

Oral Statement to U.S. Department of Agriculture Consultative Group to Eliminate the Use of Child Labor and Forced Labor in Imported Agricultural Products

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Members of this Consultative Group:

Thank you for this opportunity to address this public meeting. I will use my allotted time to give you some information about the ongoing efforts of an organization that, albeit in a different industry, deals with precisely the issue of monitoring supply chains, with particular emphasis on reducing instances of forced and child labor.

Worldwide Responsible Accredited Production, or WRAP, is an independent, non-profit organization dedicated to the certification of facilities engaged in lawful, humane and ethical production throughout the world. We are headquartered in Arlington, VA, and were incorporated in the District of Columbia in 2000, making this year our 10th anniversary.

The WRAP Certification Program is based on 12 Principles focusing on compliance with local laws, workplace regulations, universal workers' rights (with no forced or child labor being two very important examples of such rights), the environment, customs compliance and security. Facilities that demonstrate proper adoption, deployment and monitoring of all 12 Principles receive certification for six months to two years. The certificate applies to the individual facility, not a parent company or brand.

WRAP's comprehensive factory-based model has made it the world's largest social compliance certification program for the apparel industry – over 1850 factories from around 60 countries participated in 2009 alone. Today, WRAP is expanding even further, moving beyond just apparel to include all labor intensive sectors, such as hotels, jewelry, furniture, construction, etc.

The WRAP certification process requires applying factories to answer detailed questions regarding their practices in areas such as minimum age of workers, freely chosen employment, working hours, regular and overtime wages, health and safety, and more. When the application is complete, an independent monitoring firm then performs a rigorous on-site inspection of the factory – with the date of the visit not being known to the factory in advance – to determine if the written information previously submitted is accurate. Frequently, factories do not pass on the first inspection and will need to correct all non-compliances if they wish to receive a certification recommendation during a subsequent audit. We also regularly conduct surprise audits at already-certified factories to ensure they continue to maintain the social compliance management systems they implemented.

Let me say at this point that over our 10 year history, we have seen a definite decrease in the number of cases of both child and forced labor within the apparel industry, and while it is still far too early to declare victory over these twin evils in this particular industry, we certainly have reached a point where such occurrences are becoming increasingly rarer, and are certainly no longer anywhere near the most prevalent social compliance issues we encounter in our audits.

WRAP is also an IRCA accredited training organization and runs social systems and internal auditor training courses and related seminars in countries around the world to educate workers, factory managers, government inspectors, and others about issues related to socially responsible manufacturing.

I mention the training piece in particular, because it has been our experience that efforts focused merely on monitoring and verification are not going to bring about the sustainable change in practices being sought at the production facilities. As such, a key component of any model attempting to achieve the goals you are seeking will be to incorporate adequate training

opportunities for the managers at the actual point of production, where the malpractice would be, if there were any.

Our detailed audit protocols, the rigorous training we subject our auditors to, and the ongoing monitoring we do of factories in our model account for why we are currently the world's largest such program for the apparel sector. And in addition to being a credible and viable certification and training model, WRAP is also a self-sustaining business model. We have no members and therefore no dues. We do not rely on government grants to sustain our operations. We are funded by registration fees from applicant factories, training fees and monitor accreditation fees.

WRAP has had extensive experience working with governments and trade associations in the area of supply chain management, especially in ensuring child and forced labor are not present in the manufacturing of products imported to the United States, as well as the European Union. Most recently, WRAP has been involved in USAID-funded trade capacity building projects in Colombia and Morocco. In addition, WRAP recently signed an agreement with the Honduran Association of Maquiladoras, with the backing of the Honduran Labor Ministry, to provide training for their internal social compliance monitoring program. Finally, WRAP has been a partner on social compliance training and awareness programs conducted by UNIDO in India and Bangladesh, and is currently working with the ILO on factory training in Ethiopia.

Taken all together, I believe the WRAP model presents a very successful approach to supply chain monitoring, both in terms of achieving the desired goals, as well as in terms of creating an independent, third party organization that can economically sustain itself as an operational entity. As such, WRAP will be happy to partner with this Consultative Group and the US Department of Agriculture to be of assistance in any way we can as you examine the best way to tackle the critically important issue of eliminating the use of child and forced labor in imported agricultural products.

Thank you.