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**WRAP PIONEERS NEW ERA IN SOCIAL COMPLIANCE WITH NEW APPROACH
EMPHASIZING TRANSPARENCY ON WORKING HOURS**

ARLINGTON, VA, USA - WRAP announces the inauguration of a new era in social compliance with the adoption of a dynamic new approach to certification, that overcomes the pervasive challenge of monitoring working hours within the modern-day realities of global sewn products manufacturing. As industry observers are well aware, existing models of certification have resulted in a misalignment of incentives for factories. Fearing that telling the truth would actually harm their chances of certification, many factories attempt to “pass” audits by doctoring their records to show the kinds of numbers they think the auditors want to see, especially when it comes to working hours. Besides the challenge this presents for audit legitimacy, this lack of transparency inherently hampers WRAP’s ultimate aim of engaging with facilities to help drive real and lasting improvements in working conditions.

In order to address this while remaining true to its mission of being an independent, objective verifier of sound social compliance practices, WRAP is implementing a major change to its approach on working hours. Effective on January 1, 2016, WRAP has changed its certification criteria to allow factories that meet certain conditions to qualify for a standard, 1-year (Gold) certification, even if they are not yet in full compliance with limits on working hours set in local laws. Those conditions are:

1. Being fully transparent about their working hours;
2. Ensuring those hours are all being worked voluntarily, in conditions that protect worker safety and health;
3. Compensating all employees fully in accordance with WRAP’s Principle on Compensation and Benefits; and
4. Showing progress, from one audit to the next, toward meeting the working hours’ requirements in local law.

WRAP will engage with facilities whose working hours are found to be in excess of their country’s legal limit to develop a mutually-agreeable plan of actionable, verifiable steps that they can take to gradually come into compliance with their country’s laws. This action plan will be included in their WRAP file and progress against the plan will be assessed and documented, with facilities needing to demonstrate adequate progress toward compliance at each successive audit in order to remain in the Certification Program. Given that transparency is the major motivating factor for this change, all facilities must be fully open and honest with WRAP regarding their working hours’ documentation.

“When it comes to social compliance, the challenge has always been to avoid the mistake of treating symptoms rather than the disease, by getting factories to focus on improving working conditions, rather than simply passing audits,” said Avedis Seferian, President & CEO of WRAP. “The main goal of the change we’re making is to facilitate actual progress by identifying root causes of excessive working hours and addressing them, instead of merely masking the problem through double books. By not

requiring immediate full compliance with local laws on working hours as a condition of certification, we will enable the necessary conditions to create trust and transparency, which, over time, will lead to real and lasting progress.”

“WRAP’s long experience in the social compliance certification arena has shown very clearly that transparency is critically important to ensuring that labor standards are protected,” commented Charles Masten, Chairman of WRAP’s Board of Directors. “This new approach will provide the right incentives for the trust necessary to allow that transparency, and will help WRAP make an even bigger difference in driving improvements in working conditions.”

“Brands and retailers are recognizing that understanding real factory conditions regarding work hours and other issues is critical for buyers and suppliers to work together toward improved performance on creating safe, healthy workplaces where the rights of workers are respected,” added Seferian. “There is strong support all along the supply chain for WRAP’s new approach, and we firmly believe the time is right to take this pioneering step in the advancement of our mission to foster social responsibility and incentivize a culture of compliance.”

ABOUT WRAP

Headquartered in Arlington, Virginia, USA with offices in Hong Kong and Bangladesh and representatives in India and Southeast Asia, Worldwide Responsible Accredited Production (WRAP) is an independent, objective, non-profit team of global social compliance experts dedicated to promoting safe, lawful, humane and ethical manufacturing around the world through certification and education.