



GSCP news

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Message from the GSCP Chairman

Terry Babbs, Group Ethical Trading Director, Tesco PLC



Welcome to the 2nd Global Social Compliance Programme Newsletter! The past six months have been anything but slow, with developments being made across the board. In this time we have seen the GSCP grow in recognition, and it's been a privilege for us to network with numerous stakeholders and businesses, strengthening the GSCP's collaborative approach. Key highlights include:

- publication of the Audit Process and Methodology reference tool,
- completion of public consultation on the draft reference tool on Auditing Competence,
- finalisation of the draft reference requirements and implementation guidelines for the Environmental Module and opening of the consultation on the draft reference environmental tools for Audit Process and Methodology, and
- launch of the Expert Working Group on Management Systems.

Last but not least, it is with great pleasure that we welcome 4 new companies to the Task Force: Coop Switzerland, Marks & Spencer, Phillips–Van Heusen Corporation and Pick 'n Pay, along with 5 new Board members: Marcela Manubens for the GSCP Executive Board, and Suzanne Apple, Alke Boessiger, Caroline Rees and David Schilling for the Advisory Board.

Terry Babbs

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New GSCP Task Force members

The Global Social Compliance Programme is happy to announce that 4 new companies have joined the Task Force: Coop Switzerland, Marks & Spencer (UK), Phillips–Van Heusen Corporation (USA) and Pick 'n Pay (South Africa): we extend them all a very hearty welcome! We trust they will enjoy their participation in the Programme and profit from its outcomes, and are convinced they will be instrumental in the progress of the Programme's work.



MARKS &
SPENCER

PVH

Pick n Pay

Welcome to new GSCP Board members

The GSCP Executive and Advisory Boards have in the past 6 months seen the addition of valuable new members, whose profiles you'll find below. We would like to thank each of them for this engagement, their motivation and will to help the Programme move into the future. Welcome to them all!



Executive Board > Marcela Manubens

Senior Vice-President Global Human Rights & Social Responsibility at Phillips-Van Heusen

Marcela created and directs Phillips-Van Heusen's programme on human rights and social responsibility worldwide. Since 1996, Marcela participates in the Fair Labor Association, a tripartite initiative to eradicate sweatshops, where she sits as member of the Board and of the Executive Committee. Most recently, Marcela was elected to the CRO Association Board of Governors, the first professional organisation for CSR in the USA. She has been a lecturer and guest speaker at numerous international conferences, and has extensive working experience in multinationals in the areas of operations, finance, auditing, CSR and ethics.

Advisory Board > Suzanne Apple

Vice-President & Managing Director Business and Industry at the WWF

You wouldn't travel into the Brazilian Amazon to talk conservation without someone who spoke the language and knew the culture. Going into corporate boardrooms is no different. Suzanne relies on her considerable experience in corporate America, which includes serving as vice president for community affairs and environmental programmes at The Home Depot, to relate to business executives and get things done. Since joining WWF, Suzanne has helped advance some significant agreements between environmental organisations and corporations, encouraging corporations to rethink their priorities and helping give consumers more choices in sustainably produced goods.



Advisory Board > Alke Boessiger

Head of UNI Commerce, UNI Global Union

German-born Alke Boessiger is the Head of Department for UNI's Commerce Sector, UNI's largest sector boasting in excess of 3 million members. Alke also heads up UNI's global work on temporary agency workers and recently concluded a Global Agreement with the world's six largest employers in this sector.

UNI is the Global Union for skills and services, bringing together 900 unions from 150 countries (20 million affiliated members). Alke was previously Head of Department for Gaming and young workers and Policy Officer for the Campaigns & Organising Department. She joined UNI in November 2000, having begun her trade union career with the German services union where she was a regional organiser and the international youth coordinator. Prior to that, she worked for four years for Deutsche Bank, during which time she was a member of the National Collective Bargaining Commission for the Banking Sector in Germany.

Advisory Board > Caroline Rees**Director, Governance and Accountability Program, CSR Initiative at Harvard Kennedy School**

Caroline joined Harvard's Kennedy School in 2007. The Governance and Accountability Program she directs there addresses the role of the state with regard to human rights impacts of companies, dispute resolution between companies and their external stakeholders, the use of stakeholder panels by companies in understanding their social impacts, and social media as a vehicle for business-to-society accountability. Caroline's own research focuses on the analysis and development of grievance mechanisms. She is also an advisor to Prof. John Ruggie, the UN Secretary-General's Special Representative for Business and Human Rights, a Board member and Trustee of the Institute for Human Rights and Business and a member of the Board of RESOLVE. Previously she had spent 14 years with the British Foreign and Commonwealth Office. From 2003 to 2006 she led the UK's human rights negotiating team at the UN and chaired the UN negotiations on business and human rights.

**Advisory Board > Rev. David Schilling****Director of Human Rights and Resources Programs at ICCR**

David Schilling has worked at the Interfaith Center on Corporate Responsibility (ICCR) since 1994 and is Program Director of Human Rights. David works with ICCR members and allies to engage corporations on issues of human and labour rights and social, environmental and economic sustainability. He has participated with ICCR members in delegations around the world, visiting factories, meeting with workers, NGOs and trade unions. He helped write the *Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance*, a comprehensive set of business principles proposed by ICCR, along with religious partners from around the world. David has written on codes of conduct, human rights, living wages and independent monitoring of supplier factories for a number of journals and magazines.

David is a member of the Coalition for Justice in the Maquiladoras, the International Advisory Network of the Business and Human Rights Resource Centre, the Responsible Cotton Network, the Public Reporting Working Group with the Gap and regional advisor for the Institute for Human Rights and Business.

The GSCP Executive and Advisory Boards got together in Geneva in early March 2010 – a gathering well worth a picture!

**GSCP Board and Secretariat members, March 2010 – from left to right:**

Top: Greg Priest, IKEA; David Schilling, ICCR; Stephen Frost, CSR Asia; Marcela Manubens, PVH; Rajan Kamalanathan, Wal-Mart; Antoine Bernard, FIDH; George Jaksch, Chiquita; Claudine Musitelli, GSCP

Bottom: Jan Furstenborg, ex UNI Commerce; Terry Babbs, Tesco; Alke Boessiger, UNI Global Union; Véronique Discours-Buhot, Carrefour; Johann Züblin, Migros; Emma Cottin, GSCP

We missed them that day: Suzanne Apple, WWF; Bonnie Nixon, HP; Caroline Rees, Harvard Kennedy School; Amir Dossal, UNOP; Alan Hassenfeld, Hasbro; Rafaël Nedzyski, FGTA-FO; Sara Mariani and Mara Milanese, GSCP

Progress highlights

Step 1 - Reference Code review: public consultation closed, Version 2 to be published early May 2010

Step 2 - Audit Process and Methodology: tools published

Step 3 - Auditing Competence: first set of tools to be published end of 2nd quarter 2010

Step 4 - Management Systems: Expert Working Group launched

Step 5 - Data Sharing: to be launched 2nd quarter 2010

Step 6 - Remediation: ongoing webinars and general meetings

Environmental Module: first 2 tools to be published end of 2nd quarter 2010

Equivalence Process: in development

Audit Process and Methodology (APM) - reference tools published

The Expert Working Group (EWG) on APM started its work in 2008. Following the GSCP step-by-step methodology, the EWG developed a first draft collecting best practices in Audit Process and Methodology, managed consultation with stakeholders and businesses and consolidated their comments and suggestions into a final version published in October 2009.

The reference tools on APM detail the requirements that should be met by buying companies and auditors in order to conduct best practice social audits. They cover all steps to be taken prior, during and after an audit of sites of employment from all sectors, categories and countries.

The APM reference tools are available on the GSCP website. They can be either integrated in part or in full into companies' or schemes' existing auditing processes and systems, or used by them as a benchmark against which to compare their existing tools.

The review process for these tools is now in place on the GSCP website, and will run until October 2010.

Auditing Competence - consultation completed

The third step of the GSCP working plan has seen major progress in the second half of 2009. The appointed Expert Working Group's work on the Reference Requirements for the Recognition of Auditing Bodies and Individual Auditors has advanced past consultation stage. The draft tools first underwent a targeted consultation (with experts from initiatives, auditing and training bodies) followed by a public consultation in order to ensure the tools reflect best practice and represent a broad consensus. Comments received through this process have been analysed and integrated into the draft reference tool for Auditing Competence. This draft will shortly be presented to the GSCP Boards for review, comment and approval, with publication expected end of the second quarter 2010.

The Expert Working Group is actively working on reference requirements for the Training of Auditors (training syllabus) and for the Recognition of Training Bodies. Consultation is expected to open end of 2nd quarter 2010.

Environmental Module - working towards harmonisation in site-specific environmental requirements

While labour standards are based on universally recognised international standards, no such universal standards or recognition exist as yet for environmental issues. The definition of reference environmental requirements, at employment site level and across geographies and sectors, would therefore allow to form a common understanding of what good environmental practice looks like: this is the purpose of the GSCP's Environmental Module.

The EWG is in the process of finalising the first environmental reference tool: the reference environmental requirements. They have in parallel designed Implementation Guidelines for suppliers. Both drafts have been opened to consultation and have just been submitted to the Advisory Board for comment and discussed with the Executive Board. Suggestions are being integrated and the two documents are expected to be ready for publication at the end of the 2nd quarter.

The publication of these tools will be followed in the 3rd quarter by that of the Reference Tools on Environmental Audit Process and Methodology. The final draft of these tools was opened to public consultation on the GSCP website on April 6th 2010. We encourage you to participate in the process!



The Equivalence Process - benchmarking against best practice and peers

Variations in social compliance standards and site-specific environmental requirements, audit processes and methodologies as well as requirements for auditing competence make it difficult for companies and schemes to recognise and accept audit reports coming from other social compliance schemes.

In April 2009, the GSCP launched an Expert Working Group to develop an Equivalence Process, with the aim of driving convergence by allowing for more comparability and transparency - and therefore trust - between existing systems and schemes, using the GSCP reference tools as a benchmark. It will see the development of 2 tools:

1. A **Self-Assessment** that will allow companies / schemes to assess their own tools and systems vis-à-vis the GSCP reference tools and understand what needs to be reviewed to reach best practice; and
2. An **Equivalence Assessment** that will allow companies / schemes to understand where they stand vis-à-vis each other and what tools or processes need to be improved for them to become equivalent.

The Equivalence Process will ultimately allow the mapping of social and environmental systems relative to best practice. Buying companies will be able to share their Equivalence Assessment with each other and start recognising each other's audit results, thus reducing duplication and confusion in that field.

The assessments will be carried out against each GSCP reference tool developed or under development. These are being integrated to the Equivalence Process as and when they are completed.

The Self-Assessment Tool has been completed for the Reference Code and for the reference tools on Audit Process and Methodology. The group is now testing the reference requirements for Auditing Competence and for the environment. Rules of engagement for both the Self-Assessment and the Equivalence Assessment are being developed as well.



Companies' and Schemes' Management Systems - Expert Working Group launched

The Expert Working Group for Companies' and Schemes' Management Systems was launched late 2009. The work on Management Systems will look at what defines a well-managed social compliance programme, and how companies and schemes can understand, share or even align each other's best practices in their individual

management systems. Several areas will be considered, such as system structure, databases, existing tools, continuous improvement and relationship with/recognition of other schemes. Within these areas, a number of criteria have been identified to allow mapping of how the various systems are structured, which areas they cover and how they operate. This is a field where diversity can be accommodated without compromising other parts of the convergence project. It is key, however, to build understanding, transparency and trust, allowing various parties to work together.

The Expert Working Group's work has already begun, with the kick-off in January of a gap analysis aiming at identifying areas of commonality and areas of difference across the different types of management systems. Results of this analysis will be compiled and consolidated into a first draft of reference tools, and subsequently reviewed and progressed by stakeholders and companies alike, as per the GSCP consultation process.

Expert Working Group on Management Systems

Alcan Packaging
Clément WARTHER

Auchan
Pierre DE GINESTEL

Best Buy
Kent WANG

Carrefour
Carole DE MONTGOLFIER

Hannaford / Delhaize
Tod PEPIN

ICA
Lena BERGENDAHL

IKEA
Jaroslaw KIELAK

Tesco
Giles BOLTON



Strengthening the ties - the GSCP links in with the Global Compact

The UN Global Compact is beginning a new workstream on supply chain sustainability, the objective of which is to produce guidance for Global Compact signatories on how to develop more sustainable supply chain practices. The Global Compact has invited the GSCP's participation in the workstream's advisory group. The workstream will link with the Global Compact's issue working groups on human rights, labour, environment and anti-corruption. The GSCP sees this as a good opportunity for all involved to reduce duplication and federate efforts towards sustainable supply chain management worldwide. The project output is to be launched at the UN Global Compact Leaders Summit in June 2010 in New York.

Next GSCP General Meeting – Spring 2010

Thursday May 20th and Friday May 21st 2010

London

The dates for the GSCP Autumn General Meeting have also been confirmed, for the 1st and 2nd September 2010 in, New York.

Attendance by invitation only



Watch this space ! Version 2 of the GSCP Reference Code soon to be published

In accordance with the GSCP methodology, each published Reference Tool is to be reviewed on a regular basis in order to ensure that it constantly reflects existing best practices and represents a wide consensus among stakeholders. This involves a 1st review one year after publication, the 2nd two years after that and reviews performed every 3 years from that point.

Accordingly, the first review of the GSCP Reference Code has taken place, with a year-long public consultation which closed in December 2009. All comments received through the review protocol were compiled and suggestions for change circulated to the Advisory and Executive Boards.

The Boards have shared their recommendations for amendment and agreed on a final draft. We are now happy to announce Version 2 of the GSCP Reference Code will be ready for publication by early May 2010. Watch this space!

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