Social Compliance
A Global Sourcing Imperative

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Agenda

• Why Social Compliance Matters
  – Business Case for Compliance
  – Responsible Sourcing is a Business Imperative
• Introduction to WRAP
• Recent Updates
• Conclusion / Q & A
It takes 20 years to build a reputation, and 5 minutes to ruin it. If you think about that, you’ll do things differently.

- Warren Buffett
The World is Watching
Why does Social Compliance Matter?

• Doing the Right Thing

• If that’s not enough - it comes down to the business imperative of protecting your company.

Social Compliance = Risk Management
Responsible Sourcing is a Business Imperative

• Social compliance verification is becoming an increasingly important aspect of supply chain management given how today’s global value chain operates in an instant communication media environment.

• As a result, the business imperative of social compliance is clear, for both buyers and sellers, to ensure risk management and business continuity.
CSR is about how companies manage business processes to produce an overall positive impact on society.
Business Case for Compliance

• Protecting your organization

• Return on investment:
  – Systemic approach to management
  – Direct business benefits
    • More efficient production
      – Savings include raw materials and energy costs
    • Lower worker turnover
  – Satisfying client requirements
Introduction to WRAP

World’s largest independent certification program

Focused on the apparel, footwear, and sewn products sectors

We inspect and certify factories all over the world

Objective, non-profit team of global experts dedicated to promoting safe, lawful, humane, and ethical manufacturing around the world through certification and education
WRAP’s 12 Principles

1. Compliance with Laws and Workplace Regulations
2. Prohibition of Forced Labor
3. Prohibition of Child Labor
4. Prohibition of Harassment or Abuse
5. Compensation and Benefits
6. Hours of Work
7. Prohibition of Discrimination
8. Health and Safety
10. Environment
11. Customs Compliance
12. Security
Who Do We Serve?

Workers
• Safer, healthier, more ethical working conditions

Production Facilities
• Verified compliance leading to increased competitiveness

Brands & Retailers
• Trusted social compliance management partner

The Sourcing World
• Making ethical sourcing a global reality
• Weekly newsletter with over 8,300 global readers
• Our website gets over 6,000 unique visitors per month and is available in 4 languages
Recent Updates – Industry Trends

• Social compliance moving mainstream
  – More external collaboration and internal cross-training

• Moving up the supply chain
  – Not just first tier suppliers anymore

• More regulatory activity
  – Domestic as well as international
• Social compliance certification has become a global sourcing imperative, as an increasingly important aspect of supply chain management in today’s value chain.

• A properly implemented, and credibly certified (WRAP!) social compliance system serves the dual purpose of meeting buyer requirements as well as increasing worker efficiency and morale, and, thereby, productivity & profitability.
Conclusion

WRAP is:

• The “standard most often cited” for social compliance certification in the textile sector.
  – “Making Private Standards Work For You”
    2010 UNIDO Study

• A responsive and effective partner for supply chain social compliance management.
Thank you!

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