that protects whistleblowers	Y		
We obtain workers' views by another method			

Monsoon Accessorize Worker Interview Protocol

No. of Workers (excl. Managers)	Individual Interviews	Group Interviews	Total Employees Interviewed
1 - 70	6 (or total number of workers if <5)	1 group of 4	10
71 - 500	6	4 groups of 5	26
501 - 1000	12	6 groups of 5	42
1001 - 2000	20	8 groups of 4	52
> 2000			

Selection of workers will only be undertaken by the audit team. In selection the auditor considers shift patterns, worker type and gender. The auditor will ensure a fair representation of workers is interviewed. Where possible, the first round of interviews will be undertaken towards the beginning of the audit so that comments and points raised can be followed up before the closing meeting. However interviews will be continued throughout the day as required.

All worker interviews are undertaken in an area where the workers feel comfortable NOT a manager's or admin office. No management or supervisors are present in interviews.

In addition to one-to-one interviews, a minimum of one or two groups are interviewed. One of these groups includes representatives from the workers council, union representatives or whatever worker representation the facility has.

The auditor communicates to interviewees that all information will be managed with discretion and the interviewee's identity will remain confidential. Care is taken on what is shared with facility owners; only substantive evidence is reviewed in the closing meeting.

2.8: Does your inspection methodology require inspectors to investigate the working conditions of each of the following categories of workers?

Where you answer Y, please describe any areas of your supply chain to which this does not apply.

Groups of workers	Y/N	Details
Regular employees	Y	We endeavour to select a representative sample from each group present and our methodology investigates the working conditions to elicit information relative to our Code. In the majority of factories we work with, we would expect to find some, if not all, of these categories of workers represented.
Seasonal employees	Y	
Temporary employees	Y	
Agency workers	Y	
Homeworkers	Y	
Smallholders and their employees (e.g. using the sampling methodology proposed by the ETI smallholder guidelines).		
Self-employed	Y	
Workers under other informal arrangements		

2.9: What is the maximum length of time between inspections?

Please list below each Risk Category (as you have defined in question 2.5) and an estimate of the maximum length of time between inspections.

Please explain your answers in the details box. If you do not set a maximum time between inspections or if your average inspection interval is much more frequent please say so.

Under Time – M=monthly, Q=quarterly. 6= six monthly, A=annually or E=every two years or O=Other

Risk Category	Time	Details
High Risk	M	Depending upon the specific issues and the implementation of the CAPR. We could revisit within a month or up to a maximum of 3 months. In order to prevent slippage, we maintain frequent communication with the factory to ensure that the CAP is proceeding on schedule.
Medium Risk	6	
Low Risk	A/E	Depends on the risk factors and the changes within.

(You can have as many or as few risk categories as you like and may refer to them by other names (e.g.; red, yellow, green.) instead of <<Risk Category 1>>, ..2 etc)

2.10: Are your inspections independently verified? Please indicate all the methods that you use, the approximate percentage of inspections to which this applies and brief details in the comments box.

Method	Y/N	%	Details
We use an independent third party to verify our inspections	Y	5	We engaged BTE to assess the adequacy of our audits in India, comment on our protocol, reporting format and feedback procedure.
Third party experts, such as NGOs and trade unions, review our inspection reports	N		This is something we are seriously considering and are seeking to establish a relationship with suitable partners.
Third party experts, such as NGOs and Trade Unions take part in our site inspections	N		
We use our own staff to check inspection findings produced by other parties.	Y		Our own staff check for validity and monitor the follow-up audit.
Our inspections are verified by another method	N		

2.11: How do you manage your supplier data? Please indicate all the methods that apply to your company giving brief details.

We hold information on each of our suppliers in a:-

Method	Y/N	Details
Paper based system	Y	Although essentially paper based, all the elements (outlined below) of the current system are held on the computer system, but at this stage are not linked. We are currently looking at the development of an integrated database system. As an interim measure we have systemised the capture of supplier information which includes our ETI reports and also our Supplier Profile and Suppliers Assessment data.
In house spreadsheet/database	Y	Working with the sourcing team we have made significant progress in developing a Supplier Profile system to capture all relevant information.
Externally managed system	N	

This includes:

Criteria	Y/N	Details
Basic details such as contacts, addresses etc	Y	The Sourcing Manager for Monsoon and Accessorize manage the collation of supplier profile and supplier assessment data. The ethical performance of the supplier is now included in both the profile and supplier assessment information.
Details of the most recent risk assessment and or site inspection	Y	
A history of the relationship with the supplier including previous risk assessments, inspection reports, corrective actions and other contacts	Y	
A summary of suppliers providing management information and performance indicators	Y	

2.12: Do you publicly report on your supply chain issues? Please indicate all the methods that apply to your company by entering the date of the most recent report in the relevant box. Wherever you answer in the positive please provide brief details in the comments box.

Method	Y/N	Details
We publicly report on our supply chain program	Y	We have placed last years ETI Report (2006) on our website and is therefore fully accessible to stakeholder and public scrutiny.

The following reports give details of:	Annual Report	CSR Report	Website	Other	Details
4Our overall policies and strategies			Y		Commitment to the ETI is reiterated in our ETI Annual Report for 2006 which details strategies and there is a separate statement about CSR and commitment to Ethical Trading.
The resources and processes we use			Y		ETI Report 2006
Our targets and commitments			Y		ETI Report 2006
Particular projects or case-studies			Y		ETI Report 2006
How we measure standards of suppliers			Y		ETI Report 2006

Principle 3: Awareness Raising and Training

3.1: How have you communicated the ETI Base Code to your suppliers? Please indicate below all the methods that you have used in your company, the approximate number of suppliers affected, and brief details of when and why you use each method.

The Base Code has been: -

Method	Y/N	No. of suppliers	Details
Sent to suppliers	Y	All	<p>We now have a prescriptive supplier assessment procedure. All suppliers have to undergo risk assessment which includes completion of the pre-appraisal questionnaire (which includes a copy of our Code and our Code mirrors the ETI Base Code in its entirety).</p> <p>All new suppliers are taken through a formal induction which includes the company's Ethical Trade Policy.</p> <p>Our Code has been incorporated within the Supplier Manual which includes information on the business case and the need for compliance. Our manual is issued to all new suppliers and is updated annually and re-issued to established suppliers.</p>
Given to suppliers at a meeting and the contents discussed	Y	All suppliers in high and medium risk category	<p>As part of our preparation for audit. There is an initial site meeting during which ethical criteria is discussed.</p> <p>Further information is provided in our ETI Audit Best Practice Guide and the pre-audit letter which reiterates the requirement for Code compliance.</p>
Placed on our website and suppliers have been asked to look at it	Y	All	Our Code is on our website and there is a direct link to the ETI website.
Incorporated into our supplier materials	Y	All	Included in our supplier manual and now forms a key element of our trading terms and conditions.
Communicated by other means	Y	180	We have held a series of supplier

			<p>conferences to raise awareness of our ethical strategy and commitment. The ETI Base Code is at the core of this.</p> <p>Through the provision of our Workbook.</p>
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3.2: What guidance on code implementation have you offered your suppliers? Please indicate below all types of guidance offered showing the approximate number of suppliers and explain which methods you consider most effective and why

Method	Y/N	No. of suppliers	Details
Have you offered any guidance on Code implementation to your suppliers?	Y	304	<p>All scoped suppliers. All new suppliers are taken through a formal induction which includes the company's Ethical Trade Policy.</p> <p>We have provided several supplier seminars in China and India to explain the significance of our Code. We have run H&S workshops in China (Qingdao) and India. We ran workshops on how to apply our Workbook in China and India. We ran a workshop on implementation the Homeworking Guidelines in India.</p> <p>All our suppliers are made aware of the Monsoon Accessorize ETI contact should they have questions about Code application.</p>
We have provided a guidance document explaining how to implement the Code	Y	All	<p>We have developed a Global Supplier Workbook for our agents and suppliers.</p> <p>During our seminars in China and India, we explained that implementation of our Code was not something we could achieve on our own and that it was important for them to take ownership.</p> <p>The Workbook was designed for this purpose and has had partial success in highlighting the status of their factories and identifying gaps.</p> <p>Our ETI staff in China, India and the UK, are on hand to provide guidance on local law and where specialist knowledge on local law can be found.</p>

We have given detailed guidance on implementation during site visits	Y	110	
We, or third party specialists, have assisted suppliers to improve or introduce management systems to facilitate code implementation	Y	5	
We have facilitated meetings/ongoing dialogue with stakeholders (trade unions, NGOs) in country	Y		<p>Our work with CLSN in China has proceeded and we are in discussions about the involvement of a Qingdao NGO. It is noted that many of the HK NGO's appear to be reluctant to travel north (probably due to resources) and this difficulty is causing us to seek others who can assist us with Code implementation. It is envisaged that the Qingdao NGO will monitor some audits in central and northern China.</p> <p>Our work in the Bareilly Homeworkers project brings us into contact with NGO's and TU's in India.</p>
We have put suppliers in touch with each other so that they can share good practice on Code implementation	Y		<p>Our agents on occasion have suppliers which differ in their level of ETI compliance and we encourage them to share good practice and learning. This sharing of knowledge is particularly encouraged when they attend our supplier seminars.</p> <p>The Homeworkers Project continues to give suppliers the opportunity to share best practice and we hope that the progression of the Decent Work project in China that our suppliers will also benefit from shared learning.</p>
We have offered guidance and/or support in another form	Y		<p>Prior to auditing and during follow-up visits our regional Managers work very closely with the factory management and employees to jointly contribute to the resolution of issues. This includes sharing of best practice, trialling of new approaches and general support</p>

			<p>in developing management systems.</p> <p>We have run H&S workshops in China (Qingdao) and India. We ran workshops on how to apply our Workbook in China and India. We ran a workshop on implementation the Homeworking Guidelines in India.</p>
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3.3: What training on implementing labour standards have you, or third party specialists, provided for your suppliers? Please indicate what training has been carried out, the approximate no. of suppliers covered and the approximate no. of person-hours. Explain who carried out the training, what it consisted of, who paid for it, which methods you consider most effective and why.

We have provided training for:

Method	No. of suppliers	Person hours	Details
Company or commercial managers from the suppliers e.g. MDs, HR managers, account managers	180		Suppliers awareness seminars have been convened in China and India and further training sessions were organised to launch our Workbook. All suppliers are made aware of their Monsoon ETI point of contact. Training for audited companies is provided on an ongoing basis through regular meetings with our ETI managers in China, India and the UK. This can take the form of group meetings at the Suppliers HQ, factory location or at Monsoon premises. On occasion we provide advice on a 1:1 basis and in supplier meetings with our commercial team. A training seminar was organised in India to introduce the Homeworker Guidelines, recommend its implementation and map their supply chain. This will be ongoing throughout 2008.
Local site management at factories or farms e.g. Supervisors, site managers	0		
Shop stewards, workers committee, or other worker representatives	147		We have conducted H&S training for factory specialist in China and India.

Note: When reporting what training has been provided for suppliers on improving labour standards the company should only count prearranged sessions which are dedicated to face to face teaching. The figure under person hours can be a total for all the suppliers or an average number for each suppliers' session, provided it is made clear under Details.

3.4: How have your suppliers communicated to their workers the contents of the Base Code (and their legal rights under national law which are incorporated into the code)? Please indicate the approximate number of suppliers covered by each method and explain when each method is used, which method you consider most effective and why.

Suppliers have:

Method	Y/N	No	Details
Placed Base Code on site notice boards in appropriate language(s)	Y		Suppliers are required to draw attention to their employees the Monsoon Code of Conduct. We monitor that this is being communicated and worker awareness through worker interviews. Our suppliers are required to publicly display our code within their factories by displaying the Code of Conduct, which has been translated into the local language. We provide translations.
Included a copy of the Base Code, in appropriate language(s), in employee contracts and induction materials	Y		We have started to insist that our Code is drawn to the attention of new employees on their induction.
• Organised meetings to explain the Base Code to workers	N		
• Communicated the Base Code to the union or the workers committee and asked them to communicate it on to other workers.	N		
• Used Trade Unions or other independent organisations to brief workers on their rights	N		
• Communicated the Base Code to workers in another way	Y		Communication of the Base Code has been facilitated by the support from external experts, particularly on Health and Safety.

3.5: What training on labour standards have you provided for your employees? Please indicate below what training has been carried out. Please show the approximate number of staff (NO.=) and the total number of person hours for each option.

Note: this question not only seeks details of the approximate numbers of staff receiving training but also the total number of person hours involved. Person hours is calculated by multiplying the length of the training course(s) by the number of staff present, e.g. if 15 people attend a 3 hour course the total number of person hours will be 45.

Option	Ethical Trading Staff	Technical/ Quality Staff	Buying Teams	Board Member/ Senior Management
Provided specific training on labour standards to these staff	Y	Y	Y	Y
Provided written material relating to the ETI, the Base Code and its relevance to their function (give details/no) Intro to ETI	3	23	30	6
Held a one off workshop or meeting to introduce the ETI, the Base Code and its relevance to their function Risk Assessment	<ul style="list-style-type: none"> • NO= 3 • Person hours= 6 	<ul style="list-style-type: none"> • NO=23 • Person hours= 46 	<ul style="list-style-type: none"> • NO=30 • Person hours=30 	<ul style="list-style-type: none"> • NO= 1 • Person hours= 2
Held a workshop as above followed by ongoing provision of support and reference materials H&S training	<ul style="list-style-type: none"> • NO= • Person hours= 	<ul style="list-style-type: none"> • NO=27 • Person hours=54 	<ul style="list-style-type: none"> • NO= 30 • Person hours= 15 	<ul style="list-style-type: none"> • NO= • Person hours=
Sent staff on external training courses relating to labour standards	<ul style="list-style-type: none"> • NO= 1 • Person hours= 8 	<ul style="list-style-type: none"> • NO= • Person hours= 	<ul style="list-style-type: none"> • NO= • Person hours= 	<ul style="list-style-type: none"> • NO= • Person hours=
Provided training not covered above	<ul style="list-style-type: none"> • NO= • Person hours= 	<ul style="list-style-type: none"> • NO= • Person hours= 	<ul style="list-style-type: none"> • NO= • Person hours= 	<ul style="list-style-type: none"> • NO= • Person hours=

Principle 4: Corrective Actions – initiatives

4.1 What initiatives have you or your suppliers taken part in to explore how to resolve particular problems?

Please list all projects or other initiatives, the location of the project (region and country), the issue or issues that the project addressed, the number of months/years that the project has been running, other stakeholders that are involved, the nature of you or your supplier's involvement (e.g. who set up the project, what activities have you carried out and how much time have you spent on it during the current year) and any project outcomes/learning achieved to date.

Project 1 title: ETI Homeworkers Group	
Location	UK and India
Issue(s) addressed	Working conditions of homeworkers within the supply chain, and ways for the group to address some of the issues/challenges working with this sector highlights.
Duration	Since 2002, when the project commenced.
Stakeholders	ETI members, NGH, Trade Unions, 1st tier Suppliers and their partners
Activities	The project has developed through several stages. Initially homeworking within the UK Christmas Cracker industry was studied and the most recent phase, has involved an in depth study of homeworking within jewellery and garment making industry based in Northern India.
Involvement	In the UK we have attended most of the group meetings and our Ethical Trading Manager in India encouraged some of our suppliers to attend the awareness raising conference in Delhi. He and some of these suppliers now participate in fortnightly group meetings.
Outcomes/Learning	We are progressing guidelines which will assist us all in working with homeworkers within the supply chain and protect their well being.

Project 2 title: ETI China Working Group	
Location	UK and China
Issue(s) addressed	OH&S
Duration	Since its inception 2003
Stakeholders	ETI members, Trade Unions, NGO's, Agents and their first tier suppliers.
Activities	To establish best practice model for the implementation.
Involvement	We were unable to bring our supplier into the assessment process as the project was aborted at short notice.
Outcomes/Learning	<p>Getting manufacturers to accept worker participation on H&S committees based on the UK model and/or ISO 18000 is a difficult concept for Chinese management to accept. The problem mirrors the Freedom of Association difficulties endemic in China and the adoption of parallel means needs to be considered.</p> <p>Disappointed that the project was curtailed so early as there was still much to be gained.</p> <p>Manifested problems, growth and usage of child labour in China, particularly with contract labour and the sensitivities resulting in the tendency to deny its existence. Caused us to examine our child labour remediation strategies more thoroughly and build capacity with appropriate organisations that can assist us with monitoring its implementation.</p>

Project 3 title: ETI China Working Group	
Location	UK and China
Issue(s) addressed	Decent Work
Duration	Since its inception 2007
Stakeholders	ETI members, Trade Unions, NGO's, Agents and their first tier suppliers.
Activities	To establish best practice model for the implementation.
Involvement	We have nominated a supplier to partake in the working group
Outcomes/Learning	Too soon to say. The Terms of Reference and protocols are under discussion and the establishment of the protocols and training in using participative approaches is underway. The project is ongoing and we have given a commitment to stay for the long term duration.

Project 4 title: Occupational Health & Safety	
Location	China & India
Issue(s) addressed	Health & Safety
Duration	Initiated 2006
Stakeholders	First tier suppliers, local H&S inspectors.
Activities	To encourage proactive H&S management.
Involvement	Running of workshops at a local level.
Outcomes/Learning	Objectives are to eliminate non-compliance within this area.

Project 5 title: Development of Workbook to aid supplier self-assessment "The Workbook"	
Location	Global
Issue(s) addressed	Social compliance
Duration	1 year - development and roll out
Stakeholders	The supply chain.
Activities	We developed a country specific Workbook which is designed as a self-assessment guide.
Involvement	All our suppliers have been provided with a copy which fully explains our expectations and assists with their preparation prior to audit. Seminars were convened in China and India to explain how to apply it at factory level.
Outcomes/Learning	Too soon to say, but has been positively received and there are encouraging signs as to sustainability.

Project 6 title: Child Labour Remediation	
Location	China
Issue(s) addressed	Growth of child labour usage in China
Duration	1 year - development and roll out
Stakeholders	The supply chain.
Activities	Monitoring the supply Chain
Involvement	Involvement of CLSN to examine causes and work with our suppliers to ensure effective remediation
Outcomes/Learning	To promote the well being of children and understand the causes and how to manage the problem properly.

**Principle 4(ii): KPIs for Corrective Actions
(Performance input data)**

4.2: Information reported about improvement actions undertaken by the company under the KPIS requested in this question, will be taken into account when rating it against Principle 4.

From 2007, ETI only requires top line figures for the 20 sets of key performance indicators listed starting overleaf. Not all companies may be able to supply figures for all these KPIs. Space is provided to indicate reasons why data may not be available.

NB: Members may still choose to enter data via the input tables in the excel Workbook if this is their preferred method. However, it is will not be compulsory for companies to supply underlying data for these KPIs on a site by site basis, provided they have an alternative (and verifiable) way to calculate the same or equivalent indicators.

Accordingly, members are allowed to provide these KPIs (or reasonable equivalents) by any of the following methods. PLEASE INDICATE WHICH METHOD

i)	Completing the excel reportbook tool provided by ETI.	
ii)	Filling in the boxes below and describing the source under 4.3	✓
iii)	Supplying a print out or summary report containing these KPIs via Sedex or a similar collective system	
iv)	Annexing copies of a relevant company report, with a clear indication of which pages refer to which KPIs.	

NB: Methods (ii) to (iv) permit companies not to supply all site by site data while method (i) requires completion of site by site data in the Excel reportbook format.

ETI's analysis of this year's reportbooks will take account of differences between the ways different companies collect and report these types of indicators. To assist with this analysis:

A) *If it is not otherwise made clear in your supporting documents please indicate here how this data is compiled (by for example providing a brief description of methodology and frequency of compilation or an illustrative sample of data.)*

Our data has been entered into the excel spreadsheet within the Report Book tool provided by ETI.

B) *PLEASE INDICATE HERE IF ANY KPIS ARE INCOMPLETE OR NOT AVAILABLE AND BRIEFLY PROVIDE REASONS. (If not otherwise made clear in supporting documents)*

All KPI's are complete.

NB: ETI is not asking member companies to risk assess and/or inspect every production site each year. It is for each company to decide how much of its resources should be put into its monitoring programme. The KPIs are designed to capture the information that is available in order to build up a picture of each company's supply chain and what progress is being made in improving labour standards.

KPI 1: Sites

	Number	As %
Total number of sites inspected or assessed and recorded by the company	447	
Sites risk assessed	447	100%
Sites inspected	268	60%
Sites risk assessed & inspected	268	60%

A risk assessment is a method of identifying and assessing risks in the company's supply chain. Typically it is based on either generic data, questionnaire information from the supplier or short site visits. The results should give some initial idea of a site's status but will not have the same status as the results of an actual site inspection.

KPI 2: Workers

Provide a summary of worker-based information.

By workers in supply chain, we mean - the total number of workers at each site multiplied by your share of production at that site.

By workers at supplier sites, we mean - total number of workers at your suppliers' sites.

	Workers in supply chain		Workers at supplier sites	
	Number	As %	Number	As %
Total number of workers	155,345		155,345	
Workers covered by risk assessments	16,056	10%	155,345	100%
Workers covered by inspections	11,137	7%	74,450	48%
Workers covered by TU negotiations	1,251	1%	21,933	14%
Workers covered by non TU negotiations	14,736	9%	132,029	85%

KPI 3: Risk assessment by year

Number of risk assessments undertaken each year and the total number of workers in your supply chain at these sites.

Year	No. of sites risk assessed	Workers in supply chain
2010		
2009		
2008		
2007	321	11,760
2006	65	2,466
2005	7	164
2004	54	1,666

KPI 4: Risk assessment by type

Enter the number of sites covered by each type of risk assessment and the total number of workers in your supply chain at these sites.

There are three categories of risk assessment to select from:

- X Desk Based *Assessment does not include a site visit.*
- Y Short Visit *Assessment includes a site visit which does **not** follow ETI methodology for one day risk assessment.*
- Z One Day Risk *Assessment – assessment includes a site visit which complies with ETI methodology for one day risk assessment.*

Type	No. of sites risk assessed	Workers in supply chain
X	226	6,445
Y	194	8,600
Z	27	1,012
Grand Total	447	16,056

KPI 5: Inspection by year

Enter the number of inspections undertaken each year and the total number of workers in your supply chain at these sites.

Year	No. of sites inspected	Workers in supply chain
2007	150	8,715
2006	75	1,201
2005	43	1,221
Grand Total	268	11,137

KPI 6: Inspection by type

State the number of sites covered by each type of inspection and the total number of workers in your supply chain at these sites.

Type	No. of sites inspected	Workers in supply chain
A	0	0
A*	0	0
B	0	0
B*	0	0
C	0	0
D	188	9,326
D*	0	0
E	50	938
E*	0	0
F	30	872
F*	0	0
Grand Total	268	11,137

Note on completing type of Inspection

An inspection must be against the standards set out in ETI base code. Corporate members should not include data relating to inspections against any other code or standard.

An inspection is a method of assessing the extent of a site's code compliance which includes a presence on site of sufficient duration and unobstructed access to all relevant facilities to carry out an audit. It can be carried out by internal staff from the company, by staff from one of its suppliers inspecting a site of one of that supplier's own (lower tier) suppliers or by external third parties (commercial or non-profit).

There are seven main categories of inspection to select from:

(* denotes self-inspection)

A. Internal Limited Inspection - A member of the company's staff conducts an inspection limited to a focus on specific issues or provisions.

B. Supplier Limited Inspection - A member of the staff of one of the company's suppliers has conducted an inspection of a site of a lower tier supplier limited to a focus on specific issues or provisions.

C. External Limited Inspection - An external assessor conducts a limited inspection focussed on specific issues.

D. Internal Full Scale Inspection - A thorough inspection of the labour standards at a supplier's site against the full code by a fully trained member (or members) of the company's staff.

E. Supplier Full Scale Inspection - A fully trained member of staff of one of the company's suppliers has conducted a thorough inspection of the labour standards at a site of a lower tier supplier against the full base code.

F. External Full Scale Inspection - *A thorough inspection of the labour standards of a site against the full code by an external assessor (commercial or non-profit).*

G. Full Multi-Stakeholder Inspection - *An inspection process in which other stakeholders (such as trade unions and NGOs) are involved from the design stage and share decision-making on inspection methods and results.*

A self-inspection *is an inspection in which one or more members of a corporate member's staff inspects one of its own production sites or a supplier's member(s) of staff inspects one of that supplier's sites.*

A self-inspection should only be treated as an inspection if;

(a) the inspector(s) carrying out the inspection have been properly trained and use appropriate methodology;

(b) the inspectors are not based at the site being inspected; and

(c) the inspectors are independent of and are not answerable to site management.

If a self-inspection does not fulfil each of these conditions it should be treated as a risk assessment and not as an inspection.

If an inspection involves a self-inspection by a company's own staff the appropriate category relating to internal inspections should be marked with an asterisk i.e. A* or D*.

Similarly, if an inspection involves a self-inspection by a supplier's own staff the appropriate category for supplier inspections should be marked with an asterisk i.e. B* or E*.

Was Inspection Announced?

An inspection was announced if the site was warned in advance that an inspection was going to be carried out. A general statement that the company reserves the right to carry out inspections without notice does not constitute an announced inspection.

KPI 7: Length of relationship

State the length of the relationship with a supplier and the total number of workers in your supply chain at these sites.

Years	No. of sites	Workers in supply chain
0-1		
1-2	317	9,613
2-3	25	753
3-4	13	177
4-5	15	1,076
5+	77	4,438
Grand Total	447	16,056

KPI 8: Share of production

State the number of sites; the total number of workers at these sites; and the total number of workers in your supply chain at these sites; broken down by the share you take of site production.

Share of production	No. of sites	Workers at supplier sites	Workers in supply chain
<10%	301	128,888	6,444
10-25%	62	12,954	2,267
25-50%	34	7,439	2,790
>50%	50	6,064	4,548
Grand Total	447	155,345	16,049

KPI 9: Supplier countries (by no. workers)*State the number of FTE workers in supply chain by country*

Country	Data	
	No of sites	No FTE workers in supply chain
China	225	10,478
Italy	7	10
UK	2	5
Ukraine	2	49
Vietnam	4	170
Egypt	3	416
India	159	3,452
Mauritius	3	162
Turkey	25	971
Macedonia	1	13
Romania	4	131
Bulgaria	2	30
Portugal	4	18
Spain	2	3
Madagascar	1	109
Thailand	2	34
Germany	1	8

KPI 10: Supplier sectors

State the number of FTE workers in supply chain by sector

Sector	Data	
	No of sites	No FTE workers in supply chain
Accessories	251	7,037
Cosmetics	2	47
Garments	159	7,390
Homeware	5	55

Site rating and improvement action KPI data

There are 3 tables provided for each of the nine provisions of the ETI Base code, starting with provision 1 below. Under the first table under each heading, state the number of sites which have been given each of the 5 possible site ratings, the number of workers in the supply chain (the total number of workers at each site multiplied by your share of production at that site) and the total number of workers at these sites.

Below this in the second table, spaces for three 'Average Ratings' are provided. For this purpose sites with no data are not included in the calculation of the average rating. The first rating should be the average rating received for all those sites rated. The second should take into account the numbers of workers at each site multiplied by the share of the production of each site. The third should be weighted by all workers at each of the sites.

The final table presented for each Provision should show the number of times an issue has been identified as requiring an Improvement Action ("IA") , both by the number of sites at which the issue has been identified and the total number of times the issue has been identified. (Where "Other" is a recurring common category for IA's, please provide details.)

KPI 11 (Provision 1: Employment is freely chosen)

Rating	No sites	No workers in supply chain	No workers at supplier sites
No data	0	0	0
1	0	0	0
2	36	2,227	19,853
3	231	8,903	93,838
4	1	7	0

Average Ratings	
Weighted by site	2.87
Weighted by workers in supply chain	2.80
Weighted by workers at supplier sites	2.88

Issues for Improvement Action	No of sites with IA	Frequency of IA
Cash Deposits	5	5
Retention of IDs/passports	2	3
Involuntary Prison Labour	1	3
Bonded Labour	7	10
Provision of Tools	4	8
Notice Provisions	25	30
Other	37	43

Issues for Improvement Actions

Improvement actions should be classified by reference to the issues they are intended to remedy using the categories set out in the sub-tables provided.

Eg; the third table under KPI 13 below gives the following possible Improvement actions

Workplace General Conditions including Air Quality, Lighting, Noise, Tidiness and Cleanliness.
Evacuation Procedures including Alarms, Exits, Procedures and Drills
Personal Protective Equipment
Fire Safety including Precautions and Provision and Maintenance of Fire Fighting Equipment
Chemical Safety
Machine Safety

Handling Procedures
Availability of First Aid Treatment
Hygiene including Clean Water, Toilets and Storage for Workers' Food
Standard of Workers' Accommodation
Health & Safety Management Procedures including Records
Training of Workers and Management including Records of Training
Safety of Pregnant Workers

If for instance machine safety arises as an issue, if the same action was required on a number of machines this should still be counted as a single improvement action.

If however, three separate measures have been implemented which relate to machine safety on three different machines (e.g. Reinstating a safety guard, Installing safe electrical wiring and Repairing alarms for dangerous machinery) then this could count as three improvement actions.

Guidance for providing data KPIs on current Inspection Ratings for sites against the Base Code

Ratings should be based on the most recent inspection that has taken place against that element of ETI Base Code. If a company carries out several inspections in the same year it should report on the most recent inspection rating for that element of the Base Code. If there was an inspection during 2006 but there has not been a further inspection during 2007 the company should continue to report the 2006 rating.

In some cases a company may have carried out an inspection against all the elements of the Base Code and identified a problem relating to one element e.g. 6. Working Hours. The company may then have conducted a subsequent limited inspection which was confined to checking whether the problem relating to working hours had been rectified. In this example the company should insert a rating for 6. Working Hours based on the most recent limited inspection and ratings for all the other elements of the Base Code based on the earlier full inspection.

Sites which have been risk assessed but have not been inspected should not be rated unless that risk assessment identified a major breach (see notes below).

Sites which have been inspected should be rated for compliance with each of the nine elements of the base code using the following scale:

No data – The inspection did not cover this aspect of the base code. Leave blank or show a rating based on a previous inspection which did cover this area .

1. Major breaches

A major breach may be a systematic breach and/or a serious breach of the base code.

A systematic breach is a problem which is institutionalised in the supplier's systems. Systematic breaches are found when the 'normal way of doing things' contravenes one of the base code provisions or is insufficiently robust to prevent contraventions. Some examples of systematic breaches include routine use of bonded labour, management prohibition of union membership, inadequate arrangements for provision of protective clothing, no proper checks on ages of young workers, etc. Systematic breaches will generally require a new investment or change to management practice (not something which is simply the enforcement of an existing practice).

A serious breach may occur only very occasionally but it will be serious if it could have serious consequences for workers' health e.g. the removal of a safety guard from machinery, or it infringes on basic rights e.g. physical punishments of workers or victimisation of a union representative.

A serious breach may also be systematic (e.g. it may require more robust systems in place to ensure workers do not and are not under pressure to remove safety guards in order to increase productivity).

2. Minor Breaches

A minor breach of the base code occurs when there is a failure in a system which is generally in line with the base code.

It is an isolated or occasional 'mistake' which indicates that, while the general system is acceptable, the enforcing or policing of the system should be improved. Some examples of minor breaches are; generally good health and safety systems but the inspection found that some fire extinguishers were missing or some training was overdue; a policy stating an appropriate maximum number of overtime hours and a system for managing this but inspection discovered that there were occasional cases when more than the maximum number of overtime hours were worked; a management system which ensures that all workers carrying out permanent jobs are given permanent contracts but there are occasional instances where this has been overlooked or where a worker was moved from a seasonal job to a permanent job and has yet to receive a permanent contract.

3. Appears Compliant

This round of inspection found no evidence of a breach. However the site has not been inspected before, is not well known to the company and/or has not been involved with other independent third party organisations. The company has no cause for concern, but does not have total assurance.

4. Consistently Compliant

No evidence of breaches have been found by more than one successive inspection or audit. The site may have worked with the company over several years to implement changes or may have been audited by different organisations to cross-check the results.

KPI 12 (Provision 2: Freedom of association and the right to collective bargaining are respected)

Rating	No sites	No workers in supply chain	No workers at supplier sites
No data	0	0	0
1	3	26	601
2	79	4,483	30,331
3	186	6,628	82,759
4	0	0	0

Average Ratings	
Weighted by site	2.68
Weighted by workers in supply chain	2.59
Weighted by workers at supplier sites	2.62

Improvement action	No of sites with IA	Frequency of IA
Worker Information / Training on Rights of Freedom of Association and Collective Bargaining.	22	49
Access for Independent Trade Unions to Recruit	5	6
Facilities for T. U. Activities	3	5
Workers' Representatives' Time Off / Access to Workforce	2	5
Discrimination against Workers' Representatives	1	5
Discrimination against T. U. Members	1	6
Collective Bargaining of Terms and Conditions	2	8
Collective Bargaining Agreements in Writing / Available to Workforce	1	8
Democratic T. U. Constitution and Procedures	1	9
Facilitating Parallel Means	35	44
Other	12	22

KPI 13 (Provision 3: Working conditions are safe and hygienic)

Rating	No sites	No workers in supply chain	No workers at supplier sites
No data	0	0	0
1	10	243	3,992
2	165	7,685	75,171
3	92	3,203	34,528
4	1	7	0

Average Ratings	
Weighted by site	2.31
Weighted by workers in supply chain	2.27
Weighted by workers at supplier sites	2.26

Improvement action	No of sites with IA	Frequency of IA
Workplace General Conditions including Air Quality, Lighting, Noise, Tidiness and Cleanliness.	65	157
Evacuation Procedures including Alarms, Exits, Procedures and Drills	63	79
Personal Protective Equipment	44	63
Fire Safety including Precautions and Provision and Maintenance of Fire Fighting Equipment	42	78
Chemical Safety	29	51
Machine Safety	56	126
Handling Procedures	27	44
Availability of First Aid Treatment	33	47
Hygiene including Clean Water, Toilets and Storage for Workers' Food	22	32
Standard of Workers' Accommodation	6	16
Health & Safety Management Procedures including Records	35	49
Training of Workers and Management including Records of Training	19	32
Safety of Pregnant Workers	1	13
Other	20	36

KPI 14 (Provision 4: Child labour shall not be used)

Rating	No sites	No workers in supply chain	No workers at supplier sites
No data	0	0	0
1	3	125	1,113
2	76	4,046	35,242
3	188	6,959	77,336
4	1	7	0

Average Ratings	
Weighted by site	2.70
Weighted by workers in supply chain	2.61
Weighted by workers at supplier sites	2.59

Improvement action	No of sites with IA	Frequency of IA
Age Records	54	54
Medicals for Young Workers	10	11
Child Labour Policy Awareness	18	20
Young Worker Policy Awareness	12	15
Night Work	1	5
Hazardous Work	8	13
Transition to Education for any Child Workers	1	7
Other	6	13

KPI 15 (Provision 5: Living wages are paid)

Rating	No sites	No workers in supply chain	No workers at supplier sites
No data	0	0	0
1	15	571	6,185
2	128	6,343	57,544
3	124	4,216	49,962
4	1	7	0

Average Ratings	
Weighted by site	2.41
Weighted by workers in supply chain	2.33
Weighted by workers at supplier sites	2.38

Improvement action	No of sites with IA	Frequency of IA
Employees Paid Legal Minimum Wage / Industry Benchmark / Living Wage	81	89
Sub Contractors Workers Paid Legal Minimum Wage / Industry Benchmark / Living Wage	21	22
Full Pay Details Before Employment Begins	40	42
Payslips Provided	49	52
Disciplinary Deductions	6	12
Other Deductions without Worker's Written Permission	8	13
Recording Disciplinary Measures	6	12
Correct Pay Records	32	39
Other	36	44

KPI 16 (Provision 6: Working hours are not excessive)

Rating	No sites	No workers in supply chain	No workers at supplier sites
No data	0	0	0
1	16	643	7,066
2	112	5,144	49,292
3	139	5,343	57,333
4	1	7	0

Average Ratings	
Weighted by site	2.47
Weighted by workers in supply chain	2.42
Weighted by workers at supplier sites	2.44

Improvement action	No of sites with IA	Frequency of IA
Hours Comply With National Law and Industry Benchmarks	95	112
Contracted Working Hours Not More Than 48 Hours per Week	22	24
One Day Off in Seven	15	17
Time Off in Lieu	4	7
Overtime Voluntary	4	8
Overtime Within Legal Limits and Not More Than 12 Hours per Week	69	74
Overtime Paid at a Premium Rate	24	30
Statutory Leave given	9	16
Accurate Records of Hours Worked	75	84
Other	50	59

KPI 17 (Provision 7: No discrimination is practised)

Rating	No sites	No workers in supply chain	No workers at supplier sites
No data	0	0	0
1	2	192	1,150
2	22	335	3,239
3	243	10,603	109,302
4	1	7	0

Average Ratings	
Weighted by site	2.91
Weighted by workers in supply chain	2.94
Weighted by workers at supplier sites	2.95

Improvement action	No of sites with IA	Frequency of IA
Discrimination in Hiring	6	33
Discrimination in Remuneration	1	2
Discrimination in Training	1	3
Discrimination in Promotion	1	4
Discrimination in Dismissal	1	5
Discrimination in Retirement	1	6
Pregnancy/ Maternity Discrimination	3	9
Equal Opportunities Policy and Awareness	45	52
Training on Discrimination Issues	45	53
Monitoring Gender and Ethnic Mix	1	10
Other	9	19

KPI 18 (Provision 8: Regular employment is provided)

Rating	No sites	No workers in supply chain	No workers at supplier sites
No data	0	0	0
1	3	196	1,230
2	74	2,051	33,955
3	190	8,883	78,506
4	1	7	0

Average Ratings	
Weighted by site	2.71
Weighted by workers in supply chain	2.78
Weighted by workers at supplier sites	2.74

Improvement action	No of sites with IA	Frequency of IA
Written Terms and Conditions Provided to All Workers	50	67
Social Insurance Scheme Participation	24	25
Fair Probation Periods	21	24
Treatment of Agency Workers	2	5
Treatment of Subcontractors' workers	1	5
Treatment of Homeworkers	1	6
Treatment of Apprenticeships	1	7
Fair Use of Fixed Term Contracts	2	9
Accurate Records Kept	58	66
Other	5	14

KPI 19 (Provision 9: No harsh or inhumane treatment is allowed)

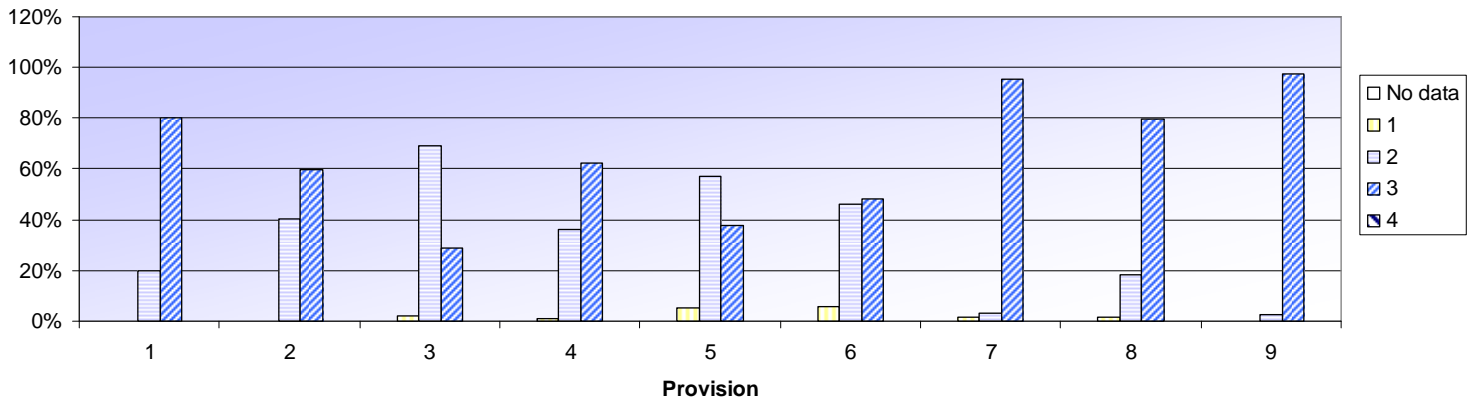
Rating	No sites	No workers in supply chain	No workers at supplier sites
No data	0	0	0
1	0	196	0
2	18	2,051	3,213
3	249	8,883	110,478
4	1	7	0

Average Ratings	
Weighted by site	2.94
Weighted by workers in supply chain	2.97
Weighted by workers at supplier sites	2.97

Improvement action	No of sites with IA	Frequency of IA
Clear Disciplinary and Grievance Procedures in Use	63	63
Training	60	61
Physical Punishments	1	3
Verbal Abuse	1	4
Sexual Harassment	2	6
Other	31	36

KPI 20: Distribution by Site Rating: Number of workers in supply chain

Graph showing the number of workers in your supply chain at sites meeting each of the ratings (from no data to 4) for each provision of the Base Code.



As number

Site Rating	Prov 1	Prov 2	Prov 3	Prov 4	Prov 5	Prov 6	Prov 7	Prov 8	Prov 9
4	7	0	7	7	7	7	7	7	7
3	8903	6628	3203	6959	4216	5343	10603	8883	10834
2	2227	4483	7685	4046	6343	5144	335	2051	296
1	0	26	243	125	571	643	192	196	0
No data	0	0	0	0	0	0	0	0	0
Total	11137	11137	11137	11137	11137	11137	11137	11137	11137

As %

Site Rating	Prov 1	Prov 2	Prov 3	Prov 4	Prov 5	Prov 6	Prov 7	Prov 8	Prov 9	Average
4	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	80%	60%	29%	62%	38%	48%	95%	80%	97%	65%
2	20%	40%	69%	36%	57%	46%	3%	18%	3%	33%
1	0%	0%	2%	1%	5%	6%	2%	2%	0%	2%
No data	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

4.3: How do you engage with suppliers to implement corrective actions? Please indicate all the methods that you use giving brief details in the comments box and explain in what type of situation each method applies and how timescales are fixed.

Method	Y/N	Details
<ul style="list-style-type: none"> We, or the external auditors, provide the supplier with a list of corrective actions which they agree and sign (within the CAPR). 	Y	And request a time frame for completion.
<ul style="list-style-type: none"> The list of corrective actions is shared with A) the trade union or B) other workers' representatives at the site 	N	For 2008 we will endeavour to share this with worker representatives.
<ul style="list-style-type: none"> The supplier produces an action plan and timescale to implement the corrective actions 	Y	Within the CAPR
<ul style="list-style-type: none"> We discuss the nature of the corrective action with the supplier and together draw up an appropriate action plan 	Y	
<ul style="list-style-type: none"> We provide training to the supplier on how to address the issues 	Y	Sometimes the supplier is unclear as to what is required. We clarify and make recommendations. Where the matter exceeds our level of expertise we assist in finding the appropriate body who can assist.
<ul style="list-style-type: none"> For difficult problems we provide support and, where appropriate, resources to assist the supplier 	Y	As described above.
<ul style="list-style-type: none"> We encourage the supplier to engage with the appropriate Trade Union(s) to address the problem 	Y/N	When we have the contact yes. But often we do not. Need to build our list of contacts in the regions we source.
<ul style="list-style-type: none"> We encourage the supplier to engage with local stakeholders to address the problem 	Y	As appropriate, but again we acknowledge we need to build our capacity.
<ul style="list-style-type: none"> For intractable problems, common to a location or a sector, we form supplier groups or join local projects to find solutions 	Y	But we have as yet never had to do this
<ul style="list-style-type: none"> We engage with suppliers by another method (give details) 	Y	Notified M&S (who were also sourcing from) about one of our difficult suppliers who was refusing to engage with an improvement programme. Also engage with Debenhams, Next and GAP.

4.4: *What are your processes for following up corrective actions? Please indicate all the methods that you use and in the Details section explain in which circumstances and how commonly each method applies and how timescales are applied.*

Method	Y/N	Details
• We have a standard process for following up corrective actions	Y	Following agreement on the CAP, we note the date and the ETI department progress chase.
• We require written confirmation and evidence from supplier of action taken	Y	
• We carry out a site visit to confirm action taken	Y	Depends on the extent and severity of the N/C's. Some may be desk based. Serious (i.e. major N/C's) there is a follow-up visit.
• We check with A) the trade union or B) other workers' representatives that actions have been taken	N	Where there is a worker representative we will during 2008 make a conscious effort to do this.
• We schedule additional audits to check on progress	Y	Depends upon the number N/C's and extent of major N/C's.
• Corrective actions are followed up at the next scheduled audit	Y	As appropriate
• For intractable problems we continue to engage with the supplier and monitor progress over a longer period	Y	There have been several instances where we have had to monitor continuous progress (and is ongoing), where factories have been found to be operating in illegal locations.
• We follow up corrective actions by another method (give details)	N	

4.5: Do you have a) smallholders and/or b) homeworkers in your supply chain?

If your answer is Yes, please describe your strategies for addressing the working conditions of a) smallholders and their employees and b) homeworkers.

Please indicate to what extent you are following the ETI Smallholder/Homeworker guidelines.

Type	Y/N	Details
• Smallholders and their employees	N	
• Homeworkers	Y	Lots of homeworkers in India and some in China. We are working with the ETI Homeworkers Group to implement the Guidelines. Also giving support to SEWA. We are risk assessing product to identify at first hand the potential for Homeworker involvement to provide greater transparency and assist the mapping process.

4.6: Who is responsible for following up corrective actions?

Responsibility for following up corrective actions is assigned to:

Who	Y/N	Details
• Product technologists during technical visits	Y	They monitor health and safety corrective actions.
• Ethical trading staff - this is a large part of their job	Y	
• Other staff - please specify	Y	Buyers during their supplier visits will request an update.
• Third parties - please specify	Y	Third party auditing companies are used for this purpose where our own staff do not have a presence.
• Responsibility for following up corrective actions is not assigned	N	

4.7: How many supplier relationships have been terminated in the last year principally because of breaches of the Base Code?

Please indicate the number of relationships terminated because of serious breaches against each Code provision and provide brief details in the comments box. If the supplier was in breach of more than one provision or would not cooperate please include details at the foot of this table.

Base Code section	No. terminated	Details
1. Employment is freely chosen	0	
2. Freedom of association and the right to collective bargaining are respected	0	
3. Working conditions are safe and hygienic	0	
4. Child labour shall not be used	0	
5. Living wages are paid	0	
6. Working hours are not excessive	0	
7. No discrimination is practiced	0	
8. Regular employment is provided	0	
9. No harsh or inhumane treatment is allowed	0	
More than one Code provision was seriously breached	2	Numerous major non-compliances found and little progress made.
The supplier would not cooperate on risk assessment and/or inspection	0	
TOTAL	2	-

Principle 5: Management procedures, pricing and incentives

5.1: How stable are your relationships with suppliers? Please indicate for those suppliers inspected or risk assessed (i.e. those included under 4.2), the approximate percentage for each option giving additional comments where appropriate.

Note when a supplier is used intermittently but with a expectation that orders will be placed within 12 months, count from date the relationship began to determine continuous trading.

Proportion of your scoped first tier supply chain that you have been continuously trading with for:

Length	% by no	% workers in supply chain	Details
• Less than 1 year			We have long standing relationships with the many our suppliers. Some have had difficulty in coming to terms with the necessity to apply the ETI base Code, but in general the length of our relationship assists us in implementing improvements and is something that we wish to protect and preserve.
• Between 1 and 3 years	67%	58%	
• Between 3 and 5 years	9%	7%	
• More than 5 years	24%	35%	

In the last 12 months what proportions of your total suppliers/total purchases were through spot buying?

• As a % of the number of first tier suppliers covered?	We will buy occasional one off's for particular events e.g. Valentines, Mothers day etc. – carried out via existing suppliers.
• As a % of the total spend of all purchases in the last 12 months	This is difficult to quantify, but the supplier has to undergo the process of RA before we place an order.

5.2: To what extent is Code compliance written into your contracts and letters of agreement? Please only select one option and provide brief details.

Terms	Y/N	Details
<ul style="list-style-type: none"> Compliance with the Base Code is written into <u>some</u> of our contracts and letters of agreement 	N	Now in all our contracts.
<ul style="list-style-type: none"> Compliance with the Base Code is written into <u>all</u> of our contracts and letters of agreement 	Y	Our Code of Conduct forms a major part of our trading terms and conditions issued to all our suppliers. It is also a prerequisite within our supplier assessment procedure and forms part of our Manual which details all our policies and procedures.

5.3: What minimum standards do you require of new suppliers? If more than one approach is used please give details of how commonly and the circumstances in which each approach is used.

We require new suppliers to:

Method	Y/N	Details
<ul style="list-style-type: none"> Fully comply with the Base Code 	N	
<ul style="list-style-type: none"> Have no major breaches of the Base Code 	Y	
<ul style="list-style-type: none"> Agree to comply with the Base Code within a set timescale 	Y	All our suppliers have to sign a commitment to apply our Code. Where shortfalls are evident a Corrective Action Plan with timescales is agreed with the factory. Improvement, in line with these timescales, is monitored at regular intervals by our Regional Managers. We aim for continued improvement.
<ul style="list-style-type: none"> Meet specific minimum standards on some/all Code provisions 	N	Improvement, in line with these time scales, is monitored at regular intervals by both our Regional Ethical Trading Managers, third party auditors and by experienced technologists (health & safety only).
<ul style="list-style-type: none"> Meet the same standards as apply to existing suppliers 	Y	Where the supplier has been recently audited by a credible auditing body and the protocol is to an acceptable standard (for e.g. SEDEX) we will use this report as evidence of compliance.
<ul style="list-style-type: none"> Meet other minimum standards 		

5.4: When and how do you assess potential new suppliers? Please indicate all the methods you use and explain in what circumstances and how commonly each is method is applied.

We carry out:

Method	Y/N	Details
<ul style="list-style-type: none"> • A site inspection before any order is placed 	Y	Our aim is to carry out an initial assessment of any new site ahead of orders being placed. There can be occasions when, due to resource restrictions, this may not always occur. Our process involves the screening of all new suppliers to include the completion of a pre-appraisal questionnaire plus other relevant supporting documentation (for e.g. third party audit reports – SEDEX) that can be provided by the supplier. This forms part of our desk based risk assessment procedure which determines the priority for audit and complements our supplier assessment procedure.
<ul style="list-style-type: none"> • Questionnaire-based assessment before any order is placed 	Y	See above
<ul style="list-style-type: none"> • A site inspection within the first year of trading and make it clear that successful performance (including corrective actions where appropriate) is a pre-requisite for continued business 	Y	Our preferred method
<ul style="list-style-type: none"> • A site inspection within the first year of trading and then treat this supplier like our existing suppliers 	Y	
<ul style="list-style-type: none"> • Another method 	N	

5.5: If on specific occasions there are commercial time constraints which make it difficult to assess a potential new supplier before you start trading with them, what do you do?

We do not trade unless there is transparency and we have a commitment from them to implement our Code.

All suppliers have to submit to our Supplier Assessment procedure which explains the necessity for Code compliance and we would draw attention to the fact that this is a prerequisite within our terms of trading and get agreement and a commitment from them to implement with immediate effect.

A desk based risk assessment is undertaken and the completion of our pre-appraisal questionnaire forms the basis of this together with the collection of other supporting documentation (for e.g. other independent audit reports that the supplier can provide).

Depending on the findings we would normally arrange for a retrospective audit of the factory albeit with our own staff or third party sources. The findings of the risk assessment would determine the depth and scope of the audit.

5.6: If you use spot buying, competitive tendering or re-tendering or short-term contracts how do you ensure that labour standards are maintained and/or improved?

Method	Y/N	Details
• Spot buying	Y	We buy from reputable, known and approved sources that have undergone a process of risk analysis before we place an order. They have given a commitment to apply our Code.
• Competitive tendering or re-tendering	N	
• Short-term contracts	N	

5.7: How, if at all, do you reward suppliers for good labour standards and/or for investing to improve standards? In particular please explain what mechanisms you have in place to direct orders to suppliers with better labour standards and/or to take account of the costs of code implementation during negotiations on price, volume, length or renewal of contracts? Please give examples. Please also explain who pays for site inspections.

They are rewarded by continuity of business and in general obtain more generous terms.

They know that our monitoring procedure and their commitment to improve is an influential factor in the retention of business. Their performance is made known to buyers who are influenced by the associated risks to the Brand integrity.

We hold an annual suppliers meeting in London and we have an awards ceremony which gives recognition to the best achieving supplier and most significant improver.

5.8: When do you agree the price with your suppliers? When you place the order, when you receive the goods or another time? If the practice varies please explain in what circumstances and how commonly each practice applies.

Price is agreed at order placement.

5.9: After an order has been placed and a price has been agreed are there any circumstances in which suppliers are asked to make a contribution to offset loss of anticipated margins or sales volumes e.g. on product which is reduced or sold on promotion? If so, please explain the methods you use, the circumstances in which they apply and how commonly they occur.

Answer: In very rare circumstances, where a supplier fails to meet its contractual obligations due to their own incompetence we may seek redress.

Generally the answer is - No

5.10: How do you ensure that suppliers have adequate time to produce goods? Describe your methods for communicating the critical path to suppliers and minimising late changes in volumes and/or specifications and how you rate your performance.

Monsoon Accessorize critical path is issued to suppliers on an annual basis and provides key input dates. Line specific critical paths are agreed on a 1:1 basis with the buyer and supplier.

5.11: When you identify systematic problems in the supply chain caused by time pressures do you review your purchasing practices? Are you involved in any initiatives to improve product demand forecasting and critical path planning? Please provide details below

Production planning has been introduced within Monsoon and is now in its second season.

However, repeat orders will always pose a challenge.

We are considering joining the Purchasing and Practices Group and have begun to identify a suitable NGO partner to engage with.

5.12: Are your staff assessed and if so are they also rewarded by reference to ethical trading issues? Please indicate who is assessed and/or incentivised in your company and explain how the incentive system works.

Method	Assessed	Rewarded	Details
<ul style="list-style-type: none"> The senior manager with overall responsibility for code implementation 	Y	N	<p>The Ethical Trading team's performance is measured against the progress towards Code compliance and KPI's are set and reviewed at 6 monthly performance appraisals.</p> <p>As with all other areas, the role of ethical is treated as an integral business requirement.</p>
<ul style="list-style-type: none"> Staff in ethical trading teams 	Y	N	<p>There are no direct financial rewards linked to pay. Ethical Performance is a KPI which is linked to overall performance and merit recognition.</p>
<ul style="list-style-type: none"> Staff in technical or quality teams 	Y	N	<p>There are no direct financial rewards linked to pay. Ethical Performance is a KPI which is linked to overall performance and merit recognition.</p>
<ul style="list-style-type: none"> Buyers 	Y	N	<p>There are no direct financial rewards linked to pay. Ethical Performance is a KPI which is linked to overall performance and merit recognition.</p>

A brief glossary is provided overleaf. Please turn to the last section (entitled Management Indicators: Self assessment) and follow the instructions to complete these tables.

Glossary

appears compliant: This round of inspection found no evidence of a breach. However, breaches were found on a previous inspection; the site has not been inspected before; or it is not well known to the company and/or has not been involved with other independent third party organisations.

budgeted expenditure: All direct expenditure devoted to improving labour standards in the supply chain including staff and travel costs and payments to third parties. Where staff devote part of their time to these issues an appropriate fraction of their costs should be included. Reductions in margins in order to support certain goods should not be counted because that is not expenditure. Marketing costs related to publicising the company's work in this area should not be counted and nor should indirect costs such as premises and share of overheads. Work on improving labour standards may include work on issues which are not covered by the ETI Base Code but wider community work e.g. supporting educational, social or rehabilitation projects, should not be counted as expenditure on ethical trading.

collective bargaining: A process by which one or more of the terms or conditions of work are determined by negotiation between the employer(s) (or employers' organisations) and representatives of the workers concerned.

Collective bargaining may take place pursuant to a formal written agreement or less formal unwritten arrangements. It may take place at departmental, site, company, group, regional, national or international level.

consistently compliant: No evidence of breaches has been found by more than one successive inspection or audit. The site may have worked with the company over several years to implement changes or may have been audited by different organisations to cross-check the results.

Full time equivalent: Staff who work part of the time (e.g. part time, temporary, seasonal or agency workers) should be counted as the appropriate fraction of a permanent full time worker. Thus a seasonal worker works full time for 3 months a year will count as 0.25 and someone who works 2 full days out of a 5 day week will count as 0.4.

improvement action: An improvement action is an action which makes a significant change in the conditions at the site. Requests to a supplier to address an issue or arranging further inspections are **not** improvement actions. General training on the requirements of the base code or the company's reporting requirements will not constitute improvement actions but training designed to address a specific problem in the workplace (e.g. how to operate non-discriminatory hiring and promotion) may be an appropriate improvement action.

initiatives: Projects and other activities a company engages in to identify root causes of problems and/or to test different approaches to achieving sustainable change. This includes any relevant ETI projects and working groups in which the company is engaged (and which will have been mentioned in the company's answer to M1.2). The company should not include in its answer to M4.1 work which is designed to remedy problems at a particular site or sites unless that project is also designed to generate wider learning.

inspection: An inspection is a method of assessing the extent of a site's code compliance against ETI base code which includes a presence on site of sufficient duration and unobstructed access to all relevant facilities to carry out an audit. It can be carried out by internal staff from the company, by staff from one of its suppliers inspecting a site of one of that supplier's own (lower tier) suppliers or by external third parties (commercial or non-profit).

major breach: A major breach may be a systematic breach and/or a serious breach of the base code (see more under *Serious* and *Systematic breaches*).

minor breach: A minor breach of the base code occurs when there is a failure in a system which is generally in line with the base code. It is an isolated or occasional 'mistake' which indicates that, while the general system is acceptable, the enforcing or policing of the system should be improved. Some examples of minor breaches are; generally good health and safety systems but the inspection found that some fire extinguishers were missing or some training was overdue; a policy stating an appropriate maximum number of overtime hours and a system for managing this but inspection discovered that there were occasional cases when more than the maximum number of overtime hours were worked; a management system which ensures that all workers carrying out permanent jobs are given permanent contracts but there are occasional instances where this has been overlooked or where a worker was moved from a seasonal job to a permanent job and has yet to receive a permanent contract.

no data: The inspection did not cover this area.

production site: a site where goods are produced or transformed (e.g. packaged) in some way.

a recognised trade union: A democratic organisation of workers which is separate and independent from the employer(s) and whose purpose is to protect and enhance workers' terms and conditions of work.

risk assessment: A risk assessment is a method of identifying and assessing risks in the corporate member's supply chain. Typically it is based on either generic data, questionnaire information from the supplier or short site visits. The results give some initial idea of a site's status but they do not have equal weight as the results of a site inspection.

self-inspection: A self-inspection is an inspection in which one or more members of a corporate member's staff inspects one of its own production sites or a supplier's member(s) of staff inspects one of that supplier's sites.

A self-inspection should only be treated as an inspection if;

- a) The inspector(s) carrying out the inspection have been properly trained and use appropriate methodology;
- b) The inspectors are not based at the site being inspected; and
- c) The inspectors are independent of and are not answerable to site management.

If a self-inspection does not fulfil each of these conditions it should be treated as a risk assessment and not as an inspection.

serious breach: A serious breach of the base code may occur only very occasionally but it will be serious if it could have serious consequences for workers' health e.g. the removal of a safety guard from machinery, or it infringes on basic rights e.g. physical punishments of workers or victimisation of a union representative.

A serious breach may also be systematic (e.g. it may require more robust systems in place to ensure workers do not and are not under pressure to remove safety guards in order to increase productivity).

systematic breach: A systematic breach is a problem which is institutionalised in the supplier's systems. Systematic breaches are found when the "normal way of doing things" contravenes one of the base code provisions or is insufficiently robust to prevent contraventions. Some examples of systematic breaches include routine use of bonded labour, management prohibition of union membership, inadequate arrangements for provision of protective clothing, no proper checks on ages of young workers, etc. Systematic breaches will generally require a new investment or change to management practice (not something which is simply the enforcement of an existing practice).

tier of supplier: The level of production site at which goods are produced or transformed. Thus:

A first tier site is a production site at which the goods are finished ready for supply to or sale by the member company. If the member company is a retailer the first tier supplier will normally be where the goods are packed and labelled. An agent who buys and sells product but who does not transform it in any way (e.g. by packaging) should not be counted as a tier. If goods are bought through an agent the first tier will be the production site from which the agent sourced the goods.

A second tier site is a production site which supplies goods or materials to a first tier site for incorporation into the finished product. The same site may be a first tier supplier to one ETI member (e.g. a food supplier "S" who sorts, packs or labels the produce or a retailer "R1" who sources direct from that site) and a second tier supplier to another ETI member (e.g. a food retailer, "R2", who obtains the produce from supplier S).

A third tier site is a production site which supplies goods or materials to a second tier site for incorporation in goods or materials that site supplies to a first tier site.

workers in the supply chain: is calculated by multiplying the number of workers at each site by the company's share of production at that site.

workers' representatives who are not representatives of one or more recognised trade unions: Any workers or groups of workers who seek to represent workers' interests but who are not elected or appointed by a recognised trade union. These will include works councils, workers' committees, staff associations and other forms of worker representation. Representatives of organisations which do not consist of workers and their representatives e.g. churches, NGOs, pressure groups and political parties are **not** workers' representatives.

Self Assessment tables for indicators

This section should be completed last, after completing all other Management and Performance sections.

The Company is required to assess its efforts against each of the 5 principles of implementation. Each principle is sub-divided into rows for different aspects of that principle and the company is required to rate its efforts against the pen pictures in each row before making an overall self assessment for that principle.

The levels of "beginner", "improver", "achiever" and "leader" are cumulative. An achiever will have dealt with the issues described in the pen pictures in that row for beginners and improvers well as the issues identified in the cell relating to an achiever.

The overall self assessment against each principle should take account of the how the company has assessed its efforts against each of the rows within that principle.

A company should only check (mark with an X) one cell on each row.

After it has reviewed this annual report and the self assessments provided by all its corporate members ETI will make its own assessment of each company's progress against each of the five principles. This assessment will take account of the company's management indicators, its readiness to accept challenging targets and its performance against those targets as compared with that of other member companies.

This assessment will form part of ETI's feedback to the company on its annual report. Each company will receive a rating of 1-4 (Beginner = 1, Improver = 2, Achiever = 3 and Leader = 4) for each of the five principles of implementation.

This analysis will form the basis of the feedback from ETI which will show how these ratings compare with the company's self-assessment, its previous year's rating and with those of other ETI member companies.

Self assessment of principle 1: Commitment –self assessment

	Beginner	Improver	Achiever	Leader
Endorsement and Advocacy	<p>As a member of ETI it has adopted the base code and is committed to its implementation.</p> <p>Not yet widely known for its commitment to ethical trade.</p>	<p>Has communicated its obligations as an ETI member to all of its suppliers and widely within the company.</p> <p>Publicly endorses the ETI Base Code and Principles of Implementation.</p>	<p>Takes a proactive stance to ensure that all relevant staff (i.e. those whose work impacts on ethical trading issues) and external stakeholders are clear about what the company's commitment to ethical trade requires in practice.</p> <p>Its commitment to ethical trade is widely known.</p>	<p>Acts as an advocate for ethical trading, the challenges it poses and the role of the ETI.</p>
ETI Participation	<p>Is committed to join/has already joined a pilot project/working group but has not yet made a significant contribution.</p>	<p>Has been an active member of at least one pilot project or working group.</p> <p>Actively participates in other ETI activities, although at this stage mainly by listening and asking questions.</p>	<p>Ready to share its experience freely with other ETI members.</p> <p>Makes a significant contribution to a wide range of ETI activities including involving its suppliers in projects</p>	<p>Takes a leading role in ETI activities and involves its suppliers whenever appropriate.</p>

<p>Senior responsibility</p>	<p>One or more senior managers are engaged with the topic.</p>	<p>A designated senior manager (at or near Board level) is responsible for the subject but he/she is still developing an understanding of the key issues.</p>	<p>The designated senior manager has the necessary support from the highest levels in the company and the skills, experience and enthusiasm required to drive change both internally and down the supply chain.</p>	<p>The designated senior manager is clearly identified with and widely known as a champion of ethical trade. He/she is seen as having strong support from the highest levels of the organisation.</p>	<p><input type="checkbox"/></p>
<p>Internal Communication</p>	<p>Recognition of the importance of the subject is confined to certain groups of staff, perhaps just those who are directly involved in ethical trade.</p>	<p>Ethical trading issues are widely discussed in the company with all relevant staff (including buyers and other commercial staff, as well as those technical teams directly involved in the topic) having been briefed on the subject.</p>	<p>All relevant staff receive regular updates and briefings on ethical issues. More widely, all staff in the company have been made aware of the company's commitment to ethical trade.</p>	<p>All relevant staff are involved in regular briefing meetings and discussions on how to promote ethical trade and have a good appreciation of and commitment to the subject. All staff are aware of the broad ethical issues in the supply chain and, in outline, of the company's programme to address those issues.</p>	<p><input type="checkbox"/></p>

Resources	Sufficient for the (relatively low) level of activity.	Sufficient resources are available to make an increased commitment to developing an ethical trading programme: including the production of policies and working documents and the handling of data resulting from assessments.	The company has committed resources necessary to support a fully developed ethical trading programme: sufficient to monitor supplier performance and ensure that the resulting data is appropriately analysed and corrective actions are systematically followed	Additional resources are available to take a lead in identifying and resolving particularly difficult and intractable issues.	<input type="checkbox"/>
Setting Targets (in ETI annual reports)	Has identified the next steps in developing its ethical trade programme.	Has achieved initial targets and is setting more challenging targets.	A history of setting and generally achieving challenging targets.	Leads the way in identifying more difficult targets and a consistent record of achieving them.	<input type="checkbox"/>
OVERALL	<i>The company is in the early stages of establishing an ethical trade programme</i>	<i>Commitment is being translated into action</i>	<i>The company is actively managing its ethical trading issues.</i>	<i>The company is a leader in the field of ethical trade</i>	<input type="checkbox"/>

Self assessment of principle 2: Monitoring, Independent Verification and Reporting

	Beginner	Improver	Achiever	Leader
Risk Assessment	Has conducted a desk based risk review of its supply chain, identified generic issues (e.g. relating to product, country or type of supplier) and has begun to consider implications.	Has sought standardised information from all suppliers, which it analyses to prioritise activity.	The results of risk assessments and the methods used to assess risk are both regularly reviewed and, if necessary, revised to manage changing circumstances.	<input type="checkbox"/> The results of risk assessments and the methods used to assess risk are both regularly reviewed and, if necessary, revised to manage changing circumstances.
Inspection	Some inspections but on an ad hoc learning basis.	Structured inspection regime by trained personnel but limited coverage.	Uses input from other stakeholders and learning by others to tailor inspection methodology to local conditions. Particular in-depth inspections are used to investigate subtle or intractable problems.	<input type="checkbox"/> Uses input from other stakeholders and learning by others to tailor inspection methodology to local conditions. Particular in-depth inspections are used to investigate subtle or intractable problems.
Workers' Views	Has established a confidential whistle-blowing system for workers but it is little used.	Requires suppliers to inform workers of whistle blowing system. All inspections involve substantial element of worker interviews.	<input type="checkbox"/> In consultation with trade unions and other appropriate organisations takes special measure to encourage workers to report failures to observe code.	In consultation with trade unions and other appropriate organisations takes special measure to encourage workers to report failures to observe code.

Verification	Little work has been done on this issue.	Exploring ways of verifying results of risk assessments and inspections.	<input type="checkbox"/> Trade unions and NGOs are; actively involved in inspections; invited to review all risk assessment and inspection results; and asked to comment on processes used. Third party experts conduct systematic verification on sampling basis.	Trade unions and NGOs are; actively involved in inspections; invited to review all risk assessment and inspection results; and asked to comment on processes used. Third party experts conduct systematic verification on sampling basis.
Data Management and Reporting to ETI	Beginning to collect information but there is insufficient data for a comprehensive ETI report.	All data on risk assessments and inspections is held in system which allows for analysis and reporting. There are still some gaps in the company's reporting to the ETI.	Data for last 3 years or more is readily available for analysis. The company reports innovative approaches which provide inspiration for others.	<input type="checkbox"/> Data for last 3 years or more is readily available for analysis. The company reports innovative approaches which provide inspiration for others.
Public Reporting	Reports its membership of ETI, its commitment to ethical trade, provides an overview of the supply chain and describes the issues in general terms.	Reports on its supply chain programme but tends to focus on inputs and processes.	Reports openly on status of the supply chain with full commentary on supplier performance and problem issues.	<input type="checkbox"/> Reports openly on status of the supply chain with full commentary on supplier performance and problem issues.
OVERALL	<i>The company has begun to review and report the issues in its supply chain.</i>	<i>Developing a monitoring programme and produces outline reports on progress.</i>	<i>In depth reports supported by credible reports on its supply chain.</i>	<input type="checkbox"/> <i>In depth reports supported by independent assessments.</i>

Self assessment of principle 3: Awareness Raising and Training

	Beginner	Improver	Achiever	Leader
Internal Training	Has identified training needs of staff closely involved in ethical trade and organised training programme.	Dedicated ethical trade staff have received formal off-the-job training. All other staff closely involved in ethical trade (buyers, technical/quality) have received initial training.	A continuous process of training and development and exposure to industry best practice for all staff closely involved with ethical trade. Staff whose jobs impact on ethical trade receive regular briefings on good practice, ongoing challenges and case studies from the company's supply chain.	<p>A continuous process of training and development and exposure to industry best practice for all staff closely involved with ethical trade.</p> <p>Staff whose jobs impact on ethical trade receive regular briefings on good practice, ongoing challenges and case studies from the company's supply chain.</p> <input type="checkbox"/>
Supplier Guidance and Training	Has begun informing suppliers of the requirements of the Base Code.	Code is fully integrated into all supplier policies. Key contacts in suppliers have received guidance on the meaning and practical effect of the code. Suppliers' questions on code compliance	The company seeks to maintain long term relationships with suppliers and to invest in awareness raising and capacity building (e.g. by providing training for key personnel and encouraging engagement with local stakeholders and with other suppliers to share learning and good practice).	<input type="checkbox"/> <p>The company seeks to maintain long term relationships with suppliers and to invest in awareness raising and capacity building (e.g. by providing training for key personnel and encouraging engagement with local stakeholders and with other suppliers to share learning and good practice).</p>

		are dealt with promptly and constructively.	There is a history of working alongside suppliers to generate improved working conditions.	There is a history of working alongside suppliers to generate improved working conditions.	
Worker Awareness	When company informs suppliers of requirements of code it also asks suppliers to inform their workers.	All suppliers are required to actively communicate the Code, perhaps by placing copies of the code in appropriate language(s) on site notice boards and by referring to the code in employee contracts.	<input type="checkbox"/> Suppliers engage with trade unions (or other workers' representatives) to develop agreed improvement plans.	Suppliers engage with trade unions (or other workers' representatives) to develop agreed improvement plans.	
OVERALL	<i>The company has begun the process of identifying training and awareness raising needs.</i>	<i>The company is addressing the needs for training and initiating awareness raising.</i>	<i>Highest quality internal training and long term engagement with the needs of suppliers and their workers representatives.</i>	<input type="checkbox"/> <i>Highest quality internal training and long term engagement with the needs of suppliers and their workers representatives.</i>	

Self assessment of principle 4: Corrective Actions

	Beginner	Improver	Achiever	Leader	
Identifying and Prioritising Issues	Has identified some required improvements and communicated them to suppliers, albeit on an ad-hoc basis.	Systems in place to capture results of risk assessments and inspections and to ensure the required improvements are identified and communicated to suppliers.	Data from monitoring is reviewed, issues requiring action are identified and those issues and priorities for action are promptly communicated to the suppliers.	Data is regularly reviewed to prioritise the most significant issues and to identify common and persistent problems which require special attention, including a degree of quantitative analysis of inspection findings.	<input type="checkbox"/>
Engaging with Suppliers	The required improvements are communicated to suppliers.	Action plans and clear timescales are agreed with suppliers.	Priorities are discussed and action plans and timescales are developed in consultation with suppliers.	Suppliers are encouraged to identify solutions themselves with the involvement of their workers' representatives. Where change will require significant costs or investment there are arrangements for cost sharing with or commercial incentives for the supplier.	<input type="checkbox"/>
Follow Up	Developing systems but too early for meaningful comment.	Systems in place to check progress against action plans. Evidence of improvements.	Robust systems for monitoring progress against action plans.	Systematically monitors overall progress of suppliers and there is a history of sustained improvements.	<input type="checkbox"/>

			<p>Most significant improvements are being resolved within the agreed timescales. Developing alternative approaches to resolving intractable problems.</p>	<p>Almost all significant improvements are achieved within a reasonable timeframe. Has a history of involvement with projects to learn how to resolve intractable issues and of working with suppliers to put that learning into wider practice.</p>	
Termination of Supplier Relationship	<p>Problems have been dealt with on a case by case basis.</p>	<p>Guidelines on the unacceptable behaviours which may lead to termination are being developed but are not yet fully operational. The company is adjusting how it deals with suppliers in the light of its developing thinking.</p>	<p>Clear guidelines have been communicated to suppliers and are being followed in practice.</p>	<p>Guidelines are communicated to suppliers at the outset of the relationship, attention is drawn to them whenever there appears to be a problem and they are carefully followed.</p>	<input type="checkbox"/>
OVERALL	<p><i>Addresses the need for corrective actions as they come to light.</i></p>	<p><i>Has developed systems for recording and following up necessary corrective actions.</i></p>	<p><i>Has well established systems for identifying and following up corrective actions to ensure improvements are being made.</i></p>	<p><i>Achieves sustained improvements by working with suppliers to identify persistent problems, identify solutions and to share learning.</i></p>	<input type="checkbox"/>

Self assessment of principle 5: Management Procedures, Pricing and Incentives

	Beginner	Improver	Achiever	Leader
Commercial Terms	Suppliers are required to comply with the base code but negotiations on price and risk sharing take little account of these factors.	The company is developing its understanding of the costs of code compliance and how these should be accommodated in commercial terms.	Some elements of the cost of code compliance are understood and allowed for in negotiations on commercial terms.	<input type="checkbox"/> Commercial terms take full account of supplier's ethical performance. There is clear and explicit understanding from both parties of the relationships between agreed prices and the costs of compliance, which are openly included in the negotiation of margins.
Integration of Ethical and Commercial Criteria	Has begun to identify tensions between commercial purchasing practices and the need to raise labour standards.	Recognition of suppliers with high labour standards but tendency to require them to meet the same commercial terms as other suppliers.	Suppliers with best labour standards are clearly identified and prioritised throughout the company resulting in better long term relationships.	<input type="checkbox"/> Robust labour standard indicators which are given equal weight to commercial indicators in the management of the supply chain. Operational staff are clear about how to balance commercial and ethical objectives and when issues should be referred to higher management.

<p>New Suppliers</p>	<p>New suppliers are expected to comply with labour standards, although in practice lower labour standards are sometimes accepted from new suppliers.</p>	<p>New suppliers have to meet the same labour standards as existing suppliers.</p>	<p>Systems in place for assessing new suppliers' compliance with labour standards.</p>	<p><input type="checkbox"/></p>	<p>Rigorous systems in place for ensuring new suppliers meet labour standards.</p>	
<p>Staff Responsibility and Incentives</p>	<p>Staff directly responsible for labour standards have those responsibilities included in their job descriptions, have been set objectives relating to the development and management of labour standards and will be assessed against those objectives as part of their review and appraisal.</p>	<p>All staff closely involved in labour standards have the topic included in their job descriptions. Where labour standards constitutes a significant proportion of their role it is included in the objectives against which they are appraised and rewarded.</p> <p>Objectives are typically based on management actions but some consideration has been given to quantified performance indicators.</p>	<p>Labour standards features in job descriptions and objectives of wide range of staff including buyers and commercial.</p> <p>The company has developed objectives relating to management activity and measures of performance which form part of their appraisal and rewards structure.</p>	<p><input type="checkbox"/></p>	<p>Improving labour standards has equivalent status to other aspects of job description.</p> <p>Where remuneration is linked to quantified objectives these include both commercial and labour standard indicators.</p>	

<p>Critical Path</p>	<p>Suppliers are informed of key dates when order is placed. The company has attached little importance to its own role in ensuring conformance with critical path.</p>	<p>Critical path is communicated to suppliers. The company shows inconsistent compliance with agreed order dates and forecasting of demand.</p>	<p>Company has a reasonable record of ensuring orders are placed on time and demand forecasts are reasonably accurate.</p>	<p><input type="checkbox"/> Lead times and delivery dates are agreed with suppliers after discussions which take account of ethical trade issues such as working hours. The company has a good record of sticking to the agreed critical path. (pto_) Suppliers are able to recover costs or other compensation in the event that the company does not meet agreed order deadlines.</p>
<p>OVERALL</p>	<p><i>The company has identified the key personnel responsible for ethical trade and is considering the wider commercial issues</i></p>	<p><i>The company has clearly defined the role of staff involved in ethical trade and is developing performance indicators for both staff and suppliers.</i></p>	<p><i>The company has a well established and systematic approach to ethical trading with clear responsibilities and incentives for staff and suppliers.</i></p>	<p><input type="checkbox"/> <i>The company's management of ethical issues is fully integrated into its commercial management with robust procedures and incentives.</i></p>

Management Indicators: Self assessment summary

	Beginner	Improver	Achiever	Leader		
Principle 1: Commitment	<i>The company is in the early stages of establishing an ethical trade programme</i>	<i>Commitment is being translated into action</i>	<i>The company is actively managing its ethical trading issues.</i>		<i>The company is a leader in the field of ethical trade</i>	<input type="checkbox"/>
Principle 2: Monitoring, Independent Verification and Reporting	<i>The company has begun to review and report the issues in its supply chain.</i>	<i>Developing a monitoring programme and produces outline reports on progress.</i>	<i>Produces comprehensive and credible reports on its supply chain.</i>	<input type="checkbox"/>	<i>In depth reports supported by independent assessments.</i>	
Principle 3: Awareness Raising and Training	<i>The company has begun the process of identifying training and awareness raising needs.</i>	<i>The company is addressing the needs for training and initiating awareness raising.</i>	<i>Provides appropriate training to all involved in ethical trade and is improving awareness of suppliers and their workers.</i>	<input type="checkbox"/>	<i>Highest quality internal training and long term engagement with the needs of suppliers and their workers representatives.</i>	
Principle 4: Corrective Actions	<i>Addresses the need for corrective actions as they come to light.</i>	<i>Has developed systems for recording and following up necessary corrective actions.</i>	<i>Has well established systems for identifying and following up corrective actions to ensure improvements are being made.</i>		<i>Achieves sustained improvements by working with suppliers to identify persistent problems, identify solutions and to share learning.</i>	<input type="checkbox"/>
Principle 5: Management Procedures, Pricing and Incentives	<i>The company has identified the key personnel responsible for ethical trade and is considering the wider commercial issues</i>	<i>The company has clearly defined the role of staff involved in ethical trade and is developing performance indicators for both staff and suppliers.</i>	<i>The company has a well established and systematic approach to ethical trading with clear responsibilities and incentives for staff and suppliers.</i>	<input type="checkbox"/>	<i>The company's management of ethical issues is fully integrated into its commercial management with robust procedures and incentives.</i>	

Management Indicators: ETI's Assessment of the Company (leave blank)

	Beginner	Improver	Achiever	Leader	
Principle 1: Commitment	<i>The company is in the early stages of establishing an ethical trade programme</i>	<i>Commitment is being translated into action</i>	<i>The company is actively managing its ethical trading issues.</i>	<i>The company is a leader in the field of ethical trade</i>	
Principle 2: Monitoring, Independent Verification and Reporting	<i>The company has begun to review and report the issues in its supply chain.</i>	<i>Developing a monitoring programme and produces outline reports on progress.</i>	<i>Produces comprehensive and credible reports on its supply chain.</i>	<i>In depth reports supported by independent assessments.</i>	
Principle 3: Awareness Raising and Training	<i>The company has begun the process of identifying training and awareness raising needs.</i>	<i>The company is addressing the needs for training and initiating awareness raising.</i>	<i>Provides appropriate training to all involved in ethical trade and is improving awareness of suppliers and their workers.</i>	<i>Highest quality internal training and long term engagement with the needs of suppliers and their workers representatives.</i>	
Principle 4: Corrective Actions	<i>Addresses the need for corrective actions as they come to light.</i>	<i>Has developed systems for recording and following up necessary corrective actions.</i>	<i>Has well established systems for identifying and following up corrective actions to ensure improvements are being made.</i>	<i>Achieves sustained improvements by working with suppliers to identify persistent problems, identify solutions and to share learning.</i>	
Principle 5: Management Procedures, Pricing and Incentives	<i>The company has identified the key personnel responsible for ethical trade and is considering the wider commercial issues</i>	<i>The company has clearly defined the role of staff involved in ethical trade and is developing performance indicators for both staff and suppliers</i>	<i>The company has a well established and systematic approach to ethical trading with clear responsibilities and incentives for staff and suppliers.</i>	<i>The company's management of ethical issues is fully integrated into its commercial management with robust procedures and incentives.</i>	

