



# Global Social Compliance Programme Presentation & Update

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## The Global Social Compliance Programme

The Global Social Compliance Programme is a business-driven programme for companies that want to harmonise their respective efforts in delivering a shared, global and sustainable approach for the continuous improvement of conditions in the global supply chain.

It offers a global platform to promote knowledge exchange and best practices in order to build comparability and transparency between existing systems.

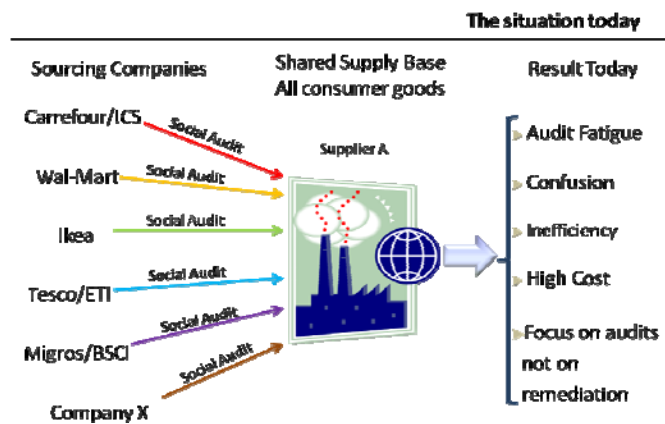
To this effect, GSCP is developing a set of **reference tools** and processes that describe best practices and provide a common interpretation of fair labour requirements and their implementation.



## What is the Global Social Compliance Programme?

The Global Social Compliance Programme (GSCP) is a business-driven programme for companies who want to harmonise existing efforts in order to deliver a shared, consistent and global approach for the continuous improvement of working conditions in global supply chains.

Retailers and brand manufacturers have responded to the challenges around fair labour conditions in their supply chains by developing codes of conduct and monitoring systems. However, the number of codes has proliferated and approaches have somewhat diverged. This has led to duplication (with the multiplication of overlapping audits per supplier) and sends a confused message to suppliers and to public authorities as to what is expected in terms of fundamental labour rights.



To address the need for consistency, leading global companies have decided to work together to promote a real change in attitudes through the understanding of the root causes of problems and the development of effective and sustainable remediation. They decided to collaborate aiming at the convergence of existing systems worldwide by launching the Global Social Compliance Programme.

## What does GSCP do?

The programme supports existing efforts by helping users identify and share **best practices**. The programme is not another monitoring initiative, nor a substitute to existing systems. GSCP will not undertake accreditation or certification activities.

The programme provides a platform for building consensus on best practice in labour standards in supply chains, in order to develop a **single, clear and consistent message** for suppliers globally. It also offers a forum to openly discuss issues and challenges among leading companies (e.g. in remediation).

The programme will:

- accommodate *the specificities* of existing systems while building comparability and transparency between them,
- drive convergence and reduce duplication and,
- above all, allow purchasing companies and their suppliers to concentrate on the identification of root causes of non-compliance and remediation of non-compliances.

## What are GSCP Benefits?

The programme has been constructed to deliver shared benefits to all players along the value chain:



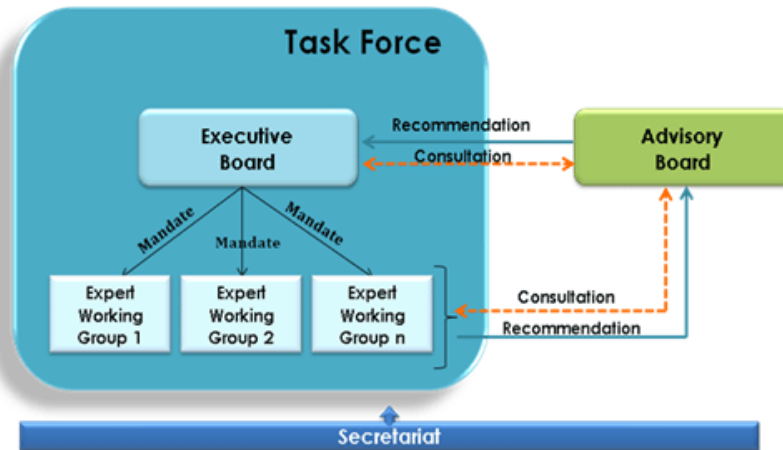
*All companies part of the GSCP Task Force together touch millions of people either directly through their customers and employees, or indirectly through hundreds of millions of workers in their supply chain.*



## How is GSCP Managed?

The GSCP model is based on companies' engagement and direct participation. The programme is open to retailers and brand manufacturers across all sectors and all geographies. All participating companies have an equal stake and a voice in the programme. It also associates civil society stakeholders to guarantee its integrity and inclusiveness and to rely on a wide range of knowledge and expertise.

### GSCP Governance Model



### Task Force

The Task Force is the backbone of the programme and brings together all the participating companies.

#### - Executive Board

The Executive Board is a subset of the Task Force and reports to the Task Force. The Executive Board steers the Programme and ensures it delivers its objectives and integrates the expectations of all stakeholders.

#### - Expert Working Groups

Expert Working Group members are operational experts drawn from Task Force Members companies.

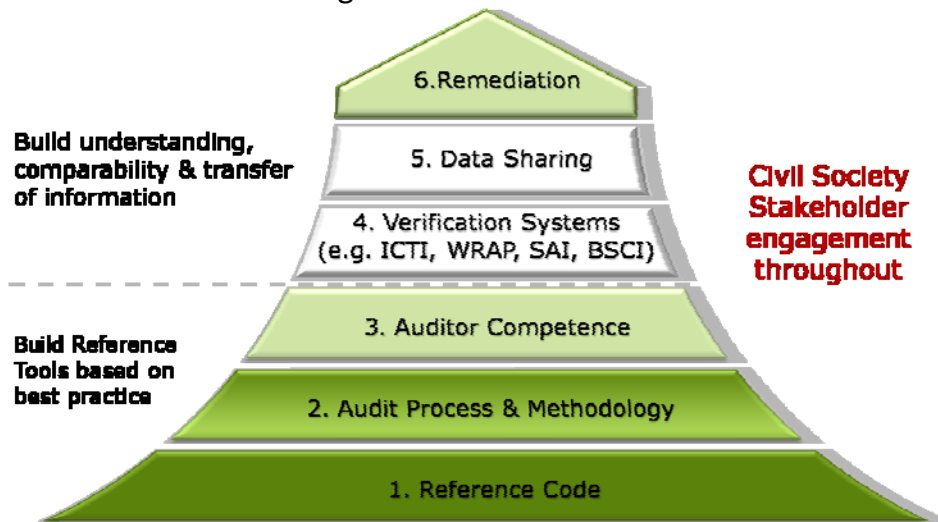
Expert Working Groups carry out the GSCP working plan.

### Advisory Board

The Advisory Board is composed of influential and knowledgeable experts drawn from NGOs, IOs, Trade Unions, SRIs, Initiatives, etc. The Advisory Board advises and challenges the Executive Board on the strategy, direction and best practice for each step of the programme. It also helps monitor and evaluate progress.

## How does the Programme work?

GSCP has developed a working plan that represents a staged approach with 6 distinct steps. This slices the task into manageable actions around which to build consensus step by step and move towards a convergence of ideas and actions.



**Steps 1, 2 and 3** together aim at developing reference tools and processes based on best practices drawn from existing systems. The purpose is to progressively allow retailers and brand manufacturers to reach mutual recognition of audit results. This will in turn lead to more efficient processes for all concerned and ultimately reduce audit fatigue. **By reducing the number of audits in their shared supply bases, companies will be in a position to free up resources to better work on remediation.**

**Steps 4, 5 and 6** aim at further building understanding, comparability and transfer of information between the different systems. Companies will then be better placed to work collaboratively on remediation (through continuous improvement methods, training and capacity building). Suppliers will be able to focus better, while working in partnership with retailers and brand manufacturers, on developing their own systems to deliver fair labour conditions.

### Reference Tools

To drive convergence, GSCP is building a set of reference tools that describe best practice (underpinned by the relevant ILO Conventions) and provide a common interpretation for fair labour requirements and their implementation. It will enable retailers and brand manufacturers around the world, in whatever industry, to work towards mutual recognition of audit results.

This toolkit comprises of a reference code, reference audit systems and methodology and reference guidelines for auditor competence. Each tool will be developed by an Expert Working Group whose role is to identify and build consensus around best practices and to ensure it upholds international labour standards.

This toolkit, which will be openly available, can then voluntarily be either:

- Integrated in part or in full by companies into their existing system
- Used by companies or initiatives as a reference against which to compare their existing tools

## Methodology

Each step of the working plan is managed by an expert working group composed of experts from participating companies.

The role of Expert Working Groups is:

- to compare and analyse existing practices in order to identify best practices for each step of the GSCP working plan;
- to prepare and manage a web-consultation on the draft tools to gather feedback from a global audience of stakeholders in order to ensure that the draft references best practices and represents a consensus among stakeholders;
- to prepare a recommendation on how the draft reference tools should be amended based on consultation results;
- to submit the recommendation to the GSCP Advisory Board and the GSCP Executive Board for approval.

### GSCP Methodology



## On the working plan

### Step 1 - Reference Code

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- 6 months open consultation led by an Expert Working Group
- All comments received compiled and analysed
- Recommendations to the Advisory Board
- Approved and launched end of September 2008
- Available on <http://gscp.myciesnet.com>

### Step 2 - Reference tools on Audit Process Methodology

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The Expert Working Group, with the close support of two consultancy groups (CSCC and SGS), has come up with a set of draft guidelines for audit reference tools. These gather best practices for each step of the audit process in order to bring consistency to the way audits are prepared, led and followed-up

The draft guidelines for audit reference tools relate to:

- audit process
- pre-audit employment site profile
- self-assessment
- audit checks
- alert notification
- audit report
- finding summary & corrective actions
- supplementary audit information

These guidelines are based on identified best practices drawn from existing systems and processes.

- An open web-based consultation ran from August to December 2008
- Expert Working Group members tested the draft reference tools in production sites
- Finalised reference tools expected second quarter of 2009

### Step 3 - Reference guidelines on Auditor Competence

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#### Objective

- To increase consistency between auditors and audits
- To allow common training of auditors to save time & reduce cost
- To send a clearer and unified message to suppliers

#### How & When

- Expert Working Group launched in January 2009
- GSCP will ensure to work with existing efforts in that area (e.g. Verite/CREA)

### Step 4 - Company and schemes' Management Systems

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This fourth step will look at whether companies and schemes can understand, share or even align each others' best practices in their individual management systems.

This is an area where diversity can be accommodated without compromising other parts of the convergence project. It is key however, to build greater understanding, transparency and trust, allowing these various bodies to work together.

## Step 5 - Data Sharing

This fifth step will develop protocols for data and information sharing starting with a careful analysis of existing best practices.

*The aims are:*

- To reduce duplication
- Make the best use of the information sourced through steps 1, 2 & 3
- To improve transparency
- To support improvements in remediation (Step six).

## Step 6 – Remediation

The sixth step will look at GSCP’s main goal which is to facilitate the remediation of root causes of non compliances.

Having built convergence where possible and having promoted understanding and transfer of information, retailers and brand manufactures will then be better placed to work collaboratively on remediation of non-compliances and improvement of working conditions. Differences in remediation methods will in turn need to be discussed and understood.

## Forum on Remediation

Through its General Meeting, GSCP already offers a forum on remediation where companies can:

- build relevant tools for capacity building and training
- discuss openly issues of common interest
- exchange experiences and learn from each other’s practice in the field
- strengthen collaborative approaches

### Next meeting planned:

San Francisco, 19<sup>th</sup> & 20<sup>th</sup> October 2009



## On complementary projects

### Module on Environment

In response to the high demand from various companies to extend the scope of GSCP reference tools to environmental concerns on employment sites, the GSCP Executive Board launched an expert working group that will develop an environmental module for the integration of basic site-specific environmental requirements within GSCP.

Work has started in August 2008 and the Expert Working Group is developing the following tools, based on analysis of current best practices:

1. Draft reference requirements and implementation guidelines for suppliers
2. Draft reference Audit process and methodology
3. Draft reference requirements for auditor competence

The consultation on draft reference requirements and implementation guidelines has started mid-April and will run until June 2009.

### Equivalence process

This process aims at enabling the mutual recognition between schemes using the GSCP reference tools as a benchmark.

Its purpose is:

1. to contribute to the definition and delivery of a clear and consistent message towards global suppliers
2. to build comparability and transparency between existing systems and schemes while allowing them to maintain their specificities
3. to allow individual companies to measure their system against the GSCP reference tools
4. to allow stakeholders to trust each others' audit reports and allow for mutual recognition

An Expert Working Group has been launched in May 2009 to develop this voluntary equivalence process.



*"GSCP provides a unique forum for the public, private and non-governmental sectors to work together and devise lasting solutions to the world's pressing issues. It will ultimately help improve the lives of many people around the world."*

Amir Dossal, GSCP Advisory Board

## Who is on the Programme?

### 1. GSCP EXECUTIVE BOARD

<b>CARREFOUR</b>	France	Véronique DISCOURS-BUHOT
<b>CHIQUITA</b>	USA	George JAKSCH
<b>HASBRO</b>	USA	Alan HASSENFELD
<b>HEWLETT PACKARD</b>	USA	Bonnie NIXON
<b>IKEA</b>	Sweden	Greg PRIEST
<b>MIGROS</b>	Switzerland	Johann ZÜBLIN
<b>TESCO</b>	United Kingdom	Terry BABBS
<b>WAL-MART</b>	USA	Rajan KAMALANATHAN

### 2. GSCP ADVISORY BOARD

<b>CSR Asia</b>	Hong Kong	Stephen FROST
<b>FGTA – FO</b>	France	Rafaël NEDZYNSKI
<b>FIDH</b>	France	Antoine BERNARD
<b>UNI Commerce</b>	Switzerland	Jan FURSTENBORG
<b>UNITED NATIONS Office For Partnership</b>	USA	Amir DOSSAL

### 3. EXPERT WORKING GROUPS

#### - GSCP Expert Working Group on Code Review (Project Completed)

<b>CARREFOUR</b>	France	Virginie SAUDRAIS
<b>TESCO</b>	United Kingdom	Lara LADIPO
<b>WAL-MART</b>	USA	Chris McCANN

#### - GSCP Expert Working Group on Audit Systems & Methodology

<b>AUCHAN</b>	France	Alain SOUPPART
<b>CARREFOUR</b>	France	Virginie SAUDRAIS
<b>CASINO</b>	France	Bruno COLOMBANI
<b>HALLMARK</b>	USA	Brian COLLINS & Simon HERBERT
<b>ROYAL AHOLD</b>	The Netherlands	Hugo BYRNES
<b>TESCO</b>	United Kingdom	Paul DEARMAN
<b>WAL-MART</b>	USA	Daniele GIOMI

#### - GSCP Expert Working Group on Auditor Competence

<b>ALCAN PACKAGING</b>	France	Clément WARTHER
<b>CARREFOUR</b>	France	Virginie SAUDRAIS
<b>CASINO</b>	France	Bruno COLOMBANI
<b>C&amp;A</b>	Germany	Charles DICKINSON
<b>COSTCO</b>	USA	Art JACKSON
<b>HP</b>	USA	Mike VAUDREUIL
<b>TESCO</b>	United Kingdom	Paul DEARMAN
<b>WAL-MART</b>	USA	Daniele GIOMI

*- GSCP Expert Working Group on Environmental Module*

<b>ALCAN PACKAGING</b>	France	Clément WARTHER
<b>CARREFOUR</b>	France	Stéphanie MATHEY
<b>C&amp;A</b>	Germany	Charles DICKINSON
<b>IKEA</b>	Sweden	Greg PRIEST
<b>HP</b>	USA	Jay CELORIE
<b>LEVIS</b>	USA	Manuel BAIGORRI
<b>TESCO</b>	United Kingdom	Jonathan GORMAN
<b>WAL-MART</b>	USA	Duccio ANCILOTTI

*- GSCP Expert Working Group on Equivalence Process*

<b>ALCAN PACKAGING</b>	France	Clément WARTHER
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<b>HEWLETT PACKARD</b>	USA	Karl DAUMUELLER
<b>ICA</b>	Sweden	Lena BERGENDAHL
<b>IKEA</b>	Sweden	Lena PRIPP-KOVAC
<b>MIGROS</b>	Switzerland	Johann ZÜBLIN
<b>ROYAL AHOLD</b>	The Netherlands	Karin BOGAERS
<b>TESCO</b>	United Kingdom	Paul DEARMAN
<b>WAL-MART</b>	USA	Chris McCANN
<b>WOOLWORTHS</b>	Australia	Armineh MARDIROSIAN

#### 4. GSCP TASK FORCE - THE PARTICIPATING COMPANIES

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ALCAN PACKAGING	France
AUCHAN	France
C&A	Germany
CARREFOUR	France
CASINO	France
CHIQUITA	USA
DAIRY FARM	China
DELHAIZE	Belgium
DELL	USA
DOLE	USA
EL CORTE INGLES	Spain
GLOBUS	Germany
HASBRO	USA
HEWLETT PACKARD	USA
ICA	Sweden
IKEA	Sweden
JERONIMO MARTINS	Portugal
METRO	Germany
MIGROS	Switzerland
MONOPRIX	France
ROYAL AHOLD	The Netherlands
SOBEY'S	Canada
TESCO	UK
WAL-MART	USA
WOOLWORTHS	Australia

## GSCP MEMBERS







For more information on GSCP

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