



## GSCP news

### Message from the GSCP Chair

**Marcela Manubens, SVP Global Human Rights & Social Responsibility, Phillips-Van Heusen Corp.**

Welcome to the December 2011 edition of the GSCP newsletter. I am happy to bring you this update on the Programme's progress as we wrap up this busy year!

As you know, much of our work in 2011 was centred on the launch of our unique benchmarking system, the GSCP Equivalence Process (EP), which went online in June. We are confident that this tool will assist numerous organisations in improving and aligning their social and environmental sustainability programmes. This is a major step forward to bring convergence and an effective mechanism for meaningful collaboration; a shift towards building capacity which will be at the core of GSCP's work in 2012. Supplier-owned solutions will make the difference between compliance and sustainability in our supply chains.

An important aspect of GSCP focus in 2012 will be building regional networks and facilitating the internalisation of our tools, materials and EP for member companies. We are looking forward to seeing more organisations take this path, and we encourage all to seize the opportunity offered by the Equivalence Process. The success of the GSCP 2011 General Meeting held in San Francisco last month confirmed the broad commitment of organisations to collaborate! We urge you to take an active role in our activities in 2012. Finally I am proud to welcome our new members: Starbucks and Yamada. We wish you all a very happy and peaceful Holiday Season!

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## New GSCP Task Force members

The Global Social Compliance Programme would like to welcome the **Starbucks Coffee Company** (USA) and **Yamada Denki Co.** (Japan) to the GSCP Task Force. We were happy to meet their representatives in San Francisco last month, and look forward to working with them all in the future!

We are grateful for their commitment to sharing and working with other members towards convergence and sustainability in their supply chains. Warm welcome to both!



## Welcome on Board!

The GSCP seeks to provide the strongest possible support for its structure and work by establishing and upholding a talented, diverse and experienced Executive Board. We're therefore delighted to welcome 2 new members to this group's ranks: Carole de Montgolfier (Carrefour Group) and Louise Nicholls (Marks & Spencer). We would like to thank Carole and Louise for this commitment, their motivation and determination to help the GSCP move into the future.



### Carole de Montgolfier, Group Sustainability Projects Manager, CARREFOUR

After a master's degree in Management – finance major – in Reims (France) and Madrid (Spain), Carole joined the Carrefour Group in 1996 as a Financial Controller within the Group Financial Department. In 2001, she became Non food merchandise controller. After two years in the Group Audit Team, she joined the Group Sustainability Department in charge of reporting and social responsibility in 2007. Carole was invited to join the Executive Board mid-2011 to replace **Véronique Discours-Buhot**, former Sustainability Director for Carrefour. We'd like to take this opportunity to thank Véronique for her contribution to the Programme and unwavering support, and look forward to continued collaboration!

### Louise Nicholls, Head of responsible Sourcing, MARKS & SPENCER

Louise was part of the small team that developed Marks and Spencer's groundbreaking Plan A, a 100 point, 5 year plan to address a wide range of environmental and social issues. She has worked for Marks and Spencer for over 20 years, initially as a Food Technologist, and then in IT and HR before developing and managing M&S' leading Ethical Trade programme 10 years ago. Currently her role is Head of Responsible Sourcing, with responsibility for setting strategic direction of Marks & Spencer's Food sustainability plan. Louise has sat on Sedex' board since its inception and chairs the Sedex Associate Auditor Group which developed the SMETA auditing methodology.



## GSCP General Meeting 2011 - San Francisco

The GSCP held its annual General Meeting in San Francisco on October 31<sup>st</sup> and November 1<sup>st</sup>, bringing together over 130 participants from 80 organisations (retailers, brand manufacturers, civil society, initiatives, service providers etc). The General Meeting was focussed on 3 topics – GSCP strategy, the Equivalence Process and Data Sharing, providing both reports on progress and discussion sessions to support the Programme's work forward. The Equivalence Process session, focus of the day, gave attendees a practical view of how organisations (major buying companies, auditing bodies and initiatives, but also suppliers) will be using this new and unique benchmarking system – see more on page 5. The Data Sharing session in turn sparked lively debates among participants – more on page 3. Thanks to all attendees for your participation and feedback! We trust you found value in our discussions and associated networking opportunities. Questions and comments very welcome as usual – don't hesitate to be in touch! [gscp@theconsumergoodsforum.com](mailto:gscp@theconsumergoodsforum.com)

### Progress highlights

#### Framework (Reference tools)

**Step 1 - Reference Code V2:**

published. Year 2 review in progress on [www.gscpnet.com](http://www.gscpnet.com)

**Step 2 - Audit Process and Methodology:**

published. Year 1 review in progress on [www.gscpnet.com](http://www.gscpnet.com)

**Step 3 - Auditing Competence:**

published. Year 1 review in progress on [www.gscpnet.com](http://www.gscpnet.com)

Work on Training Syllabus on hold.

**Step 4 - Management Systems:**

draft Reference tool for Companies' Social Performance Management Systems under review by GSCP Advisory Board – publication expected 1<sup>st</sup> half 2012.

**Environmental Module:**

Reference Requirements and Audit Process and Methodology published. Year 1 reviews in progress on [www.gscpnet.com](http://www.gscpnet.com)

#### Equivalence Process

benchmarking platform and sharing tools launched June 2011

[www.gscpequivalenceprocess.com](http://www.gscpequivalenceprocess.com) available for use. On-going selection and training of independent Experts for Equivalence Assessments.

#### Data Sharing

Multi-stakeholder EWG with 33 members from 21 organisations organised in task-specific subgroups.

#### Remediation & capacity building

**Supplier Management Systems:**

1<sup>st</sup> draft of the Reference tool in development. Involvement of suppliers in progress.

**Priorities for 2012 defined:**

Broad topic areas: Worker Empowerment, Migrant Labour, Health & Safety

### Data Sharing – update on working group structure

The GSCP Expert Working Group (EWG) on Data Sharing was launched to look at how to enable communication between existing databases (collaborative platforms or individual company systems) where monitoring data reside and between which sharing is limited by technical, procedural or legal barriers. The solution sought will therefore apply far beyond GSCP membership, enabling exchange from many to many between different platforms.

With efforts already ongoing in this domain, the first task of the EWG was to identify the organisations to involve in this work: data sharing platforms, initiatives, IT service providers, auditing bodies, buying companies etc. In May 2011 this extended group – including 33 members from 21 different organisations – was structured into 4 sub-groups, each tackling a different aspect of the subject and associated barriers to sharing.

**Sub-group A:** data ownership and permission to share

**Sub-group B:** revenue model (potential standard fee)

**Sub-group C:** integrity and transparency of data

**Sub-group D:** use cases - link with ARTS' (NRF's IT Standards Division) work

Progress made by these 4 subgroups, notably the advances made by ARTS in the development of a standardised format for data exchange, was presented at the GSCP General Meeting. Discussions around procedural and deontological points demonstrated the extent of the ground yet to be covered for broad based data sharing to happen. Both GSCP Boards however have expressed their firm commitment to support this work and its implementation, backed by the majority of buying companies present at the General Meeting Data Sharing session.

### Rolling out the work on Supplier Management Systems

Buying companies and initiatives have started developing and implementing social and environmental management systems programmes for their suppliers. As this could in the long term lead to multiple approaches and therefore duplication, GSCP members asked that an Expert Working Group (EWG) be created to develop a cross-industry shared approach to this.

The "usual" GSCP gap analysis of all available documentation, along with a draft Reference tool outline and content were completed end of November as a basis for the Group's work. The next step is now to understand the processes and systems that suppliers actually have in place. The GSCP has therefore developed a questionnaire which will be submitted to suppliers put forward by EWG members. This will include questions on their social compliance policies, roles and responsibilities, management of assessments and audits, continuous improvement, stakeholder engagement, external assistance for implementation etc.

The Group is planning on distributing the questionnaire to participating suppliers by the end of December. Feedback will be integrated to produce the first draft of a Reference tool on the internal management systems that can be adopted by suppliers to help them achieve social compliance and meet the expectations of their customers on labour and ethical issues. This work will then be furthered with the involvement and input from the organisations working on supplier management systems, in order to ensure alignment and that best existing practice is consistently reflected in this tool.

next GSCP Members' meeting – Shenzhen April 2012



## The Equivalence Process in action

The much-awaited GSCP Equivalence Process (EP) was launched on June 21<sup>st</sup> 2011, when the online platform hosting this unique benchmarking system went live on [www.gscpequivalenceprocess.com](http://www.gscpequivalenceprocess.com).

The EP allows users to benchmark their social / environmental compliance schemes (standards, tools and processes) against best existing practice requirements as embedded in the GSCP Reference tools. The use of these neutral, consensus-based requirements as benchmark enables users to objectively compare and therefore understand the content of their and each others' schemes, setting the scene for mutual recognition and further collaboration.

The GSCP held a well-attended series of webinars in June and July 2011 to introduce organisations to the Process and the platform. Recordings are available online if you'd like to catch up on this. We are planning to hold another series early in the first half of next year. More on that soon!

Since the launch the GSCP team has been working on answering detailed queries and managing registrations by the first user organisations. GSCP member companies have started examining how they will be using the Process. During the Equivalence Process session at the GSCP General Meeting, Executive Board members representing Ikea, Migros, Tesco and Walmart explained to attendees how their teams were going to implement the EP and what it will help them achieve. Similar interventions by BSCI (Business Social Compliance Initiative - FTA) and Intertek representatives demonstrated how organisations other than buying companies can strengthen their systems and validate their approach by using the EP.

Among the uses illustrated by participants were those of:

### Scheme assessment



Using the EP to understand how my standards and tools compare to best existing practice, and setting improvement actions to align where required.

*"At IKEA we conduct a thorough review of our supplier code of conduct and our related working methods every 3 years. An element of that is to compare our existing requirements and routines to the GSCP Reference tools in order to highlight areas where we can become closer aligned."*

### Auditor recognition



Using the EP to ensure that the auditors I work with have sound management systems and adequately competent auditors, to ensure quality of audits.

*"(...) we require audit companies to go through the Equivalence Process for auditing competence in order to maintain their Tesco recognition or, in the case of audit bodies not already on our list, become Tesco recognised."*

### Internal alignment



Using the EP to pinpoint any areas of divergence in my business units' compliance procedures, to improve consistency of monitoring, reduce confusion and cost in the supply chain.

*"The Equivalence Process will foster higher transparency within the supply chain and better risk management for Migros."*

### Mutual recognition



Using the EP to understand the schemes of other retailers or brands, for potential recognition, audit results sharing and further collaboration.

*"In October, Walmart will begin the Equivalence Process, ultimately allowing us to understand the social and environmental programs of other brands and retailers, making it possible to recognize and share audit results."*

We look forward to seeing these uses concretised by more and more organisations, and impacts on convergence and audit duplication measured by these users. The GSCP team remains available to answer any questions you may have on the Process and guide you through the steps! [gscpep@theconsumergoodsforum.com](mailto:gscpep@theconsumergoodsforum.com)

## Register of Experts call for expressions of interest

The first round of recruitment for the Register of Experts was completed in September. These Experts are the individuals contracted to perform Equivalence Assessments. We are now going through a **2<sup>nd</sup> call for expressions of interest** from professionals with expertise in social and/or environmental compliance to join the Register of Experts. The deadline for this round of applications is **December 30<sup>th</sup> 2011**. Please go to the following webpage for information on the role, competences required and the application procedure: <http://gscpnet.com/equivalence-process/register-of-experts.html> - thank you!



## The supplier side: bottom-up use of the GSCP framework – the Fruit South Africa Ethical Trade Programme

Since 2006, the South African fruit industry has experienced unprecedented levels of external scrutiny around labour practices on farms and in pack houses. This translated into a significant increase in the demand for independent assessments performed at farm and pack house level and the implementation of several “ethical trade programs” each aimed at addressing individual retailer concerns. In 2008, Fruit South Africa (FSA), which regroups grower and exporter associations in the fruit industry in the country, launched its own ethical trade programme. This aimed to develop a converged approach that is South African owned, locally managed and based upon global best practice. With the inception and development of the Global Social Compliance Programme (GSCP) the industry believes it has found the right vehicle to achieve this goal.

In December 2010 an industry ethical trade workshop was held where delegates voted in favour of the use of the GSCP Reference tools as the appropriate platform to develop an industry Standard, and audit methodology and auditor recognition documents.

The programme is currently being formalised as a legal entity, the **Sustainability Initiative of South Africa (SIZA)** - which means ‘to help/support’ in Zulu – which will be the custodian of the Standard, audit methodology documents, and programme regulations. SIZA is open to the participation of other agricultural industries.

**Where are they now?** The industry has completed the alignment of the GSCP Reference Code and audit methodology documents to South African law and context; trials of the documents have been conducted on six farms in South Africa; a peer review of the documents has been held; and the GSCP Self-Assessment is now complete. Submission of the documents for Equivalence will take place before the end of December 2011.

In November 2011, FSA attended the GSCP General Meeting in San Francisco where the SIZA programme coordinator, Colleen Chennells, and Mike Wilson of Acert-Africa, a South African based audit body, were asked to provide input on the SIZA ‘model’. Participants provided input on the content of the documents and identified areas of concern while the exposure to the views of international stakeholders provided FSA with invaluable insights to support the creation of a programme that will be recognised and endorsed widely by stakeholders.

For more information: [chennell@iafrica.com](mailto:chennell@iafrica.com)

## > 2012 focus

### The GSCP’s 2012 focus: capacity building topics

The launch of the Supplier Management Systems group (page 3 above) marked the start of the GSCP’s work on capacity building topics. The aim of the Programme’s approach here is to tackle significant endemic issues requiring the development of cross-industry guidelines. Here again, the idea is not to reinvent the wheel and duplicate the good work of other groups on these topics, rather to harmonise existing approaches to reduce duplication in capacity building efforts.



GSCP members and Boards got together mid-2011 to discuss the strategic direction of the Programme. This included the future points of focus for this work on capacity building. Three main topical areas were defined, to be addressed in the GSCP framework: **Migrant Labour**, **Worker Empowerment** and **Health & Safety**.

These topics represent very large issue areas. The next step in this work is therefore to narrow these down to manageable points, a task which will be driven by the GSCP Advisory Board. Once this done, the GSCP will send out a call for interest to its members to set up a dedicated working group on each identified topic. This work will also require the input from a much broader array of contributors, and different stakeholders (e.g. initiatives, suppliers, service providers, civil society representatives) will be involved in the development of any guidelines or Reference tools. Their expertise and experience of conditions on the ground will indeed be essential to carry the work through successfully and ensure whatever is produced can and will be implemented at production site. This approach will also allow to scale up and broaden the reach of capacity building projects currently led by these stakeholders, driving efficiency through collaboration. Roll-out of this work is expected in the next 6 months.

## The GSCP Partner Organisations Network

The GSCP is happy to announce the launch of the Partner Organisations Network, which will regroup key initiatives and schemes working on the improvement of labour and environmental conditions in global supply chains. The purpose of this Network is two-fold:

- 1 to promote and give GSCP members visibility on these Organisations' existing efforts, expertise and projects in remediation and capacity building (potential for scaling up, participation, collaboration) as agreed to be shared by each Organisation, and
- 2 to facilitate where appropriate collaborative work on remediation and capacity building topics between the GSCP and the Organisations, by including the Organisations in the GSCP's work, according to their expertise areas.

These Organisations have demonstrated expertise in remediation and capacity building in global supply chains and have expressed the will to collaborate and contribute to reducing duplication in this field.

This approach will help ensure that neither the GSCP nor GSCP members create duplication in their capacity building efforts, and that the wealth of expertise out there is supported and capitalised upon to drive maximum efficiency and impact.

The GSCP's Executive and Advisory Boards have started selecting and inviting Partner Organisations - participation is by invitation only, and is formalised by the signature of a Memorandum of Understanding which reflects their and the GSCP's common will to collaborate. Names of Partner Organisations will be featured soon on the GSCP website.

### GSCP partnership in China: MoU signed with GIZ and CCAI

The GSCP signed in September 2011 a Memorandum of Understanding with the China Certification & Accreditation Institute (CCAI), and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Sino-German CSR project. This MoU formalised the parties' decision to work together to publish a Sino-English brochure on international best practice for voluntary standard systems, based on the GSCP Reference Code. The aim is to raise awareness on a set of requirements for all suppliers of consumer goods in terms of fair labour conditions in the global supply chain, including sub-suppliers and contractors.

GIZ, CCAI and the GSCP will work together on disseminating this brochure to relevant stakeholders in China, supporting them in better addressing the key standard social requirements of voluntary standards systems, independent of the voluntary standard system to be complied with. The brochure will be made available through different channels (including [www.gscpnet.com](http://www.gscpnet.com)) early 2012.



*Dong Qiao (General Director, CCAI), Claudine Musitelli (VP Ethical Sourcing & Food Safety Initiatives, CGF/ GSCP) and Andreas Edele (Snr Project Manager, Sino-German CSR Project, GIZ) signing the MoU*

### Time slices – where we were presented and represented

- |              |   |              |   |
|--------------|---|--------------|---|
| <b>18/05</b> | AAFA Social Responsibility committee meeting, New York                    | <b>11/10</b> | SEDEX AAG Annual Meeting, London                |
| <b>14/06</b> | Swisstainability conference, Lausanne                                     | <b>30/11</b> | The Consumer Goods Forum Board meeting, Atlanta |
| <b>12/09</b> | OECD Food Chain Network meeting, Paris                                    | <b>30/11</b> | AIM-PROGRESS North America webinar              |
| <b>22/09</b> | Sustainability in the Food Supply Chain conference, London                | <b>07/12</b> | EuroCommerce CSR expert group meeting, Brussels |
| <b>30/09</b> | World Federation for the Sporting Goods Industry CSR meeting, Switzerland |              |   |
| <b>05/10</b> | Fruit South Africa Ethical Trade Programme launch, Johannesburg           |              |   |
| <b>06/10</b> | BSCI Annual Conference, Brussels  |              |   |

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