Global Social Compliance Programme (GSCP)

Summary completed by [Mario Vasquez](#)
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History of organization

In late 2006, the world's largest retailers - Tesco, Wal-Mart, Mirgos, Carrefour and Metro - came together to create Global Social Compliance Programme (GSCP).[1] This self-proclaimed "business-driven" initiative aimed to provide global buying companies the opportunity of addressing the poor work conditions along their "often-shared" supply base. By providing a network for member companies to collaborate and build consensus on what they believed to be the best standards and practices for suppliers to use, they could provide a sustainable and universal front to overcome the mass proliferation of code of conducts that was "causing inefficiency and slowing improvement within the supply chain."[2]

GSCP was born out of the efforts of the Consumer Goods Forum (CGF), (formerly CIES, Comité International d'Entreprises à Succursales), a worldwide association dating back to 1953 that currently consists of over 400 retail and manufacturing member companies.[3] The inception and purpose of GSCP would mirror that of another CGF business-driven program called the Global Food Safety Initiative, an organization founded in 2000, that focused on consolidating food safety standards to reduce costly "audit fatigue" and provide a single, unified approach.[4]

Purpose of the organization and services offered

The GSCP plan to "drive convergence and the definition of a shared, global and sustainable message to suppliers" can be summed up by its six point set of reference tools and practices.[5] Since 2006, these various sets of benchmarks for factory conduct and auditing competence have been worked on by GSCP Expert Working Groups (EWG) made up of member companies, as well as organization partners in the multi-stakeholder auditing initiative industry.[6] The EWGs have published reference tools on code of conduct in 2008, audit process and methodology in 2009, auditing competence in 2010, and buying company management systems in 2013, with work on an audit data sharing system for the public currently in progress.[7] Though the member companies are not bound to adopt GSCP's set of tools and practices, the company asserts that the development and adoption of a common language and common tools by all buying companies "will generate improvement of working and environmental conditions at supplier level."[8]

GSCP maintains that the current social auditing industry is flawed because suppliers have centered their attention on the auditing process itself rather focusing on remediation.[9] In response, GSCP offers member companies (also known as the Task Force) the opportunity to

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[1] [Clean Clothes Campaign, *E-mail update on Global Social Compliance Programme*, December 2008](#)
[2] [GSCP Background Paper, July 2013](#)
[3] [CGF Website, Our History page](#)
[4] [GFSI Website, About page](#)
[5] [GSCP Background Paper, July 2013](#)
[6] [GSCP Background Paper, July 2013](#)
[7] [GSCP Presentation & Update, March 2014](#)
[8] [GSCP Website, FAQs page, Collaborative approach to remediation and capacity building section](#)
[9] [GSCP Guide](#)

measure their systems of social compliance against the program's reference tools through their Equivalence Process (EP). Once going through the EP, Task Force participants could share their assessment results with fellow companies, initiatives, and the general public if they wished to.[10] GSCP stresses that Task Forces participants can "be as active as the company wishes" and have the option of joining EWGs to help shape and further GSCP's purported ambitions.[11]

Unlike other oversight organizations, GSCP does not accredit or do business with factory auditing companies. The GSCP code of conduct is not used to certify factories or evaluate labor conditions, but serves purely as a guide for member corporations.

Members of organization

These 39 companies are currently due-paying members (Task Force participants) of the GSCP initiative:[12]

1. ADIDAS, Germany	21. JERONIMO MARTINS, Portugal
2. AUCHAN, France	22. LACOSTE, France
3. BATA, Switzerland	23. LI & FUNG TRADING, Hong Kong
4. BEST BUY, USA	24. MARKS & SPENCER, UK
5. C&A, Germany	25. MIGROS, Switzerland
6. CARREFOUR, France	26. NBC UNIVERSAL, USA
7. CASINO, France	27. PHILLIPS-VAN HEUSEN, USA
8. CHIQUITA, USA	28. PICK 'N PAY, South Africa
9. COOP SWITZERLAND, Switzerland	29. ROYAL AHOLD, The Netherlands
10. DELHAIZE / HANNAFORD, Belgium / USA	30. SC JOHNSON, USA
11. DELL, USA	31. STARBUCKS COFFEE Co, USA
12. DOLE, USA	32. TESCO, UK
13. EL CORTE INGLES, Spain	33. THE WALT DISNEY COMPANY, USA
14. GAP INC, USA	34. TIMBERLAND, USA
15. GLOBUS, Germany	35. TRIUMPH, Switzerland
16. HASBRO, USA	36. UNILEVER, The Netherlands/UK
17. HEWLETT PACKARD, USA	37. WALMART, USA
18. HORMEL FOODS, USA	38. WOOLWORTHS, Australia
19. ICA, Sweden	39. YAMADA DENKI Co, Japan
20. IKEA, Sweden	

GSCP also has partnership agreements in place with five multi-stakeholder initiatives. The purpose of this Partner Organization Network is "to facilitate collaboration between these organisations and the GSCP, and directly between them and GSCP member companies, ensuring each and all seek expertise where it exists and stop reinventing the wheel."[13] The five partners and their Memorandums of Understanding are:

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[10] GSCP Website, Equivalence Process page, Purpose and Use
[11] GSCP Website, GSCP Members, the Task Force page
[12] GSCP Website, GSCP Members, the Task Force page
[13] GSCP Newsletter, June 2012

1. Business Social Compliance Initiative (March 2012 MOU)
2. Fair Labor Association (June 2011 MOU)
3. ICTI CARE Foundation (September 2011 MOU)
4. Social Accountability International (July 2011 MOU)
5. Worldwide Responsible Accredited Producer (August 2011 MOU)

GSCP "ensures that opinions and perspectives of civil society stakeholders are integrated into the pursuit of the Programme's objectives" by including representation from non-corporate entities on their Advisory Board.[14] The Advisory Board functions purely in an advisory capacity and has no decision-making powers within the organization.[15] As of 2014, the Advisory Board consists of:[16]

(1)   Antoine Bernard, CEO, FIDH
(2)   Alke Boessiger, Head of UNI Commerce, UNI GLOBAL UNION
(3)   Amir Dossal, Founder and Chairman, GLOBAL PARTNERSHIPS FORUM
(4)   Jan Furstenborg, Labour relations expert, former Head of UNI COMMERCE
(5)   David Schilling, Director of Human Rights and Resources Programs, INTERFAITH CENTER ON CORPORATE RESPONSIBILITY (Chair)
(6)   Rafaël Nedzynski, Head of International and European Affairs, FGTA-FO (Vice-Chair)

Governance

GSCP is governed by the Executive Board, which functions to "[ensure] the GSCP delivers on its objectives and integrates the expectations of all stakeholders."[17] The Executive Board oversees the the Expert Working Groups and is supported by the Secretariat (managed by the Consumer Goods Forum) and Advisory Board. The GSCP's operational activities are managed by the Secretariat's staff members. The Executive Board is currently entirely comprised of corporate representatives from Task Force Participants, true to the program's business-led strategy. The nine board members are:[18]

1. Zoe McMahon, Director, Global Social and Environmental Responsibility, HEWLETT-PACKARD (Chair)
2. Paul Dearman, International Ethical Trading Manager, TESCO
3. Carole de Montgolfier, Group Sustainability Projects Manager, CARREFOUR
4. George Jaksch, Senior Director Corporate Responsibility and Public Affairs, CHIQUITA
5. Rajan Kamalanathan, VP, Ethical Standards, WALMART
6. Arthur Kazianis, Vice-President Corporate Quality Assurance, HASBRO
7. Marcela Manubens, Global Vice-President for Social Impact, UNILEVER
8. Deanna Robinson, Head, Social and Environmental Responsibility-Vendor Engagement & Monitoring, GAP INC.
9. Johann Züblin, Deputy Head of Sustainability and Issue Management, MIGROS

Geographical focus

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[14] GSCP Website, Advisory Board page
[15] GSCP Governance Model and Rule of Procedure
[16] GSCP Website, Advisory Board page
[17] GSCP Website, Structure and Governance page
[18] GSCP Website, Executive Board page

GSCP's operations are headquartered at the Consumer Goods Forum's main office in Paris, France.[19] (The Consumer Goods Forum also has offices in Tokyo and Washington D.C.) However, the intended influence of GSCP's work has no geographical boundaries or focus, as its member companies have vast global supply chains. GSCP has hosted general and member meetings in France, U.S.A, China, India, Switzerland, Austria, Belgium, and the U.K since its inception.[20]

GSCP established GSCP Regional Networks in 2012 aiming to "provide a framework for collaboration between GSCP member representatives – and in time, other stakeholders - in major sourcing countries or regions."[21] The first regional network was established in China after the program's member meeting in Shenzhen in April 2012.[22]

Finances and payment for services

GSCP is supported by the Consumer Goods Forum (CGF), a not-for-profit organization (Association Loi 1901 under French law).[23] According to 2011 tax records, CGF allocated $10.8 million to its 2 European initiatives, GSCP and GFSI (Global Food Safety Initiative).[24] Beyond that, GSCP requires member companies joining the Task Force to adhere to a sliding pay scale to keep active membership. The yearly fees currently scale in the following manner (turnover being revenue + spending):[25]

1. €10,000 (turnover <€40bn)
2. €17,000 (turnover €40bn-€150bn)
3. €24,000 (turnover >€150bn)

Role the organization plays in monitoring, costs of inspection, and training of auditors

GSCP stresses that "[t]he programme is not another monitoring initiative, nor a substitute to existing systems."[26] It however does have relationships with several monitoring initiatives through its Partner Organization Network and a few of them have completed (or are currently participating in) GSCP's Equivalence Process.[27]

GSCP's reference tools on auditing competence were developed by an Expert Working Group on Auditing Competence formed in May 2009. The group was composed of ten experts drawn from the GSCP Task Force:[28]

1. Bruno Colombani, Social Ethics Manager, CASINO
2. Paul Dearman, International Ethical Trading Manager, TESCO
3. Charles Dickinson, Unit Leader SOCAM - Unit Leader Environment, C&A
4. Art Jackson, Vice President - General Administration, COSTCO
5. Anwar Khan, Sr. Manager, Ethical Standards, WALMART
6. Belinda Millard, Ethical Audit Manager, WOOLWORTHS AUSTRALIA

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[19] GSCP Website, Main contacts page
[20] GSCP Website, General & Members' Meeting page
[21] GSCP Newsletter, June 2012
[22] GSCP Website, Remediation & Capacity Building page
[23] CGF Website, Legal Information page
[24] Findthebest.com, CGF Tax Form 1099, page 20
[25] GSCP Background Paper, July 2013
[26] GSCP Governance Model and Rule of Procedure
[27] GSCP Website, Equivalence Process Users page
[28] GSCP Website, GSCP Reference Tool for Auditing Competence page

7. Betty Pien, Manager, Vendor Code of Conduct Compliance Department, COSTCO
8. Virginie Saudrais, Chargee de mission Environment & Social, CARREFOUR
9. Francesca Savi, Ethical Standards Specialist, WALMART
10. Mike Vaudreuil, Ethical Sourcing Manager, HEWLETT PACKARD
11. Clément Warther, Director Sustainability and Risk Control, AMCOR (formerly ALCAN PACKAGING) - up to Oct. 2010

An additional training syllabus for potential auditors was formulated with the assistance of representatives from third-party auditing schemes and initiatives but work has been on hold since the initial drafting phase. The representatives are as follows:[29]

1. Justin Bettey, LEVEL WORKS
2. Vince Desmond, IRCA
3. Peter Lomas, IRCA
4. Effie Marinos, SGS
5. Randy Rankin, BUREAU VERITAS
6. Peter Warbrick, SGS
7. Stuart Webster, WRAP
8. Michael Wilson, ACERT AFRICA

Standards and code of conduct

Carrefour, Tesco, and Wal-Mart, three of the founding GSCP companies, drafted GSCP's Reference Code throughout 2007 and 2008. The Reference Code covers the topics of forced, bonded, indentured and prison labour; child labour; freedom of association and the effective recognition of right to collective bargaining; discrimination, harassment and abuse; health and safety; wages and benefits; and working hours.[30] The GSCP Reference Code is rooted in the main International Labor Organization (ILO) Standards.[31]

Wage requirements

GSCP's Reference Code does not mention a "living wage" but rather specifies that:

> Suppliers must compensate their workers by providing wages, overtime pay, benefits and paid leave which respectively meet or exceed legal minimum and/or industry benchmark standards and/or collective agreements, whichever is higher. Wages and compensation for regular working hours shall meet basic needs and provide some discretionary income for workers and their families.[32]

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[29] GSCP Website, Reference Tool for Auditing Competence page
[30] GSCP Reference Code, Version 2, 2010
[31] GSCP Reference Code, Version 2, 2010
[32] GSCP Reference Code, Version 2, 2010

Neither "basic needs" nor "discretionary income" are defined or calculated. With low legal wage minimums, industry standards that match the minimum, and broad absence of collective bargaining agreements, GSCP's wage stipulation does not have real power to benefit workers.

Attitude towards unions, freedom of association rights, and worker input

GSCP has protections for freedom of association and collective bargaining in its reference code:

> 3.1 Workers have the right to join or form trade unions of their own choosing and to bargain collectively, without prior authorization from suppliers' management. Suppliers shall not interfere with, obstruct or prevent such legitimate activities.

> 3.2 Where the right to freedom of association and collective bargaining is restricted or prohibited under law, suppliers shall not hinder alternative forms of independent and free workers representation and negotiation, in accordance with international labour standards.

> 3.3 Suppliers shall not discriminate against or otherwise penalise worker representatives or trade union members because of their membership in or affiliation with a trade union, or their legitimate trade union activity, in accordance with international labour standards.

> 3.4 Suppliers shall give worker representatives access to the workplace in order to carry out their representative functions, in accordance with international labour standards.[33]

Mark Anner's work on stakeholder influence in auditing systems suggests that corporate-influenced initiatives systematically neglect to ensure workers' freedom of association rights. According to Anner, increasing workers' ability to present third party complaints (and increasing the willingness of monitoring agencies to accept these complaints) would provide greater protection of freedom of association; like most other auditing systems, GSCP does not allow for worker input.[34]

Monitoring protocols

The reference tools for Audit Process and Methodology were developed by an Expert Working Group created in December 2007. The group comprised of the following seven Task Force "experts":
1. Hugo Byrnes, Director, Product Safety and Consumer Affairs, ROYAL AHOLD
2. Brian Collins, Supplier Development Manager,& Simon Herbert, Supplier Assessment Manager, HALLMARK
3. Bruno Colombani, Social Ethics Manager, CASINO
4. Paul Dearman, International Ethical Trading Manager, TESCO

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[33] GSCP Reference Code, Version 2, 2010
[34] Mark Anner, *The Limits of Voluntary Governance Programs*, 2013

5. Daniele Giomi, Ethical Sourcing Regional Manager Europe & Turkey, WAL-MART
6. Virginie Saudrais, Chargée de mission Environment & Social, CARREFOUR
7. Alain Souppart, Head Manager, Technics & Quality Department, AUCHAN

The group was assisted by two auditing companies (SGS and STR Responsible Sourcing, now UL Responsible Sourcing) and eventually published the document in 2009.[35]

The auditing process in GSCP's reference tools is very business-oriented, as evident in its protocol for unannounced visits; they recognize that unannounced audits are "extremely effective," but GSCP recommends that the auditing company considers the business relationship first and foremost:

> Note: Whilst unannounced audits are extremely effective at identifying an accurate picture of working conditions at the employment site, and may help uncover high risk issues, their use can undermine the relationships along the supply chain, reducing the ability of the buying company to remediate. The experience of many companies indicates that unannounced audits should be reserved for due diligence checks or to investigate specific issues (critical issues suspected, lack of commitment/involvement of the suppliers, suspicion of fraud).[36]

Furthermore, while GSCP acknowledges that "[b]est practice is to interview some workers off-site," this is not required, and for the most part, GSCP implies that interviews are conducted on-site.[37] GSCP only recommends "off-site interviews when necessary… e.g. to interview homeworkers; in case a site has part of its operation carried on by a subcontractor or if there is no guarantee of anonymity for workers interviewed."[38] In general workers "should be interviewed individually and in groups."[39] Supplier non-compliance is treated very loosely and ambiguously, as factory management is allowed to submit paperwork as verification of their remediation of minor violations.[40] Examples of major and minor non-compliances are given.

Transparency

The GSCP Reference Tool on Social & Labour Management Systems for Suppliers states:

> It is increasingly important that organisations are open and transparent about their performance and policies in relation to working conditions and other social impacts of their operations, in order to maintain good relations with customers and stakeholders. External stakeholders can include non-governmental organisations, national and regional governments and industry associations with expertise on social and labour issues or which advocate workers' rights and interests and/or represent communities impacted by supply chain operations.

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[35] GSCP Audit Process and Methodology Reference Tools, October 2009
[36] GSCP Audit Process and Methodology Reference Tools, October 2009
[37] GSCP Audit Process and Methodology Reference Tools, October 2009
[38] GSCP Audit Process and Methodology Reference Tools, October 2009
[39] GSCP Audit Process and Methodology Reference Tools, October 2009
[40] GSCP Audit Process and Methodology Reference Tools, October 2009

Clearly, the most telling detail is the emphasis on "maintain[ing] good relations with customers and stakeholders."[41]

GSCP is currently working on creating a publicly available audit result sharing system with the help of US National Retail Federation's Association for Retail Technology Standards (ARTS).[42] There are four subgroups working in an expanded Expert Working Group to find a technical solution that will allow data transfer from one initiative's database to the next and create an outline of rules around the process of data sharing. The sub groups are as follows:[43]

Subgroup A	Subgroup B
Scope of work: Data ownership & permission to share, including Suppliers engagement to share data (process to collaborate upfront) & Rules (deontology) on how the data is used/ shared (do's and don'ts) and enforcement of the rules including Confidentiality vs. unacceptable conditions (establish rules to assess when you can actually break confidentiality)	Scope of work: Revenue model (standard fee for data transfer?)
	Carmel Giblin, SEDEX
Hazel Culley, MARKS & SPENCER	Benoit Terpereau, ENABLON
Francesca Lane, MARKS & SPENCER	Pierre François Thaler, ECOVADIS
Ingrid Caceres, THE WALT DISNEY CO.	
Christian Ewert, ICTI	
Kiku Loomis, PVH	
Hamlin Metzger, BEST BUY	
Steven Oates, SAI	
Simona Romanoschi, INTERTEK	
Virginie Saudrais, CARREFOUR	
Avedis Seferian, WRAP	
Pierre-François Thaler, ECOVADIS	
Stuart Webster, WRAP	
Subgroup C	**Subgroup D**
Scope of work: Transparency on origin/provenance of data (source) – traceability (who the auditor is, what system is it based on, etc...) - Integrity of data/transparency	Scope of work: Defining use cases/scenario (in and out of scope, priorities) – support scope and priority definition of what ARTS may work on (or other). This Sub-group makes the link with the work of ARTS.
Effie Marinos, SGS	Peter Burrows, FFC
Catherine Beare, INTERTEK	Dominique Barea, BSCI
Justin Bettey, LEVEL WORKS	Selcuk Buyukozer, ADIDAS
Sammie Ho, BUREAU VERITAS	Jose Copovi-King, SEDEX
Anwar Khan, WAL-MART	Ben Dimpre, ENABLON
Kiku Loomis, PVH	Nancy Kachline, THE WALT DISNEY CO.
Steven Oates, SAI	Sherri Ligon, FLA
Peter Walsh, BUREAU VERITAS	Matthew Smith, BUREAU VERITAS
	Will Stephens, TESCO
	Francisca Vicente-Tamarin, EL CORTE INGLÉS
	Miguel Villarreal-Seller, EL CORTE INGLÉS
	Joakim Vincze, BETTER WORK
	Dan Vogel, ENABLON

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[41] GSCP Reference tool on Social & Labour Management Systems for Suppliers
[42] GSCP Website, Data Sharing page
[43] GSCP Website, Data Sharing page

In a critique of GSCP written by the Clean Clothes Campaign in 2008, the assumption that "sharing audit results would free up resources for remediation efforts heavily depends on the quality of social audits."[44] GSCP is essentially standardizing and legitimizing the flawed auditing system already in place.

Track record

At a beginning of the year meeting in 2008, Walmart CEO Lee Scott spoke candidly about his corporation's intentions with GSCP:

> In the next three years, we would like to build a very different system. We believe that there should be one framework of social and environmental standards for all major global retailers. And there should be one third party auditing system for everyone. This will ensure improvement can occur across the board on a level playing field.[45]

According to Walmart and the rest of the leaders of GSCP, one single standard, especially when shared, can reduce their biggest concern for lack of remediation - "costly" audit duplication from sharing a supply base. The problems they perceive clearly originate from a business perspective and are aimed at addressing the concerns of businesses. Since the GSCP reference code only refers to suppliers, businesses do not bear any of the responsibility for remediation; the cost of compliance lies solely on suppliers. Additionally, although the GSCP code uses firm language on the right of association and collective bargaining, the member firms' treatment of workers and union-busting efforts in their own domestic facilities exposes their true intentions and the emptiness of their standards.

Although GSCP talks about and promotes improvements, the tools and reference codes remain just that - *reference codes.* Its non-binding nature allows retail companies to claim responsible behavior for public relations without any real commitments. GSCP's success in legitimizing flawed auditing schemes has further delayed any meaningful changes towards worker-driven monitoring, stronger governance, or increased supply chain accountability.

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[44] Clean Clothes Campaign, E-mail update on Global Social Compliance Programme, December 2008

[45] Walmart Website, *The Company of the Future*, 23 January 2008