THE EXECUTIVE SUMMARY

GLOBAL SOCIAL COMPLIANCE PROGRAMME

GENERAL MEETING

UNITED NATIONS HEADQUARTERS, NEW YORK

The Consumer Goods FORUM

Global Social Compliance Programme

Thank you for attending
the 2014 General Meeting of the
GLOBAL SOCIAL COMPLIANCE PROGRAMME

UNITED NATIONS HEADQUARTERS
NEW YORK, NY, USA

CONTENTS

SESSION 1: GSCP 2.0

GSCP ACHIEVEMENTS AND FUTURE PERSPECTIVES

Zoe McMahon, GSCP Executive Board Chair and Director, Global Social and Environmental Responsibility at Hewlett Packard; **David Schilling, GSCP Advisory Board Chair** and Director of Human Rights and Resources Programs at the Interfaith Center on Corporate Responsibility (ICCR) and **Peter Freedman**, the Managing Director of the Consumer Goods Forum welcomed participants to the 2014 GSCP General Meeting.

Zoe highlighted that after seven years since the creation of the GSCP, now is the critical turning point in the strategic direction of the programme and reminded the GSCP community of the vision she shared for the evolution of the GSCP strategy at this year's Members' Meeting in Amsterdam. This vision was to continue adding value to GSCP members, and also to the wider community.

The opening addresses outlined some of the key achievements of the GSCP thus far:
- Reference Codes as "meta-standards"
- Open source best practice tools and processes
- Key partnerships in place
- Valued forum for ethical sourcing practitioners
- Unique Advisory Board

Peter Freedman, the recently appointed Managing Director of the Consumer Goods Forum (CGF) introduced this unique organisation to the GSCP community. The CGF is formed of manufacturers and retailers globally, with a two part mission of
1) Business efficiency and 2) Positive change.

He then went on to explain how the GSCP currently fits within this organisation as a key element of the CGF's Sustainability Pillar, (see Annex 1) and that GSCP's closer relationship and integration into the CGF, requires a scaling up of the Programme. To this end, he shared some of the illustrative feedback he had received from CEOs when discussing GSCP:

"Despite arguably having some of the highest standards in the industry, we still surface major issues like child labour in our supply chain."

"GSCP is hugely important. Illegal labour, low pay are not just emerging market issues – we face them in our home country. This is a ticking time bomb."

"The CGF has an opportunity to play a unique role through the GSCP."

"On social issues, we have an opportunity to move further and faster than governments."

These comments all lead to a need for strategic refresh of the GSCP, particularly in the light of gaining stronger CEO support at the CGF Board Meeting in December, in order to put the GSCP where it needs to be: at the highest level of decision making in companies.

SESSION 1: GSCP 2.O

VALUE DELIVERY FOR ITS MEMBERS AND STAKEHOLDERS

Didier Bergeret, Head of the GSCP, drew upon Peter Freedman's discussion with CEOs once again to illustrate how the GSCP should shape itself to garner greater high-level support. The overwhelming feedback from these discussions established that GSCP would need to focus on a goal that is deliverable, substantial, where collective action adds value and where the CGF Board can make a real difference.

> *We hold ourselves to very high standards internally. The GSCP must focus only on where there is value from grouping companies together.* - CGF Board

To this end, there were **three suggestions outlined to improve GSCP's impact:**

1. More focused and tangible aims
2. Stronger governance and connection to the CGF Board
3. Better communication

And four areas of governance to strengthen:

1. Stronger GSCP Executive Board
2. Retained and enhanced Advisory Board
3. Closer connections to the CGF
4. Formal commitments by the CGF Board

SESSION 1: GSCP 2.O

GSCP FUTURE STRATEGY

Zoe McMahon put forward the new proposed tangible and achievable objectives which the GSCP would like to commit to and present to the CGF Boards, following feedback from the GSCP community. These objectives are twofold:

- **To drive decent wages** in the consumer goods and services supply chains
- Work with the audit industry to **accelerate quality and efficiency in social compliance monitoring**

The new tangible objective on decent wages is intrinsically linked to the **6.3 article of the GSCP Reference Code** outlining that:

Suppliers must compensate their workers by providing wages, overtime pay, benefits and paid leave which respectively meet or exceed legal minimum and/or industry benchmark standards and/or collective agreements, whichever is higher.

Wages and compensation for regular working hours shall meet basic needs and provide some discretionary income for workers and their families.

These two 'refreshed' objectives were pending CEO approval at the CGF Board Meeting in December.

Concerns were expressed by audience members about the role of the environmental tools in the GSCP, since there seems to be a strong focus on social elements. The GSCP Boards emphasised the great value of the GSCP Environmental Module, and this is what the GSCP will continue driving forward with partners such as **Conservation International/ Consumer Goods Council of South Africa (CGCSA)** in South Africa who currently implements these tools (see page 17). Zoe McMahon explained however that in terms of a flagship goal which will allow for a buy-in from CEOs, the focus needs to be socially and human orientated. Nonetheless, one of GSCP's key objectives remains in further promoting environmental stewardship.

SESSION 2: GSCP – A COLLABORATIVE PLATFORM

BREAKOUT SESSIONS

Participants working together, in groups to give their input for the GSCP of tomorrow.

In consideration of these new proposed objectives for the GSCP strategy, participants were divided into four different groups according to their organisational type:

- Buying Companies
- Auditing Bodies
- Stakeholders
- Schemes and initiatives

Each group was asked the following three questions:

1. **What do you like about the proposed objectives?**

2. **How would you improve them in order to better support your goals?**

3. **How is your group uniquely positioned to contribute to the achievement of GSCP objectives?**

How to improve the "Fair wage" goal.

- Fair labour assoc. 'ladder' work.
  Could be an opportunity.
- GSCP to coll...

COMPANIES

BREAKOUT SESSIONS: KEY TAKEAWAYS - ALL GROUPS COMBINED

1. What do you like about the proposed objectives?

ON DECENT WAGES

- It's a clear, tangible and measurable goal
- Challenging
- An incremental journey towards decent wages as part of a longer term vision beyond legal compliance on minimum wage

ON AUDITING EFFICIENCY

- Involves the auditing industry
- Another driver in a larger dialogue on development in compliance. Raises expectation on quality and how the auditing industry can add more value

2. How would you improve them in order to better support your goals?

ON DECENT WAGES

- Develop a timeline with expected outcomes
- Accurate data collection to define the current context and target goal
- Agreed definition of terminology: living, fair, decent, minimum wage etc. and how to calculate it

- Government advocacy and engagement for the establishment and enforcement of a fair minimum wage
- Educating consumers about the value of a product, that the money you pay for a product determines the wage of the person who made it. The objective should be linked to a commitment to pay a fair price to the supplier for products
- Need to establish the value proposition to suppliers and why they should adhere to wage legislation; engaging workers directly, and not only labour organisations

ON AUDITING EFFICIENCY

- GSCP should not focus on auditing *per se* but on efficiency and quality
- Focus on accelerating progress in remediation and capacity building
- Streamline the audit process: improve auditors' competency (accreditation, certification, cost consideration); reduce; share
- Improve the Equivalence Process: with more companies and more schemes in it

BREAKOUT SESSIONS: HOW IS YOUR GROUP UNIQUELY POSITIONED TO CONTRIBUTE TO ACHIEVING GSCP OBJECTIVES?

STAKEHOLDERS

- Capacity building knowledge, experience and skills
- Can provide a technology platform to share information more transparently
- On the ground experience
- Retain a large, varied stakeholder network which they can access to help define the terminology and disseminate information
- Provide accountability

AUDITING BODIES

ON AUDITING EFFICIENCY
- Clear understanding of auditor capabilities

BUYING COMPANIES

ON DECENT WAGES
- Can demonstrate the 'value' proposition to their suppliers to comply with criteria 6.3.
- By sharing insights and information on best practice between companies and suppliers.
- By providing incentives for good performance
- Through improving productivity, reducing worker turnover - can improve profits which in turn can lead to better wages
- Can form a united position between all buyers in a factory to a particular wage proposition
- Can provide accurate data through amalgamated disclosure
- Can fund capacity building
- Could incorporate this goal into their own code of conduct and embed into their supply chain policies
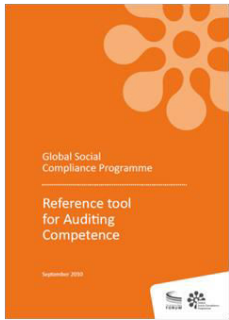
ON AUDITING EFFICIENCY
- By aligning company's audit processes to the GSCP Standard

SCHEMES & INITIATIVES

- Can provide accurate data
- Can identify areas of adherence and opportunity
- Capacity building knowledge, experience and skills
- Through worker engagement and empowerment

LAUNCH OF AUDITING COMPETENCE V2 & REFERENCE CODE REVIEW

Launch of Version 2 of the Auditing Competence Tool

The new Version 2 of the GSCP Reference Tool for Auditing Competence was officially launched at the GSCP General Meeting. The second edition of this tool reflects updates to expectations from the auditing industry and pushes for even higher standards of best practice in auditor competence, for better quality audits. The official news release can be found here and it is now open for public consultation and feedback on the GSCP Website.
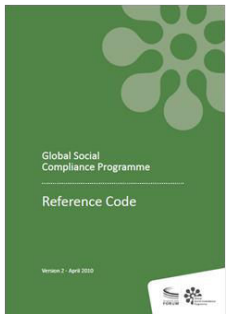
Launch of the Reference Code review

Following the launch of the Reference Tool for Auditing Competence, Didier Bergeret, announced the launch of the review of Version 2 of the GSCP Reference Code which will take place in light of the proposed new GSCP objectives, and following CEO level agreement of a social agenda. Version 2 of GSCP's flagship Reference tool was last updated in 2010, and the launch of this latest review will incorporate evolutions in best practices in social compliance to maintain the Reference Code's reflection of industry gold standard. As with previous tools, the review process will be open and collaborative, with the aim of triggering improvements in related tools.

Achievements and challenges

The discussions at the General Meeting revolved around how the Reference Code should be considered and perceived: is GSCP the ceiling? And if that is the case, perhaps we equally require a floor (minimum standards).

Conversely some participants in the room argued that the GSCP Reference Code should represent minimum standards rather than best practices, and some questioned why some of these minimum standard criteria are missing in some schemes' and initiatives' codes.

Audience members also reflected upon the successes and challenges of the GSCP Reference Code in its adoption and use. Some pointed out that many member companies still do not align with the GSCP Reference Codes and tools, and questioned whether the GSCP is focusing on what it was setup to do; to focus on remediation and capacity building in the long term. There were questions surrounding the utility of focusing on a specific issue such as decent wages when the job of alignment to the Reference Code has still not been achieved.

The GSCP Boards underlined that the core mission of the GSCP still exists, and particularly with regards to the Equivalence Process, there is still a lot of appetite for this core mission. However it is very hard to measure and evaluate the achievements of the GSCP and communicate this to CEOs - the GSCP's aim is not for the community to believe we have abandoned the core mission, it is the converse - we are focusing on a core social issue, in a way which it can be tackled best - through collaboration and working on it as a collective.

Equally, there was strong support from participants about the huge value of the GSCP Reference Tools, in particular new social standard SQFI who explained that they had looked to the GSCP for several reasons:

1) it brings relevance to their programme
2) it brings competency on how to operate their system and to manage their auditors, which is critical for them
3) it adds value and credibility to their standard

These tools and the GSCP approach point to constant improvement for all organisations.

SESSION 3: POSITIONING THE GSCP TOOLS AS A GLOBAL FRAMEWORK

THE EQUIVALENCE PROCESS

For Session 3 of the General Meeting, Didier Bergeret provided an overview of the Equivalence Process to newcomers to the GSCP community and presented some of the new evolutions within the platform (Annex 3 and 4). Currently 80% of users would recommend the Equivalence Process, and have made or will make changes to their systems after undergoing the assessments, thus demonstrating its success in generating convergence. 87% of experts also consider it to be robust, hence illustrating the trustworthiness of the first neutral benchmarking system for social and environmental standards.

However, the system is facing challenges from some users who believe it is not currently user friendly enough, that the steps are too complicated, and the times and costs can be higher than initially planned. It is felt that the Equivalence Process could add further value than it currently does.

To tackle some of these issues, the GSCP unveiled some new developments in the system: namely the new **'Equivalence Process Trends'** which show users the aggregated trends across the platform, to be able to compare how they perform per criteria compared to other users.

In addition to this, the GSCP explained how they intend to add value to the Equivalence Process through their partnership with the **International Trade Centre (ITC) Standards Map**. Via virtual means, ITC's **Mathieu Lamolle** and **Gregory Sampson** explained how they are building a customised platform for buyers and suppliers to be able to self-assess and compare their owns codes and audit protocols against those in the Standards Map as a first-step quick scan before then delving into a deeper scan with the GSCP's Equivalence Process platform. ITC showcased these first functionalities, and outlined the value this will bring to users. Follow this link to see the video [Social Compliance "Quick Scan" thanks to GSCP-ITC Partnership.](#)

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SESSION 3: POSITIONING THE GSCP TOOLS AS A GLOBAL FRAMEWORK

BUSINESS EFFICIENCY

Future perspectives

It is acknowledged that the Equivalence Process is a powerful tool for supply chain actors for continual improvement and currently many relevant auditing bodies have made the effort to go through the process thus demonstrating their commitment to quality and alignment with best practices.

A foreseeable evolution within the platform, with representatives of the audit industry, could be that the Equivalence Process is used to achieve a fair and transparent evaluation of auditing bodies in order to provide market reward for those demonstrating high quality practices. The same could apply to reputable standards and, of course, buying companies. And this would be in line with the GSCP goal for business efficiency.

During this session on business efficiency, two supply chain actors presented the value that they garner presently from the Equivalence Process.

GIZ on benchmarking private standards for governmental objectives

Philipp Schukat, Programme Director for Social and Environmental Standards at GIZ (*Deutsche Gesellschaft für Internationale Zusammenarbeit* - The German Federal Enterprise for International Cooperation) presented GIZ's approach to benchmarking private standards for governmental objectives and how the Equivalence Process could play a role in this.

GIZ assists the German Government in achieving its objectives in the field of international cooperation. GIZ offers demand-driven, tailor-made and effective services for sustainable development and is currently working with the German government on a benchmarking system for sustainability standards. With the plethora of current standards that are being used right now it is increasingly difficult for consumers, SMEs and public procurers to make informed choices about sustainably produced products and services.

Philipp advised that it would be beneficial to find an engagement strategy towards governments rather than for governments to continually try to reinvent the wheel. Retail and supply chain standards are a very important topic for governments worldwide, and will feature as a topic on the G7 agenda next year.

Philipp also stressed that GSCP is already bringing value by collaborating with other organisations in the field. GSCP is working with ITC Standards Map to include a Quick Scan for GSCP member companies. This tool will allow GSCP members to get a brief overview of how their code and other standards are performing against the GSCP Reference Code and is an example of where GSCP can bring value to its members.

BUSINESS EFFICIENCY

Retailer perspective on the Equivalence Process: Hugo Byrnes, Royal Ahold

Hugo Byrnes, Vice-President of Product Integrity at GSCP Member, Royal Ahold presented the company perspective on the Equivalence Process. Hugo commended the customised platform being created by ITC since this will help provide the additional information that Royal Ahold need, even if it is just from a quick scan perspective.

He explained that the Equivalence Process provides great value for food retailers, such as Royal Ahold since they do not have their own code of conduct or standards, and rely upon an existing standard. They are currently a member of BSCI, accept SMETA and a long list of other standards.

Many of their suppliers have different standards which Royal Ahold accept as a stepping stone, with the aim of moving towards better standards.

Why are the suppliers not using SMETA or BSCI? Hugo explained that this is due to suppliers having so many clients with different requirements; there is no one standard they can use and be universally accepted everywhere. Royal Ahold therefore needs the Equivalence Process to assess different standards and understand what they are accepting from suppliers. They also need to understand how good the auditors are, the accreditation of the auditors, and how robust the auditing is. It is not just about the Reference Code, which they see as necessary - they also need to know about the audit processes.

SESSION 4: ENVIRONMENTAL STEWARDSHIP

GSCP ENVIRONMENTAL MODULE IN ACTION

The GSCP Environmental Module currently remains GSCP's "best kept secret" and is not currently communicated as widely and loudly as it deserves to be. According to users, the GSCP Environmental module helps solves multiple issues currently experienced in the field of environmental compliance where a number of approaches are proliferating; some with patchy coverage of key issues. **There is a need for one global framework** which incorporates coverage of key issues and effective monitoring approaches which should lead to improved market access (Annex 5).

The module has currently been adopted, and embedded into a number of global standards and approaches cross-sectorally including the

Sustainable Apparel Coalition (SAC), the **Business Environmental Performance Initiative (BEPI)** which is part of the **Foreign Trade Association (FTA)**, **Zero Discharge for Hazardous Chemicals (ZDHC)** and for shaping the **South African Environmental standard** for the consumers goods sector amongst others (**Annex 6**).

"

The issue with the Environmental Module is that it's our best kept secret.

"

Environmental Module in action: South Africa

The South African Environmental Guidelines are a key example of the GSCP Environmental Module in action and how this example could be replicated in other countries and regions. **Jaco Venter, Senior Technical Director for Conservation International** presented the latest developments and recent launch of this project, formed in partnership with the **Consumer Goods Council of South Africa (CGCSA).**

Jaco outlined the origins of the project, and the call for an environmental framework to be created for the consumer goods industry in South Africa, which would be aligned to the South African legislation. The objective was to create an environmental framework which focused on compliance and continuous improvement (see Annex 7).

Having discovered the GSCP Environmental Module, the CI/ CGCSA saw the immediate value in harmonising their own framework to this module rather than creating their own unaligned approach. Over the course of 2014, the environmental framework was adapted according to South African specificities and legislation, and was piloted with a number of buying companies before its launch at the end of October 2014, in Johannesburg, where the GSCP was present.

The South African Environmental guidelines as presented by Jaco, pave the way for similar approaches to be replicated globally, and reinforce how they can be applied to local business realities, cross-sectorally.

He also showed this CI Nature is Speaking film.

Environmental Module in action: BEPI

The **Business Environmental Performance Initiative (BEPI), an initiative of the Foreign Trade Association (FTA)**, demonstrates another of GSCP's partner organisations who have comprehensively based their own environmental framework on the GSCP Environmental Module. **Christian Ewert**, newly appointed **Managing Director of the FTA**, and ex-Managing Director of the International Council of Toy Industries (ICTI), provided an overview of the FTA and their two leading activities BEPI and the Business Social Compliance Initiative (BSCI). BEPI is the FTA's youngest initiative committed to improving environmental performance in supplying factories and farms worldwide.

BEPI provides a practical framework for all sectors to improve environmental performance and reduce related risks through tailor-made targeted environmental improvement at producer level. They piloted their recently launched environmental framework in Vietnam, and following this successful phase they will be holding a second round of pilots in China.

Christian explained that the GSCP enables initiatives such as BEPI to put a robust standard into place through comprehensive alignment, and BEPI demonstrates an effective example of harmonising approaches for stronger environmental compliance standards. Another example of GSCP's strong partnerships to be further enhanced in 2015 notably on Auditing Competence.

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SESSION 5: CAPACITY BUILDING

SUPPLIER PORTAL

Supplier Portal: Entry door for social management systems

To kick off the final session on capacity building, Didier presented the first developments on a supplier portal in partnership with ITC (Follow this link to see the video [Social Compliance "Quick Scan" thanks to GSCP-ITC Partnership](#)) which signals the next evolutions following the publication of the Reference tool on Social & Labour Management Systems for Suppliers in 2013.

An example of a typical supplier's journey through the proposed supplier's portal can be seen in Annex 8.

AFTER THE WORKSHOPS

Sherrie Esposito from Elevate, presented the draft report on the series of capacity building (CB) workshops which took place over the course of 2012 and 2013 in the USA, China, Switzerland and India, thanks to Migros, Unilever, Walt Disney and Carrefour who all hosted these workshops.

The key objective of these workshops was to bring **more scale, sustainability and efficiency** to existing and future capacity building efforts.

The key goals were:
1. Develop a **shared definition**
2. Understand **how auditing and CB can work together**
3. Articulate **a framework with models**
4. Explore current efforts

The draft report has been created to provide a coherent summary of these four capacity building workshops with a focus on the lessons learned and existing process element models. The key takeaways can be seen in Annex 9.

SESSION 5: CAPACITY BUILDING

AFTER THE WORKSHOPS

Next steps

Phase 1:
Following the General Meeting, this draft report will be open for consultation prior to its final publication. This first phase will allow those interested to:

1. Share their feedback on any areas for improvement
2. Present their capacity building approach or projects which they feel could be replicated and are scalable- all in the view of sharing best practices.

GSCP will be emailing the link to this report to the GSCP community for comments in early 2015.

Phase 2:
Beyond the forthcoming published report, how can we best capitalise on the momentum around capacity building?

Does the GSCP create a reference tool or framework on capacity building with a focus on key process elements, expanding upon models and guidelines within each process element, with topic-specific areas that can be adapted and applied?

What do you believe the best actions to be taken are? The GSCP will be asking the GSCP community their thoughts during the open consultation period on the draft capacity building workshops report.

CLOSING COMMENTS

To close the GSCP General Meeting, members of both the Executive and Advisory Board provided their perspectives on the day's events and decisions.

David Schilling, Chair of the Advisory Board believes that there has been so much achieved with the programme already. He drew attention to the level of excitement from participants about the interactive morning session which was focused upon dialogue, and planning which is actionable. He felt inspired by what is taking place in South Africa, where the GSCP Environmental Module, is being studied and aligned with every single environmental law in South Africa. At the close of the meeting, David came away feeling very hopeful.

Antoine Bernard, CEO of the International Federation for Human Rights (FIDH), Advisory Board Member, outlined his initial concerns and skepticism about the GSCP's direction at the beginning of the day and stated how clear it is, that now is a critical moment at the GSCP. He underlined that the GSCP is seven years old and that in any relationship seven years is a key moment. He questioned whether this programme was reset ready? It has been undeniably needed.

At the close of the General Meeting Antoine stated that he feels hopeful, trustful, and that the programme has ambition having seen the motivation, action and interaction during the General Meeting, and the scale of the decisions taken. However he cautioned that marrying ambition with effectiveness and pragmatism was certainly the biggest dilemma to overcome. From Antoine's perspective, the GSCP is reset ready, and following the CGF Board Meeting, GSCP will have confirmation of that.

The GSCP is seven years old; in any relationship seven years is a key moment.

Wesley Wilson from Walmart, Executive Board Member outlined two elements that he found very exciting in the context of the GSCP:

1) That we have really taken steps to broaden the conversation, with the companies involved, stakeholders, NGOs and the wider GSCP community. He felt it to be incredibly exciting that all the expertise and insight were in the room together having these difficult conversations on how to move forward.
2) There was a theme of focus and an opportunity to leverage all that knowledge and expertise.

The GSCP has achieved great things, and these new objectives are an opportunity to take all that work and apply it in a way which is practical.

The closing words came from **Carole de Montgolfier from Carrefour, Executive Board Member** who stated that we can now consider GSCP 2.0 to be launched, and that it is up to us, the GSCP community, to make it a success.

GSCP BOARDS
THANK YOU
& DELEGATES

NETWORKING MOMENTS
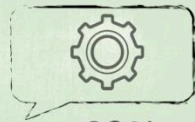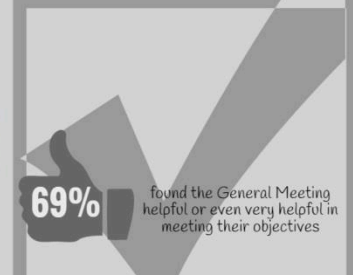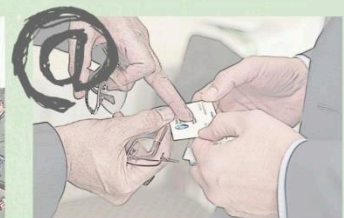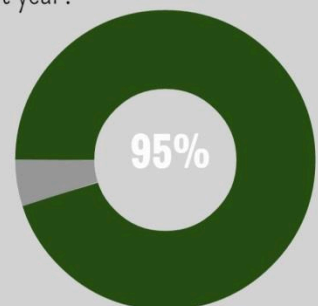
Access the Image Gallery from the GSCP General Meeting and Networking Cocktail.

View the infographic of delegate feedback online here.

GSCP, an initiative of the CGF (Consumer Goods Forum)
Driving positive change through collaborative actions

#1 global platform for the consumer goods industry

400 retailer, manufacturer and service provider members in 70 countries

4 strategic pillars :

Sustainability (GSCP)
Product Safety (GFSI)
Health and Wellness
End-to-end Value Chain

Better Lives Through Better Business

ANNEX 1: WHO WE ARE

THE CONSUMER GOODS FORUM
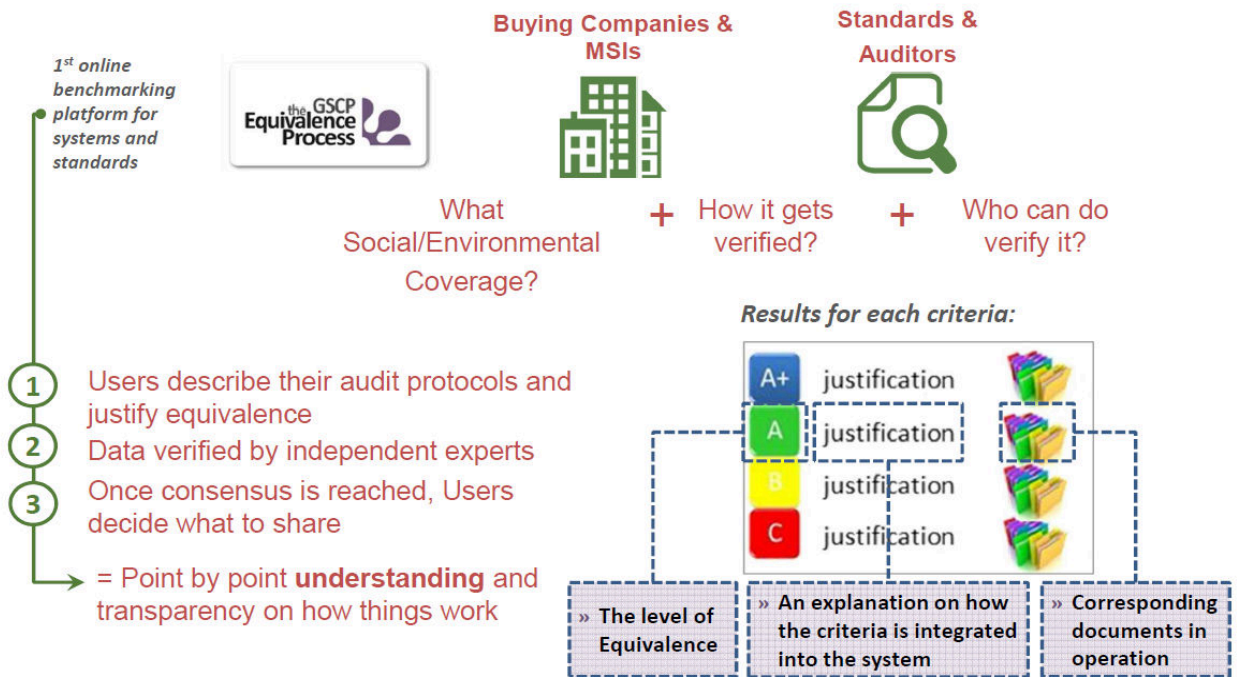

WORKING TOGETHER EFFICIENTLY FOR POSITIVE CHANGE

IDENTIFY FOCUS AREAS, DEVELOP SOLUTIONS, SHARE SOLUTIONS, SPEAK WITH A COMMON VOICE

Sustainability | Product Safety | Health & Wellness | End-to-End Value Chain & Standards

Knowledge & Best Practice Sharing

Global Social Compliance Programme

A THRIVING GLOBAL MEMBERSHIP

Retailer College

ANNEX 2: CGF BOARD MEMBERS

Manufacturer College

1st online benchmarking platform for systems and standards

the GSCP **Equivalence Process**

Buying Companies & MSIs

Standards & Auditors

What Social/Environmental Coverage? + How it gets verified? + Who can do verify it?

1. Users describe their audit protocols and justify equivalence
2. Data verified by independent experts
3. Once consensus is reached, Users decide what to share

= Point by point **understanding** and transparency on how things work

Results for each criteria:

A+	justification
A	justification
B	justification
C	justification

» **The level of Equivalence**

» **An explanation on how the criteria is integrated into the system**

» **Corresponding documents in operation**

ANNEX 3: GSCP EQUIVALENCE PROCESS

Who?
» Industry, standard-setting bodies, auditing bodies, governments

What?
» neutral benchmarking system of your operations against global best practices

How?
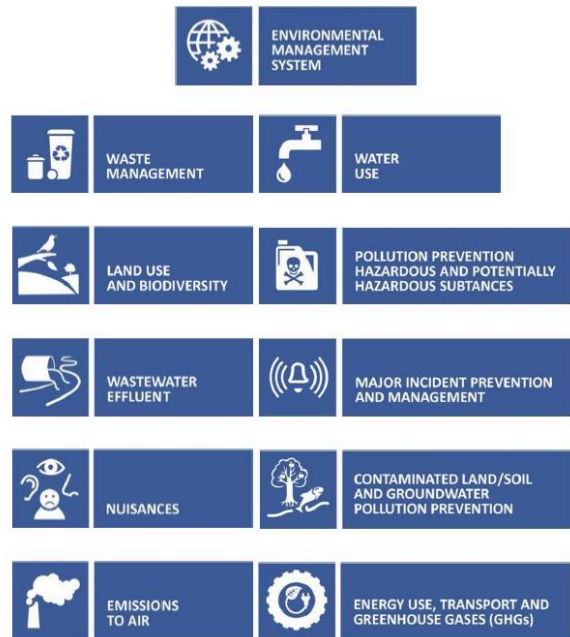» Self-Assessment followed by independent expert assessment

Why?
» Providing a basis for continuous improvement
» Saving resources by reducing audits duplication

» Main environmental impacts from production sites

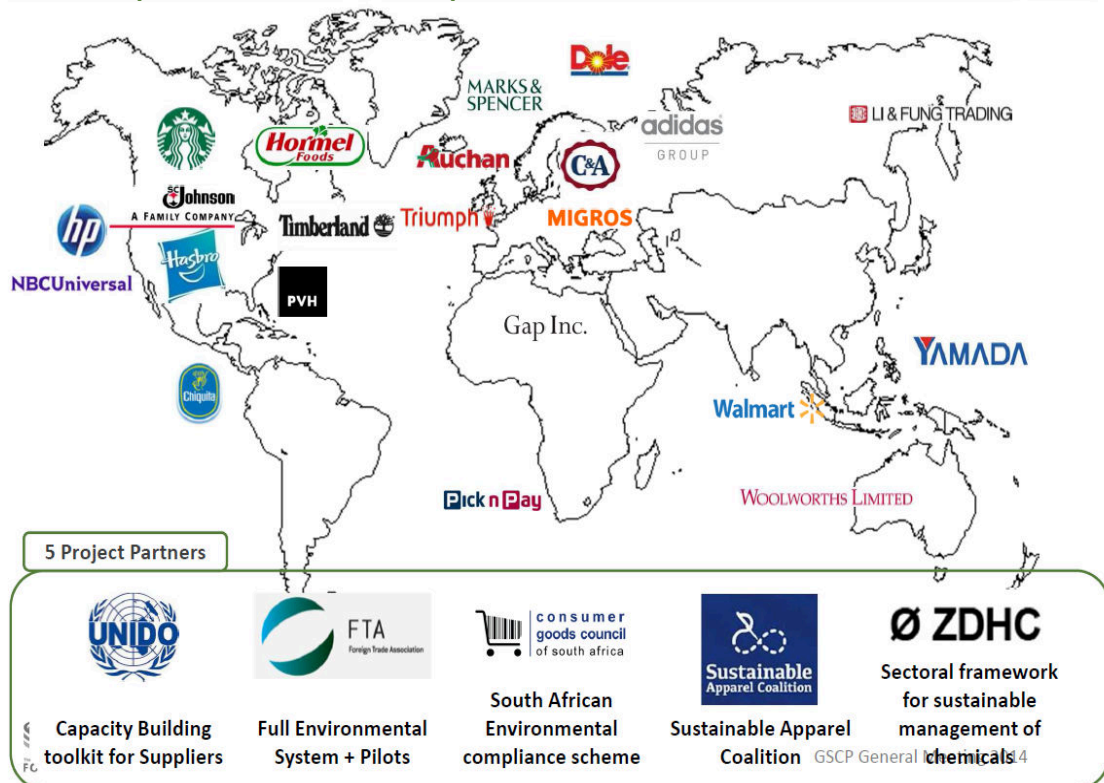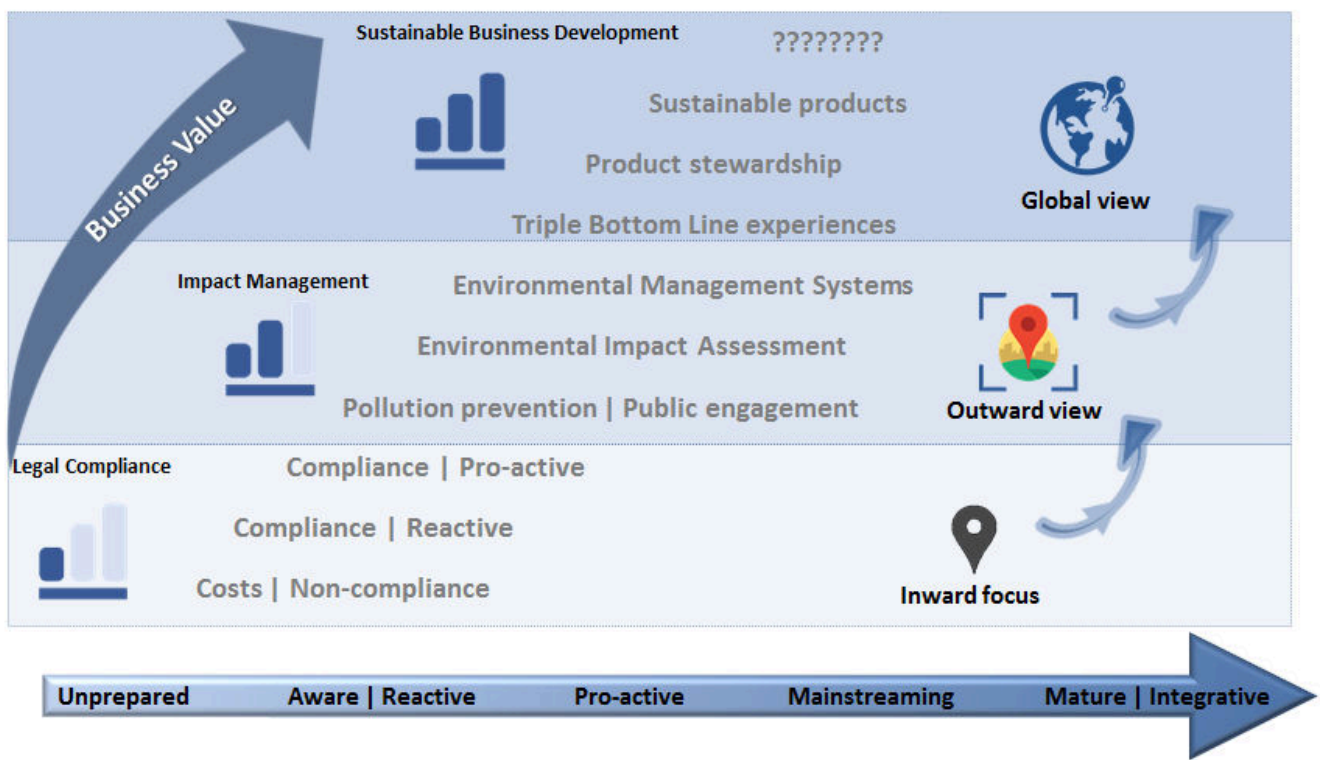» 3 levels of environmental stewardship

Level 1	Awareness & Compliance
Level 2	Proactive Management
Level 3	Leading Practice

ENVIRONMENTAL MANAGEMENT SYSTEM

WASTE MANAGEMENT	WATER USE
LAND USE AND BIODIVERSITY	POLLUTION PREVENTION HAZARDOUS AND POTENTIALLY HAZARDOUS SUBTANCES
WASTEWATER EFFLUENT	MAJOR INCIDENT PREVENTION AND MANAGEMENT
NUISANCES	CONTAMINATED LAND/SOIL AND GROUNDWATER POLLUTION PREVENTION
EMISSIONS TO AIR	ENERGY USE, TRANSPORT AND GREENHOUSE GASES (GHGs)

Environmental Coverage

ANNEX 4-5: GSCP ENVIRONMENTAL MODULE

Global Adoption, Global Impact

5 Project Partners

| UNIDO | FTA Foreign Trade Association | consumer goods council of south africa | Sustainable Apparel Coalition | Ø ZDHC |
| Capacity Building toolkit for Suppliers | Full Environmental System + Pilots | South African Environmental compliance scheme | Sustainable Apparel Coalition | Sectoral framework for sustainable management of chemicals |

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Journey towards Environmental Stewardship

Framework for Environmental Stewardship

First Prototype

ANNEX 7: SUPPLIER'S JOURNEY THROUGH THE SUPPLIER PORTAL

Supplier Portal

An example of a supplier's journey through the Portal on Managing Social Compliance
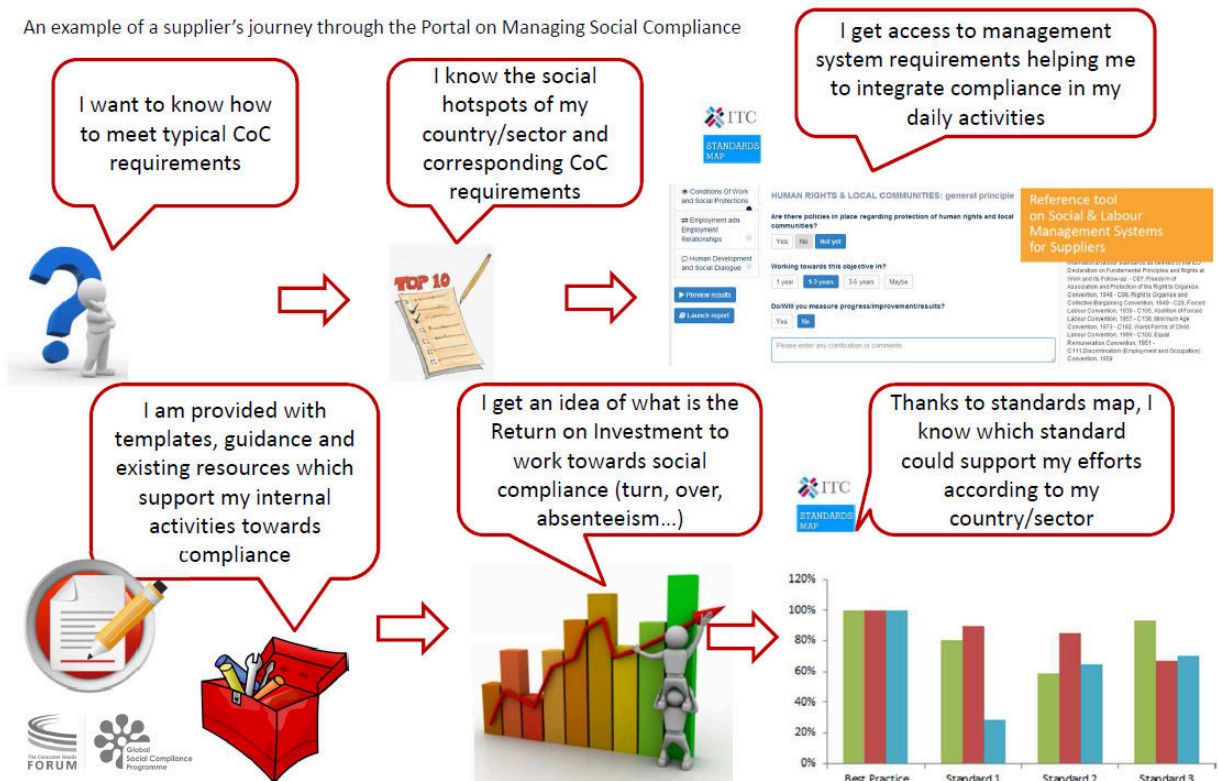
- ✓ ...we **can't ignore factory management**'s business drivers and concerns. It has to help the factory meet their business goals. Without their buy in – no progress will be made.

- ✓ Therefore, we **need better data on factory needs and root causes.** A change in audits can help; as can new diagnostic assessment approaches, and innovative techniques for getting to 'workers' voices.'

- ✓ Ultimately we want healthy supply chains. So we **need to measure how capacity building is** driving good factory business performance AND mitigating risks.

Lessons Learned

ANNEX 8: KEY TAKE-AWAYS FROM CAPACITY BUILDING WORKSHOPS

Key Take-aways

1. Shared definition Capacity Building

Established overarching definition adapted from UNDP definition:
"Capacity building is the strengthening of skills, competencies and abilities of people, organizations, and communities."

2. Capacity Building framework

CB framework should **consider stakeholders' different objectives, business models and approaches** to CB needs.

Therefore, **GSCP is recommending a toolkit approach to the framework for CB** and provide models for organizations (brands and initiatives) to pick and choose from depending on their goals, priorities and business models.

3. Essentials for CB: Collaboration and Scalability

Collaboration

An overwhelming number of workshop survey participants said "More collaboration with other organizations engaged in CB" is what is needed to start/expand CB efforts. For this to work, the industry needs to:

- Align on what constitutes capacity building and how best practices are measured
- Communicate with each other on their capacity building efforts
- Have common approaches and shared resources
- Urge suppliers to share capacity building projects in process

Scalability

Great CB projects are out there, but lack scale (and sustainability), scalability is especially challenging.

- Some initiatives are experimenting with new models, but have not yet proven scale, although have some promising strategies and lessons to approach scale.
- Some CB programs have achieved scalability. More insight is needed into these models and others that have been successful at scaling up so existing and new programs can benefit.

ANNEX 9: KEY TAKE-AWAYS FROM CAPACITY BUILDING WORKSHOPS

4. Process Elements for successful CB Models

Seven (7) key process elements to designing capacity building **for scale and sustainability** were identified :

1. Responsible buying practices
2. Brand collaboration
3. Stakeholder engagement
4. Factory business success
5. Worker empowerment
6. Training
7. Impact measurement

A broad array of innovative CB projects on worker training and dialogue, business impact, fostering supplier ownership, etc., were presented during the 4 workshops. The report includes some of these models as a best practice for each of the (7) process elements. This section is a key focus area of the report.

ABOUT THE GSCP

Joining forces for sustainable supply chains

The GSCP (Global Social Compliance Programme) brings together an inclusive spectrum of key supply chain actors around a common goal: driving collaborative positive change in the areas of social and environmental sustainability throughout the supply chain.

Motivated by the conviction that the way forward in sustainability is through collaboration and convergence, these experts from various sectors and affiliations, including major retail companies, brand manufacturers, international organisations, academia and government, join forces within the GSCP framework to deliver a harmonised, global approach and for more efficient and sustainable supply chains.

www.gscpnet.com

ABOUT THE CONSUMER GOODS FORUM

Better lives through better business

The Consumer Goods Forum ("CGF") is a global, parity-based industry network that is driven by its members. It brings together the CEOs and senior management of some 400 retailers, manufacturers, service providers, and other stakeholders across 70 countries, and it reflects the diversity of the industry in geography, size, product category and format.

The mission of CGF is, "Bringing together consumer goods manufacturers and retailers in pursuit of business practices for efficiency and positive change across our industry benefiting shoppers, consumers and the world without impeding competition". It provides a unique global platform for the development of global industry processes and standards as well as sharing best practices. Its activities are organised around the following strategic priorities: Sustainability, Product Safety, Health & Wellness, and End-to-End Value Chain & Standards, each of which is central to better serving consumers.

www.theconsumergoodsforum.com

GSCP Members' Meeting 2015

GLOBAL SOCIAL COMPLIANCE PROGRAMME

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