

Social Responsibility: Why Should We Care?

Presented By:
Marissa Morgan
Program Manager, Business Affiliates (Americas)
Fair Labor Association

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Agenda For Today's Session






- What is social responsibility?
- Why social responsibility?
- FAQs
- Resources


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VIDEO – Planet Money: People






What is social responsibility?





What is your reality?



What is the global landscape?



- High profile factory disasters in Pakistan, Bangladesh
- Low wages in US garment factories
- 2016 Trafficking-in-Persons Report: forced labor as a reason for trafficking people into the US "in both legal and illicit industries"



What is "social responsibility"?

Private sector's role in the social aspect of sustainable development

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."
-Brundtland Report, 1987



"...responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior..."
- ISO 26000:2010

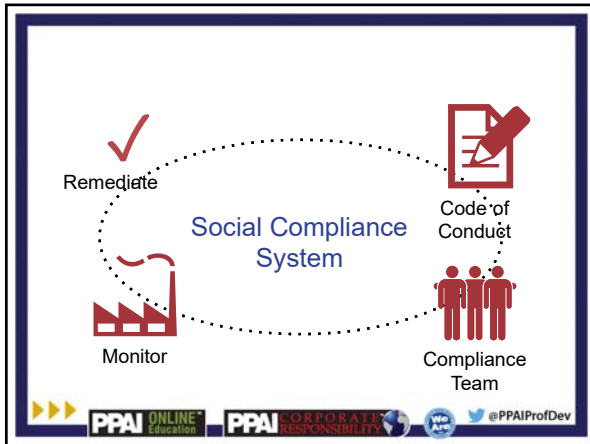


What is being asked of you?




- Social compliance program
- Systems approach to addressing labor risks in your supply chain
- "A social compliance system is an integrated set of policies and practices through which a company seeks to ensure maximum adherence to its code of conduct." -US Department of Labor¹

¹ <https://www.dol.gov/labchild/forced-labor/Basics-of-a-Social-Compliance-System.htm>





Your Code of Conduct - Why have one?

-  Communicating your values
-  Written document
-  Business expectations

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Why is this important?

- Continue the progress made thus far
- Your workforce extends beyond your HQ
- Customer demands for responsibly made products




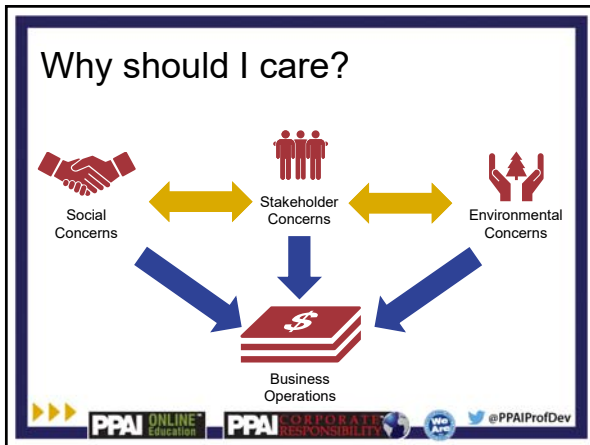
Photo by Arno Gastinger

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Why should I care?






-  **Business responsibility**
Maximize profit for investors/shareholders
-  **Social responsibility**
Respect/consider the expectations of stakeholders

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Why social responsibility?



Nine core areas where companies see benefits

- Brand value and reputation
- Employees and future workforce
- Operational effectiveness
- Risk reduction and management
- Direct financial impact
- Organizational growth
- Business opportunity
- Responsible leadership
- Macro-level sustainable development

"Business Case for Being a Responsible Business." Doughty Centre for Corporate Responsibility, Cranfield University School of Management. *Business in the Community*. March 2011.








Operational effectiveness

Improving stakeholder relationships → Learnings on how to improve processes

Stakeholder input provides another viewpoint on your operations


- Responsible purchasing practices



Risk reduction and management

↓ Reducing Vulnerability
Make better business decisions

↑ Improving Visibility
Proactive demonstration of understanding risk



Organizational growth

- New markets
- New products
- New customers
- New market share
- Innovation

stakeholder management gains → better relationships and access to partnerships



Business opportunity






- All stakeholders enjoy opportunity/innovation
- Stakeholder demands are opportunities, not constraints
- Importance of local, intimate engagement



Photo by University of Queensland Business School








Frequently Asked Questions








Am I expected to be socially compliant overnight?

- Social responsibility takes an incremental, continuous improvement approach
- Effective labor compliance requires real effort
- By accessing guidance and thinking strategically, your company can make its labor compliance a win-win for your company and for the workers who make your products



What are some potential challenges I may face on my “compliance journey”?

- Taking the “short term view” on cost
- Internal (HQ level) buy-in
- Limited leverage at contract facilities
- Assessing new contract partners
- Socially responsible agents
- Consumer/buyer expectations
- Competing requirements from different buyers
- Disclosure requirements
- Understanding geopolitical issues
- Maintaining momentum



What are the most common stumbling blocks for SMEs in implementing a social compliance program?

- Shifting from a static, check-the-box approach to continuous effort
- Fear of uncovering violations
- Documenting/standardizing informal procedures
- Approaching the process incrementally
- Harmonizing your company's policies and procedures across different customer requirements



What aspect of my social compliance program should I focus on first?

- Cost-saving measures and "low hanging fruit"
- What do you have the most control over? What will take the least time to implement? What do I already have in place?
- Examples
 - Writing and committing to a Code of Conduct
 - Building and training a compliance team




Resources

- United Nations Guiding Principles on Business and Human Rights
 - http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- Business and Human Rights Resources Centre
 - <http://business-humanrights.org/en>
- Fair Labor Association Issue Briefs
 - <http://www.fairlabor.org/global-issues/issue-briefs>
- NYU Center for Business & Human Rights Report: *Business as Usual is not an Option*
 - http://www.stern.nyu.edu/sites/default/files/assets/documents/con_047408.pdf
- Business in the Community (BITC) Report: *The Business Case for Being a Responsible Business*
 - <http://www.bitc.org.uk/our-resources/report/business-case-being-responsible-business>



Resources

- PPAI: www.ppai.org
- PPAI Product Responsibility: <http://www.ppai.org/inside-ppai/corporate-responsibility/product-responsibility/>
- Consumer Product Safety Commission: www.cpsc.gov , www.recalls.gov
- UL: www.ul.com
- Questions? AnneS@ppai.org



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Q&A Time

Thank you for your attention!

