



# **SOCIAL RESPONSIBILITY SOLUTIONS**

**EXCELLENCE IN SUPPLY CHAIN MANAGEMENT**

**SGS**

# ACHIEVING BUSINESS EXCELLENCE

**“EXCELLENCE IS TO EXCEED THE MINIMUM REGULATORY FRAMEWORK IN WHICH THE ORGANISATION OPERATES AND TO STRIVE TO UNDERSTAND AND RESPOND TO THE EXPECTATIONS OF STAKEHOLDERS IN SOCIETY.”**

*EFQM Fundamental Concepts of Excellence, [www.efqm.org](http://www.efqm.org)*

## EXCELLENCE IN SOCIAL RESPONSIBILITY

Many organisations will now claim to aspire to standards of excellence in Social Responsibility. Fewer, however, manage to embed it within their corporate vision, strategy and structure in such a manner that it both demonstrates their commitment and actually drives the behavioural changes that give substance to this aspiration. Social Responsibility should be about action and change and it is only through a comprehensive, structured approach that this can be achieved.

Social Responsibility is a fundamental component of business excellence and should thus not be viewed as an end in itself but part of an organisation's overall drive for improvement and excellence. Social Responsibility policy must be demonstrated not only within the organisation but all along the supply chain. Companies have to design and implement systems and procedures to ensure that their Social Responsibility policy is communicated and implemented at all levels.

## >> WHAT THEY SAY...

*“Just requiring suppliers to fulfil their commitment to Social Responsibility through contract terms is not enough. We also have to assist them in building their approach and follow up the actions implemented.”*

**LAURENT GUIDAT** - Sustainable development project manager, Bouygues Telecom, France

*“Charming Shoppes is committed to social responsibility and compliance. As our business grows and changes, we will continue to monitor, develop, and modify our compliance programs as a means of demonstrating this commitment.”*

**LAURIE EVERILL** - Director International Trade & Compliance, Charming Shoppes, Inc. USA





# SOLUTIONS IN SOCIAL RESPONSIBILITY

At SGS, we understand that a commitment to Social Responsibility is more than a simple statement. We know that it requires both policy and action at many different levels within the organisation and throughout the supply chain, sometimes even extending into the customers' domain. We know that what really counts is the impact of a Social Responsibility programme and we know the complexity of measuring this.

From designing and implementing a Social Responsibility programme, to verification of its effectiveness, SGS works with clients all over the world to help ensure the effectiveness of Social Responsibility programmes. Our aim is to provide the most comprehensive suite of services available from seminars through to audit, from e-learning through to full programme support and beyond. Our services deal with all Social Responsibility issues (business integrity, social, environmental, health and safety) and encompass organisation, product and services, and supply chains.

We understand that Social Responsibility solutions need to be as individual as the companies themselves and work with clients to tailor programmes to meet their needs.

Appropriate modules can be designed for organisations in all industries and any position in the supply chain.



OVERLEAF WE EXPLAIN HOW WE TAKE YOU THROUGH THE ENTIRE  
**SOCIAL RESPONSIBILITY** PROCESS



## PLANNING FOR SUCCESS

### DESIGN

Organisations have their own identity and place in the market which defines both how they operate and how they are perceived. Industry norms, client and other stakeholder expectations and your company's own commercial and strategic plans must be taken into account in designing sustainable programmes.

SGS can help design programmes that are limited to specific topics or expanded to incorporate business integrity, environmental or broader sustainability issues.

#### SERVICES

- > Advice on available standards and relative benefits
- > Development of Labour Laws and Country briefing sheets
- > Assistance in developing tailored approaches to meet business needs
- > Benchmarking Codes against Peers and Best Practice
- > Advice on Communicating Codes and programme requirements
- > Social Responsibility risk assessment
- > Social Responsibility risk optimisation of the supply chain
- > Cost optimisation of supply chain control
- > Strategic programme development and management

#### CASE STUDIES

A major household name moving its supplier base from its home country to low cost sourcing areas for the first time wanted to ensure that lower costs were not achieved at the expense of the treatment of workers. SGS helped them design a programme to assist their supplier selection and ongoing monitoring of supplier performance.

A supplier to a number of retailers and brands turned to SGS to assist them in reducing the number of audits their factories were undergoing. SGS reviewed the varying standards and put together a programme that incorporated all requirements to give the supplier ownership and reduce cost and complexity.

### IMPLEMENTATION

The next step for the success of a Social Responsibility programme is to ensure your team and your business partners (suppliers, subcontractors), know, understand and share your strategy.

SGS offers a range of services to support you in explaining your Social Responsibility approach in order to get the best involvement of different stakeholders.

#### SERVICES

- > Tailored code awareness / implementation training
- > Internal auditor accredited courses (IRCA)
- > Environmental regulation training
- > Buyer training seminars
- > Formal commitment/acknowledgment from suppliers of code of conduct and Social Responsibility policy
- > Audit Tool creation
- > Validation of suppliers' procedures

#### CASE STUDY

SGS implemented a training programme for internal auditors of a company. This team was then able to pre-select suppliers, help to analyse audit results and prepare suppliers to pass the external audits. It was an opportunity to effectively involve internal structures and to ensure the programme wasn't managed only through external audit reports. The internal implication of buyers and/or internal auditors was very important to show the commitment of this company to their Social Responsibility strategy.

SGS training for implementation strategy and root cause analysis for suppliers globally of many trade, retail and brand companies have shown improvement in the rating and performance of Social Responsibility compliance.



## PLANNING FOR EXCELLENCE

### ASSESSMENT & MONITORING

Third party verification provides a baseline to measure current performance and establish action plans. Integrating audits across systems reduces audit fatigue and avoids conflicting priorities being set.

A key part of any third party monitoring activity is the professionalism, independence and integrity of the monitors.

SGS auditors are qualified in social audit techniques, are local to the country and speak the workers' languages. With knowledge of the industries in which they work, they are able to help facilities look at root cause analysis and establish effective corrective action plans.

#### SERVICES

- > Social audits against third party standards and corporate Codes of Conduct
- > On-going corrective action monitoring
- > Collaborative audits with unions or NGOs
- > Ability to integrate social, quality, security, environmental and business integrity elements
- > Tailored audits to include specific requirements e.g. Country of Origin, ROHS, REACH etc.

#### CASE STUDY

SGS has been undertaking combined quality and social audits for a major high street retailer for over 15 years. To meet the client's changing business needs this programme has evolved over the years to include specific legislative and quality compliance parameters.

SGS manages an integrated, multidisciplinary audit programme incorporating business integrity, social compliance and environmental elements across 2000 facilities in one client's supply chain. This incorporates desktop and on-site assessments with a risk-based approach to managing the client's risks.

### CAPACITY BUILDING (VERIFICATION)

Some companies find difficulties in implementing Social Responsibility requirements which may be critical to their business.

SGS offers improvement support services ("capacity building") to give companies a systematic management approach to achieve Social Responsibility compliance at a sustainable level.

#### SERVICES

- > Capacity Building workshops
- > Continuous Improvement Monitoring
- > Verifying the impact and effectiveness of corporate citizenship programmes
- > Advice on implementing Social Responsibility programmes
- > Improvement training on specific topics (H&S, productivity, benchmarking etc.)
- > Advice on corrective action plans, milestones and timescales
- > Capacity building in own operation, suppliers and factories
- > Sustainability report assurance
- > Root cause analysis

#### CASE STUDY

Prevention and rehabilitation of child labour programme for FIFA and WFSGI (World Federation of Sport Goods Industry) has been successfully implemented by SGS and other partners in India.

# SOCIAL RESPONSIBILITY AND SUSTAINABILITY

**“SGS IS A TRUSTED THIRD PARTY PARTNER FOR MANY INTERNATIONAL TRADE, BRAND AND RETAILER ORGANISATIONS AND WORKS CLOSELY WITH A NUMBER OF INDUSTRY GROUPS AND INDIVIDUAL ORGANISATIONS TO DEVELOP OR MONITOR PROGRAMMES. ”**

## **A COMPLETE RANGE OF SERVICES**

SGS is continuously striving for new service offerings to meet the challenges of achieving business excellence in sustainability issues.

Our services encompass organisations, product and packaging and supply chains to ensure the design and implementation of our clients' Social Responsibility policy is undertaken in a coherent way across all activities and covers all relevant Social Responsibility issues.

In addition to helping you to design your Social Responsibility strategy, policy and procedures our testing and auditing activities will ensure the performance of your Social Responsibility programmes.

We can assist in designing programmes that encompass not only social issues

but also environmental ones such as green procurement and ecodesign. Carbon footprinting, EUP Directive implementation, life cycle assessments and ecoprofiles are all covered as are services related to ROHS and REACH

## **WHY SGS?**

- > SGS is the global leader and innovator in verification, testing and certification services.
- > SGS has experience of conducting thousands of audits against third party, industry and client's specific codes and social compliance programs.
- > SGS has one of the largest networks of highly trained auditors, with industry specific experience and first-hand knowledge of local conditions and norms. Our global network of auditors

enables a quick and cost-effective response in most major manufacturing areas.

- > SGS assists clients in developing and executing social compliance programs on sustainable basis.
- > SGS works with your company to understand, provide suggested enhancements and fully adopt and deploy your existing compliance program, or to create a new one specifically tailored to your business needs.
- > SGS local and regional offices establish contact with various stakeholders particularly with constructive NGOs to collect vital information on working conditions in an area or specific facility.



# SGS GLOBAL NETWORK

## ACCREDITATIONS AND APPROVALS

SGS has been acknowledged or accredited by a number of organisations including:

- > EICC (Electronic Industry Citizenship Coalition)
- > SEDEX (Supplier Ethical Data Exchange)
- > ICS (Initiative Clause Sociale)
- > BSCI (Business Social Compliance Initiative)
- > FLA (Fair Labour Association)
- > ICTI (International Council of Toys Industries)
- > SA 8000 (Social Accountability)
- > WRAP (Worldwide Responsible Accredited Production)

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WHEN YOU NEED TO BE SURE

SGS