# **Symphonization:**

The True Path to

Harmonious Supply Chain

Social Compliance Management

**June 2020** 



I like music. And I know I am not alone in that. But good music is not made up of just a single note. And a whole chorus singing that single note does nothing to improve it. Beautiful music is a result of many instruments, each making their own unique sounds, playing different notes but doing so in harmony.

Harmony is what those of us with roles to play in modern supply chains have been seeking for the past two decades, particularly when it comes to the issue of social compliance audits. While still a relatively young arena, the proliferation of codes of conduct has been exponential. Almost all brands and retailers deploy one, and many have their own internal programs to monitor them. They sometimes work with (but can often be separate from) other for-profit service providers, as well as several independent non-profit entities that provide compliance monitoring solutions. As a result, the industry has been plagued by audit fatigue. Multiple attempts under multiple initiatives have been made to tackle this. Yet that harmony we all agree is needed and we all so earnestly seek continues to prove frustratingly elusive.

I have been involved in this space for almost two decades now and my experience suggests the core underlying reason is a fundamental misapprehension of the term harmony, a misapprehension with two components.

The first is what I call the single-note fallacy, which I have already alluded to. Previous attempts to harmonize have typically involved a call to coalesce around a "let's all just do it this one way" banner, the implication being that a single player/entity or a single standard has the "right" answer, with its champions telling everyone to do it *that* way and no other. Harmonization, under this approach, means everyone singing the same single note. But however noble the intentions behind such efforts may be, as the old adage goes, "there's more than one way to skin a cat" (or, if you want to cast it in apparel terms, "there's more than one way to knit a sweater"). It should come as no surprise, then, that the single-note approach to harmonization simply has not worked. Its history is riddled with one failed attempt following another, so much so that the very term "harmonization" has now come to be a loaded one, carrying a lot of negative baggage.

The second component of the misapprehension is what I call the locus fallacy, because harmonization attempts, even though ostensibly being about supply chain management, have tended not to think of the supply chain holistically, but to treat it as having one end in opposition to the other. Even if some attempts have made it a point of involving representatives from across the supply chain, they operate on the assumption that the "rules" are set at the buyer end and go upstream from there. But the truth is the underlying challenge is one for the supply chain as a whole, and as another old adage has it, "a chain is only as strong as its weakest link."

Harmony remains the goal we all want to achieve. But our past experience is proof that we need to find a better way to get there than the failed harmonization attempts of yore. Over the past few years, there has been some progress with regards to both components, but we are still largely stuck

in our old ways of thinking. Along comes a pandemic that has upended the entire world and how we do things, and in the spirit of never wasting a crisis, we have at hand an opportunity to re-think how we've been approaching social compliance management, recognizing the shortcomings and inefficiencies in the old ways. This paper proposes a new paradigm for supply chain social compliance management, one with that true goal – harmony – but with a focus on what it is actually about, and not the misapprehensions inherent in the past harmonization attempts. Harmony has, by definition, got to be a holistic notion, looking at the supply chain collectively (a point of particular importance as social compliance efforts are now increasingly expanding beyond the first tier). And harmony is *not* everyone doing the same thing; it is different things being done in concert.

So I turn back to the image I began with. An orchestra is not multiple instruments playing the same note. It is different instruments, being played differently by different people, combining their different sounds into a symphony. The path to true harmony is not harmonization as it has come to be defined by our experiences of the past decade and a half. It is, instead, **symphonization**. Yes, I am making up a whole new word, but that is what we need now – to make up a whole new approach, since the old one has failed.

This paper proposes a new approach to social compliance in the post-pandemic world, one based on a handful of specialized, professional, independent organizations providing a menu-of-options for the supply chain *as a whole* instead of having duplicative proprietary programs. It also calls upon those independent organizations to work together in concert to be more efficient when it comes to where existing expertise and coverage lie.

There already are a small handful of brands and retailers in the supply chain who have adopted this menu-of-options approach, and the success they are enjoying is testimony that this approach is not only theoretically sound, but practically too. It is time for this approach to become the industry norm, instead of the exception.

This paper is an invitation to make symphonization happen, an invitation aimed at the entire supply chain. But in keeping with the very point I made above, I recognize that I represent but one instrument in this orchestra. As such, while the idea of symphonization applies to all aspects of supply chain management, this paper focuses mainly on the social compliance aspect; the invitation, while open to everyone, is therefore chiefly directed at all those who promulgate codes of conduct and all those who operate under them. I also extend a special invitation to our immediate peer organizations, so that we join in support of this new approach and work together to finally achieve the goal of reducing audit fatigue and establishing a truly harmonious social compliance paradigm.

Happy symphonization!

Avedis<sup>V</sup>Seferian President & CEO WRAP (Worldwide Responsible Accredited Production)

# Introduction

Although the term unprecedented is often used inappropriately, giving things more weight than they deserve, it is befitting to use when describing the events of this year, 2020. As spring turns to summer, the entire world is emerging from its struggle to respond to a rare health pandemic that disrupted global economies and affected every aspect of our lives. Schools, businesses, and places of worship were forced to close and the forecasted timelines of when we may return to "business as usual" continues to change daily. In fact, the concept of business itself is being redefined. The disruption to the world's economies caused by the pandemic is expected to wipe out a large chunk of working hours globally in the second quarter of this year alone; to cite but a single example of the estimates out there, the International Labour Organization (ILO) <u>believes the equivalent of 195</u> million jobs worldwide will be lost.

In the fashion industry, the difficulties experienced across the suddenly disrupted supply chain due to the pandemic were far-reaching – factories losing orders, companies closing, and workers without wages or out of a job. The entire sourcing process is now under scrutiny and brands and retailers have found themselves heavily criticized for the purchasing practices they had long been using.

Over the last several decades, the sewn products industry has operated according to certain norms in all aspects of supply chain management, including social compliance. This pandemic presents an opportunity for a new – and better – way. Let us use this disruption to rethink our approach to social compliance, with adversity leading us to ingenuity. Drawing upon past experiences, now is when we (the ecosystem) should be forward-looking, taking the opportunity to be proactive in creating a future of sustainability for fashion.

This position paper examines the pre-competitive (pre-consumer-facing) phase of social compliance programs across various stakeholder organizations, including buyers, manufacturers, and multi-stakeholder initiatives, and introduces a new term, **symphonization**, to describe a more rationalized approach to harmonization.

While WRAP has always supported cooperation in advocating for a harmonious supply chain, the shared history of this space requires a collective acknowledgement of the limitations of previous attempts to achieve the results sought, so much so as to taint the very term "harmonization." But it isn't merely a matter of semantics that makes us deliberately avoid the term harmonization. We believe that the term "symphonization" far more accurately exemplifies the desired path, which is "to play or sound together harmoniously". And in achieving an apparel industry symphony, we hope to reach that even broader goal of the supply chain – sustainability. A symphony is made up of multiple voices and instruments, not just playing one note, rather playing different notes to create music in harmony. In that vein, we do not believe that there is just **one** way to orchestrate success; rather, we see a supply chain where each of us plays our part in concert, creating a sustainable ecosystem.

Specific to the issue of social compliance standards, WRAP believes that the industry should reexamine attempts to harmonize into one super-standard and move away from buyer-specific code of conduct programs, instead adopting a menu-of-options approach that achieve our supply chain goals through the use of various recognized experts and specialists in the industry. Let us acknowledge that a single silver bullet solution is simply not possible. Harmony will not come by forcing everyone to sing a single note; instead, we must seek it through an orchestra approach, one that will allow for a matrix of solutions that bring our many paths in tune with our new world. This paper is an open invitation for the players in the supply chain to perform in this symphony together.

WRAP recognizes that we are experiencing shared chaos as we reach the mid-point of calendar year 2020; there is no one stakeholder/player who has not been affected by the recent state of the world. From trade negotiations, civil unrest, to the current Covid-19 pandemic, stakeholders are contemplating their next step. While our supply chain includes manufacturers, processing plants, suppliers, vendors, agents, buyers, compliance standards, NGOs and government representatives, these are simply our hardworking musicians.

Many will emerge from the pandemic having taken pay cuts, experienced furloughs, or unfortunately lost their jobs. While the factory workers are among the most vulnerable in our supply chain, we must all recognize that the resulting disruptions have been global in business interruptions and human impact. We will need time and a shared ambition to heal the supply chain as well as achieve our business goals.

Symphonization should be that shared ambition Having a list of options from which to choose, having a wide range of instruments rather than a single violin, could be established as a best practice in our industry, allowing each stakeholder to maximize their business priorities while simultaneously working in concert with others. We would achieve a supply chain that does not duplicate unnecessary compliance tasks, resulting in better compliance audits, increased productivity, and decreased expenses. The pandemic has caused chaos, disruptions, and a change opportunity across the supply chain. In the future, global travel may not be as frequent, facilities may need to operate differently to be safe, and traditional audits may need to be augmented. If we as industry leaders choose to be limited by our past behavior, we could miss the moment to respond with flexibility and agility in our new world.

Why does WRAP propose this solution? We believe this is exactly the right time to take a step back; to embrace the turmoil. We see value in looking back, changing past attitudes, and using this opportunity to regroup, to create the future we want. This is the right time to form our orchestra and to define the symphonies we wish the world to hear.

Part 1 of the paper will ask the question, "How did we get here?" by taking a brief look at the evolution of the social compliance standards arena from the past to the present. Part 2 will then ask, "Where are we going?" and touch upon some of the challenges that can be anticipated in the near future. Part 3 will ask the question "How will we get there?" and delve into the issue of what symphonization will look like and the roles of the various supply chain stakeholders in the proposed new paradigm.

# Part 1 - How did we get here?

#### The Past

The history of activities in the space of social compliance is barely 30 years old. The early 1990s saw a series of exposés that brought the world's attention to poor working conditions in factories used by major brands. This led to the development of social compliance codes of conduct and the implementation of social compliance audits within their supply chains. Individual brands and retailers created their own individual codes of conduct which document their individual business goals while prescribing similar worker safety, local law compliance, and production requirements of their manufacturers, almost all of whom were making products for multiple brands and retailers. There were attempts to agree on a single approach early in the process, but as with all such attempts, these were not successful. As such, the same factory required multiple independent audits and corrective action plans before finalizing orders with each of their buyers. While this process increased the confidence of each brand's social compliance team, these actions required manufacturers to endure increased audit costs, production delays and the need to create distinct records for each buyer. Facilities turned themselves inside out to meet the compliance demands specific to each brand.

Over the years this approach of separate codes of conduct muddled the ecosystem and has created a reality that is not sustainable for any supply chain participant. In an effort to reduce complexity, the industry made several attempts to implement a single standard without success. Such projects began by trying to define a universal code, all of which failed because although over 90 percent of any one code of conduct or compliance standard is essentially the same, agreeing on that final 10 percent proved impossible (because that 10 percent was the part based on values that are particular and dear to each specific organization, and while universal agreement on neutral topics may be obtained, universal agreement on values simply cannot). More recent harmonization efforts have tried to move away from the idea of a universal code and instead attempted to define some mechanism to establish equivalency between prevailing programs. These efforts, too, have been unsuccessful, because they once again focus on a single solution, seeking to be all things to all people in a world where history and reality both reveal this to be impossible.

#### **The Present**

While the highlight of the present state of the world is, of course, the pandemic, it is important to understand what the current state of social compliance looks like – we are now faced with two distinct issues:

- 1. There are too many standards/codes/programs in the market resulting in buyer confusion and audit fatigue among factories.
- 2. There are too many initiatives to resolve our current supply chain problems leading to additional rounds of unique solutions.

Using the supply chain interruption brought about by the current pandemic, we ask ourselves the question – how can we act now to realize a new future, a better one? What elements might a new supply chain social compliance paradigm contain?

While the world becomes more volatile and complex, it highlights the need for flexibility, diversity, and greater choice. As individual players in the supply chain, we may not have a serious influence on politics and government behavior but our collective action within the industry can provide some protection for us from events outside our control, allowing added protection against unforeseen circumstances. Looking across each link of the chain, we see a number of key participants who could impact the future vision of our industry. Participants that are reshaping the world and reshaping business as usual. There are many expert resources looking to redefine their role and behavior; if we collaborate and work in concert, we can overcome challenges to define the future we want.

With regards to social compliance, WRAP and its peer organizations are several links of the supply chain. This pandemic refocuses our attention to several existing human rights issues including freedom of movement, privacy, and religious practices. Ever more clearly, we see the necessity of social compliance standards and audits to verify that any new production facility practices as a result of the pandemic do not reduce worker health and safety, worker wages, or worker rights. Even prior to COVD-19, the sewn products industry has been shaken by events that have exposed cracks in the social compliance space. If history repeats itself, we may continue to see more events that redefine our global operating environment. We must be proactive in preparation, considering that many of these events will not be within our control. As governments continue to negotiate free trade agreements, impose tariffs to shift balances, deal with periods of civil unrest, or another pandemic it becomes more and more difficult for many within the ecosystem to continue practicing old behaviors, especially our current social compliance practices.

The bottom line is that the previous way of doing things has not delivered the desired results. Seeking a one-stop solution for all social compliance needs and/or limiting solutions to only inhouse resources is not sustainable. The supply chain of the future will need to be more flexible in order to be more resilient. Taking this approach may alleviate the stress and volatility resulting from global/regional/national/local events. In times of fear and uncertainty, there can be a false allure to solutions that reduce options and reduce variation. We need to resist this temptation and recognize the value of the menu-of-options approach at the heart of symphonization. This new approach to supply chain social compliance management will allow brands and retailers to be more efficient in the pre-competitive phase and thereby focus their resources on differentiating their products in the competitive market, all while driving toward better production capability and social compliance standards.

# Part 2 – Where are we going?

As we explore the options for what the new normal will be like, WRAP is proposing symphonization as a supply chain-centric approach to harmonious social compliance management. There are numerous risks ahead for the supply chain as it resets in the wake of the pandemic. Everyone will play a role: workers, manufacturers, buyers, social compliance standards/certification programs, governments, civil society and consumers. Drawing upon our past, and seeing the present it has brought us to, we are now looking forward, exploring how things ought to be. As the saying goes, the best way to predict the future is to create it.

But before gazing too far ahead, we must take an honest look at possible challenges in the near future and acknowledge ways to minimize the disastrous effects the pandemic is likely to continue having on the supply chain in the months ahead.

The first and immediate challenge of reopening is how to protect workers' health. A likely surge of human and workers' right issues will come as factories scramble to reopen and these may result in some serious challenges for buyers to deal with when it comes to ensuring that social compliance standards are maintained. The temptation to cut corners will be there across the supply chain, and so the risk of all sorts of social compliance and human rights issues raising their ugly heads is present. These challenges could involve issues of forced labor, restricted movement, and harmful and forced working hours, some under the guise of protecting workers' health.

An obvious example is that factories might drive their workers to work excessive overtime as they play catch up. From a compliance point of view, it's not so much the number of the hours that ought to be worrisome (many workers will be very willing to put in more overtime, as they will need the money) but rather the challenge of making sure that the work is voluntary and all are paid the legal wages, including overtime premiums. In Asia, where many businesses are already re-opening, could we now see an increase in demand for workers such that we trigger concerns around recruitment processes (raising fears both of increased risk of forced labor and of possible child labor)?

In certain locales, the opposite may happen. The devastation this pandemic is causing to the factory base might result in a number of factories having to shut down permanently. This might mean that there are a higher number of workers compared to the number of employment opportunities. The social compliance implications may include increased harassment and abuse by supervisors who know workers will have difficulty finding other employment. It may result in underpayment of wages and in turn financial manipulation of workers. Those who want to exercise their right to collective bargaining or unionizing may be at higher risk of losing their jobs.

An interesting side note to such a scenario is the question of whether the fact that there are now fewer factories will mean that these factories will be better positioned to push back against buyers making unreasonable demands when it comes to social compliance (e.g., each buyer imposing their own separate audit)?

No matter the sourcing location, another realistic challenge will be cash flow. When the factories open and begin manufacturing, they may not have the ready cash to pay all their employees, so it is easy to foresee a range of possible concerning behavior that may ensue: reduced number of workers or available hours, suggesting payment plans involving delayed wages for their workers, or simply not paying workers.

Looking at the reality of the workers is imperative in how we look at the new normal. Blindly holding to prescriptive standards and requirements will be unrealistic and unhelpful when looking at how the ecosystem should operate. At the same time, we must not allow decades of improvements in working conditions to be allowed to slide back.

Some countries are providing financial assistance to alleviate financial burdens, but that is not an option for other countries and many businesses are left to fend for themselves. Both buyers and social compliance programs must determine what the ethical and humane solution in each country will be. What is the redline that will never be crossed? Will buyers insist that they will not work with such factories and further push them to shutting down or should we all collectively act flexibly and recognize that non-traditional solutions may be required? These are difficult questions with no obvious answers. WRAP maintains that zero-tolerance issues (like child labor) must always remain zero-tolerance issues, but for the vast range of concerns that remain, we recognize that we must reconcile expected ideal behavior with reality. Each case will have to be considered on its own individual merits, recognizing that there will not be a one-size-fits-all solution. It will be important to have as open and transparent a conversation as possible with the manufacturing facility. The rules of responsible sourcing remain in force, but given two facilities who are not paying the right overtime premiums, there's a world of difference between the one that could do so but chooses not to versus the one who doesn't because they simply don't have the money. Transparency is the key, and open communication will be necessary.

As will recognizing that communication is a two-way street. Suppliers certainly should be held to rules of responsible behavior, but those rules ought to apply to buyers as well. The massive disruption to the supply chain caused by this pandemic has brought further attention to the issue of how big a role purchasing practices can play in the ability of a facility to operate responsibly. It will be incumbent upon buyers to heed the lessons of this experience as they re-think their sourcing playbooks and put into place purchasing practices better suited to a more efficient and resilient post-pandemic supply chain.

That supply chain does not operate in a vacuum. We all recognize that there is a role for government, and civil society at large, as well. As governments struggle to also reopen, the previously high priority of due diligence initiatives may take a back seat. Manufacturers who were once committed to robust social and environmental standards may also take their foot off the pedal because they recognize it may be more difficult for their buyers to manage and their governments to enforce. Governments may feel compelled to provide greater input and influence in order to maintain a high level of standards, including passing legislation to mandate certain activities as part of due diligence requirements.

The international NGOs who in the last few years have truly ramped up their investigations may also find it difficult to maneuver this new world. While an essential part of the supply chain which holds many responsible and accountable, their role may be limited due to travel restrictions and funding. This could present a great opportunity to engage more of a partnership mode than an adversarial one. Being open and flexible to establishing productive relationships with positive-minded NGOs will allow for even better furtherance of improvement in working standards.

The supply chain must be seen as a network and an ecosystem; all of our actions affect one another. The benefit of symphonization is that it makes clear supply chain compliance is not something you have to (or even could) figure out alone. Expert organizations with experience, each differing slightly from one another, form a menu-of-options to collectively meet your specific needs. As a stakeholder, your organization will not be abdicating its particular role as a guiding player; rather, your focus will shift to engaging with these experts and specialists, voicing your needs and demands while still using what is available in the open market. Together, we can all put into practice what we have learned are the better sourcing behaviors – transparency, traceability, and other imperative factors that contribute to a sustainable supply chain.

### Part 3 – How will we get there?

Picking right up on the assertion that began the previous paragraph, we begin by recognizing we are all linked together as a supply chain, and as the saying goes, the chain is only as strong as its weakest link. Insisting on doing things just our way in order to keep our particular link strong is self-serving and pointless, because a single link does not matter alone; the whole chain needs to be strong.

Symphonization is how we will get there, using a cadre of industry specialists and experts to support social compliance supply chain management activities. The overall outcome should be multiple resources all playing different notes or roles but contributing to the overall goals of the supply chain.

The necessary steps to achieve this vision are for each stakeholder to accept a system they will be able to live with, rather than insisting on the one they would die for. It is all about responsible and well-coordinated business practices, and increased traceability, transparency, and accountability across the entire ecosystem.

By increasing transparency among the various stakeholders, we are able to reduce instances of audit fatigue for factories and decrease the various costs associated with conducting audits in silos.

Recognizing that buyers are ultimately held responsible for their supply chain, symphonization also lends to an increase in the credibility factor. Buyers using their own programs are both judge and jury of which factories to partner with, ultimately acting as the fox that guards the henhouse. It is in the best interest of buyers to outsource the auditing of factories and use objective evidence-based reports to determine if factories are socially/environmentally compliant enough to place an order.



By utilizing the menu-of-options approach at the heart of symphonization, buyers can move beyond the pre-competitive audit and go the extra mile on whatever issue may be most relevant to them in the competitive market. This will lead to improved supply chain management relations with the exact partners they desire.

For a new brand or brand who is revamping their program, using the specialized and collaborative approach will also allow them to sequentially build their compliance program. In the precompetitive (pre-consumer-facing) phase, brands can utilize existing standards that best meet their needs and then build upon that without the requirement to do everything at once. They can focus on their ethos rather than using a one-size-fits all approach.

Collaborative and coordinated efforts are required to make this work. While a few brands were already collaborating to some degree prior to the present crisis, the pandemic has given many more buyers a taste of what this is like. As they struggle with the current reality, more buyers are resorting to temporarily sharing audits and accepting certifications instead of continuing to insist on doing their own thing. Sharing factory lists and audit reports with peers reduces the need for double work or vetting for potential partners. As a result, we are all seeing that it is possible to effectively collaborate. All that remains is to keep doing so and making that the new normal.

That is the opportunity this crisis presents us – understanding the value of symphonization. In the past, we were able to afford acting in our independent ways. The current state of the world has forced us to recognize that for the luxury it was, and to see that that kind of inefficiency is no longer affordable. Now we truly see the necessity (not just the value) of doing things collaboratively.

In the end, the fundamental importance of social compliance remains unchanged; its execution and coordination among various stakeholders is the part that needs modernization. The overarching theme is that sourcing is an activity that involves the entire supply chain and distinct pieces should not be analyzed in isolation. There is no single right way to manage the supply chain, and experts and specialists are an imperative part of a menu-of-options for participants in the supply chain to avail of collectively, instead of continuing to insist on their own proprietary programs.

As mentioned, the symphonization invitation extends to all players in the supply chain, as each will have a role to play, regardless of whether they are directly engaged (workers, manufacturers, buyers, compliance standards and audit bodies) or not (governments, civil society, and consumers). Each of these roles will evolve beyond their current status as symphonization takes hold.

**Workers**, as the foundation on which the supply chain is built, will make up a large portion of this symphony. Workers are the heart of the matter when it comes to supply chain social compliance management and will be particularly vulnerable in the immediate post-pandemic period. It will be important for workers to remain vigilant in their advocacy and self-protection, recognizing their rights along with their responsibilities. The efficiency at the heart of symphonization will allow for enhanced engagement – both for workers amongst themselves and for workers with outside stakeholders – in a more effective, as workers explore a menu-of-options approach to advocating for themselves in whatever methodology works best.

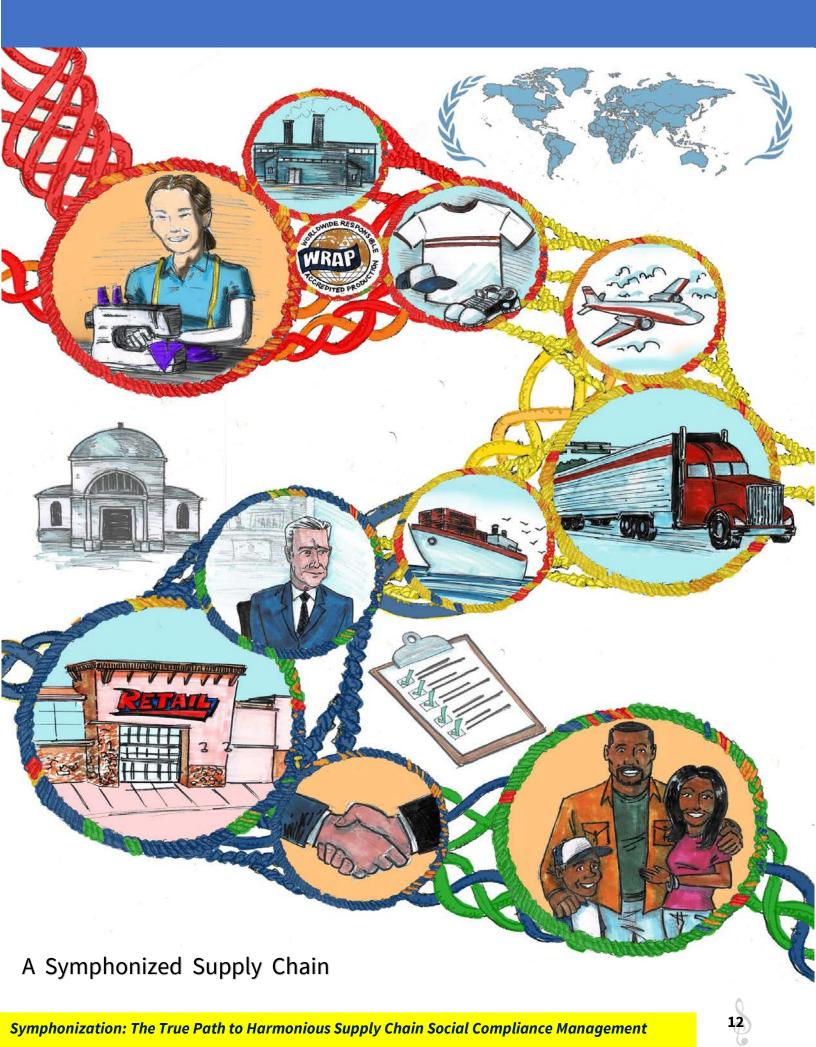
**Manufacturers** should, upon finally seeing a reduction in the number of audits because of symphonization, be able to start treating them as an investment and not merely as a cost. The more collaborative approach fostered by the new paradigm will enable them to concentrate on proactive behavior and developing transparent relationships with various stakeholders, including their buyers.

**Buyers** will benefit greatly from the flexibility that symphonization will afford them in terms of increasing the tools at their disposal to manage social compliance in their supply chains, including vastly enhancing their ability to go deeper into their supply chain. The abandoning of a proprietary compliance program should not be seen as a lessening of control, but rather a means to free resources locked up in pre-competitive aspects to be used for competitive differentiation via brandmission specific activities. By being able to focus more on the relationship building between them and their suppliers, buyers will be in a far better position to drive behavior on the issues that speak to the ethos of the company and make a difference to their standing in the marketplace. They can also thereby better understand their own role with regards to the impact of their purchasing practices on maintaining social compliance in their supply chains.

**Compliance standards**, working with their audit firm partners, act as the foundation of supply chain social compliance management, working with all stakeholders to ensure safe, lawful, humane and ethical manufacturing processes. The handful of programs with established expertise and credibility will be core components of the menu-of-options aspect at the heart of symphonization. Building on the transparency that this new approach will foster will enable these programs to better engage with each other and ensure efficiency in the deployment of their respective offerings, which will further enhance the ability of social compliance to penetrate deeper into the supply chain.

**Governments'** role in supply chain social compliance management has been a contentious one from the start, with some quarters feeling that the rise of private codes of conduct was, in part, due to a lack of proper oversight from governments in the first place. The reality, however, is that even the best-intention and best-resourced governments cannot tackle the issue on their own. The challenge, as always, is one of the supply chain as a whole, and the role of governments in it will continue to be that of creating and maintaining the broader rule of law. As a thought paradigm, symphonization should come naturally to most governments, who already operate on the twin pillars of economic constraints and the need to build consensus across a broad spectrum of stakeholders. The continuing role of governments should focus on maintaining the right balance by setting and enforcing laws designed to encourage economic activity that is conducted responsibly. Finding that balance will include being cognizant of the pros and cons when it comes to prescriptive mandates and recognizing when legislation that focuses more on carrots than on sticks might be better suited to achieving the desired end results.

**Civil society** provides that added layer of protection all supply chains need. By acting to keep the behaviors of other stakeholders within the supply chain honest, their role is to shine the light of accountability on those who deserve it. In the old way of supply chain management, they were often seen – and often cast themselves – in an adversarial role when it came to those actors with direct roles in the supply chain. In a paradigm based on symphonization, they can play a greater role if they engage positively as part of that menu-of-options, allowing them to have greater influence while still



Symphonization: The True Path to Harmonious Supply Chain Social Compliance Management

maintaining the independence which is critical for civil society as the body that surrounds the supply chain and is interwoven throughout.

**Consumers**, in the end, are what dictate how supply chains are ultimately shaped, since they are the ones at whom the workflow embodied in those chains are directed. The increased efficiency of, and visibility into, the supply chain that symphonization provides will allow consumers to have more information about the purchases they choose to make. By strengthening the consumers ability to demand – and reward – greater transparency through responsible consumption, symphonization will help shift consumerism from conspicuous to conscientious. The resulting realignment of supply chains will finally lead us to achieving of those long sought-after goals – harmony and sustainability.

## **Summation**

Thirty years ago, as a result of industry exposés and a desire to quickly respond to worker rights abuses, many brands and retailers implemented new codes of conduct for their vendors, establishing baseline levels of workplace standards. Over time, the number of codes of conduct grew and supply chain efficiency suffered, as manufacturers were subjected to multiple compliance audits by many different business partners. Realizing this unintended consequence, the industry began several attempts to develop one single social compliance standard under the umbrella of harmonization. These attempts, though well-meaning, were doomed to failure, and everyone continued using their own approach resulting in no fewer manufacturing facility interruptions due to audits. The reasons behind those failures come down to the unrealistic expectation that a single solution will work for all and the non-recognition that the problem is one that involves the supply chain in its entirety.

The struggles that supply chains have endured during the first half of 2020 as a result of the global pandemic provide an opportunity to re-set our thinking and move beyond the limits of past initiatives. Instead of seeking harmony via the old mechanism of harmonization where the goal was to have everyone sing a single note, let us do so via a new approach, called symphonization, where we do not impose a one-size-fits-all mindset, but rather go with a menu-of-options approach, focusing on existing market options that best fit our entire supply chain needs.

Symphonization is the path forward and one that envisions the supply chain as an orchestra of partners – a collection of many instruments playing different notes, featuring unique performances, and making beautiful music, in harmony.

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