

ETI Annual report book 2007

Ethical Trading Initiative

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ETI Annual reportbook Calendar year 2008

Monsoon

DATE: February 2009

Key elements.....	2
Company Information	4
M2 Monitoring, Independent Verification and Reporting.....	19
M3 Awareness Raising and Training	29
M4 (i) Corrective Actions – Initiatives	35
M4(ii) Corrective Actions – Individual sites/suppliers.....	36
M5: Management procedures, pricing and incentives	40
Self assessment of principle 1: Commitment –self assessment	44
Self assessment of principle 2: Monitoring, Independent Verification and Reporting	47
Self assessment of principle 3: Awareness Raising and Training.....	49
Self assessment of principle 4: Corrective Actions	51
Self assessment of principle 5: Management Procedures, Pricing and Incentives.....	53
Management Indicators: Self assessment summary	56
Management Indicators: ETI's Assessment of the Company (leave blank).....	57
Summary Data & KPIs.....	58
Improvement Actions.....	60

Key elements

Each ETI member company is required to use this Reportbook (or the Excel equivalent) for its annual report to ETI. The Reportbook provides some guidance on how it should be completed but further guidance and explanations are contained in the ETI Annual Reporting Guidelines which should be studied before completing the Reportbook.

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.

Important:: If you are reporting in this Word format, you must provide the information required in the Key Performance Indicator section of this report **and also** provide your supplier site performance data on which the KPI information is based in an electronic format that can be analysed by ETI. This data should contain the data points as required in the Excel version of the Reportbook.

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. Therefore, information such as supplier names and sites that you may regard as confidential should either not be included or should be hidden from view. This relates mainly to reports submitted in the Excel and to supplier data provided in other formats.

Anonymous information about the performance of all of ETI's corporate members will be made available to the public. By signing below, you consent to the information contained in your company's report being used in these ways in accordance with the Data Protection Act.

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: Peter Simon

Position: Founder

On behalf of Monsoon Accessorize Ltd

DATE: February 2009

Company Information

Company Name	Monsoon Accessorise Ltd
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) 20 3372 3695
Fax	(0) 20 3372 3010
Address	1 Nicholas Road, London W11 4AN
Sector	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.	To provide greater public awareness.

Financials/Number of employees

Turnover (GBP £'000):	709.6*
Trading profit (GBP £'000):	42.9*
Permanent employees (FTE):	3991
Temporary employees (FTE):	104

Figures for 2008 relate to a 15 month trading period due transition of business from a Plc to private ownership.

Overview

The company should provide a summary of the key messages it considers should be drawn from its report. The target length for this summary is 250-300 words and it should not exceed 600 words. See guidance document for further assistance.

Overview (B41)

Monsoon Accessorize remains a unique fashion business. Our heritage 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 high street.

Within the context of the application of acceptable labour standards across our supply base, this poses a number of on going challenges for us when it is realised that 40% of all product sold includes an element of hand work which is predominately subcontracted.

Our primary sourcing countries are China and India where our supply base monitoring programme is concentrated. India in particular remains a challenging trading area, where the application of local and national law is not rigorously enforced requiring greater emphasis on our internal team to implement improvements. Our ability to bring about change must be considered within the background of our buying power, especially in China where we may only represent 10% of the total production capacity.

Our goods are purchased through a combination of agents and direct sources. All suppliers are fully briefed on the expectations defined within our Code. Progress has been made on rationalising our supply base, following this a number of new suppliers have been introduced to the ETI Report_book. Our Score Card system introduced throughout the year ensures that our supply base is risk assessed annually driving out the priorities of our monitoring programme.

We have noted an increase in the number of suppliers recording major breaches; the majority of these are accounted for in India, reflecting the findings of a more robust audit protocol and the revelation of more profound and reliable information. In addition, our monitoring strategy towards the end of the year became more focussed on second and tertiary tier suppliers who have been found to pose high risk. The probing of subcontractors to assess their status quo, has given much cause for concern with respect to all elements of our Code, but in particular child labour, migrant labour, living wage, and working hours. Continuous mapping and monitoring of our subcontractors will remain a primary objective during 2009 and beyond.

Although not visible within the figures, we believe significant progress has been made compared to previous years due to a more mature approach which is supported by the independent verification in India and China by BTE and Qualspec respectively, who confirmed that that our systems have improved significantly and are 'fit for purpose'.

Health & Safety provision continues to show the highest level of improvement. Significant improvement is shown in provisions 4, 5, and 6; with slightly less achievement in provisions 2, 7 and 8. Provision 9 demonstrates greater consistency in compliance.

Challenges (D44)

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

Continue the on-going process of integrating the ethical trading programme into core business activities and creating widespread ownership of ethical trade.

To get the message beyond the Senior Managers/Owners to the workers to effect a faster response and more participatory approach to driving change.

Change the culture of individual suppliers to ensure their commitment to implement positive change.

To develop and provide effective guidance material, to assist suppliers and help them understand and take ownership of ethical trading at factory level.

Develop flexible auditing techniques which are cost effective to include protocols which develop open and honest relationships with suppliers, addressing difficult issues whilst taking into account all levels of supply including, handicrafts, make through and a more standard line assembly.

Find a practical solution to the implementation of the Living Wage.

Continue to challenge our purchasing practises to consistently deliver better management of our critical paths, thereby providing suppliers with sufficient lead time to mitigate excessive working hours.

Within the context of the Living Wage and Purchasing Practices, effect improvements in operational systems at factory level and improve productivity. Ensure efficiency improvements are not dissipated and are used to implement better wages and reduce working hours.

Provide greater supply chain transparency. Have systems and adequate capacity within to deal with and remediate serious issues found at source such as child labour and forced migrant labour.

As indicated in section B41, second and tertiary tier suppliers have been found to pose high risk and are giving cause for concern. Mapping and monitoring of our subcontractors will remain a primary objective during 2009 and beyond. We intend to incorporate a greater proportion of our subcontractors into the monitoring programme, with the eventual aim of getting them to take ownership of Code compliance.

As more homeworking becomes evident, ensure that our systems are fully integrated to ensure decent work provision as defined by the Homeworker Guidelines.

Please explain what learning from ETI you have found most useful during the year. (D45)

The problems manifest in subcontracting, has highlighted the need to provide greater transparency and monitor lower tiers of our supply chain more robustly.

Although we are at an early stage of our subcontractor mapping and monitoring exercise, many subcontractors have been found to be exposed to serious breaches. Notwithstanding the high risk of child labour, poor wages, health and safety and excessive working hours etc, the use of migrant labour has been a revelation causing us to investigate the possible use of illegal trafficked labour.

Shared learning within the Homeworker Group continues to be useful to us. The Bareilly homeworking project has shown that it is possible to provide improvements in living standards, particularly in respect of social provisions and health care to these vulnerable workers. We are using this learning to monitor other clusters of homeworking in India and in particular Barabanki and the National Capital Regions (NCR's) of Delhi.

The Decent Work and the implementation of participatory working have demonstrated the need for more commercial awareness from the NGO and TU delegates.

The Purchasing Practices Working Group has drawn attention to the amount of influence and control that we exert within our own buying (in-house procurement) operations and the influence that this has in the provision of more acceptable factory working conditions, especially reduced working hours and the reduction of overtime.

The ETI PowerPoint presentations have provided useful background training material for Monsoon Accessorize personnel, as they draw upon real life experiences and attention to the many ethical issues prevalent in our supply chain and the benefits that are derived from Code implementation.

What were the key lessons that you learned during the year 2008 (D46)

Not to take our supply chain for granted, realise the limitations of the audit process; improve protocols and auditing techniques to ensure that accurate and representative information is gathered.

The importance of having professional well trained staff in our employ that understand the issues and have a pragmatic approach to dealing with a diverse array of complex problems.

Ensure that we are more tenacious and challenging, ensuring that the improvement programme remains on track as agreed with the supplier.

Due to the nature of our product, our supply base remains complex and ever challenging.

Encouraging our first tier suppliers to accurately communicate their extended chain remains an on going challenge.

Building capacity in India and China is not easy and due to the lack of apparent expertise, our remediation systems for child labour and migrant labour could be better.

There are difficulties with the implementation of freedom of association and participatory approaches due to the reluctance of factory management to engage. They remain unconvinced about the benefits derived by involving workers in the decision making process. This is particularly prevalent in family owned businesses.

Obtain and maintain buy-in from all stakeholders, especially Buyers and Suppliers if progress is to be made.

Getting Suppliers to take ownership of Ethical Trading is not easy - they need to be convinced about the business case to achieve buy-in.

We need to engage with the tripartite membership of the ETI, to exert political pressure (in the UK and sourcing country) to bring about better regulation and enforcement

What issues you would like ETI to work on 2009 (D47)

Within the context of the commerciality, the role NGO's and TU's needs to be addressed in relation to their role and purpose and how their contribution is measured.

As we continue to strive to implement improvements to labours standards within our supply chain, it is clear that our ability to influence is often limited by our buying power (which in many instances is less than 10%). It must be recognised that there are limits to what any retailer can achieve on their own and therefore more must be done to ensure that the country of origin takes responsibility. We need to find ways to mitigate the influence of corruption and bring about better enforcement of the laws and regulations that exist, as without doubt, this would make a dramatic improvement to the membership's ethical trading position. The ETI (and UK government) could do more to raise awareness and lobby inept governments.

Implementing the Living Wage by way of improved productivity has been advocated, but the supplier must understand the need and what can be achieved in order to obtain their buy-in, enthusiasm and commitment. A data base containing details of consultants with expertise in this area would be useful, together with the sharing of knowledge and circulation of case studies to show what can be achieved.

Purchasing practices is growing in importance as a means of delivering improvements in working conditions. Suppliers need to be in tune with purchasing improvements too, to ensure that the benefits are not dissipated by inefficient factory management practices.

Targets	
Existing Targets	Progress made

<p>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.</p>	<p>Target achieved and verified by BTE (India) and Qualspec (China) December 2008</p>
<p>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.</p>	<p>Some progress achieved, but improvements are not as significant as we would have liked. The problem in overcoming a reluctance to accept participation and Freedom of Association by factory management remains a stumbling block. This is an issue which we are working to address and remains a key objective.</p> <p>Where the worker representative is known, audit feedback is given.</p> <p>Our Code is displayed prominently at our sites of manufacture and the facility to "whistle blow" is in place.</p>
<p>Continue with active participation in the ETI China Forum, and partake in the "Decent Work in China" sub-group.</p>	<p>Derek Jackson is now the Chair of the China Forum. Since its inception, the Forum has introduced several guest speakers to address topical issues such as child labour remediation,</p>

	<p>the role of TU's and China contract law.</p> <p>Finding a supplier that meets all the Decent Work criteria has proved challenging, due to geographic location and perceived corporate influence. We now have a supplier that meets all the criteria.</p>
<p>Continue to work with the ETI Homeworkers Group. Identify more suppliers to engage with and implement the guidelines and provide feedback on implementation.</p>	<p>Work continues both in the UK, India and China. Our mapping exercise is ongoing and our supply base shows a significant if somewhat fluid homeworking contingent. Encouragement is given to the adoption of Homework Guidelines and feedback is given in the UK and NHG (India). One of our major suppliers has demonstrated outstanding commitment and is making great progress.</p>
<p>Continue our programme of awareness raising within the business and externally.</p>	<p>Continues both internally and externally.</p>
<p>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.</p>	<p>Have developed a number of relationships within India and China, but still need to establish capacity to effect proper remediation. We are working towards the establishment of child welfare and remediation support function to be based within our Delhi office.</p>
<p>To establish an effective working relationship with SEWA</p>	<p>We have and the relationship continues to flourish. We are working in Bareilly to assist workers with organising and capacity building; education; economic empowerment, monitoring and evaluation and we are seeking to expand our activities in NCR regions of Delhi.</p>
<p>Continue and extend Monsoon Accessorize Trust activities to include:</p> <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 provide funding for a dispensary, some visual and performing arts provision, school uniforms and school transport.</p> <p>Seva Mandir - a rural development project,</p>	<p>The hostel opened in the summer of 2008. 60 girls currently live there.</p> <p>This is an on-going project. As a result of our funding - a van and medical centre are up and running. We also gave them enough books to set up a library. The school has also been refurbished.</p>

<p>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>	<p>This is an on-going project and children continue to be immunised and taught at the day care centres.</p> <p>This is an on-going project. Due to the popularity of the school, it is now operating 2 shifts a day (morning/afternoon).</p> <p>The women continue to receive training in traditional embroidery skills. Monsoon has commissioned a "limited edition" range of scarves to be sold in store during AW09.</p>
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2009

Review and modify the Ethical Strategy and its priorities to reflect the business growth and changing needs. Use our Score Card system and integrate into the risk assessment methodology and annually assess all suppliers and set priorities for our monitoring programme.
Continue to work with ETI Homeworkers Group, introduce the Guidelines across a wider supplier base (to include China) and monitor its implementation
Implement our Living Wage project and work closely with other ETI members to expedite progress.
As a means of delivering the Living Wage and complementing Purchasing Practices and reducing working hours, work with our suppliers to implement productivity improvements at factory level.
Continue to work with the ETI China WG, and the "Decent Work in China" project
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.
Develop our relationship with SEWA.
Review the Supplier Assessment process; assess trends and 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 database.
Extend Monsoon Trust activities.

2010

Review and modify the Ethical Strategy and its priorities to reflect the business growth and changing needs. Use our Score Card system and integrate into the risk assessment methodology and annually assess all suppliers and set priorities for our monitoring programme.
Continue to work with ETI Homeworkers Group, introduce the Guidelines across a wider supplier base (to include China) and monitor its implementation

Implement our Living Wage project and work closely with other ETI members to expedite progress.
As a means of delivering the Living Wage and complementing Purchasing Practices and reducing working hours, work with our suppliers to implement productivity improvements at factory level.
Continue to work with the ETI China WG, and the "Decent Work in China" project
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.
Develop our relationship with SEWA.
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 database.
Extend Monsoon Trust activities.

2011

Review and modify our ethical strategy and priorities to reflect the business growth and changing needs. Monitor trends and changes to our supplier base and modify audit strategy accordingly.
Continue with the Living Wage Project
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.
Further develop our relationship with SEWA.
Extend Monsoon Trust activities.

Management Indicators

M1 Commitment

Endorsement of Base Code by the board

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 along with 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. Updates are provided at monthly intervals. A Head of CSR was appointed in October 2006.

Publication of ETI membership and commitment to the Base Code

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. There is a link which takes you directly to the Monsoon Accessorize Code of Conduct together with a direct link to the ETI's website where the Base Code can be viewed separately.
· Reports to Shareholders	N	Monsoon Accessorize Ltd became a private company in November 2008, when our Founder Peter Simon acquired all remaining public shares in the business.
· Supplier materials	Y	

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	Our annual UK Supplier Conference includes a session on the ETI to emphasise its importance. A summary on supply Base Code improvements are tabled for the year and supported by an awards ceremony to publicly recognise the best achieving and best improved supplier for 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 many

		<p>of whom ask us for information to assist with their dissertations. 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.</p> <p>We are currently sponsoring an ethical design based student.</p>
In other ways	Y	<p>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).</p>

Method	Y/N	Details
We consulted with a range of stakeholders prior to joining the ETI (including trade associations, investors and clients)	Y	
We have explicitly endorsed the ETI and its Base Code in other ways not covered above	N	

Participation in ETI Activities

Method	Y/N	Details
In the last year a staff member has:		
· 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>
· Chaired an ETI working Group	Y	Derek Jackson is Chair of the China Forum.
· Actively participated in one or more ETI working groups	Y	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.

		In the China WG we are active participants in the Decent Work project and met the Hong Kong NGO's and TU's in November 07. We have selected a factory to test new approaches in respect of participatory techniques. We participate in the ETI ARWG development which is ongoing.
· Taken part in at least one ETI pilot project(s)	Y	China Decent Work, Bareilly Homeworkers
· involved at least one of our suppliers in an ETI pilot project	Y	China Decent Work, Bareilly Homeworkers

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:	Debra Hidson	Matt Hudson
Position:	Sourcing Director	MD Monsoon

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 organo-chart appended.

Our Sourcing Director, reports monthly to the Board on the top line ETI issues found in our audit and monitoring programme. Agreement is reached with the Global Ethical Trading Manager, on strategy, and targets for the year (and rolling 5 year programme) and funding considerations and budgets are formulated. The Sourcing Director outlines the strategy and projects to the Board for approval and sign-off.

Global ETI Manager meets with senior buyers and merchandise staff to provide a monthly summary of progress and highlight any issues of concern. Where lack of engagement is manifest, the Sourcing Director and Senior Buyers are consulted and appropriate, commercial pressure is applied to ensure the improvement programme is brought back on track. Where this fails to deliver the desired result, alternative sources of supply are sought.

Similarly, the Global Ethical Trading Manager meets with the Sourcing Manager, Head of Technical and Packaging Manger, on a weekly basis and provides an update of ETI issues.

The Ethical Trading Managers based in India and China, report directly to the Global Ethical Trading Manager based in on London. The Ethical Trading Managers in India and China also have dotted line reports to their respective Office Mangers.

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

Method	Y/N	Frequency	Details
Ethical trading reports are discussed at board level meetings	Y	Annually and 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 assessment of progress.
We have an ethical trading committee with the most senior individual (shown in the organo-chart) present	Y	Monthly	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 regular briefing meetings with trading, buying and/or technical teams to alert them to key issues	Y	Monthly	
Other staff meetings specifically to 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, together with meetings as and when relevant.
Ethical trading issues are discussed with staff as part of a wider CSR or trading meetings	Y	Monthly	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.

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

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	All new employees (which includes those at point of sale) during their formal induction.
To employees whose roles are affected by ethical trade issues (please specify who is included) through: - explicit written communication on the Base Code	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.
- face-to-face communication on the Base Code	Y	
In other ways not covered above		

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

Resource Deployed	No Staff	FTE	Details
Staff for whom ethical trade represents at least 30% of their role	10	8	Sourcing Director; Global Ethical Trading Manager; Manager; Shanghai Office; Ethical Trading Manager, China; Ethical Trading Officer, China; Manager; Delhi Office, Ethical Trading Manager, India; Ethical Trading Officer India; Head of CSR; Corporate Responsibility Manager.
Staff for whom ethical trade represents at least 5% of their role	26	3	Company Chairman; MD Monsoon, MD Accessorize; Brand Director Accessorize; Group International Director; Senior Buyers (X4); Monsoon Product Manager, China; Accessorize Product Manager, China; 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 (X2).
Resource Deployed	Y/N	FTE	Details
Do you use third party auditors?	Y		
How many audits have they undertaken in the last year?		27	
Were these costs met by you or by your			Some of the costs were met by us.

suppliers?	
What was the estimated total amount paid by you towards the cost of third party audits?	£6.5K
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 employed Qualspec to carry verification of audits and field assessments of auditors in China.</p> <p>Our working with CLSN to develop child labour remediation in China.</p> <p>We have employed ASK in India to assist with our Living Wage project and to carry out a cost of living (basket)t assessment in India.</p> <p>With a view to implementing the Living Wage and improvements in purchasing practices, we have engaged with specialist production engineers to assist with productivity improvements at designated sites with a view to using the case studies as examples to drive improvements across our supply chain.</p> <p>SEWA to assist with homeworkers project.</p> <p>This work will be ongoing throughout 2009 and beyond.</p>
If so what was your estimated expenditure on such external advisors or specialists last year?	£ 5K
What was your total budgeted expenditure devoted to ethical trading in the year?	£137K
What was your total actual expenditure devoted to ethical trading in the year?	£148K
Do you have other budgets devoted to ethical trading?	CR expenditure
If so what was your other expenditure in this area last year?	£5K

M2 Monitoring, Independent Verification and Reporting

Limitations on Membership

Method	Y/N	Details
Our ETI membership is limited to:		
Own-brand products	Y	All product sold within Monsoon and Accessorize are 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, Thailand and Philippines.
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		

Engagement with the supply chain

What percentage of your total number of first tier supply sites 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 Code requirements 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 second tier and tertiary suppliers too.

The above provide background information only. They will not be evaluated as part of your overall assessment.

How many first tier supply sites are covered by your ETI membership?

No:	412
Comments	530 at year end 2007 and reduced to 412 year ended 2008 but is anticipated to reduce to 320 by year ended 2009.

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:

Second tier no	20
Second tier Comments	Second tier suppliers have be found to pose higher risk due to their lack of appreciation of ETI requirements.

Third tier no	2
Third tier Comments	Third tier suppliers have be found to pose higher risk due to their lack of appreciation of ETI requirements.

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	

<ul style="list-style-type: none"> Particular elements of the base code 	<p>Y</p>	<p>We have prioritised H&S as a quick win and this has delivered significant improvements. This will continue throughout 2009 and beyond.</p> <p>We have placed more focus on child labour and young workers - particularly where homeworking (for e.g. Bareilly) and sub-contracting is endemic.</p>
<ul style="list-style-type: none"> Tiers of supply chain 	<p>Y</p>	<p>Our supply chain is complex and we recognise the additional risks associated with second, third and fourth tier manufacturers and homeworkers.</p>
<ul style="list-style-type: none"> Scores on desk based assessment of supplier questionnaires 	<p>Y</p>	<p>Within our Supplier Profile procedure, suppliers are rated Red (high), Amber (medium), Green (low), dependent on the information held on file and their progress towards implementing the Base Code.</p>
<ul style="list-style-type: none"> Scores on risk assessments that include a site visit 	<p>Y</p>	<p>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 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 	<p>Y</p>	<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 and we judge a suppliers commitment to the achievement of the CAP.</p>

· Concerns expressed by colleagues e.g. buyers or quality team, or technical auditors (internal or external)		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 Global ETI Manager of their assessment which is generally supported by photographic evidence.
· Complaints from workers, Trade Unions, NGOs or other groups	Y	We 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".
· Dialogue with external stakeholders e.g. Trade Unions and NGOs	Y	Through our ETI China Working Group activities we are in contact with several TU's and NGO's, together with SEWA and ASK.
· Other issues	Y	We take cognisance of ethical trade (and CSR) journals and note and act on trends and new issues that become manifest.

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

Y/N	Y
Comments	Our Supply Base is prioritised according to a combination of risks (outlined previously). The majority of our product 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).

If so, please list each risk category you use (e.g. high, medium, low) with the highest risk as category 1. Indicate the estimated percentage (by number) of your suppliers in each and briefly describe the criteria by which suppliers are included.

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	13%	No information, major breaches, systematic (institutionalised) breaches, slow progress, country location.
Medium Risk	35%	Country location, preponderance on non-compliances. Evidence of commitment (for e.g.

		delivery of the CAP yet to be proven).
Low Risk	52%	Documentation demonstrates compliance.

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 each was responsible for during the year.

Type of organisation	Y/N	%	Details
· Own staff			<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>
	Y	91%	<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 fully trained 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>

<ul style="list-style-type: none"> Commercial auditors 	Y	7%	<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 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”.</p>
<ul style="list-style-type: none"> NGO auditors 	Y	4%	<p>We engage with NGO's and local government organisations for capacity building (for e.g. CLSN child labour remediation).</p> <p>Ask conducted a basket survey for our Living Wage project.</p>
<ul style="list-style-type: none"> Trade Union auditors 	N		
<ul style="list-style-type: none"> Multi-stakeholder bodies 	N		
<ul style="list-style-type: none"> Suppliers' own staff 	Y	Not known	<p>We continue to give encouragement to our suppliers to take more ownership in the management of their ethical performance. Our Workbook is 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.</p> <p>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.</p>
<ul style="list-style-type: none"> Other bodies 	N		

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.

Method	Y/N	%	Details
Anonymous questionnaires are sent to workers	N		
A sample of workers are interviewed individually:			
In confidence (without management presence)	Y	91%	
Off site	Y	2%	
Groups of workers are interviewed together:			
· In confidence (without management presence)	Y	80%	
· Off site	Y	2%	
Briefings from trade union(s) recognised by the supplier as representing workers at that site	Y	Not known	
Briefings from relevant unrecognised trade unions	N		
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	Y		ASK canvas worker views and revert back. Our office staff in India and China for the Monsoon and Accessorize teams visit x2 per week

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.

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.

Groups of workers	Y/N	Details
Regular employees	Y	
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).	N	
Self-employed	Y	
Workers under other informal arrangements	N	

What is the maximum length of time between inspections? Please list for each Risk Category (reported above) the expected maximum length of time between inspections.

Risk Category	Time (months)	Details
High Risk	1	
Medium Risk	6	
Low Risk	24	

How do you verify that inspection findings on which you are relying are credible?

Method	Y/N	%	Details
Review by a third party independent of both the organisation that carried out the inspection and the supplier	Y		For "due diligence" purposes we engaged BTE to assess the adequacy of our audits in India and Quallspec to assess fitness for purpose of our audits in China. They were requested to comment on our protocol, reporting format, and feedback procedure and make recommendations for

			improvement.
Inspection review by third party experts, such as NGOs and trade unions	N		We are seeking to establish relationships with suitable partners.
Third party experts, such as NGOs and Trade Unions take part in our site inspections	N		
Own staff check inspection findings produced by other parties.	Y		Our own staff check for validity and monitor the follow-up audit.
Inspections are verified by another method	N		

How do you manage your supplier data?

Please indicate all the methods that apply to your company giving brief details.

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.

Method	Y/N	Details
Paper based system	Y	All are held on file and we have systemised the capture of supplier information which includes ETI reports, Supplier Profile and Suppliers Assessment data.
In house spreadsheet/database	Y	We developed 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	
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	

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 (2007) on our website and is fully accessible to public scrutiny.

Method	Annual Report	CSR Report	Website	Other	Details
Date of latest publication (mm/yyyy)	05/2008		Y		2007 ETI Annual Report
Our overall policies and strategies	2007		Y		Homeworking Policy
The resources and processes we use			Y		ETI Report
Our targets and commitments			Y		ETI Report
Particular projects or case-studies	2007		Y		Monsoon Trust
How we measure standards of suppliers			Y		ETI Report

M3 Awareness Raising and Training

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	Y/N	No. of suppliers	Details
Sent to suppliers	Y		<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 provided with an Ethical Sourcing Pack and taken through a formal induction which includes our Ethical Policy. They are required to sign a document committing their business to meeting the objective defined in our Code.</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		<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> <p>Face to face meetings in India and China supported by video conferencing facility.</p>
Placed on our website and suppliers have been asked to look at it	Y		Our Code is on our website and there is a direct link to the ETI website.
Incorporated into our supplier	Y		Included in our supplier manual and

materials			now forms a key element of our trading terms and conditions.
Communicated by other means	Y		We hold supplier conferences to raise awareness and communicate progress of our ethical strategy and commitment. The ETI Base Code is at the core of this. Through the provision of our Workbook.

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		<p>All scoped suppliers. All new suppliers are taken through a formal induction which includes our Ethical Policy.</p> <p>We provide supplier seminars and training in China and India to explain the significance of our Code. We organise H&S workshops in China and India. We run workshops on how to apply our Workbook in China and India. We run 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> <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 provided a guidance document explaining how to implement the Code	Y		<p>We have developed a Global Supplier Workbook for our agents and suppliers.</p> <p>Our seminars in China and India, explain that implementation of our Code is not something we can achieve on our own and that it is important for them to take ownership.</p> <p>The Workbook is designed for this purpose and has some success in highlighting the status of 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		
We, or third party specialists, have assisted suppliers to improve or introduce management systems to facilitate code implementation	Y		We have used the services of SEWA, BTE, Qualspec, ASK and Coates.
We have facilitated meetings/ongoing dialogue with stakeholders (trade unions, NGOs) in country	Y		<p>Our discussions with CLSN in China are ongoing and we are exploring our involvement with other NGO's.</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. Supplier assessments provide the perfect vehicle for this.</p> <p>The Homeworkers Project continues to give suppliers the opportunity to share best practice as does the in-house embroidery facility in India and we envisage that the progression of the Decent Work project in China will also benefit suppliers in the long term.</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 in developing management systems.</p> <p>We run H&S workshops in China and India. We organise workshops on how to apply our Workbook in China and India. We run workshops on implementation of the Homeworking Guidelines in India.</p> <p>We have also convened meetings with sub-contractors to discuss Code application.</p>

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 (reformatting the rows or using the continuation sheet if you need more space).

We have provided training for:	No. of suppliers	Person hours	Details
Company or commercial managers from the suppliers e.g.	5	60	H&S and Homeworker Guidelines

MDs, HR managers, account managers			
Local site management at factories or farms e.g. Supervisors, site managers	6	60	Workbook training
Shop stewards, workers committee, or other worker representatives	0	0	

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.

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:	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 insist that our Code is drawn to the attention of new employees on their induction.
Organised meetings to explain the Base Code to workers	Y		Meetings with sub-contractors.
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 is supported by external experts, particularly on Health and Safety.

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 and the total number of person hours for each option.

Option		Ethical Trading Staff	Technical/ Quality Staff	Buying Teams	Board Member/Snr Management
We have:		<i>Please do not count individual staff in more than one column or any given training course in more than one row.</i>			
Provided specific training on labour standards to these staff	Y/N	Y	Y	Y	Y
Provided written material relating to the ETI, the Base Code and its relevance to their function	No.	4	42	5	1
Held a one off workshop or meeting to introduce the ETI, the Base Code and its relevance to their function	No.	4	16	14	1
	Person Hours	8	32	28	2
Held a workshop as above followed by ongoing provision of support and reference materials	No.	4	64	5	0
	Person Hours	32	128	10	0
Sent staff on external training courses relating to labour standards	No.	1	0	0	0
	Person Hours	8	0	0	0
Provided training not covered above	No.	4	0	0	0
	Person Hours	16	22	5	0
	Comments	Living Wage	Child Labour	Child Labour	0

M4 (i) Corrective Actions – Initiatives

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 – Bareilly Home working Group	
Location	Bareilly
Issue(s) addressed	Home workers
Duration	Since 2006
Stakeholders	ETI/NHG & BHG members
Activities	To work with homeworkers to improve working conditions
Involvement	One active Exporter (first tier supplier)
Outcomes/Learning	Improvements in social benefits & health care

Project 2 title: Living Wage study	
Location	National Capital Region (NCR) – India
Issue(s) addressed	Living wages
Duration	2008 & ongoing
Stakeholders	ASK, Monsoon Accessorize
Activities	Study has been conducted by ASK to establish the differential between, minimum wage and Living Wage
Involvement	Several first tier suppliers and their sub-contractors
Outcomes/Learning	Living wages for Delhi, Gurgaon & Noida have been identified

Project 3 title: Monsoon Accessorize Trust funding for SEWA Centre in Bareilly	
Location	Bareilly
Issue(s) addressed	Home workers
Duration	2008 & ongoing
Stakeholders	SEWA & Monsoon Accessorize Trust
Activities	SEWA has set up a centre in Bareilly. Also training of the village women is being done for Self Help Groups & Micro financing
Involvement	Funding
Outcomes/Learning	Too soon to say

Project 4 title : Visibility in supply chain	
Location	Meerut – Jaee village
Issue(s) addressed	We are mapping a part of supply chain including home workers & implementing ETI requirements at these sites
Duration	2008 & will be ongoing
Stakeholders	One first tier supplier and sub contractor
Activities	Mapping of supply chain + implementing ETI requirements at these sites
Involvement	Part time
Outcomes/Learning	Transparency in supply chain & implementation of ETI requirements in the supply chain – This model would then be replicated at other locations

...

Project 5 title : Child Labor	
Location	Shenzhen/China
Issue(s) addressed	Underage workers (below 16 yrs in China) found
Duration	March 2008 & ongoing
Stakeholders	ETI/Monsoon/CLSN/First tier supplier
Activities	CLSN invited to visit the factory twice and arrange follow up visit 3 times.
Involvement	Part- time
Outcomes/Learning	All the children labors have left the factory for “ <i>personal reasons</i> ”- better remediation facilities required.

Project 6 title : Decent Work	
Location	Hangzhou/China
Issue(s) addressed	To help workers establish a communication system through participatory approaches with the factory management to improve working conditions.
Duration	Sept 2008 & ongoing
Stakeholders	ETI/Monsoon/CLSN/First tier supplier
Activities	Factory visit with ETI Liaison Officer Sept 2008 to outline the project.
Involvement	Full time
Outcomes/Learning	Too soon to assess as the project at the incipient stage. Meeting scheduled early 2009 with major stakeholders to commence the project fully.

M4(ii) Corrective Actions – Individual sites/suppliers

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
We, or the external auditors, provide the supplier with a list of corrective actions	Y	We request a time frame for completion.

which they agree and sign		
The list of corrective actions is shared with the trade union or other workers' representatives at the site	Y	Where a representative is present, we share this with worker representatives.
The supplier produces an action plan and timescale to implement the corrective actions	Y	Within the CAPR
We discuss the nature of the corrective action with the supplier and together draw up an appropriate action plan	Y	
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.
For difficult problems we provide support and, where appropriate, resources to assist the supplier	Y	As described above.
We encourage the supplier to engage with the appropriate Trade Union(s) to address the problem	Y/N	When we have the contact we do.
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.
For intractable problems, common to a location or a sector, we form supplier groups or join local projects to find solutions	Y	Homeworking in India generally and looking at the wage issue.
We engage with suppliers by another method (give details)	Y	Notified M&S about a joint supplier who was refusing to engage with our improvement programme. Also engage with Debenhams, Next and GAP.

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 standard processes 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	Supporting evidence to include documentation and photographs.
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 the trade union or other workers' representatives that actions have been taken	N	Where there is a worker representative present we do so.
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), for e.g. where factories have been found to be operating in illegal locations.
We follow up corrective actions by another method (give details)	N	

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.

Who is responsible for following up corrective actions?

If responsibility is shared between different groups of staff please provide details of how responsibility is determined and the estimated proportion assigned to each group.

Who	Y/N	Details
Product technologists during technical visits	Y	They monitor health and safety and comment on general housekeeping and levels of acceptability. Status is supported with photographic evidence.
Ethical trading staff	Y	
Other staff - please specify	Y	Buyers during their supplier visits will request an update from the supplier and ETI staff.
Third parties - please specify	Y	Third party auditing companies are used for this purpose where our own staffs do not have a presence.
Responsibility for following up corrective actions is not assigned	N	

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. Please explain the process that led to termination including timescales.

Base Code section	No. terminated	Details
1. Employment is freely chosen		
2. Freedom of association and the right to collective bargaining are respected		
3. Working conditions are safe and hygienic		
4. Child labour shall not be used		
5. Living wages are paid		
6. Working hours are not excessive		
7. No discrimination is practised		
8. Regular employment is provided		
9. No harsh or inhumane treatment is allowed		
More than one Code provision was seriously breached	2	Persistent failure to engage and improve.
The supplier would not co-operate on risk assessment and/or inspection		

M5: Management procedures, pricing and incentives

How stable are your relationships with suppliers?

Please indicate for those suppliers inspected or risk assessed (i.e. those included in the Performance Input sheet), the approximate percentage for each option giving additional comments where appropriate.

	% by no of sites	% workers in supply chain	Comments
Proportion of your scoped first tier supply chain that you have been continuously trading with for:			
· Less than 1 year	2%	1%	
· Between 1 and 3 years	5%	5%	
· Between 3 and 5 years	75%	58%	
· More than 5 years	18%	36%	

Please estimate the proportion of your total suppliers/purchases in the last 12 months accounted for by:

	% by no of sites	% workers in supply chain	Comments
Spot buying?	0	0	

To what extent is Code compliance written into your contracts and letters of agreement?

Please only answer yes to one option and provide brief details.

Terms	Y/N	Details
Compliance with the Base Code is written into some of our contracts and letters of agreement	Y	Integral part of all contracts.
Compliance with the Base Code is written into all 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.

What minimum standards are required of new suppliers and new sites?

Please explain how your standards operate in practice. If more than one approach is used, please explain how this is chosen and provide an estimate of the proportions in which each approach was used during the year.

We require new suppliers to	Y/N	Details
Fully comply with the Base Code	N	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.
Have no major breaches of the Base Code	Y	

Agree to comply with the Base Code within a set timescale	Y	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).
Meet specific minimum standards on some/all Code provisions	N	
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.
Meet other minimum standards	Y	Will consider WRAP certification

When and how are potential new suppliers assessed?

Please indicate all the methods you use and if more than one explain how the choice of approach is made and provide an estimate of the proportion of new suppliers assessed in each way during the year and provide your views on the effectiveness of each.

During the year we assessed one or more potential new suppliers as follows:	Y/N	Details
A site inspection before any order was 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.
A questionnaire-based assessment before any order was placed	Y	See above
Subject to a site inspection within the first year of trading and making it clear that successful performance (including corrective actions where appropriate) is a pre-requisite for continued business	Y	Our preferred method
A site inspection within the first year of trading and then treat this supplier like our existing suppliers	Y	
Another method	N	

Has the company started trading with a new supplier during the year without using one of its assessment methods described above?

If so, please explain the circumstances.

No

Do you ensure that labour standards are maintained and/or improved in the following circumstances?

If so, please explain how. If not, please explain your reasons.

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 give a commitment to apply our Code.
Competitive tendering or re-tendering	N	
Short-term contracts	N	

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.

We use a score card system to assess a supplier’s performance. Better performing suppliers become “preferred” and are rewarded with continuity of supply. As a general principle their terms reflect their status. We hold an annual suppliers meeting in London incorporating an awards ceremony which gives recognition to the best achieving supplier and most significant improver. Consolidation has resulted in preferred suppliers gaining more business.

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. It would be helpful if you could explain how the risk issues covered in chapter 9 of the ETI Workbook are dealt with in your price negotiations.

Price is agreed at order placement.

If your 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 how do you monitor and mitigate potential negative impacts on working conditions that may result?

Please explain the methods you use, the circumstances in which they apply and how commonly they occur.

In circumstances, where a supplier fails to meet its contractual obligations due to their own incompetence we may seek redress (for e.g. quality issues).

How do you monitor and mitigate potential negative impacts on working conditions arising in relation to lead times?

Please explain how you ensure that suppliers have sufficient time to produce goods while complying with the Code. In particular, are there any specific risk issues that you are addressing? (Please refer to chapter 9 of the Workbook for examples)

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 line by line, 1:1 basis with the buyer and supplier prior to the order being placed.

What changes have you made to your purchasing practices during the year (including product demand forecasting and critical path planning) to positively improve working conditions at your suppliers?

Please provide details of the actions taken and impact they have had.

Production planning systems have been reviewed and challenged with changes introduced. Further improvements are envisaged to effect continual improvement in what is a relatively new process to the business.

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
The senior manager with overall responsibility for code implementation	Y	N	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. As with all other areas, the role of ethical trade is treated as an integral business requirement.
Staff in ethical trading teams	Y	N	There are no direct financial rewards linked to pay. Ethical Performance is a KPI which is linked to overall performance and merit recognition.
Staff in technical or quality teams	Y	N	There are no direct financial rewards linked to pay. Ethical Performance is a KPI which is linked to overall performance and merit recognition.
Buyers	Y	N	There are no direct financial rewards linked to pay. Ethical Performance is a KPI which is linked to overall performance and merit recognition.

Self assessment of principle 1: Commitment –self assessment

	Beginner	Improver	Achiever	Leader	
Endorsement and Advocacy	As a member of ETI it has adopted the base code and is committed to its implementation Not yet widely known for its commitment to ethical trade.	Has communicated its obligations as an ETI member to all of its suppliers and widely within the company. Publicly endorses the ETI Base Code and Principles of Implementation	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. Its commitment to ethical trade is widely known.	Acts as an advocate for ethical trading, the challenges it poses and the role of the ETI.	★
ETI Participation	Is committed to join/has already joined a pilot project/working group but has not yet made a significant contribution.	Has been an active member of at least one pilot project or working group. Actively participates in other ETI activities, although at this stage mainly by listening and asking questions.	Ready to share its experience freely with other ETI members. Makes a significant contribution to a wide range of ETI activities including involving its suppliers in projects	Takes a leading role in ETI activities and involves its suppliers whenever appropriate.	★
Senior responsibility	One or more senior managers are engaged with the topic.	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.	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.	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.	★

	Beginner	Improver	Achiever	Leader	
Internal Communication	Recognition of the importance of the subject is confined to certain groups of staff, perhaps just those who are directly involved in ethical trade.	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.	All relevant staff receive regular updates and briefings on ethical issues.	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. More widely, all staff in the company have been made aware of the company's commitment to ethical trade. 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.	★
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.	★
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.	★

	Beginner	Improver	Achiever	Leader	
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>	

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.	Well established systematic assessment of risk throughout the supply chain including site visits where appropriate.	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.	Systematic inspections by dedicated, qualified personnel of whole supply chain at intervals dictated by assessment of risk.	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 sought from trade unions and other local stakeholders prior to inspection.	In consultation with trade unions and other appropriate organisations takes special measure to encourage workers to report failures to observe code.

	Beginner	Improver	Achiever	Leader
Verification	Little work has been done on this issue.	Exploring ways of verifying results of risk assessments and inspections.	Third party experts verify results of risk assessments and inspections, but this tends to be on a sampled basis. Trade unions and NGOs are also invited to review some inspection results.	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 is held in systems which facilitate ready analysis to identify trends and patterns and ease of reporting, enabling it to provide reliable data and thoughtful analysis.	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.	Its reports reflect the effort put in, the problems tackled and the challenges ahead.	Reports openly on status of the supply chain with full commentary on supplier performance and problem issues.
OVERALL	The company has begun to review and report the issues in its supply chain.	Developing a monitoring programme and produces outline reports on progress.	Produces comprehensive and credible reports on its supply chain.	In depth reports supported by independent assessments.

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.	All dedicated ethical trade staff receive regular on the job briefings and the opportunity to share learning with and from others in the industry. Other staff closely involved in ethical trade receive regular refresher/update training. Staff whose jobs impact on ethical trade (e.g. senior managers in buying, commercial, logistics and finance) have been trained in the meaning of the code and its practical implications.	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.
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 are dealt with promptly and constructively.	The company has taken active steps to assist suppliers with compliance. It has provided tools and documents to suppliers and, where specific problems have been identified, clear and practical guidance is provided.	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). There is a history of working alongside suppliers to generate improved working conditions.

	Beginner	Improver	Achiever	Leader
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.	Suppliers' communications with their workers provide additional background and context, perhaps including guidance on code compliance and details of relevant local law. Suppliers inform workers of their plans for improvements, enabling workers to hold the supplier company accountable in the event that changes are not made.	Suppliers engage with trade unions (or other workers' representatives) to develop agreed improvement plans.
OVERALL	The company has begun the process of identifying training and awareness raising needs.	The company is addressing the needs for training and initiating awareness raising.	Provides appropriate training to all involved in ethical trade and is improving awareness of suppliers and their workers.	Highest quality internal training and long term engagement with the needs of suppliers and their workers representatives.

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.
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.
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. Most significant improvements are being resolved within the agreed timescales. Developing alternative approaches to resolving intractable problems.	Systematically monitors overall progress of suppliers and there is a history of sustained improvements. 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.

	Beginner	Improver	Achiever	Leader	
Termination of Supplier Relationship	Problems have been dealt with on a case by case basis.	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.	Clear guidelines have been communicated to suppliers and are being followed in practice.	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.	★
OVERALL	Addresses the need for corrective actions as they come to light.	Has developed systems for recording and following up necessary corrective actions	Has well established systems for identifying and following up corrective actions to ensure improvements are made.	Achieves sustained improvements by working with suppliers to identify persistent problems, identify solutions and to share learning.	★

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.	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.	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.

	Beginner	Improver	Achiever	Leader	
New Suppliers	New suppliers are expected to comply with labour standards, although in practice lower labour standards are sometimes accepted from new suppliers.	New suppliers have to meet the same labour standards as existing suppliers.	Systems in place for assessing new suppliers' compliance with labour standards.	Rigorous systems in place for ensuring new suppliers meet labour standards.	★
Staff Responsibility and Incentives	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.	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. Objectives are typically based on management actions but some consideration has been given to quantified performance indicators.	Labour standards features in job descriptions and objectives of wide range of staff including buyers and commercial. The company has developed objectives relating to management activity and measures of performance which form part of their appraisal and rewards structure.	Improving labour standards has equivalent status to other aspects of job description. Where remuneration is linked to quantified objectives these include both commercial and labour standard indicators.	★

	Beginner	Improver	Achiever	Leader
Critical path	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.	Critical path is communicated to suppliers. The company shows inconsistent compliance with agreed order dates and forecasting of demand.	Company has a reasonable record of ensuring orders are placed on time and demand forecasts are reasonably accurate.	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. Suppliers are able to recover costs or other compensation in the event that the company does not meet agreed order deadlines. ★
OVERALL	<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> ★

Management Indicators: Self assessment summary

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

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

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

Summary Data & KPIs

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.

You should complete the following data tables using information derived from your monitoring systems. Please refer to definitions in the ETI Reportbook guidelines. If you are not completing the ETI Excel Supplier Performance sheets, you must supply to ETI along with this reportbook your supplier data in a format that can be analysed.

KPI 1

Sites

Summary of site-based information included within the input. Figures are shown in absolute and percentage terms.

	Number
Total no sites in input sheet	412
Sites risk assessed	406
Sites inspected	221
Sites risk ass'd & inspct'd	221

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

Summary of worker-based information.

	Workers at supplier sites
	Number
Total number of workers	141,831
Workers covered by risk assessments	141,831
Workers covered by inspections	75,547
Workers covered by TU negotiations	28,425
Workers covered by non TU negotiations	112,935

KPI 3 & 4**Assessments and Inspections by year**

Year	No. of sites risk assessed	No. of sites inspected
2010		
2009		
2008	406	158
2007		49
2006		8
2005		6
Grand Total	406	221

KPI 5 & 6**Assessments and Inspections by type**

Assessment Type	No. of sites assessed	Inspection Type	No. of sites inspected
X	168	A	
Y	238	A*	
Z	0	B	
Grand Total	406	B*	
		C	
		D	
		D*	205
		E	
		E*	
		F	16
		G	
		Grand Total	221

KPI 7 Distribution by Site Rating: Number of sites

Site Rating	Prov 1	Prov 2	Prov 3	Prov 4	Prov 5	Prov 6	Prov 7	Prov 8	Prov 9
4		1	1	1	1	1	1	1	1
3	191	150	71	148	73	130	186	158	186
2	22	50	117	63	111	67	29	48	31
1	7	19	31	8	35	22	4	13	2
No data	192	192	192	192	192	192	192	192	192
Total	412	412	412	412	412	412	412	412	412

Improvement Actions

The first table under each heading identifies the number of sites which have been rated and the number of workers in the supply chain. No data for sites is the number of site references on the input sheet that are not given a rating 1-4. The second 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 8

Provision 1: Employment is freely chosen		
Rating	Sites	Workers
No data	192	67,544
1	7	3,035
2	22	10,129
3	191	61,123
4	0	0

Improvement Action Provision 1	Sites	Frequency
Cash Deposits	13	14
Retention of IDs/passports	1	1
Involuntary Prison Labour	0	0
Bonded Labour	2	2
Provision of Tools	0	0
Notice Provisions	12	12
Other	4	4

KPI 9

Provision 2: Freedom of association and the right to collective bargaining are respected		
Rating	Sites	Workers
No data	192	67,544
1	19	6,361
2	50	13,967
3	150	53,817
4	1	142

Improvement action Provision 2	Sites	Frequency
Worker Information / Training on Rights of Freedom of Association and Collective Bargaining.	7	7
Access for Independent Trade Unions to Recruit	7	7
Facilities for T. U. Activities	3	3
Workers' Representatives' Time Off / Access to Workforce	0	0
Discrimination against Workers' Representatives	5	5

Discrimination against T. U. Members	15	15
Collective Bargaining of Terms and Conditions	3	3
Collective Bargaining Agreements in Writing / Available to Workforce	1	1
Democratic T. U. Constitution and Procedures	3	3
Facilitating Parallel Means	3	3
Other	1	1

KPI 10

Provision 3: Working conditions are safe and hygienic		
Rating	Sites	Workers
No data	192	67,544
1	31	8,870
2	117	43,585
3	71	21,690
4	1	142

Improvement Action Provision 3	Sites	Frequency
Workplace General Conditions including Air Quality, Lighting, Noise, Tidiness and Cleanliness.	53	74
Evacuation Procedures including Alarms, Exits, Procedures and Drills	43	48
Personal Protective Equipment	29	30
Fire Safety including Precautions and Provision and Maintenance of Fire Fighting Equipment	42	56
Chemical Safety	26	37
Machine Safety	50	55
Handling Procedures	4	4
Availability of First Aid Treatment	33	37
Hygiene including Clean Water, Toilets and Storage for Workers' Food	16	24
Standard of Workers' Accommodation	1	1
Health & Safety Management Procedures including Records	19	21
Training of Workers and Management including Records of Training	4	4
Safety of Pregnant Workers	0	0
Other	7	7

KPI 11

Provision 4: Child labour shall not be used		
Rating	Sites	Workers
No data	192	67,544
1	8	1,234
2	63	24,767
3	148	48,144
4	1	142

Improvement Action Provision 4	Sites	Frequency
Age Records	37	37
Medicals for Young Workers	19	19
Child Labour Policy Awareness	4	5
Young Worker Policy Awareness	1	1
Night Work	0	0
Hazardous Work	0	0
Transition to Education for any Child Workers	0	0
Other	1	1

KPI 12

Provision 5: Living wages are paid		
Rating	Sites	Workers
No data	192	67,544
1	35	9,544
2	111	39,035
3	73	25,566
4	1	142

Improvement Action Provision 5	Sites	Frequency
Employees Paid Legal Minimum Wage / Industry Benchmark / Living Wage	15	15
Sub Contractors Workers Paid Legal Minimum Wage / Industry Benchmark / Living Wage	0	0
Full Pay Details Before Employment Begins	2	2
Payslips Provided	3	3
Disciplinary Deductions	2	2
Other Deductions without Worker's Written Permission	4	4
Recording Disciplinary Measures	0	0
Correct Pay Records	29	31
Other	5	5

KPI 13

Provision 6: Working hours are not excessive		
Rating	Sites	Workers
No data	192	67,544
1	22	6,769
2	67	20,071
3	130	47,305
4	1	142

Improvement Action Provision 6	Sites	Frequency
Hours Comply With National Law and Industry Benchmarks	4	4
Contracted Working Hours Not More Than 48 Hours per Week	3	3
One Day Off in Seven	19	19
Time Off in Lieu	0	0
Overtime Voluntary	2	2
Overtime Within Legal Limits and Not More Than 12 Hours per Week	6	6
Overtime Paid at a Premium Rate	3	3
Statutory Leave given	11	11
Other	18	18

KPI 14

Provision 7: No discrimination is practised		
Rating	Sites	Workers
No data	192	67,544
1	4	1,867
2	29	6,030
3	186	66,248
4	1	142

Improvement Action Provision 7	Sites	Frequency
Discrimination in Hiring	10	10
Discrimination in Remuneration	3	3
Discrimination in Training	1	1
Discrimination in Promotion	2	2
Discrimination in Dismissal	0	0
Discrimination in Retirement	0	0
Pregnancy/ Maternity Discrimination	4	4
Equal Opportunities Policy and Awareness	9	9
Training on Discrimination Issues	0	0
Monitoring Gender and Ethnic Mix	1	1
Other	0	0

KPI 15

Provision 8: Regular employment is provided		
Rating	Sites	Workers
No data	192	67,544
1	13	5,513
2	48	11,801
3	158	56,831
4	1	142

Improvement Action Provision 8	Sites	Frequency
Written Terms and Conditions Provided to All Workers	15	16
Social Insurance Scheme Participation	7	7
Fair Probation Periods	1	1
Treatment of Agency Workers	1	1
Treatment of Subcontractors' workers	0	0
Treatment of Homeworkers	0	0
Treatment of Apprenticeships	0	0
Fair Use of Fixed Term Contracts	0	0
Accurate Records Kept	6	6
Other	2	2

KPI 16

Provision 9: No harsh or inhumane treatment is allowed		
Rating	Sites	Workers
No data	192	67,544
1	2	185
2	31	3,144
3	186	70,816
4	1	142

Improvement Action Provision 9	Sites	Frequency
Clear Disciplinary and Grievance Procedures in Use	6	6
Training	0	0
Physical Punishments	0	0
Verbal Abuse	1	1
Sexual Harassment	3	3
Other	1	1