



GSCP news

Message from the GSCP Acting Chair

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



Welcome to the Autumn 2010 edition of the Global Social Compliance Programme newsletter!

I'm very pleased to report on important progress made in the past few months. The GSCP Expert Working Groups have indeed been busy putting the finishing touches to several new reference tools. On behalf of the GSCP Executive Board and members, I would like to recognize and thank the members of these groups for their time commitment and

their dedication to the task at hand. At the GSCP we are privileged to work with individuals and corporations who understand our focus on sustainability, and are committed to better social and environmental practices in their supply chains.

I welcome two such companies to the GSCP Task Force: Gap Inc. and the Walt Disney Company, who joined over the summer and attended their first GSCP General Meeting as members in New York early September – this meeting provided a platform to present our work and engage in a dialogue on our upcoming efforts with close to 100 participants, whom I wish to thank for helping make the event a success. Another warm welcome and thank you to Zoe McMahon, Global Program Manager, SC SER for HP who has recently joined the Executive Board.

> contents

News

| | |
|------------------------------|---|
| New GSCP Task Force members | 2 |
| Welcome on Board | 2 |
| Note from the Advisory Board | 2 |

Autumn 2010 General Meeting 3

Work in progress

| | |
|--|---|
| Auditing Competence published | 5 |
| Training Syllabus – calling in the experts | 5 |
| Environmental tools published | 6 |

Exchanging knowledge

| | |
|--------------------------|---|
| GSCP time slices | 6 |
| Join us on LinkedIn | 7 |
| GSCP webinars | |
| - OIA/EOG Eco Index | 7 |
| - CARE Bangladesh | 7 |
| - SAI Social Fingerprint | 7 |

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New GSCP Task Force members

The Global Social Compliance Programme is happy to announce that the Task Force is 2 companies stronger! We would like to welcome Gap Inc. (USA) and the Walt Disney Company (USA), two companies long committed to supply chain sustainability and who will feed their experience into the GSCP forum.

Gap Inc.

The WALT DISNEY Company

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 a new member to this group's ranks: Zoe McMahon, Global Program Manager, Supply Chain SER for HP. We are positive that Zoe's position within HP, her involvement in the EICC and her passion for the GSCP mission make her a most fitting candidate to represent the perspective of the electronics industry in the development of the Programme. We would like to thank Zoe for this commitment, her motivation and her manifest determination to help the GSCP move into the future.



Zoe McMahon, Global Program Manager, Supply Chain Social & Environmental Responsibility, HEWLETT PACKARD

Zoe is responsible for driving the overall vision and strategy for HP's SC SER program, ensuring buy-in and alignment with HP's supply chain executives. She is responsible for end-to-end supplier assessment, auditing and continuous improvement processes, capability-building programs, and representing HP in forums with suppliers, NGOs, governments and other firms inside and outside the electronics industry. Zoe has held this position since May 2009. Zoe is also a member of the board of the Electronic Industry Citizenship Coalition whose mission is to improve social and environmental conditions throughout global electronics supply chains.

Public Note from GSCP Advisory Board released

In May 2009, the GSCP Advisory Board had released a note on their experiences from the first 20 months of their participation in developing the Programme. 18 months from that, it was time for them to take another look at how the Programme has progressed, if and how it has stayed its strategic course, managed its development and preserved its very specific governance model.

The Advisory Board therefore released a further note, which was posted to the GSCP website early November 2010 – you can access it on the Advisory Board page of the website: www.gscpnet.com/structure-a-governance/gscp-advisory-board.html.

Here are a few excerpts from this note:



*"It is the view of the Advisory Board that if the GSCP succeeds in its mission, with its huge and growing coverage and mass, and a serious commitment by participating retailers and brands and other companies, **it can contribute to a genuine paradigm change in global trade.**"*

*"The overriding priority now is to roll out the concept with the finalised toolkit so that **concrete work on remediation and capacity building becomes the major task.** Here, remediation and capacity building are the operative aim, and the Equivalence Process a key to approaching the task."*

GSCP Autumn 2010 General Meeting – New York



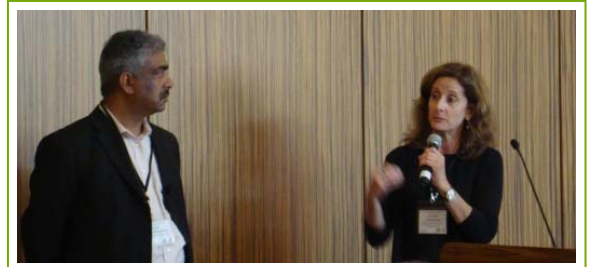
The GSCP Autumn 2010 General Meeting took place on September 1st and 2nd in New York, bringing together around 100 attendees in the Bronx Zoo’s Schiff Family Great Hall. Attendees represented an interesting spread of expertise and a variety of perspectives, with a balanced distribution of business and non-business stakeholders. This made for very constructive discussions, all contributing different angles to the dialogue – as in all we do, we trust this openness and the will of all involved to build consensus will contribute to the sustainability of the Programme’s work.

Day 1 – update on the GSCP’s activities

Day 1 was dedicated to an update on the GSCP and on the development of the reference tools. Marcela Manubens, GSCP

Executive Board Acting Chair, opened the session with an overview of the Programme, its objectives, structure and achievements to date. Presentations were then made by GSCP Expert Working Group members on the work currently underway. This included the work on Auditing Competence, since then published; the progress on the Reference Tools on Companies’ and Schemes’ Management Systems; an update on the Environmental Module; and details on the development of the Equivalence Process. This last presentation included a sneak preview of the demo tool, currently under testing, developed to host the GSCP Equivalence Process Self-Assessment. Each presentation was followed by a Q&A session facilitated by our Day 1 moderator, Executive Board member Rajan Kamalanathan.

Day 1 was concluded by a stimulating presentation kindly given by John Robinson, VP for Global Conservation at the Wildlife Conservation Society, on how the world sustains our economies and way of life, what the environmental consequences of business practices have been and how the corporate world can, should and does partner with conservation organisations to mitigate its impact on our planet.



Rajan Kamalanathan (Wal-Mart) and Marcela Manubens (PVH) opening the General Meeting

Day 2 – topical sessions and roundtables

The second day of this General Meeting was centred on 3 topics on which the GSCP is currently working – each session included one/several presentations on the topic, a round of Q&A and a roundtable session to gather different perspectives and recommendations from the audience for the work ahead.

Session 1: Management Systems in Global Supply Chains

Since early 2010 the GSCP has been working on outlining what defines a well-managed social compliance programme, the tools required and the resources to be committed to this programme within a buying company (Reference Tool for Companies’ Management Systems) or a scheme (reference tool in drafting). Several GSCP members and other stakeholders had approached the GSCP asking for some collaborative work to also be done on management systems within global supply chains. The General meeting was deemed the perfect opportunity to kick-off this work and the debate around it. →



← Session 1 presenters, clockwise from top left: Deanna Robinson (Gap Inc), Rajan Kamalanathan (Wal-Mart), Zoe McMahon (HP) and Marcela Manubens (PVH)

→ The first part of the session on Management Systems in Global Supply Chains was dedicated to presentations by 4 GSCP members on how their companies are accompanying their respective suppliers in the set-up or improvement of their management systems for social, environmental and/or OH&S compliance. Insight into this was shared first by Deanna Robinson from Gap Inc, followed by Wal-Mart's Rajan Kamalanathan, Zoe McMahon for HP and Marcela Manubens for PVH.

This was followed by a short round of Q&A moderated by Advisory Board member David Schilling, and attendees were then asked to reflect table by table on what they see as the necessary components to be included into an overarching framework for suppliers' management systems. Straightforward as this question was, the responses received came in all shapes and sizes, and will feed the future Expert Working Group's work on Suppliers' Management Systems.



Session 1 moderator: David Schilling (ICCR)



Session 2 moderator and presenter: Paul Dearman (Tesco)

Session 2: Data Sharing

The second session looked at the 5th step of the GSCP Working Plan: the development of protocols for data sharing, for improved transfer of information between systems and optimised data mining. The session began with a presentation by Paul Dearman on the landscape of existing data sharing platforms, the key questions we need to ask ourselves in developing such protocols (e.g. what data to share? Who should own it? Who should access it?) and what benefits would come out of large scale social and environmental compliance data sharing.

These key questions were reiterated during the roundtable session, with each table asked to reflect on them from a different perspective (e.g. that of a buying company, a supplier, a data sharing platform, an auditing company etc). It was very encouraging to see a clear convergence of opinions and recommendations, reaffirming that collaboration can be achieved in this field. The feedback from this roundtable session is currently being compiled and analysed by the Expert Working Group, and we believe it will be instrumental in moving the work forward.

Session 3: Implementing the environmental module

The last session of the day was dedicated to the GSCP's environmental tools and how they can concretely be used. Betsy Blaisdell from Timberland presented on how her company has



Session 2 moderator: Stephen Frost (CSR-Asia)

integrated the GSCP Environmental Reference Requirements into its environmental compliance system and verification. Betsy mentioned as an example Timberland's Earthkeeper™ certification for factories who achieve – among other requirements, for social compliance notably – Level 3 (leading practice) according to GSCP requirements.

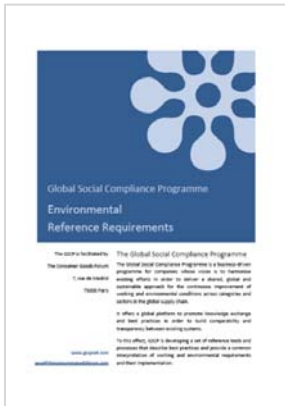
The fact that the GSCP environmental tools are designed to encourage continuous improvement was underlined by Betsy as a critical reason for their use within Timberland.

The roundtable session which followed, moderated by Advisory Board member Stephen Frost, provided the GSCP with feedback on what resources attendees believed should be developed to take the module from paper to implementation.



Session 2 presenter: Betsy Blaisdell (Timberland)

This concluded a busy and fruitful General Meeting for the GSCP – once again we thank all attendees for their participation and feedback and trust they found value in our discussions and associated networking opportunities. Recommendations very welcome as usual – don't hesitate to be in touch! gscp@theconsumergoodsforum.com



Publication of the GSCP environmental reference tools and guidelines

The GSCP Environmental Module was created to respond to demand for the definition of basic site-specific environmental reference requirements, and their integration within the GSCP framework. The GSCP environmental tools therefore mirror the structure of the reference tools on social practice, and comprise (1) reference requirements (2) reference tools on Audit Process & Methodology and (3) reference requirements for Auditing Competence (see p.5).

The Environmental Module Expert Working Group has been working since early 2009 at analysing existing environmental compliance systems and regulations, to build a common understanding of good environmental practice; and at defining a best practice approach to auditing production sites' environmental performance. We're happy to announce that all the above tools were published between September and November 2010, and are available on the GSCP website www.gscpnet.com.

GSCP Environmental Reference Requirements & GSCP Environmental Implementation Guidelines

The Environmental Reference Requirements were developed as a best practice tool for production sites across the whole supply chain, applicable to all raw-material processing, agricultural, manufacturing and logistics sites.

This reference tool provides a model for continuous improvement in environmental performance, taking users from Level 1 - Awareness & Compliance, through Level 2 - Proactive Management and Performance Improvement, ultimately to Level 3 - Leading Practice. The Reference Requirements are complemented by Implementation Guidelines, which provide guidance to production sites as to how to concretely improve their environmental performance to reach the required level.

GSCP reference tools on Environmental Audit Process and Methodology

The reference tools on Environmental Audit Process and Methodology detail the requirements that should be met by buying companies and auditors to conduct best practice environmental audits of an Employment Site's performance.

The reference tools cover all the steps to be taken prior, during and after an audit and include, where relevant, templates to complement the audit process (please see the GSCP website for details). These reference tools apply to the auditing of sites from all sectors, categories and countries, for first, second and third party audits. They are based on the GSCP Environmental Reference Requirements but can be tailored to other codes of environmental practice.

We encourage you once again to use the GSCP tools and to share them with your counterparts in other organisations – as you know it is essential to maximise their reach in order to drive convergence in environmental compliance requirements and success in their implementation.

> exchanging knowledge

Time slices – where we were presented and represented

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|-----------------|--|---------------|--|
| 01-02/09 | GSCP General Meeting, New York | | |
| 09/09 | mention in the proposed update of the OECD Guidelines for Multinational Enterprises: Due Diligence and Supply Chains | | |
| 22/09 | BSCI Systems Committee meeting, Brussels | 21/10 | CICE Nice – Trade Unions |
| 10/09 | CICE Paris – Trade Unions | 25/10 | publication of UNIDO's "Making Private Standards Work for You" - article on the GSCP |
| 27/09 | OIA Eco Index Stakeholder Group webinar | 28/10 | Round Table Codes of Conduct meeting, Berlin |
| 05/10 | Consultation on the implementation of the UN 'Protect Respect and remedy Framework', MEDEF, Paris | 2-5/11 | BSR Conference 2010, New York |
| 07/10 | ICCR Annual Conference, New York | | |
| 07/10 | Initiative Clause Sociale (ICS) members meeting, Paris | | |



Join the GSCP on LinkedIn

The GSCP seeks to help harmonise efforts towards social and environmental compliance notably by providing members and other stakeholders with a forum on remediation. This is a place to exchange experiences, propose solutions and learn from each others' successes and challenges. If the meetings and webinars organised by the Programme remain indispensable resources to help members and others strengthen collaborative approaches and upscale their efforts, we have decided it is time to further develop the GSCP network and open the discussion by taking the forum online!

The GSCP has therefore just launched a group on LinkedIn, the professional networking platform. This forum will serve to link members and non-members, business and non-business stakeholders, to multiply the opportunities for collaboration on capacity-building projects throughout the world. Join us there! www.linkedin.com



GSCP webinar – the Outdoor Industry's Eco Index

August 2010 - Jill Dumain (Patagonia), Betsy Blaisdell (Timberland) and Amy Roberts (Outdoor Industry Association (OIA) introduced GSCP members to the Eco Index, a tool under development by the OIA and European Outdoor Group.

The Eco Index is an innovative environmental assessment tool designed to advance sustainability practices within the apparel and footwear industry.

Developed through collaboration by outdoor companies, the index is an open-source tool that provides companies a way to benchmark and measure their environmental footprint, allowing them to identify areas for improvement and make informed sourcing and product life cycle decisions.

www.ecoindexbeta.org



GSCP webinar – CARE's CSR projects and corporate partnerships in Bangladesh

September 2010 - CARE is one of the world's top three aid agencies, fighting poverty and injustice in over 70 countries around the world. CARE considers that the corporate world is part of the solution to create that change by bringing mutual benefits and working in partnership. CARE has extensive experience in working with large companies around the world and especially in Bangladesh.

In this webinar, CARE Bangladesh representative Asif Uddin Ahmed presented CARE's work, showcasing notably the activities led with Timberland and Wal-Mart in Bangladesh, and elaborated on the opportunities this created for these manufacturers, distributors and their suppliers.

www.carebd.org

GSCP webinar – SAI's Social Fingerprint™ programme

October 2010 - Craig Moss, Director for Corporate Programmes & Training at Social Accountability International (SAI), presented to GSCP members on SAI's new approach to Measure and Improve Social Performance: Social Fingerprint™.

The programme is designed to help companies understand and measure their social impact and then learn how to improve it. It includes the Social Fingerprint™ Company Rating System, the Social Fingerprint™ Supply Chain Management Rating System, and other components to help companies build capacity immediately. www.socialfingerprint.org



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