



## Summary Report of RugMark UK's Activities in 2008

### Commentary

RugMark UK was set up in 2001 to promote the activities of the RugMark initiative amongst retailers and rug importers, and raise awareness about illegal child labour, and responsible consumer choices. The initiative operates in two producer countries in South Asia (India and Nepal) and by end 2008, over 6 million labelled rugs had been exported to Europe and North America, and over 3,000 children rescued from working on the looms. Thousands more have been prevented from entering the work force and are receiving education.

The RugMark initiative is promoted through offices in the three largest rug importing countries: USA, Germany and UK. All five countries are members of RugMark International which brings together the RM groups from the importing and exporting countries to ensure common standards and use of the trademark.

Obviously 2008 has been a very tough year for most businesses, and it is expected that 2009 will continue to be difficult. RugMark UK lost one significant licensee – The Pier – which went into administration at the end of the year. Despite this the level of licence fee income continued to increase and more new licensees joined RugMark. It is expected that there will be a slight drop in licence fee revenue in 2009.

### Official Details

RugMark UK is registered as a limited company Number 4210546. Registration Date 3 May 2001

### Office Location

RugMark moved to new premises in Manchester in September 2008, and the office space is provided as an in-kind donation by Tarameen Ltd.

### Board Membership

	Name	Organisation	Sector	On board since
1	David Ould	Retired	Non profit	2001
2	Fay Handley	Dixon Handley Marketing	Commercial	2004



3	Terry Hudghton	Coop Retail	Retail	2001
4	Moazzam Malik	Dept. For International Development	UK Government	2007
5	Emily Delap	Independent Consultant on Child Labour	Non Profit	2007

### Staff

1 Director (80%)  
Occasional volunteers  
Communications consultant  
Web builder

### Memberships/Alliances

Trade Justice Movement  
Links with Fairtrade Foundation  
Anti-Slavery International

### Licensees

RugMark UK has made significant progress in reaching out to new licensees, and 6 new licensees were signed up in 2008 - 3 of them import rugs from Nepal. Four licensees cancelled their agreements but these were either inactive or imported very small amounts. The UK does not currently have a 100% labelling requirement, and therefore numbers of active licensees are shown in brackets in the table below. We are investigating a 100% labelling requirement in the future.

A minimum annual membership fee of £100 was introduced for licensees from January 2008. This raised an additional £1,500 of income.

Numbers of UK Licensees in 2008

	Start Year-2001	2004	2005	2006	2007	2008	2009
<b>Total Number of Licensees</b>	5	14	16 (13)	18 (11)	19 (10)	21 (13)	
<b>Number of New Licensees</b>	5	3	4	3	2	6	
<b>Number of Licences cancelled</b>	0	0	2	1	1	4	



Note: Numbers in brackets show the number of licensees who generated licence fees that year. Some of the inactive importers were new and had not had time to place their first orders yet.

### **Licence Fees Generated**

Total licence fees generated in 2008 were £53,478. (This figure relates to the amounts of imports declared by our importers between January 1<sup>st</sup> and December 31<sup>st</sup> 2008.)

Of the licence fees collected, the UK office retains 25%, and sends the remaining 75% back to producer countries to fund our two programme areas:

- inspection and monitoring of rug factories
- rehabilitation, education and welfare projects in the weaving communities.

Since 2005, licence fees have grown significantly as follows:

2006 - licence fees amounted to £35,100

2007 - licence fees amounted to £46,064

2008 - licence fees amounted to £53,478

Due to the global recession, we are expecting licence fee revenue to drop slightly in 2009.

### **Funding**

In 2008 the UK office received £13,370 from licence fees, and £1,500 from membership fees. The remainder of its income was provided by small donations and grants from the following organisations:

- Waterloo Foundation
- EU Development Awareness Fund
- Methodist Relief and Development Fund
- The Body Shop Foundation
- Fulmer Charitable Trust

### **Outreach**

RugMark has 21 licensed importers in the UK, and is working with high end design studios, high street retailers, and web retailers to promote the initiative to consumers. Some of the companies working with RugMark are B&Q, Carpetright, Laura Ashley, The Rug Company and WovenGround.

Between 2006 and 2008, our promotional work was funded by the EU Development Awareness Fund and MRDF. This funding allowed us to carry out a whole suite of promotional activities, and overhaul the look and image of the



organisation. Trying out different promotional activities has enabled us to identify what will work best with our target audiences in future campaigns. The new web

site [www.rugmark.org.uk](http://www.rugmark.org.uk) continues to go from strength to strength with continual increases in visitor numbers

The new Marketing Partner initiative was launched to promote key retailers in the media and on the web site, and had 4 members by the end of 2008.

The first 'design-a-rug' competition was held and was a great success. Sponsored by Interiors Monthly and 100% Design, the competition attracted entries from many art colleges across the UK, and the winner visited Nepal to see her rug being made. The winning designs were exhibited at 100% design show in London – attracting the attention of many architects and interior designers.

### **Other Activities**

A lot of UK staff time was dedicated to RugMark International business affairs in 2008, and significant progress has been made on the following projects:

Piloting a new inspection system in India

Developing a new draft international standard and piloting it in Nepal

Joining ISEAL Alliance as an associate member and developing policies and procedures to come into line with their Code of Best Practice

### **Contact**

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