

Business for Social Responsibility

Responsible Procurement: Beyond Monitoring – A New Way Forward

October 22, 2007

BSR Work on Supply Chain

Strategy

- Advising Buyers
- Beyond Monitoring

Industry Collaboration

- ESWG
- Joint Efforts (e.g., EICC, AIAG, PSCI)

Training

- China Training Institute
- FISI – with HP Suppliers

Cross-Sector Collaboration

- Better Work (ILO)
- Better Factories Cambodia
- DR-CAFTA
- IFC-Shenzhen Project

Metrics and Reporting

- Stakeholder Engagement
- CSR Reports Process



A Decade of Progress...

- Development of corporate codes of conduct
- Enhanced implementation efforts
- Engagement of multiple sectors
- Innovative industry and multi-stakeholder initiatives
- Greater transparency in some areas
- Heightened consumer and media awareness
- *Some real improvements in working conditions*



...Has Now Reached A Plateau

External Barriers	Internal Challenges
Host Country Limitations	Competing Business Pressures
Lack of Consumer Rewards	Business Model Misalignment
Falsification of Records	Undue Focus on Compliance
Inconsistent Monitoring	Weak Internal Support
Slowness in Collaboration	Legal Concerns



Valuable Initiatives

- Better Work/Better Factories Cambodia
- EICC
- JO-IN (collaboration between multi-stakeholder initiatives FLA, ETI, SAI)
- MFA Forum
- AIAG/European Automakers dialogue



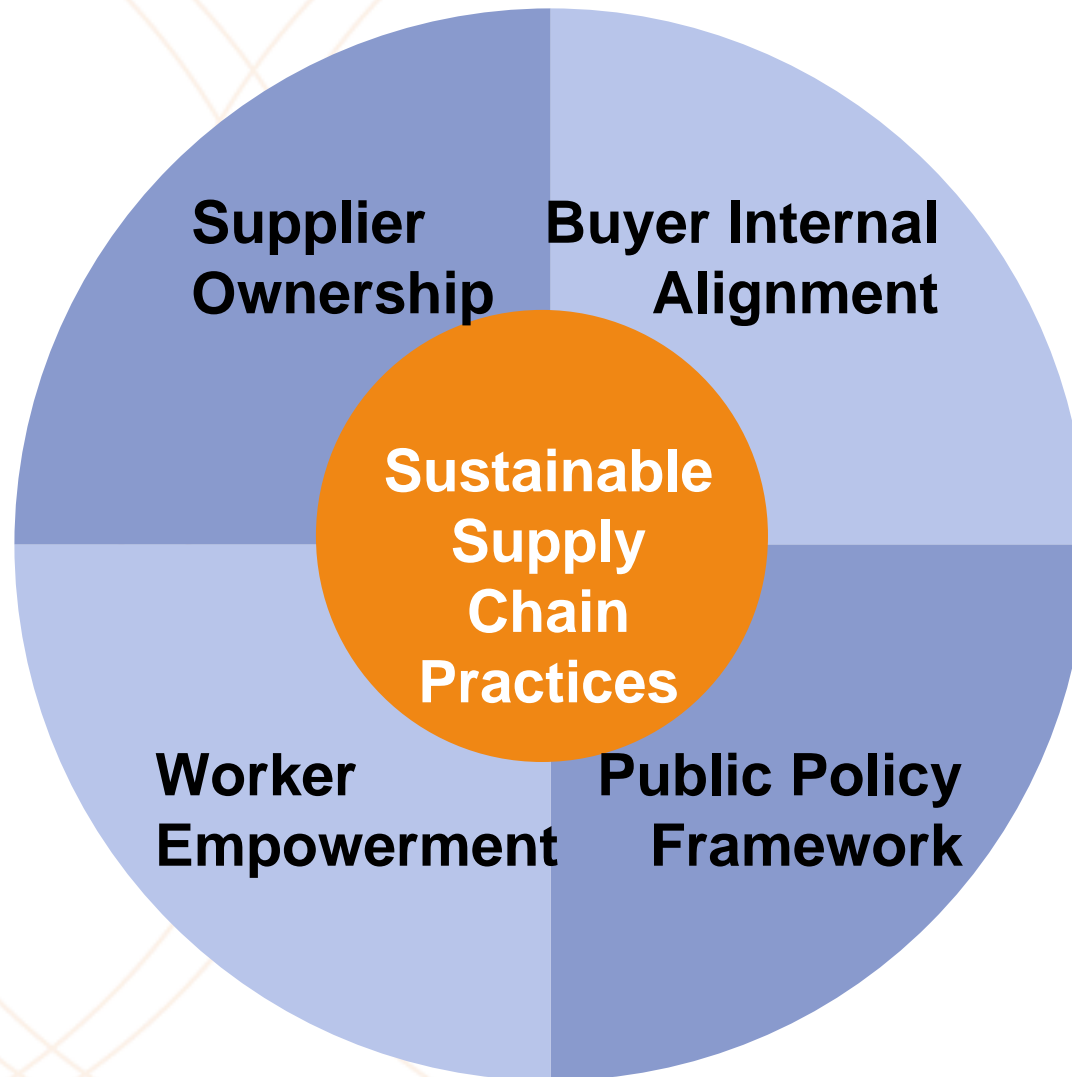
Building A Next Generation Approach

There is an opportunity now to make more systemic progress through a framework that includes:

- Public sector commitment to apply laws widely and evenly, and to partner with companies and stakeholders.
- Buyers' efforts to work consistently with suppliers to promote better practices.
- Engagement with civil society organizations – including trade unions – to promote practical solutions consistent with international principles.
- Increased dialogue and engagement with workers.



Beyond Monitoring Vision



Participating Companies

- Disney
- Ford Motor Co.
- Hewlett-Packard
- H&M
- Ikea
- Jones
- LL Bean
- Levi Strauss & Co.
- Nike
- Nordstrom
- Chico's
- Gap
- Hallmark
- Johnson & Johnson
- Limited Brands
- Liz Claiborne
- Marks & Spencer
- Microsoft
- Polo Ralph Lauren
- Starbucks
- Wal-Mart



Beyond Monitoring: Next Steps

Six Concrete Projects:

1. Mapping of internal “go to market” process
2. Shared root cause analysis
3. Worker Empowerment
4. “One Voice” on public policy
5. Transparency
6. Strategic Monitoring



Moving Forward: UNGC Role

- Promote Further Engagement by National Governments
- Support for Better Work Initiative
- Bring all UNGC Principles into Sustainable Supply Chain Management
- Break Through Industry/National Silos
- *Promote A Grand Bargain???*

