



STR-Responsible Sourcing

2008 Annual Report

**Responsible
Sourcing Solutions**

www.STRQuality.com



STR-Responsible Sourcing (STR-RS) is a trusted global provider of monitoring, training, and consulting services that help clients reach their responsible sourcing goals and manage sourcing risk.

STR-RS delivers innovative solutions to social and environmental concerns all over the world.

Annually, STR-RS conducts over 16,000 responsible sourcing assessments of factories, farms, processing plants and warehouses in more than 140 countries.

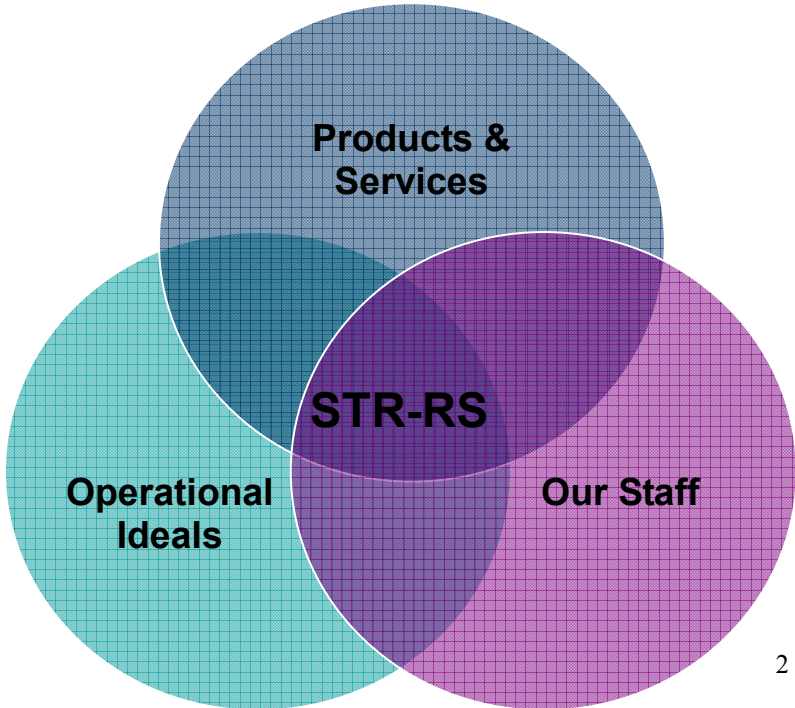
A pioneer in the social compliance field, STR-RS is an accredited monitor for numerous social certification programs, and we partner with many organizations that share our mission of assuring responsible sourcing practices.

Our Mission:

We are dedicated to helping our clients build secure and socially responsible relationships with their supply chain partners.

Our Values:

We operate in an interdependent environment where our products and services, operational ideals, and our employees are intrinsically linked.



CEO Statement

Two thousand and eight was a year of change for our company, as it was for many businesses, large and small, around the world. We started the year off strong, expanding existing programs and services. In August we started seeing signs of change. Our team rolled out a global training program called “Creativity and Change” to help staff develop the skills and perspective to deal with the dynamic state of our industry. By November, our business had slowed considerably and we chose to downsize in some departments and regions. The year ended with a surprisingly busy December. Looking back, it was a good year, but we had to change and adapt to new market conditions during the global economic downturn.

Since CSCC’s founding in 1991, and our acquisition by Specialized Technology Resources (STR) in 1999, we have improved workplace conditions for millions of the world’s most vulnerable workers and helped many recognized brands manage social, environmental and security risks in their supply chains. Beginning in 2009, we have retired the CSCC brand and will use the name STR Responsible Sourcing (STR-RS) in order to present a unified brand with STR Quality Assurance and STR Solar, our manufacturing division.

As in the past, we are presenting our achievements in an annual report, in much the same way that other corporations do. However, since we are a privately-held company, this annual report will not contain financial results but will focus on how we performed in 2008 *vis-à-vis* our corporate mission and values.

At STR-RS we conducted over 17,500 assessments in more than 140 countries in 2008. We are servicing an ever-increasing variety of industries. This year we had more clients monitoring their food supply chains, which was an interesting change of pace for our auditors. We visited farms, fish hatcheries, food production facilities and processing plants for fruits, poultry, beef, flowers, and seafood.

At STR-RS, we have always believed that our products and services, operational ideals, and our employees are intrinsically linked. That means, for example, that we cannot analyze the quality of our services without looking at the way we operate and how our employees feel about working at the company. We are proud of and embrace the diversity of our team. We hire and promote locally in several developing countries where we operate, and our company is stronger because of it.

During these changing times we reaffirm of our commitment to UNGC principles and good corporate citizenship. In this report you will see concrete examples and continued internal emphasis on four themes: work-life balance, strengthening our team, collaboration, and growth. We have put considerable focus over the last few years on things like providing our employees with a flexible work environment, increased professional development opportunities for our staff, developing strategic partnerships and participating in multi-stakeholder initiatives, and building our capacity to offer our clients a full range of responsible sourcing services. By attracting and retaining talent, and encouraging our clients to push the boundaries of their CSR programs, these efforts have helped us to maintain our position as a leader and innovator in the industry, shaping the field of responsible sourcing.

I hope that you will enjoy reading this report as much as our team enjoyed dedicating their hard work throughout 2008 to produce the results that we share in the following pages!

Sincerely,



Greg Gardner
President and CEO

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- **Principle 1. Support and respect the protection of human rights**

As a provider of corporate responsibility services, STR-RS provides all employees with training on human rights as part of their standard new hire training and ongoing professional development (see pages 10 and 14). We also provide training to our clients and their suppliers on how they can respect human rights in their supply chains (see page 8).

- **Principle 2. Ensure non-complicity in human rights abuses**

STR-RS follows strict protocols of confidentiality in our assessments in order to protect workers to the greatest extent possible. We also offer a hotline in the US for workers to contact us in case of retaliation or further infringements on their rights. STR-RS services help our clients to minimize the risk that they are complicit in any human rights abuses (see pages 6-10).

- **Principle 3. Uphold freedom of association and recognition of the right to collective bargaining**

STR-RS respects the rights of employees to associate, organize, and bargain collectively in accordance with applicable local laws and regulations without penalty or interference. In 2008, STR-RS helped to promote a university seminar on how to improve the way companies monitor freedom of association in their supply chains (see page 9).

- **Principle 4. Elimination of forced and compulsory labour**

STR-RS does not use or condone the use of any forced or compulsory labor. All employees agree to work for STR-RS voluntarily and their original documents are not retained by the company.

- **Principle 5. Abolition of child labour**

STR-RS does not use or condone the use of any child labor. All employees are above the legal minimum working age and copies of age documentation are maintained on file for all employees. In 2008, our youngest employee was 20 years old. STR-RS also assists our clients in identifying cases or potential cases of child labor and ensuring appropriate measures are taken in those cases.



WE SUPPORT

Looking to see how we measure up to the UN Global Compact principles?

Use this page-reference guide to read the sections of the report that relate to the UNGC principles.

- **Principle 6. Elimination of discrimination**

STR-RS is a place where individuality is respected and where people can perform to their highest potential. Promotion and compensation decisions are made based upon individual performance to expectations regardless of sex, religion, race, color, age, national origin, disability, veteran status, or any other characteristic or status protected by law. Discriminatory practices are strictly prohibited. It is STR-RS' policy to provide all employees with an environment of mutual respect free from any form of harassment or abuse. See pages 18 and 19 for information on STR-RS' diversity statistics.

- **Principle 7. Support a precautionary approach to environmental challenges**

- **Principle 8. Promote greater environmental responsibility**

- **Principle 9. Encourage the development of environmentally**

friendly technologies

STR-RS is committed to operating in an environmentally friendly manner. For general information on our environmental initiatives, see pages 15-16. In 2008, STR-RS conducted an extensive carbon footprint assessment of our US operations (see page 17). In 2008, STR-RS also continued to expand our environmental service offerings to assist clients in promoting environmental responsibility in their supply chains (see page 11).

- **Principle 10. Work against all forms of corruption**

STR-RS provides all employees with STR's Code of Business Ethics that includes provisions on improper payments, conflicts of interest, confidentiality, bribes, gifts, entertainment, favors, and gratuities; reporting transaction and payments; and purchasing integrity as well as reporting mechanisms and a strict policy of non-retaliation. STR-RS policy prohibits any employee or representative from making or receiving any inappropriate monetary payments to or from any governmental, political, business, or labor organization or individual. For more information on our ethics program, see pages 12-13. STR-RS also developed a new service to assist our clients in assessing fraud risk in their supply chains (see page 11).

Our Products and Services

We are a leading global provider of independent assessment, education, and risk management services for supply chain compliance to worker welfare, environmental health and safety, and security standards.

Reading this Section of the Report

The “Products and Services” section of the report is organized into subsections corresponding with our main service lines: **Program Development and Management, Monitoring, Training and Education, Consultation and Stakeholder Engagement, Expanded Services, and Publications.**

As with our 2007 report, it is important to note that while we include information about the company’s capabilities and services in this section, it is not meant to be a sales document, nor is it a comprehensive list of all the services we offer. Since our core business involves helping our clients promote corporate responsibility and human rights in their supply chains, we felt it important to include information about what we are doing to improve our services in addition to our internal efforts towards operating more responsibly from our core business.

Our goal with this section of the report is to demonstrate STR-RS’ continued efforts to meet and exceed client expectations, and to foster increased accountability, integrity and quality across our industry so that we can assist our clients in making positive, measurable, and continuous improvements in their supply chains.

STR-RS has played, and will continue to play, a significant role in the evolution of supply chain monitoring for worker welfare, environmental health,



and safety and security issues, and our employees are passionate about making a difference in the world. We aim to share some of these most recent efforts in this report.

COMPANY DESCRIPTION AND NAME CHANGE

On December 31st, 2008, STR Responsible Sourcing retired the name CSCC, and began using our new moniker. CSCC was incorporated in 1991, and purchased by Specialized Technology Resources in 1999. We chose to retire the old name in an effort to further align ourselves with our parent company, which has been doing business for over 60 years. We have kept ‘Responsible Sourcing’ in the name of our division, in order to reflect our focus on workplace labor systems and our expertise in the CSR industry that our organization continues to maintain.

Accreditations and Memberships

STR RS is an accredited monitor for or a member to major industry initiatives and certifications:

- SA8000
- Worldwide Responsible Apparel Production (WRAP)
- Fair Labor Association (FLA)
- International Council of Toy Industries (ICTI)
- Electronic Industry Code of Conduct (EICC)
- Supplier Ethical Data Exchange (SEDEX)
- Business Social Compliance Initiative (BSCI)
- Initiative Clause Social (ICS)
- AccountAbility
- IACET Approved Provider of CEUs

Collaboration

In 2008, STR-RS went from a conceptual, infrequent, pilot stage of conducting collaborative audits, to systematizing and integrating collaborative auditing as one of our main services. Not only has STR-RS moved to improve internal systems to allow for effective and efficient collaborative auditing, we have in-

creased the opportunity to collaborate on remediation and trainings. Since collaboration reduces costs, clients are able to direct additional resources towards a deeper assessment that can identify targeted areas for capacity building (see 'Assessing Management Systems' on the next page). STR-RS offers several ways to drive collaboration in the supply chain:

- **Client-driven:** The client-driven process includes clients searching for collaborative opportunities among their peers, utilizing STR-RS to investigate collaborative opportunities, or may include a client encouraging their suppliers how to push collaboration to multiple customers.
- **Vendor-driven:** Another approach to finding more collaborative opportunities is for STR-RS to work directly with agents, vendors and factories to vet what customers might be willing to accept a collaborative process.
- **Initiative-driven:** STR-RS will work with initiatives such as the Fair Factories Clearinghouse (FFC) and the Supplier Ethical Data Exchange (SEDEX), to facilitate collaborative efforts and combine assessments on behalf of multiple brands, agents, vendors etc.

Program Development and Management

We are an integral part of a client's supply chain management program and are active partners in helping our clients achieve their responsible sourcing goals.

RESPONSIBLE PROCUREMENT STUDY

In 2008, our Research & Development staff undertook an in-depth study on behalf of one of our clients on the relationship between their responsible sourcing program and their purchasing practices. Many non-governmental organizations and initiatives have been increasingly focusing on the integration of responsible sourcing programs with purchasing practices as an essential part of companies' ongoing efforts to improve workplace conditions in their supply chains. The purchasing function has a critical role in responsible sourcing because their actions may have an indirect, yet significant impact on working conditions.

During the program development stage for all clients, STR-RS raises awareness in this area, however, through this engagement, we were able to go further and identify gaps between the company's already-established responsible sourcing program and their procurement department. Through detailed interviews, analysis and benchmarking, STR-RS was

able to offer recommendations on how communication could be strengthened between the company's responsible sourcing staff and their procurement staff and what policies and procedures would need to be created in order to ensure that procurement staff incorporate labor compliance data into their purchasing processes.

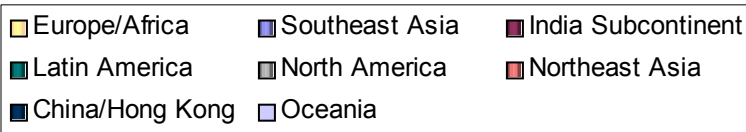
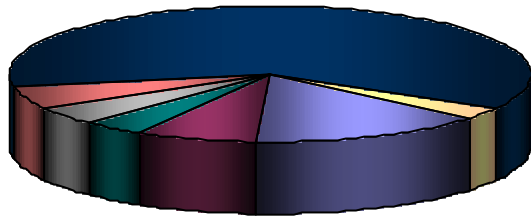
“The design and communication related to responsible sourcing programs should reflect an intent that is less centered on passing audits, and more on the positive financial impact of continuously improving systems, and the business case for reducing workplace risk and improved relations with staff and business partners.”

Ryan Lynch
Global Client Services Manager

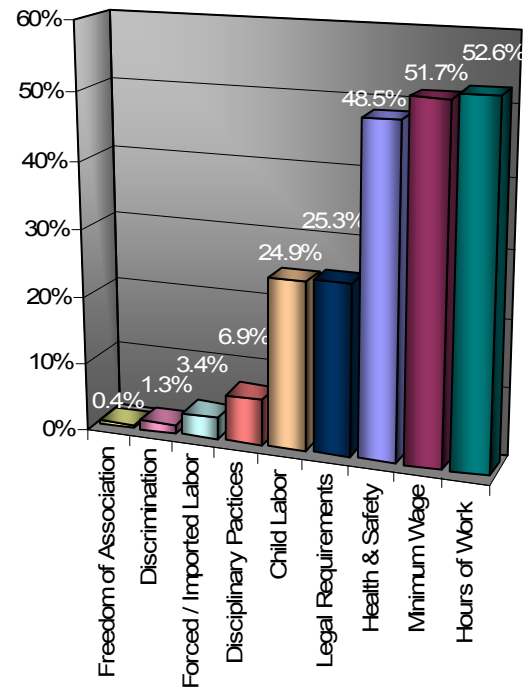
Assessment Data

STR-RS collected information from over 17,500 responsible sourcing assessments in 2008 (see chart 1). The STR-RS central database tracks findings for categories such as minimum wage, work hours, child labor, and health & safety. Data displayed in Graph "A" represents the number of assessments with concerns found for a general category (see chart 2).

1. STR-RS Global Monitoring Footprint: - 2008



2. Percent Findings by Category



Note: each category tracks specific types of concerns - for example, the child labor category contains findings such as missing age documentation, unrestricted work hours for minors, and actual confirmed child labor findings.

Monitoring

We encourage our clients to use assessments as a form of measurement, within a larger system of governance, skills building, integration within the business, and continuous improvement.

Assessing Management Systems

STR-RS continues to encourage companies that monitor their supply chains to go beyond the standard one-day compliance-based assessment approach. As many industry stakeholders and companies alike have acknowledged, the traditional monitoring approach does not get to the 'root cause' of a facility's compliance challenges and is only able to provide a 'snapshot' picture of working conditions and short-term recommendations that do not necessarily result in long-term improvement. In 2008, STR-RS developed, piloted and launched a more in-depth approach to monitoring that focused on the internal management infrastructure and on identifying gaps in systems that are either at the root of non-compliance findings or pose the risk of future infringements of human rights and labor standards.

The management systems assessment involves additional days on-site with more interviews, more document review and verification of the capacity of the cur-

rent systems in place. The findings are used to initiate a dialogue with management to enable the facility to identify systems interventions, preventative actions and long-term solutions that address the root causes. STR-RS hopes this type of assessment will become the industry standard.

Broadening Our Assessment Expertise

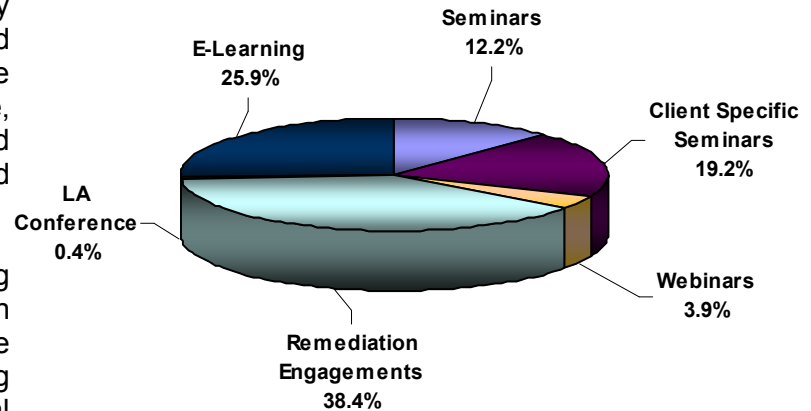
In recent years, STR-RS has been expanding our services from traditional retailers, brands, manufacturers to financial institutions. In 2008, STR-RS staff attended two trainings held by the International Finance Corporation's Labor Academy that provided our staff with the additional skills and expertise required to assess a variety of different companies and industries against the IFC's Performance Standard (PS) 2 on Labor and Working Conditions. STR-RS performed three assessments against the PS2 in 2008, in China, Colombia, and Turkey.

Increasing Our Training Footprint

As companies have started to look for ways to use data gathered in monitoring visits to drive improvements in working conditions in their supply chains, we have seen requests for training and educational support and capacity-building increase every year for the last several years. During this time, STR-RS has continued to build internal capacity and external credibility to become a well-respected training partner.

In 2008, we conducted over 250 external training events as our clients increased their investment in educating their staff, internal social compliance auditors, and suppliers about how to improve working conditions and comply with local and international labor standards. Trainings are conducted in group settings or on-site at the facility or client's offices.

STR-RS conducted over 250 training events in 2008:



Training and Education

Training and Education is becoming a standard component of any well-rounded responsible sourcing program for pre-assessment communication; post-assessment follow-up; and long-term capacity building.

Webinars

In 2008, STR-RS continued our webinar series on responsible sourcing with a host of new topics. The webinars offered an opportunity for our clients to learn about and receive guidance on how to address challenging human rights and environmental issues in supply chain management. New themes included home-workers, living wages, sustainable packaging, and reporting on supply chain compliance. Based on the positive feedback received, we are planning to offer more webinars in 2009.

Seminar Program

In 2008, STR-RS continued our series of public seminars in seven countries. Seminars allow local suppliers to come together in a classroom setting and learn about compliance issues, new laws, and best practices for managing compliance in their facilities. Topics ranged from health & safety, wages & hours, hiring practices and security, to China's new labor contract law and how it affects social compliance. We plan to offer these seminars in even more locations in 2009.

Annual Conference

For the last three years, STR-RS has hosted an annual conference in Los Angeles, inviting clients, industry partners, and academics to spend a day with

peers discussing the latest issues in responsible sourcing. Our 2008 conference was named "Generation 3: The Next Generation of Responsible Sourcing Strategies" and took place on February 21st in Los Angeles. It featured an exciting line-up of experts in responsible sourcing, including sessions on topics like exploited labor in the world's cotton fields, worker hotlines and grievances, sustainable remediation efforts, and ethical product development. All feedback from the conference was extremely positive, with many saying that the session topics and speakers were excellent and that they learned a lot from the discussions that occurred during the event.

Communication On Progress Workshop In India

In August, 2008, STR-India partnered with the local UN Global Compact Network, the Global Compact Society, to provide a full-day, hands-on workshop to a group of 14 Indian companies on how to develop their Communications on Progress to meet their UN Global Compact membership requirement. The workshop included activities on stakeholder mapping, case studies on human rights issues, and role plays on making the case for corporate responsibility initiatives. The workshop received overwhelmingly positive feedback from participants and has led to additional opportunities for partnership with the local network in India.

Towards Long-Term Remediation

As our clients are moving beyond monitoring, STR-RS has continued to be an innovator in the development of deeper assessment tools and training techniques that aim to reveal and address the root causes of non-compliance issues around labor standards. In 2008, STR-RS launched a new type of assessment geared towards linking non-compliance findings with specific gaps in the management structure of the facility (see page 7).

In addition to STR-RS monitoring services, 2008 included an upswing in demand for in-depth root cause analysis and remediation projects for several factories in south China. The projects ranged from a few months to the entire year and were divided into multiple stages. The stages included pre-engagement meetings, data collection, root cause analysis, focused consultations, trainings and impact assessments. All these stages allowed the

consultants to work with the factory management to identify the root causes of their non-compliances, to address the root causes through advice and training, and to measure the results through assessment. These projects have received positive recognition and continued support from the factories and their clients.

UNGC Labor Working Group

In December 2008, the Global Compact convened representatives from business, civil society, employee organizations, the UN Global Compact and the International Labor Organization (ILO) for the second meeting of the Global Compact Labor Working Group. STR-RS sent two representatives to participate. Our staff gained a great deal of insight from the feedback of the participants. We feel that we have a unique role in supporting the interests of the various parties. The working group will next meet in Istanbul in June, 2009, and STR-RS hopes to further contribute to the dialogue.

Consultation and Stakeholder Engagement

Long-term capacity building that engages stakeholders at all levels of the supply chain is vital to effecting lasting, positive change in working conditions.

University Outreach

STR-RS continues to engage multiple stakeholders including universities. In 2008, STR-RS staff supported and participated in conferences at multiple universities, and presented lectures at Brigham Young University, Cornell University and Fordham University. Additionally, outreach to academic stakeholders has included participation in the Harvard-MIT Private Governance Working Group with plans for continued collaboration.

STR-RS assisted Cornell University in promoting their Freedom of Association Seminar, that highlighted several topics defining Freedom of Association in policy, practice and monitoring. The discussion on policy reviewed International standards, national frameworks and codes of conduct which are applied to compliance with Freedom of Association and Collective Bargaining. Additionally, the seminar focused on the practical issues of ensuring these rights and identifying instances when these rights are restricted, which can pose a much greater challenge to the monitoring industry and to responsible supply chain management. Participants included brands, NGOs, government representatives and STR-RS.

Hong Kong CSR Lab

Entering its second year, the CSR Lab remains a spotlight in our Hong Kong office. Its aim is to nurture ideas and create solutions in response to the mounting responsible sourcing challenges faced by business leaders. The CSR Lab acts as a regional support center for suppliers, companies, academics and NGOs seeking information on labor laws, codes of conduct, and common violations; and for sharing ideas on how to tackle some of the more intractable issues in responsible sourcing such as excessive hours and fake books.

Through CSR Lab, STR-RS has connected numerous industry professionals with academics, NGOs, and each other. In 2008, guest speakers at The Lab included Mr. Apo Leong, Asia Monitor Resource Center, who spoke on CSR from the workers' perspective; Ms. Puifung Leung, Fairtrade, who spoke on fair-trade; Mr. Daniel Sum, Hong Kong Productivity Council, who spoke on a cleaner production program; and Mr. Trevor Sun, Hong Kong Worker's Health Centre, who spoke on how to involve workers in health and safety and other workplace improvements.

Communicating CSR

STR-RS continued to compile a weekly newsletter of responsible sourcing articles in 2008. The newsletter is distributed to over 800 clients and industry stakeholders as well as to all the STR-RS employees. Articles in the newsletter summarize key events in human rights and business; labor rights; regulatory changes; environmental sustainability; and company CSR initiatives. We also continued to use podcasts to disseminate knowledge internally about CSR-related events, projects, and responsible sourcing trends.

In 2008, STR-RS launched free public podcasts for the first time, that included topics such as CSR highlights from 2007 and trends for 2008; the challenges and opportunities in collaboration; effective corporate

compliance programs; and the plight of forced laborers. Podcasts were presented by our research staff and we invited outside experts such as Michael Kabori, Vice President of Supply Chain Social and Environmental Sustainability at Levi Strauss & Co; and Carole Basri, President of the Corporate Lawyering Group LLC to share their views on relevant topics.

Our blog also enjoyed an injection of outside opinions and expertise as guest bloggers in 2008 included Michael Kelly, KPMG Europe's Head of Corporate Social Responsibility and Sarah A. Altschuller, an associate at Foley Hoag LLP's Corporate Social Responsibility practice.

URL: <http://csc.typepad.com/responsiblesourcing/>

Publications

STR has comprehensive responsible sourcing libraries including country labor law profiles, CSR risk indices, global minimum wage lists, and best practice manuals.

Fairfood Project

Fairfood is a non-profit organization based in the Netherlands that advocates for ethical production standards in the food industry. In 2008, Fairfood began providing project funding to Trade Unions in six countries—Costa Rica, Chile, Ghana, South Africa, Sri Lanka, and Indonesia—commissioning research projects about local agricultural commodities and the conditions in which they are produced. To assist in this project, Fairfood asked STR-RS to help build the capacity of the Trade Unions by training them how to collect field data, report on the findings, and in combination with supporting secondary research, create a commodity-specific report on the state of social compliance. These reports would in turn be used by Fairfood in their decision to label various commodities with the Fairfood label.

In order to provide the Trade Unions with the tools necessary to find and report objective evidence, STR-RS staff conducted two-day trainings on the essentials of social compliance assessments in agriculture. Where possible, the trainings for each of the six countries occurred both in the classroom and on-site on a farm. Topics covered included: living wages, child labor, working hours, payroll assessments, interviewing techniques, forced labor, freedom of association, health and safety, and discrimination.

Online Labor Law Library

STR-RS is currently preparing to launch our comprehensive labor law library as an internet subscription service. Over the last 10 years, STR-RS has compiled an unparalleled database of labor and safety legislation for 150 countries around the world. Translated into English, this legislation is currently housed in an internal database used by our auditors to conduct responsible sourcing assessments. The STR on-line labor law library will make this information available to all interested parties via an easy-to-use, searchable interface in contrast to the PDF versions of STR-RS Country Law Profiles currently available.

Data sets will include thousands of minimum wage rates, converted to USD and EUR hourly rates, as well as minimum ages for employment, work hour and overtime limits, rest day requirements, benefits, and worker safety requirements. Twenty core countries are updated on a quarterly basis, while others are updated annually by a global team of researchers. The actual translated text of the legislation is used to ensure that social auditors and suppliers can review the exact requirements of the law together during the assessment process. STR-RS looks forward to launching the online law library in 2009.

NEW ENVIRONMENTAL SERVICES

In addition to our Environmental Health and Safety (EHS) and Wastewater Management Assessments, in 2008, STR-RS developed an Environmental Management Systems Assessment and enhanced our EHS assessment services to provide our clients with the opportunity to address environmental issues in their supply chains.

Environmental Management Systems Assessment (EMS)

Our most comprehensive service, the EMS Assessment is a two-day in-depth assessment of environmental management systems based on ISO 14001 principles. This assessment helps to identify core strengths and weaknesses in a management system as it relates to air, water and waste management at the facility level. EMS assessments are most beneficial to suppliers managing multiple facilities under the same management system and as preparation for facilities seeking ISO certification. A properly designed and implemented EMS helps to ensure that environmental standards are effectively applied throughout the supply chain.

Environmental Health and Safety Assessment (EHS)

The EHS Assessment is a comprehensive one-day review of supplier compliance with environmental laws and regulations as well as other relevant standards. Similar to the assessment of management systems, the EHS methodology also uses a three-tiered approach to verification in order to assess whether resources are being managed properly and if people and the environment are sufficiently protected from harm. Other issues covered include: air, water and solid waste emissions, discharge and disposal; employee exposure and protection from environmental hazards; aspects of chemical and hazardous materials management; pollution prevention and emergency and accidental response preparedness.

EHS assessments are commonly used to gather more information and to assess risk after a concern or complaint. Environmental experts then work with facility managers to identify possible remediation strategies to achieve compliance with laws, regulations and relevant international standards.

Expanded Services

STR-RS is continually developing new capabilities through talent acquisition and strategic partnerships to enable our clients to incorporate additional sustainability components into their CSR programs.

Environmental Working Group

In December, 2008, STR-RS decided to take steps to create an Environmental Working Group (EWG) for clients in the early stages of their environmental program within the Apparel and Garment Industry.

The EWG is designed to coordinate efforts in environmental auditing and to better understand environmental performance indicators and benchmarking of environmental standards in the industry. Potential scope of some of the immediate activities and topics of discussion include:

- Collaborative environmental assessments of factories and/or mills for environmental compliance;
- Use of collected data for risk analysis and baseline reference data;
- Performance benchmarking and standard setting; and
- Integration of environmental aspects into codes of conduct.

The goal of the group is to move forward in a collective and collaborative manner to minimize the environmental impact of the textile industry.

STR-RS BRAND PROTECTION MANUFACTURER ASSESSMENTS

Over the past five years, as our clients have been dealing with increasing losses due to the sale of grey market goods, STR has developed an assessment service that focuses on evaluating the brand protection systems in place at the factory level. US Customs seizures of counterfeit goods increased in value by almost 40% from 2007 to 2008, and many experts believe that with a slowing economy, the supply and demand of grey market goods will increase. Addressing the problem of grey market and counterfeit goods at its root, through targeted monitoring allows clients to understand where their risks for Intellectual Property theft are, reducing the need to use reactive approaches to the problem such as raids and investigatory services, and can help build greater trust and deeper partnerships with their suppliers.

Our Operational Ideals

We strive for objectivity, thoroughness, accountability, and quality in all that we do.

Tracking Quality

As part of our continued improvement plan, we are constantly looking for new ways to improve the accuracy and thoroughness of our services, as well as provide clients with the information they need in a timely manner. Our audits are tracked from the time the work order is entered into our global database to the time they reach the client. We regularly measure defects and turnaround time, running analyses on a weekly basis, and tracking auditors' performance. Reports go through a Quality Assurance and a Quality Control check.

Company-wide, we had an 18.75% decrease in timeliness, from the time the work order is submitted to the time the report is received. There are several main reasons for the delay of reports. First of all, most of the delayed reports were due to the arrival of a new client, which requires very specific instruction on report writing. Our auditors and reviewers prefer to take the due diligence to ensure all reports are accurately reflecting the observation. As a result, the report turn-around time was longer than in the previous year. The second reason was due to the increasing complexity of assessment reporting. Another main reason was due to the fact that more facilities are situated in remote locations, which increase the travel time and decrease the accessibility of internet services.

The Operations and Quality departments have been working closely together to find ways to address

these issues, including providing additional client specific training, certification training, and new client onboarding training to reduce time spent on report clarification. Additionally, regional Operations managers are also considering the possibility of relocating staff to different regions to reduce travel time.

Anti-Bribery

STR-RS has numerous bribery control systems in place and all auditors are familiar with the procedure for handling and immediately reporting any bribery attempts. STR-RS has a strict policy on integrity, and all employees are trained on ethical issues at the time of hire and regularly thereafter. With such principles in mind, our auditors are directly and indirectly influencing companies throughout the world to practice business in an ethical manner.

A Statement of Integrity is presented to and signed by the auditors and the facility management prior to commencing an assessment. Auditors are instructed to refuse all types of bribes (cash, gifts, services, meals) and report them immediately to their direct supervisors. Employees are recognized and rewarded for reporting bribery attempts, whereas prompt and decisive disciplinary action is taken against any employees who accept bribes. The percentage of bribery attempts has slightly decreased over the course of the last three years, partly as a result of our continuous effort in educating facility management in ethical practices.

Why Bribery is Common in China – an Auditor’s Perspective

By George Tu - Auditor, China

As a social compliance auditor working in China, I have experienced many bribery or money gifting incidents. It happens so often that it’s become a standard part of my job to decline the offers and explain to the management why bribery is not the solution. What motivates facilities to give out money to auditors? I have the following points of view on why bribery is common in China:

- The facility wants auditors to reduce the number of findings;
- The facility wants auditors to reduce the major

- findings, thus change to a better grade;
- Providing money is considered a normal friendly gesture;
- The facility feels that they are obligated to give money out, since other factories engage in similar practices;
- The facility believes that giving money is the only way to pass a social compliance assessment;
- The facility follows instructions from their vendor.

I had never thought of accepting bribery, red envelopes, or money from any facility. I feel very proud and honorable being able to make a judgment based on facts gathered during the assessment and being as objective as possible.

Upholding Our Integrity

Our auditors are known for holding the highest integrity standards in the industry and our clients frequently commend our transparency in handling and reporting bribery attempts.

Stories From the Field: A sealed envelope for the auditor

By Carl Yang, Auditor - China

I have visited many facilities and encountered many special cases such as bribery attempts in my work conducting social assessments in China. One day, I came to a facility with my partner to complete a social assessment. At the beginning of the assessment, we explained the integrity policy and the facility representative signed the Statement of Integrity. During the assessment process, I found that the payroll documents provided by the facility did not match the testimonies of most of the employees we interviewed. So I paid special attention to production records in the work floor in search of possible record alternations.

I only found several pages of production sheets in the production line. When requesting more production records, I was taken to an office where I found some suspicious production sheets. On the way back to the office, a facility management foisted an envelope into my pocket. When I saw the envelope, I knew there was money inside it. I immediately took it out and gave it back to the facility management. The facility management stated that the information on the production sheets should not be written in the client’s report. I refused the facility management’s request, but the facility management insisted on offering the

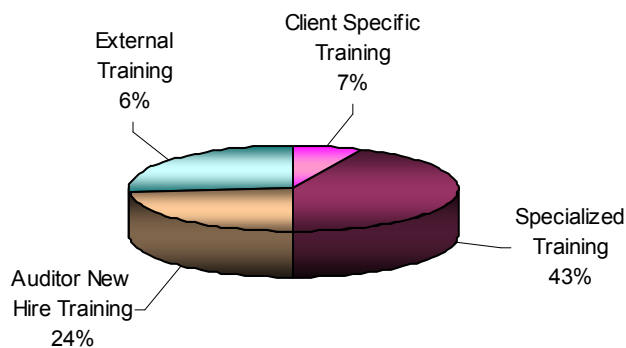
envelope to me. The facility management hoped that I would delete any information pertaining to the production records in the report.

At the end of the assessment, I compared the production sheets with the payroll records, disclosing discrepancies on employee wages. The facility management admitted that the provided payroll records were falsified. Finally, the finding of falsified payroll records was written and reported to reflect the truth. I ended the assessment by explaining to the management the importance of conducting business ethically.

I experienced several bribery attempts in 2008. The money in the envelope provided by the facility usually ranges from RMB 500 to 5000, which can be several times someone’s monthly minimum wage. This amount can be tempting to the weak minded. However, in my opinion, no STR-RS auditors will ever accept any offers from the facility for several reasons. First of all, our company has an anti-bribery policy and a well-implemented bribery monitoring system. Secondly, there are serious consequences legally and morally for accepting bribery. Lastly, we value our jobs as auditors and will not put our job at risk for such conduct.

Internal Training:

STR-RS continues to invest heavily in training our staff to provide a high quality service to our clients. In 2008, STR-RS staff participated in over 1,000 trainings for a total of over 8,000 hours.



Training for all auditors is based on an 11-Module Training Program which includes classroom and field training, matching module exams and auditor level classifications. Our Auditor Training Program was developed under IACET (International Association for Continuing Education and Training) benchmark standards for effective adult learning, and ISO 19011 guidelines. Our auditor training program is the most extensive in our industry and includes ongoing field evaluations, refresher training on complex or region-specific compliance issues, professional development opportunities, mentoring, and continuous feedback.

Principles of Integrity

In our previous report, STR-RS committed to drafting a Client Principles of Integrity statement. The statement asks that clients allow us to conduct our work in line with this set of minimum standards, and respect our role as unbiased assessor. It is also accompanied by internal grievance processes to be executed if any staff member feels that they, or another member of the organization, have been asked to alter audit findings in an inappropriate manner that does not accurately represent the workplace conditions that have been assessed.

We recognize that throughout the development, assessment, and ongoing program management process, it is vital that we conduct our work with honesty, integrity, and objectivity. We greatly value the relationships that we have developed with our clients, and we also value our role as an unbiased and objective assessor of workplace conditions. We do not see these two roles as contradictory. STR-RS is committed to maintaining an honest and objective position in order to serve our clients in the manner for which we have been hired. It is for that reason that STR-RS drafted our Statement of Integrity. We anticipate that our clients will applaud our efforts to uphold the integrity of the assessment process.

We use innovative tools and methodologies and forward-thinking risk management strategies to uphold the integrity of our clients' supply chains and promote improved labor and security standards worldwide.

Global Monitoring Institute

The Mission of the Global Monitoring Institute is to enhance the credibility and professionalism of the individuals and organizations performing corporate social responsibility (CSR) monitoring. The organization aspires to advance workplace conditions for workers globally, improve services for the companies engaging CSR monitors, and support the individuals and organizations carrying out these services. STR-RS is not only one of the first founding members, but has generously given time and resources to ensure the success of this Institute to further the professionalism, ethical standards, efficiency and effectiveness of this industry. Greg Gardner, STR-RS CEO, is currently on the Board of Directors for the GMI. Carrie George,

STR-RS Global Training and Remediation Manager, serves as the administrator of the GMI.

On November 6, 2008, The Global Monitoring Institute (GMI) held a stakeholder meeting to introduce the development of the self-governing industry oversight body that had been established by the social monitoring firms. Representatives from the organization provided details regarding the organization's intent, progress to date, and intended next steps. As a result of this meeting, STR-RS was involved in multiple, subsequent meetings with various stakeholders, brands and working groups. STR-RS continues to support and drive the GMI's mission and goals within the industry.

Spotlight on STR-Shanghai:

After reading the company's 2007 Communication on Progress report, the Shanghai team decided to implement a series of practices to further the goal of environmental sustainability. In March 2008, we had the opportunity to rearrange the Shanghai office set-up. A few of the Shanghai team members laid out a plan that would meet, and perhaps exceed, the global STR-RS environmental practices

Some of the ideas put into practice included maximizing natural sunlight by reorganizing the window blinds, recycling waste paper, recycling unused audit folders, and reducing paper by printing notes and internal documents on used paper. Since thousands of audit folders needed to be reorganized and removed from the storage in the Shanghai office in 2008, the

team made a conscience decision to shred and recycle the paper instead of throwing it away as regular waste. This effort led by the staff in Shanghai, resulted in a total of 650 kilograms of waste paper being recycled in 2008. When we remodeled one of the rooms to become a new conference/training room, we purchased a table that was made from recycled wood. Instead of throwing away unused cubicle partitions, we made the unused partitions into auditor message boards, posting auditors' pictures and other information such as environmental best practices.

In an effort to create a green environment, some of the staff brought plants to be placed throughout the office. We have plants in each room and in each corner. Some of the auditors say that they feel happier and healthier when looking at the plants.

We aim to operate in an environmentally friendly manner and participate in recycling and conservation programs where available.



STR-Shanghai office greening initiative



STR-Shanghai employee message board

STR-Shanghai's Environmental Activities in 2008:

- **ADDED** extra 12 plants throughout the office. Every corner has at least one or two plants
- **POSTED** the environmental best practices poster on employee's message board
- **PURCHASED** a conference room table with recycled wood
- **ORGANIZED** window treatments to maximize natural sunlight and reduce use of lighting
- **TURN OFF** all lights and electronic devices at the end of the day
- **SET** air conditioning at 25 degree Celsius
- **UTILIZE** rechargeable batteries for work related equipment
- **RECYCLED** 650 kilograms of paper in 2008
- **RECYCLED** unused desks and chairs through external service providers
- **REUSE** paper as notepads and fax cover sheets
- **PRINT** double-sided and use plain paper only when absolutely necessary
- **ENCOURAGE** colleagues to copy no more than needed
- **REUSE** stationeries, such as folders, envelopes, plastic bags, clips and others.
- **RECYCLE** printer cartridges and copy machine toner

See the table on the next page for environmental activities in other regions.

	ENVIRONMENTAL ACTIVITY	RECYCLING & CONSERVATION
LOS ANGELES (HQ)	<p>Electrical Devices- any computer parts that are salvageable are recycled and allocated to schools, etc.; otherwise they are processed at State Certified Recycling facilities (including batteries). In addition, 84% of our monitors and 100% of our laptops are energy saving compliant</p> <p>Use of non-disposable items, such as reusable ceramic mugs and washable cutlery, are placed in the kitchen</p> <p>Biodegradable dish washing detergents are used in the lunch room</p> <p>Computer and lights are turned off at the end of the day</p>	<p>Paper recycling program is established to restore waste paper. In 2008, we saved 31 trees based on the amount of paper recycled</p> <p>Printing double-sided - we try to print double sided and multiple pages per sheet</p> <p>Recycling cans and plastic containers in the lunch room</p>
NEW JERSEY	<p>Use of ceramic plates and cups as well as non-disposable utensils.</p> <p>Battery Collection Point is set up to ensure safe disposal of non-rechargeable batteries</p> <p>Energy Saving Practices - make sure all the computers are turned off when we leave for the day. Some lights are kept off in the course of a day</p> <p>Conserve paper by re-using any previously used paper / via fax / printers / notes</p>	<p>Paper recycling company, Shred It is utilized. We only place paper in the recycle bin if both sides have been used.</p> <p>Recycling bins are available for plastics and cardboard. A calendar is posted for each employee to take turns on different scheduled days to take out the recycling.</p>
UK		<p>Recycling bins for used paper are placed throughout the office building. An external service provider collects paper and recycles it on a regular basis.</p>
SHANGHAI	SEE PREVIOUS PAGE, "SPOTLIGHT ON SHANGHAI"	
HONG KONG	<p>All computers are required to be turned off at the end of the day</p> <p>All lights are to be turned off during non- business hours</p>	<p>Electronic copies are encouraged and used instead of paper copies</p> <p>One printer is loaded with only recycled paper, while other printers are equipped to print double-sided</p>
STR-VIETNAM	<p>Non-disposable glassware is used in place of paper/plastic cups</p> <p>Reminders are posted at exits to turn off lights and air conditioning</p> <p>E-mail tags are established by staff to remind each other to only print when necessary</p> <p>Staff share any information related to environmental practices</p>	<p>Non-confidential documents printed on paper are reused whenever possible</p> <p>Ink cartridges are refilled and reused</p>
STR-INDONESIA	<p>Reusable plastic bottles are refilled for drinking water in the office.</p> <p>Non-disposable coffee mugs, glasses, plates, and silverware are used in the office.</p> <p>Lights and air conditioning are off when employees leave a room for more than 10 minutes or more</p> <p>Computers, printers, and fax machines are always set at "sleep" mode.</p> <p>Power strips that connect to office electronics are switched off, including all computers and printers at the end of the day</p> <p>Consider to buy LCD monitors, which are more energy efficient than CRT monitors, when new monitors are needed.</p>	<p>Paper is recycled by printing both sides and using the back side of old documents for faxes, scrap paper, or drafts.</p> <p>Print in black and white and in draft mode whenever feasible.</p> <p>Refill toner and ink cartridges</p> <p>Reuse items like envelopes, folders and paper clips.</p> <p>Select the method to send electronic mail rather than paper whenever possible.</p> <p>Maintain hard copies only when necessary.</p> <p>Purchase recycled paper, whenever possible</p>
STR INDIA	<p>Office vehicles are serviced regularly to increase efficiency and reduce pollution.</p> <p>Check water wastage – Water taps are checked regularly for any leakages.</p> <p>Lights and air conditioning are switched off when not in use. Also lights and air conditioning is switched off after the employees have left the work place.</p> <p>Glass windows allow penetration of enough sunlight which reduces the usage of artificial lights during the day time</p>	<p>Reuse paper - Employees are encouraged to use recycle paper for internal printing and as work sheets. This is now standard practice. Used/waste paper is then shredded for recycling.</p> <p>Use of non-disposable glasses</p>

Carbon Footprint Calculation

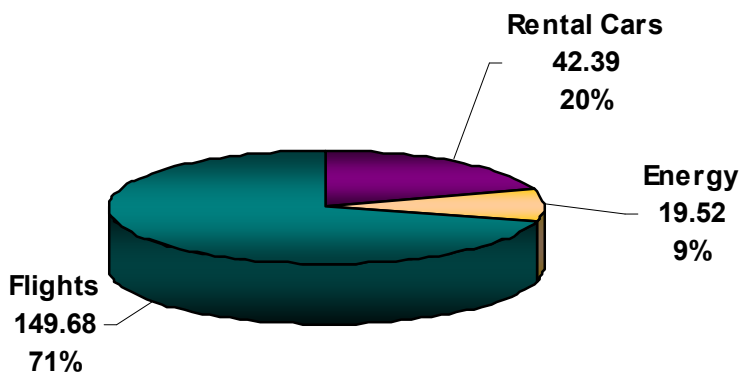
In order to be proactive and to better understand our potential impact on the world, STR-RS embarked on a project to calculate the 'carbon footprint' of our US operations in 2006. This first exercise showed that we needed to develop more sophisticated measures to better capture and calculate the source of our emissions. It was only later, in 2007, that STR-RS returned to the issue and decided to invest in the development of a Carbon Footprint Tool, complete with rate conversions and a framework for data collection.

Created by our internal environmental team, the tool was tailored around STR-RS' area of business—conducting workplace assessments. After input and validation from an outside Carbon Footprint expert,

the tool was finally finished at the end of 2007 and ready for testing. In early 2008, one of our team members from our LA office worked for approximately 240 hours over a period of 4 months to extract the required data and enter it into the tool. Coordinating with each department in both LA and New Jersey, raw data was collected from a seemingly endless number of sources including our internal database, rental car companies used in 2007, credit card statements, and utilities bills. Once all the information was collected, and the appropriate conversions made from fuel consumed to tons of carbon emissions produced, the results were presented to the offices in the Americas (North, Central and South).

Calculating our carbon footprint has been a learning process. It has helped to identify where we are having the greatest impact and how we can reduce it.

Emissions Breakdown (tCO₂):



Material Purchase: (Negative emissions are due to recycling more than what we purchase)
New Jersey -4.95 tCO₂
Los Angeles -5.23 tCO₂

To put it in perspective and to understand what each ton of CO₂ emitted actually means, consider this: One ton of CO₂ is the equivalent of driving 1,350 miles in a large sport-utility vehicle, or driving 6,000 miles in a hybrid gasoline-electric car, or leaving your computer on for 10,600 hours.

What's next?

Ultimately, we hope to improve our data collection and management for more efficient and precise calculation of our CO₂ footprint. We have outlined goals in a three-phase approach over the next two years to achieve this outcome:

- Phase I: The Environmental team in LA will work to improve tools, namely: to revamp our tracking format and auditor mileage reporting tools and make minor changes to the Carbon Footprint Tool to make more user friendly.
- Phase II: Roll out revised tool to operations and auditors regionally. Gather work-related travel data in 2009. Regional managers to help monitor information submitted by schedulers and/or auditors on a monthly basis.
- Phase III: Calculate regional CO₂ footprint in 2010. Regional Managers to assign personnel to participate in the CO₂ calculation project for their region.

Our Employees

Our employees are the industry's most passionate, skilled, and dedicated. They exhibit humility, adaptability, and quick problem-solving abilities in their personal and professional achievements.

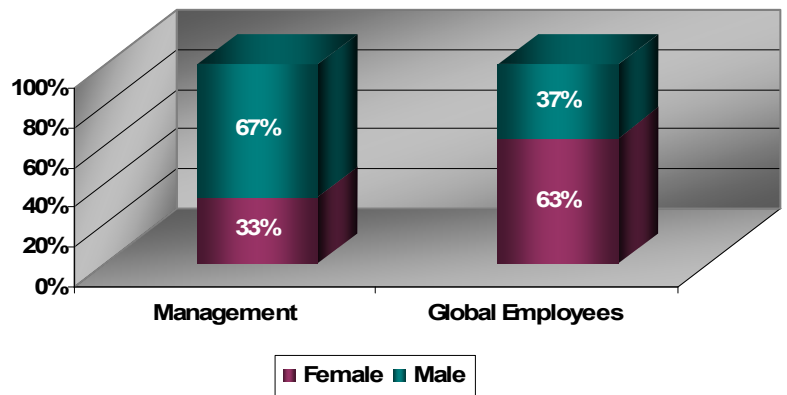
Our Team

- Over **270** employees in **32** countries (and counting!)
- **27** nationalities (and counting!)
- **30** languages (and counting!)
- Youngest employee: 20 years old
- Women are represented at all levels of the company (see Chart 1). This is especially important and empowering to our staff in locations which where traditionally women have had fewer opportunities for economic and professional development.
- In North America, minorities are a prominent part of our staff (see Chart 2)
- Elsewhere in the world, we provide job opportunities to locals (see Chart 3, over the page).

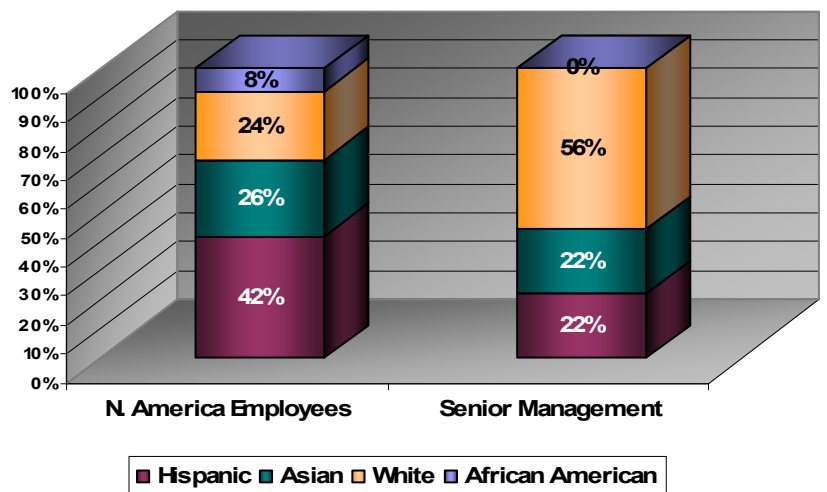
Diversity Statistics

As a global company, we value the diverse background of our employees. While respecting each individual, we encourage all offices around the world to employ qualified individuals with various backgrounds. The following pages provide a glimpse of our employees and their unique contributions to the company. We are proud of our employees, and will continue seeking talented staff based on their qualifications and diverse backgrounds.

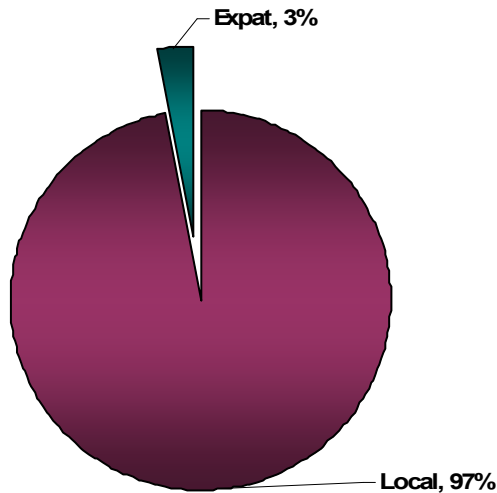
1. STR-RS - Gender Distribution



2. STR-RS -Management and N. America Diversity Statistics



3. Local Employees vs. Expats Overseas



We prefer hiring local staff in the countries where we operate since they provide the necessary language skills as well as an understanding of the cultural context within which we are applying universal standards. This helps to put employees at ease when being interviewed and helps to reduce managers' resistance to 'foreign' standards.

Professional Development

In 2008, 26 employees took advantage of 47 non-audit related professional development opportunities for a total of 771 hours of training consisting of workshops, seminars, conferences, and other similar learning events.

Auditor Awards:

In 2008, we proudly presented our second annual global auditor awards. A total of 20 awards in eight different categories were presented to our auditors. The award categories included Outstanding Auditor-Global, Rookie Auditor of the Year, Best Overall Turnaround Time, Best Audit Story and others. Our China Offices were awarded Best Overall Turnaround Time as they excelled, as a region, by generating the best operational performance in the company. Winners of each category were provided with a certificate of achievement and a small gift. We strive to recognize our auditors for their professionalism, work ethics, and quality of work, and this is one way to send that message out to all of our auditors.

We are committed to providing our employees with a supportive and constructive working environment where they are empowered to make a difference in the world.



Dealing With a Changing World

Wendy Barahona, Strategic Initiative Business Lead

The year 2008 was a year of changes not only politically for the US and the world, but also economically for many different companies, families,

and individuals in general. We, at STR-RS, value situations that bring us to change as an opportunity to improve how we currently do business. We believe that the only way to excel during times of change is by being prepared to manage change in a positive and creative way. With this sentiment in mind, and to provide the support our staff needed to manage the changes coming at them from every direction, we partnered with Alan Williams, a composer for feature films at Silverscreen Music, Inc., to provide a seminar dealing with Creativity & Change.

Through a mix of media clips, real life case scenar-

ios, and interactive exercises, Alan Williams paralleled the skills required to compose, and direct an orchestra with the skills required to manage a business and life in general, through an ever-changing environment. Alan's seminar on Creativity & Change helped us motivate our employees, mitigate any fear of change, and encourage our teams to generate creative solutions to any challenges.

We started with just one division of the company in California and after seeing the results we decided to provide the same training to all our other divisions in different regions of the world. As we rolled out the seminar to our different regions, we were pleased to see that the message transcended cultural boundaries. The presentations were crafted taking into account the culture and customs of the audience and this technique has proven effective in engaging employees from Asia to Europe to the Americas.

The initiative to deal with change head on helped us bridge communication gaps with our employees, and provided the glue needed to keep our teams working together in this time of change and uncertainty.



EMPLOYEE SPOTLIGHT

Josu Laucirica, a senior auditor based in Peru, has been with the company for three and a half years.

- **What is your academic background?**

A civil and military pilot, I earned an MBA from the University of Lima (Systems Engineering), an MBA from the Pontificia Universidad Católica del Perú and another MBA from the Maastricht School of Management in Holland, and I've been the CEO and CFO in a mid-sized business.

- **What do you like most about your job?**

What I like most is that I work for an organization that I believe in and feel valued by. I am part of

a very professional and dedicated team, and I have the opportunity to interact with people from different cultures and backgrounds, to teach and learn from them.

- **How do you deal with difficult factory managers?**

I've learned through the years and the interaction with people in many situations that the best way to deal with difficult managers is to be as professional and formal as possible while following the established procedures. Experience and knowledge are the keys.

- **What would you advise new auditors or people who are interested in Social Compliance?**

Always remember that people come first, that you must have passion for your work and enjoy your job. It is essential to be truly professional and have the highest possible ethical standards, and try to be top of the class in everything you do.

Expert Insights

Charles Schwaderer, Regional Manager – STR Latin America

Charles, who is based in Brazil, shares his perspective on CSR trends in Latin America.



What drives a corporation to engage in socially responsible activities?

One particular “driver” is the fact that gradually more and more business people in this corner of the world are realizing that there is “no healthy business in an ailing society”. An example of this particular statement are the Argentinean and Peruvian economic crises, and the Brazilian and the Colombian social crises which have prompted responses from the private sector. In addition, companies are realizing that CSR can help them to manage risks and gain a competitive advantage.

What CSR trends are you seeing in Latin America?

- The deepening of CSR models : A “ local example” of a company deepening its CSR model is Manpa – Venezuela’s leading national paper manufacturer, which has an innovative program to establish a sustainable network of community-led recycling programs. This actually began as an offshoot of the philanthropic efforts of Manpa’s founding family and today, the program has the potential to be a strategic business initiative for the company and a source of direct benefits for participating low income Venezuelans. Despite difficult political and economic

conditions, this particular case shows how corporations can develop successful CSR programs that are good both for business and the community if they work in their enlightened self interest as well in the interest of the local communities.

- Extension of CSR practices : Large corporations are extending their CSR practices to their suppliers.

- Increased Cross Sector Alliances: Despite offering operational difficulties, cross sector alliances are more frequent than one may imagine. Dealing with social problems is now a shared responsibility. Important social issues can’t be tackled by an organization acting alone. These issues belong to an inter-organizational domain.

It’s also worth pointing out that as a result of the constant focus the local media has been giving to CSR and to the subject of social compliance, thus creating awareness (not to mention changes in the legislation of certain countries in this region), there are a growing number of companies – regardless of their size - which are now taking a different and more serious approach to CSR.

Goals for 2009

In 2009, STR-RS plans to expand several corporate responsibility initiatives company-wide to include our parent company's other divisions. In order to do this, we have invited management representatives from STR to join the CSR Committee and we plan to have regular meetings in 2009 to prepare to report as STR for our next Communication on Progress. This will not only enable us to have a greater positive impact, but will also provide us the infrastructure with which to formalize many of the good practices we already follow and implementing pending goals and commitments we have made in previous reports.

Environment

We plan to improve our data collection mechanisms for carbon-footprint calculation and we plan to conduct a carbon-footprint audit every 3 years (expanding the number of facilities to our parent company as resources allow). We also plan to roll out environmental best practices throughout our parent company's US facilities in 2009.

Communication

Last year we committed to expanding our virtual work groups. In 2008, we postponed this development as we awaited integration with our parent company's intranet. We will begin to utilize the company intranet for collaborative problem-solving and knowledge sharing in 2009.

Charitable Contributions and Employee Volunteer Program

We had to put this goal on hold during 2008 as we worked to become integrated with our parent company, STR, but we hope to re-visit this program in 2009 as a corporate-wide goal.

Ethical Sourcing Policy

While ethical sourcing occurs in practice, we have yet to formalize the program due to the integration with our parent company. We hope to re-visit this program in 2009 as a corporate-wide goal.

In 2009, we look forward to working with our parent company, STR, to expand our CSR efforts and formalize our CSR programs to broaden their impact.

Report Methodology

STR-RS has an internal CSR committee that met several times during 2008 in order to discuss implementation of our goals from 2007 as well as gathering data for the 2008 report towards the end of 2008 and the beginning of 2009. Indicators established in previous reports as well as emerging material issues for our employees, clients and stakeholders helped to set the parameters and scope of the report.

Last year, our survey results revealed the following:

- 50% of respondents were employees while the other 50% were clients or potential clients
- The majority of respondents had accessed the report either via e-mail or our website
- The report scored highest on readability and structure whereas data and length were rated average
- Respondents requested more information about employees and methodology
- 50% of respondents considered our report superior to others in the industry whereas the other 50% had not seen such reports from similar companies.

Dissemination

STR-RS has identified the following audiences for our annual report along with the ways that we plan to reach them.

Audience	Method of dissemination
Internal staff	E-mail; internal webinar; meetings
STR staff (parent company)	E-mail; internal webinar; intranet
Clients	E-mail; weekly update attachment; meetings
Prospective clients	Website; meetings
Other stakeholders (e.g. Socially Responsible Investors; NGOs; universities)	E-mail; meetings; website

We welcome readers to send us feedback on this year's report by completing this short survey:

www.surveymonkey.com/s.aspx?sm=v4FHX3o_2bw6bYPxFWi4NwVA_3d_3d

STR-RS Global Headquarters
5777 W. Century Blvd., Suite 1790
Los Angeles, CA 90045

T: +1 (310) 215-0554
F: +1 (310) 417-8031
E: info@strrs.com
W: www.STRQuality.com

Report Contact

Soledad Milius
Manager, Global Training Services
T: +1 (201) 792-7540
E: sol.milius@strrs.com

