



Global Social Compliance Programme

Frequently Asked Questions

GSCP is facilitated by
CIES
7, rue de Madrid
75008 Paris
gscp@ciesnet.com
<http://gscp.myciesnet.com>

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 working 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.

The top three questions

1. What is the Global Social Compliance Programme (GSCP)?

It is an open group of companies that have made a joint commitment to put social values at the heart of their commercial decisions. They acknowledge that good business is built on a respect for human rights.

GSCP provides a platform for building consensus on best practice for labour standards in supply chains of consumer goods. Its core aim is that harmonisation delivers a shared, consistent and global approach. It also offers a forum where the participating companies can openly discuss issues and challenges.

Above all, for the shared benefit of companies, existing monitoring initiatives, civil society stakeholders and especially workers in supply chains;

It is working to create a real change in attitudes through the understanding of the root causes of problems and the development of effective and sustainable remediation.

2. Why is GSCP needed?

The development of codes and implementation systems has built understanding and delivered some real change. However, the number of codes has proliferated and approaches have diverged. This has led to duplication of effort and confusion amongst buyers and suppliers.

The people in supply chains deserve better work. Also, buyers and policy makers need a clear framework to work efficiently. To help them, the current complexity needs to be simplified.

A new business model is required based on a long term constructive dialogue between stakeholders and business. Working together, with existing initiatives, across all industry sectors and national boundaries, GSCP can improve shared understanding and build trust. In turn, this will provide the foundation for real improvements for workers.

3. What is the scope of the Programme? In particular, is it only about suppliers or also about participating companies' own workers?

GSCP is about all consumer products wherever they are made. However, the companies involved, as suppliers, brand manufacturers or retailers, are very different. For example, some operate in many countries and others don't. Some deal with many different sectors, others are more specialist. Understandably, their policies are different too. However, these companies still share the same supply chains, and the same consumers. Individual companies, whether they participate in the Programme or not, have to be accountable to their own shareholders and stakeholders for the way they treat their own employees.

In Scope

- ✓ International labour standards
- ✓ Manufacture of all consumer goods
- ✓ All countries of production
- ✓ Supply chains at every level

Out of scope

- ✓ Sale of consumer goods

Note: The Programme has started an expert working group that will develop an environmental module for the integration of basic site-specific environmental requirements. The module will be optional. Companies may adopt it to complement the reference tools, if they wish to.

Working with stakeholders and existing initiatives

4. Isn't GSCP duplicating the work of the existing initiatives? Also, why don't the participating companies just join one of them?

GSCP is not a new standard or monitoring initiative. Most of the participating companies are already actively involved in existing initiatives and plan to continue. They bring their expertise to the Programme allowing a good understanding of possible areas of duplication.

GSCP seeks to promote harmonisation by building on what has already been achieved. A neutral and inclusive global platform is offered where differences can be aired, discussed and reconciled in order to move towards harmonisation.

The programme is working to build trust through objective dialogue and collaboration. Duplication is an outcome of divergence. To correct it, the existing monitoring systems need to work together towards convergence.

5. How credible is your governance model and why have you taken this approach to involve your stakeholders?

One of the founding principles of GSCP is to ensure that the expectations of all stakeholders are taken into account.

GSCP's governance includes an Advisory Board to ensure this founding principle is respected. Their role is to provide critical advice on the strategic direction of GSCP and to monitor and evaluate progress.

Ultimately, credibility of the Programme depends on the efforts of companies to apply international labour standards, not on the programme's governance structure. The Programme is about individual engagement based on co-operation.

6. How do the existing initiatives get involved?

Each initiative is represented in GSCP by its own company members that are participants. Also, their own experts have been and will continue to be part of the consultations led by expert working groups.

GSCP also seeks to actively communicate with each initiative to help build understanding and ensure fruitful collaboration.

How GSCP works

7. What are the requirements for companies that want to join GSCP? Also, what do participating companies actually do?

GSCP is open to all retailers and brand manufacturers.

Participating companies commit to the principles and objectives of the programme and join the Task Force. They are also expected to do the following:

- ✓ To commit a senior executive to participate.
 - They can discuss key issues in remediation, consider accountability, define common guidelines and develop collaborative approaches.
 - They can share leadership and participate in the work by helping identify best practice to build the reference tools.
- ✓ To ensure this person has the resources to actively contribute and participate.
- ✓ To attend the bi-annual General Meeting
- ✓ To ensure relevant departments are informed about the programme and its developments.
- ✓ The Chief Executives are expected to sign the public statement of support.
- ✓ To share their knowledge and actively participate in web consultation.
- ✓ Not to use their participation in GSCP and the result of its work for marketing purposes or in order to gain competitive advantage.
- ✓ Finally, to accept to support GSCP financially.

8. Why is there a need to develop a shared set of reference tools when you could go straight into training, capacity building and developing management systems?

Part of the reason why suppliers do not concentrate enough on improving working conditions is that they spend a lot of time trying to 'pass' audits imposed on them by each company they are supplying.

There's been a long standing discussion that now recognises that such audits only prove momentary compliance and used in isolation do not drive change. However, they remain an important tool that at present provides inconsistent outcomes.

There is a need to find a common understanding of the entire audit process through the development of the reference tools. This will help companies identify issues consistently and provide a foundation for effective remediation. In turn, this will allow retailers and brand manufacturers to spend more time and resources in working with their suppliers on remediation. They can help them develop their own solutions and develop their knowledge and skills.

9. How was the GSCP Reference Code developed?

This was the first work item. The five founding members of GSCP (Carrefour, Metro, Migros, Tesco and Wal-Mart) put out a draft reference code for consultation in June 2007. The draft was based on their existing approaches and identified best practices and the provisions that offered greatest protection to workers.

Following extensive public consultation led by an Expert Working Group and significant changes, it was agreed a year later with full support from the Advisory Board. The Reference Code relies on international conventions and guidelines from which it sets generic requirements.

10. Do participating companies have to sign up to the GSCP Reference Code?

Companies who join GSCP are not asked to adopt the Reference Code or to guarantee its implementation. What is important is to use it to review their current approach. Some may choose to integrate or adopt it.

The Reference Code is not intended just for members. It is an essential document for any organisation or individual interested in this subject.

11. What are the GSCP reference tools?

To drive convergence, GSCP is building a set of reference tools that describe best practice and are based on the relevant ILO conventions. The Reference Code is the first in this series.

This common interpretation for decent work will provide a tool for companies around the world, whether members of the GSCP or not, to analyse and review their own approach and system.

12. What is being worked on at present?

There will be two more reference tools.

- Audit Methodology and systems - *a set of draft guidelines, gathering best practices for each step of the process to bring consistency to the way audits are prepared, led and followed-up*
- Auditor competence - *to increase consistency between auditors and audits and enable a common set of requirements for auditor recognition and competence.*

There will be also two steps to build understanding between the different systems:

- Verification Systems – *to understand, share or even align each others' best practices in individual or shared verification systems. Diversity can be accommodated to allow members to progressively reach mutual recognition of audit results*
- Data sharing - *protocols for data sharing to reduce duplication and improve transparency and market knowledge*

The process has been designed to enable the most important work item:

- Effective remediation - working *collaboratively on remediation of non-compliances and improvement of working conditions.*

Work on this final item has already started as a part of the ongoing discussions between participating companies.

The common understanding of the entire audit process through the development of the reference tools has already allowed the Programme to start to discuss training, capacity building and the development of management systems.

13. Why have you decided to also do an environmental module?

The Programme offers a forum to openly discuss issues and challenges among leading companies. In response to strong interest from participating companies, the GSCP Executive Board has started an expert working group that will develop an environmental module for the integration of basic site-specific environmental requirements. The module will be optional. Companies may adopt it to complement the reference tools, if they wish to.

While international labour standards are well established, there is no such framework for environmental issues. The definition of reference requirements on the environment would therefore greatly help define a common understanding and approach to what site-specific environmental requirements can be expected from suppliers.

The environmental module is being developed within the scope of the Programme, covering site-specific environmental requirements. The production of raw materials is not included. It will include the same tools as for labour standards, such as provisions for the reference code, audit systems and requirements for auditor competence

GSCP is above all a platform for building consensus on best practice for labour standards in supply chains of consumer goods. Participating companies cannot choose to only work on environmental questions.

14. How is GSCP funded?

GSCP is funded by participating companies as well as by CIES.

The budget covers facilitation of the programme, including the creation and management of the programme's structure, development of strategy, management of expert working groups and Boards. It also includes consulting and legal services.

The contribution to costs varies according to turnover, but is always for 12 months from the date of joining.

€10,000	<€40bn
€17,000	€40 - €150bn
€24,000	>€150bn

15. What is the role of CIES?

CIES is the only global professional organisation that brings together the major corporations in the retail and consumer goods business. Its mission is to promote best practice and common industry positions on strategic non-competitive issues. It offers the right platform for competing companies to work on common issues with their suppliers.

CIES has also helped to successfully build a similar initiative for the convergence of standards in Food Safety (the Global Food Safety Initiative).

The founders of GSCP asked for and received full support from the Board of CIES, a group of global CEOs. CIES facilitates this programme for all participating companies. Membership of CIES is not a requirement for involvement in GSCP. GSCP has developed its own governance model.

16. Who do I contact for more information?

Please contact Claudine Musitelli at CIES on c.musitelli@ciesnet.com



For more information on GSCP

www.gscp.myciesnet.com

gscp@ciesnet.com