

Why Social Compliance, Sustainability & Traceability Matter

Worldwide Responsible
Accredited Production

(WRAP)

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Origins & Evolution of Social Compliance

- In the mid-to-late 1990s, US / EU brands and retailers were embarrassed by reports of worker abuse in factories making their products.
- Many brands and retailers wrote corporate Codes of Conduct and began auditing factories.
- Evolving from comply-or-die models to conversations about sustainability.



What is Sustainability?

Sustainability is being able to do whatever it is we are doing now, without endangering the ability of future generations to do the same.



What is Traceability?

- **Traceability** is being able to verify the history, location, and use of an item by means of documentation.



Why Do Compliance, Sustainability & Traceability Matter?

- Doing the Right Thing
- If that's not enough - it comes down to protecting your company
 - *Social Compliance = Risk Management*
 - *Sustainability = Business Continuity*
 - *Traceability = Accountability = Trust*



What is Driving Change?

- Modern technology brings global, instant communication.
- What happens in China, Bangladesh or Ethiopia now appears on CNN or BBC within minutes.
- Reputation/supply chain management are global issues, with very high stakes.
- Greater awareness of need for sustainable manufacturing and sourcing practices.



Rana Plaza-April 24, 2013

Building Collapse in Bangladesh Leaves Scores Dead

-The New York Times



Factory collapse A 'wake-up call' for fashion industry

-ABC Australia

Big Brands Face Scrutiny Over Factory Safety After Bangladesh Collapse

-Associated Press

Business Case for Compliance

- Protecting your organization
- Return on investment:
 - Systemic approach to management
 - Direct business benefits
 - More efficient production
 - Lower worker turnover
 - Satisfying client requirements



Sourcing Imperatives

- 15 years ago:
 - Price + Quality + Delivery
- Now:
 - Price + Quality + Delivery + Social Compliance
- 3-5 years from now:
 - Price + Quality + Delivery + Social Compliance +
 - Vendor Partnerships
 - Efficiency Improvements
 - Environmental Compliance



Social Compliance Best Practices

- Even the most progressive of approaches to auditing will not suffice if auditing is all you do
 - Social compliance is a two-way street
- Engagement necessary at all levels
 - Understanding the practical challenges faced
 - Being consistent with message
 - No “disconnect” between sourcing and compliance
 - Building partnerships
 - Continuous improvement
 - Ongoing training and education



Thank you!

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