

# *Social Compliance as a Global Sourcing Imperative*

## Origin Africa

November 4, 2016  
Antananarivo, Madagascar



## 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?

- Many Definitions
  - Most of them context driven
- Need to Look at the Big Picture
- Our definition of choice:

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



## Why do Social Compliance & Sustainability Matter?

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



## What is Driving Change?

- With the advent of modern technology, now have global, instant communication.
- What happens in China, Bangladesh, or Madagascar 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.



## Ali Enterprises-September 11, 2012

### Anger and Grief Across Karachi After Fire

*-The New York Times*



**Karachi  
factory  
fire  
highlights  
risks for  
workers**

*-Dawn.com*

**Deadly Karachi blaze was “waiting to happen”**

*-BBC*



## Tazreen Fashions-November 24, 2012

### Fatal Fire in Bangladesh Highlights the Dangers Facing Garment Workers

*-The New York Times*

**Retailers and suppliers hit by fallout from deadly Bangladesh factory fire**

*-CNN*



**Paying with Their Lives: The High Cost of Cheap Clothing**

*-Solidarity Center*

## 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*

## What is the 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

| <b>SOURCING IMPERATIVES</b>  |   |   |
|--|---|---|
| <b>15 Years Ago</b>  | <b>Today</b>  | <b>3-5 Years From Now</b>   |
| <ul style="list-style-type: none"> <li>• Price</li> <li>• Quality</li> <li>• Delivery</li> </ul> | <ul style="list-style-type: none"> <li>• Price</li> <li>• Quality</li> <li>• Delivery</li> <li>• Social Compliance</li> </ul> | <ul style="list-style-type: none"> <li>• Price</li> <li>• Quality</li> <li>• Delivery</li> <li>• Social Compliance</li> <li>• Vendor Partnerships</li> <li>• Efficiency Improvements</li> <li>• Environmental Compliance</li> </ul> |



Thank you!

Clay E. Hickson  
*VP of Strategy & Bus. Dev.*  
[chickson@wrapcompliance.org](mailto:chickson@wrapcompliance.org)

Worldwide Responsible Accredited Production  
Arlington, VA, USA

[www.wrapcompliance.org](http://www.wrapcompliance.org)

+1-880-2-982-23396

+1-703-243-0970

