

## INTRODUCTION

UL Consumer & Retail Services (CRS) Responsible Sourcing team would like to thank our team, guest speaker, Philip Olden, and valued guests joining us for UL's first UK Summit in London on May 16, 2017. We were thrilled to have Philip Olden representing Signet, the largest Jewellery Retail group in the world, give unique insights during our "Jewellery - Compliance, Conflict Minerals" session. Other sessions included, "How to Manage Complex Global Supplier Networks", "Managing Anti-Bribery Controls in Product Inspections", "Optimizing Social Audits – creative ways to gather additional insights during the Audit Process", and, "Ready to Detox? Green Services and Chemical Management".

If you were unable to join us for this event, UL shares a series of "An Interview With..." conversations with some of our speakers. This is our second blog from the event.

# An Interview with Jude Mackay



**Jude Mackay**

UL's Business Development Manager  
Responsible Sourcing, Europe



UL RESPONSIBLE SOURCING'S DAPHNE GUELKER SPOKE WITH JUDE MACKAY AFTER THE MAY 16 LONDON EVENT TO FIND OUT ABOUT SOME KEY THEMES OF THE SUMMIT.

**Daphne Guelker** Jude, you discussed "Optimizing Social Audits - creative ways to gather additional insights during the Audit Process": What were the main takeaways from this?

**Jude Mackay** Our biggest thread throughout the day was discussion around adopting a risk-based approach. To have an auditing or Detox sampling strategy, for example, you need to know your supply chain tiers and your risks; to know where to look and how to prioritize efforts. Risk mapping is the backbone of a Responsible Sourcing program. With mapping risks, the data produced can support a company's transparency efforts. The second thread during the day was audit harmonization and the encouragement to accept industry standard audits in a waiver system. There was an acknowledgement that conducting audits should not be the main aim of any Responsible Sourcing program, especially repeat audits or multiple audits. It's what you do with the audit information that's important.

**Daphne Guelker** Sounds like "the insights during the Audit Process" was not just a discussion about auditing!

**Jude Mackay** No, the questions were very much focused on creative ways to address supply chain challenges, and the direction flowed more into the use of audit information, such as spotting risks and Red Flags, even before the audit is planned. This can be useful to steer the choice of the type of supply chain engagement and make the best use of resources.

**Daphne Guelker** Was there a point of the discussion that stood out for you?

**Jude Mackay** A smart question was raised about whether unannounced audits break trust with the supply chain, and it's a common concern when managing valued business relationships. With my background running a company's Responsible Sourcing program, I understand the need to avoid running a "policing" style audit program. Different programs have different due diligence processes that demonstrate a solid governance process in order to understand whether expected risks are present, but the aim of any program has to be continuous improvement. The unannounced audit can be used in a percentage of facilities where there is a specific concern, or randomly, or as a matter of routine. The Responsible Sourcing program format should reflect the level of risk the business expects.



**Daphne Guelker** What did the attendees say they found most insightful or most useful?

**Jude Mackay** I received most reaction from the discussion of the review of the Factory Profile during the preparation stage of the audit. Identifying key “red flags” or risks from basic information provided in advance. And this is also the critical audit planning stage for the Third Party Auditor, so if there are key pieces of information missing, this can affect the effectiveness of the audit. For example, if the languages of all workers are not documented in advance, the auditor cannot plan to engage all nationalities well or in the right language, and this can leave minority groups, whom are often vulnerable migrants, ignored. Buyers and retailers can use the Factory Profile as a key insight to the workforce on their suppliers’ factory floors, and not just a planning document.

**Daphne Guelker** There were multiple industries attending this event. Were there overlaps in challenges or discussions?

**Jude Mackay** Yes, there were representatives from the suppliers and manufacturers of food, premiums and gifts, online brands and in-store retailers of fashion, toys, books, jewelry – a wide spectrum of participants. From industry-to-industry, one common challenge was how to respond when facilities challenge local law and how to creatively address the challenge beyond asking for or demanding compliance. The audit identifies non-compliances, but it’s what you do next with that information that’s important. Creative solutions can cement business relationships.

#### **ABOUT DAPHNE GUELKER, PROGRAM MANAGER - INTERNATIONAL LAW AND LABOR STANDARDS, RESPONSIBLE SOURCING FOR EUROPE AT UL CRS**

Daphne Guelker leads law and international standards research efforts in support of UL’s social and environmental auditing services. She manages the scope and governance, and supervises the research and review of laws for over 100 countries. With her legal background and expertise in responsible sourcing laws and international standards, Daphne provides focused advisory services to clients, particularly in the areas of labor practices and human right. To complement her role, Daphne has extensive auditing experience and has conducted social, environmental and traceability assessments across Southeast Asia, Europe and North Africa and has developed responsible sourcing programs for brands, retailers and associations. She holds an L.L.B. in Law and Human Rights from the University of Essex, England, a BVC from BPP Law School in London and is licensed to practice law in the United Kingdom. Daphne is fluent in English, German and Spanish.

#### **ABOUT JUDE MACKAY, BUSINESS DEVELOPMENT MANAGER, RESPONSIBLE SOURCING FOR EUROPE AT UL CRS**

Jude has 12 years’ experience in brand-retailer responsible sourcing program management in the sportswear, fashion and supermarkets sectors. She has analyzed global apparel, footwear, electronics and toys supply chains, audited factories throughout Asia, Europe and Africa, and developed policies, CAPs, MAPs and trainings to address labor law violations and health and safety risks, with a keen focus on chemicals safety. As UL CRS’s Responsible Sourcing Business Development Manager for Europe, Jude now supports clients with program development.

#### **ABOUT UL RESPONSIBLE SOURCING**

UL is a leading global provider of responsible sourcing auditing and advisory services, which include supply chain monitoring, research, program development, and training. UL’s Responsible Sourcing team has the global footprint to provide services in several countries.

For more information on all the ways you can rely on UL to help you manage sourcing risk, contact [RSinfo@ul.com](mailto:RSinfo@ul.com) or visit [ul.com/crs](http://ul.com/crs).

