



HBC

Banners: The Bay, Zellers, Home Outfitters

Type of company: Private

Notes:

Notes on Findings	Company Score	Question weighting (% of section)
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1. Governance and Risk Management

1.1 Board level responsibility for ethical issues in the supply chain -There is evidence of a board member with explicit responsibility for ethical issues in the supply chain. http://www.hbc.com/hbc/socialresponsibility/sourcing/	66.7	40
1.2 Reporting of labour standards issues in the supply chain as a risk factor -There is mention of labour standards issues as a risk factor in the annual report. <i>HBC Annual Information Form 2005, p. 10</i>	66.7	30
1.3 Risk analysis of labour standards issues in the company's existing supply chain -There is reported evidence of a risk or exposure analysis of labour standards issues in the supply chain -Break down vendors into 3 levels of priority. Each level focuses resources to perceived risk. i.e. Priority A (high priority): top 200 suppliers based on volume of sales, perceived risk and factory location. -Note: it is not clear whether "perceived risk" is based on a systematic risk analysis of labour standards issues in the supply chain or just on expectations. <i>p. 39, 2005 CSR Report</i>	100	30
Section total score / section weighting	76.7	X 10%

2. Code for Labour Standards in the Supply Chain

2.1 Quality and scope of the code for labour standards in the supply chain -There is a "Code of Vendor Conduct" -It is not consistent with ILO core conventions with respect to child labour: -"workers can be no less than 15 (or 14 where the law of the country of manufacture allows)" -It covers the core ILO conventions but limits the company's commitment to: -Freedom of association: "Management practices must respect the right of employees to free association and collective bargaining <i>where applicable.</i> " -Discrimination: "We will <i>favour Business Partners</i> who ensure that no employee shall be subject to any discrimination" -It includes a living wage requirement (although without providing information regarding the application of this standard in their supply chain or the definition of this standard in particular countries). -It does not meet the ILO hours of work standards	25	60
2.2 Publication and availability of the code for labour standards in the supply chain -It is published on their website http://www.hbc.com/hbc/socialresponsibility/sourcing/	100	20
2.3 Application of the code for supply chain labour standards -Code applies to entire breadth of production -"we will only engage business partners who demonstrate a commitment...to meet our requirements stated in this code" <i>See above link</i>	100	20
Section total score / section weighting	55	X 15%

3. Stakeholder Engagement

3.1 Multi-stakeholder processes -No reported evidence of involvement in a multi-stakeholder initiative that includes representation from both NGOs and labour. -HBC is a member of various initiatives that do not qualify as MSIs, including: CBSR, BSCI, and CRART.	0	30
3.2 Engagement with NGOs and/or trade unions relating to labour standards in the supply chain --HBC is a member of various initiatives including: CBSR, BSCI, the UN Global Compact, and CRART. - Reports engagement with KAIROS, MSN and Play Fair at the Olympics	50	30
3.3 Worker and third party complaints - No reported evidence	0	40
Section total score / section weighting		15 X 20%

4. Management

4.1 Resource Commitment -There is a Senior Manager in the Social Compliance Department but it is unclear how many reporting levels s/he is from the Board http://www.hbc.com/hbc/socialresponsibility/sourcing/	50	25
4.2 Training for Buying agents -Company has training for HBC's buyers to explain the principles of HBC's code of vendor conduct and the company's auditing programs. <i>p.36-37, 2005 CSR report</i>	100	25
4.3 Training for factory management personnel and workers -No reported evidence of training for factory management personnel or factory workers	0	25
4.4 Rewards and Incentives -No reported evidence	0	25
Section total score / section weighting		37.5 X 20%

5. Supply Chain Auditing and Reporting

5.1 Commitment to auditing labour standards in the supply chain -There is a commitment to auditing all factories that manufacture products for HBC. <i>p. 38-39, 2005 CSR Report</i>	100	15
5.2 Status of the audit schedule -An auditing work plan has been scheduled and is currently being implemented <i>p. 38, 2005 CSR Report</i>	100	5
5.3 Public disclosure of manufacturing sites -No reported evidence	0	10
5.4 Transparency of the labour standards auditing methodology -The auditing methodology is publicly available and follows generally accepted practices. <i>p. 38, 2005 CSR Report</i>	100	15
5.5 External verification of labour standard audits -Third party audits conducted by Intertek Labtest and Independent Global Compliance Services. -There is no reported evidence of input from NGOs or labour in the country of supply <i>p. 38, 2005 CSR Report</i>	33.3	20
5.6 Reporting the results of audits of labour standards in the supply chain -There is broad commentary on aggregate audit findings for a sample of factories with 3 audits in 18 months. No specific figures are provided on findings by workplace, country or geographic region. <i>p. 39-40, 2005 CSR report</i>	20	20
5.7 Dealing with non-compliance -There is a publicly available policy for handling instances of non-compliance and it includes a staged approach to dealing with violations. <i>p. 38: 2005 CSR report</i>	100	15
Section total score / section weighting		60.7 X 35%

Total Score **48** /100