



The Global Social Compliance Programme

BACKGROUND PAPER

How business is building a joint approach to improve the respect of international labour standards in the supply chain

The challenge

The proliferation of codes, audit duplication and divergence of approach is causing inefficiency and slowing improvement. For retailers, brands and suppliers there is confusion over requirements and a lack of clarity on best practice and accountability. There is a need for cross-industry collaboration to bring about consistency and efficiency. All companies will then be better placed to improve efficiency by working collaboratively on remediation by driving continuous improvement, training and capacity building.

What is it?

GSCP is a business-driven programme for companies that want to harmonise existing efforts. The aim is to deliver a shared, consistent and global approach for the continuous improvement of working conditions across all categories and sectors. To drive convergence, a set of reference tools will describe best practice and provide a common interpretation of fair labour requirements and their implementation. This approach will enable mutual recognition between existing schemes using the GSCP reference tools as a benchmark and enable simpler buying.

Who's involved?

GSCP was formed in December 2006 by Carrefour, Metro, Migros, Tesco and Wal-Mart. Since then, Chiquita, Hasbro, Hewlett Packard and Ikea have joined the Executive Board, and the programme has over 25 participating companies, including brand manufacturers as well as retailers.

Governance and the participation of stakeholders

The GSCP Task Force gathers companies from all over the world and across all sectors.

Selected from the Task Force, the Executive Board steers the programme, ensures its objectives are delivered and integrates the expectations of the stakeholders.

The Advisory Board is composed of influential and knowledgeable experts from NGOs, International Organisations, Trade Unions etc. Their role is to advise and challenge the Executive Board and to help monitor and evaluate progress. Included are representatives from UNI-Commerce, FGTA-FO, the International Federation for Human Rights, the UN Office for Partnerships and CSR Asia.

Stakeholder meetings are held around the world to enable a flow of ideas between stakeholders and the programme and gather objective recommendations to integrate into the Working Plan.



The programme will

- ✓ Accommodate existing systems while building comparability and transparency
- ✓ Drive convergence and reduce duplication by developing a voluntary benchmarking approach
- ✓ Enable reallocation of resources for identification of root causes and remediation of non-compliances

The programme is not a monitoring scheme, nor a substitute to existing systems.

Members' commitment

- ✓ Active engagement in consultation, working groups and general meetings
- ✓ CEO to sign public statement of support
- ✓ 12 month fee: €10,000 (turnover <€40bn) €17,000 (€40bn - €150) €24,000 (>€150bn)

The Working Plan

To drive convergence and the definition of one global and sustainable message to suppliers, GSCP is building a set of reference tools (the Reference Code, audit system and methodology, auditor competence) that describe best practice and provide a common interpretation of fair labour requirements and their implementation. The Working Plan also includes three further steps aiming to build understanding, comparability and the transfer of information between the existing systems. These are on companies' and schemes' management systems, data sharing and remediation. Suppliers will be able to focus better, while working in partnership with retailers and brand manufacturers, on developing their own management systems to deliver fair labour conditions.

Methodology

Each step of the working plan is managed by an Expert Working Group. Their role is to compare and analyse existing methods, to identify best practices, to create a draft reference tool and to prepare and manage a web consultation that gathers feedback from a global audience of Task Force members and stakeholders. This consultation builds a consensus allowing the Group to prepare a recommendation for amendments that is submitted to the Advisory and Executive Board for approval.

Work to Date

- The Reference Code

This is the first of a series of reference tools that will help companies and existing initiatives work together to deliver a common message and reduce duplication and confusion. It describes best practice and relies on international conventions and guidelines from which it sets generic requirements. The Reference Code gathers, in a single framework, international standards for fair labour conditions and fundamental labour rights. Requirements in this reference code apply to the whole supply chain, including sub-suppliers and sub-contractors.

- Reference Tools on Audit Systems and Methodology

A set of audit reference tools, gathering 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 Reference tools will be finalised and made public third quarter of 2009

- Reference Guidelines for Auditor Competence

The development of reference requirements and guidelines for Auditor Competence aims at ensuring that the relevant level of competencies is required for auditors to provide the necessary quality of audit results. It will help increase the consistency between the auditors and the audit results which in turn will help send a clearer message to suppliers.

The Expert Working Group began its work in April 2009.

- Environmental Module

At the request of participating companies, GSCP has added to its scope the development of reference tools on site-specific environmental requirements. Work started in October 2008 and the Expert Working Group is developing the following tools, based on the 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 first set of tools will be open for consultation from mid-April to mid-June 2009.

- Equivalence Process

This process aims at building comparability between existing systems while allowing them to maintain their specificities. This will allow interested parties to trust each other's audit reports with a view to drive out duplication in auditing.

The equivalence process should be designed so that it can easily be adapted to different needs:

- To allow companies to assess their own tools and system vis a vis the GSCP Reference Tools and understand what needs to be reviewed to reach best practice.
- To allow companies / schemes to understand where they stand vis a vis each other and what tools or processes need to be improved for them to become equivalent.

The process aims at supporting continuous improvement of existing practices towards best practice.

An Expert Working Group was launched in April 2009 to develop this voluntary equivalence process.

GSCP TASK FORCE – The participating companies

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