



THE WRAP REPORT

WORLDWIDE RESPONSIBLE ACCREDITED PRODUCTION

Dedicated to the certification of lawful, ethical and humane manufacturing

President's Corner: Magic at MAGIC

US consumers are starting to spend again at retail, up to 22% more for luxury goods in January and February compared to the same two months of 2009 according to media reports this week. Based on what we saw at the giant MAGIC Show in Las Vegas in February, we're not surprised. Buyers were visiting the 11 booths in the WRAP Pavilion in a steady stream for all three days.

The organizers of MAGIC provided us with an outstanding location for our Pavilion, right on the main aisle across from the information booth. This great location made it easy for buyers to find the factories in our Pavilion and quickly see the merchandise offered. For the additional 15 WRAP-certified factory booths that weren't in the Pavilion, a map and booth locations were provided to all buyers with all locations highlighted in yellow marker so they could easily find them.

One factory from Mauritius received three of the largest orders in their history: two because they were on the WRAP-certified list, and the other on a referral from a buyer who requires WRAP certifications from all their suppliers.

At another booth, a Korea-based socks company received enough orders to fill the capacity of their three certified facilities (US, Malaysia and China) for the rest of the year – in the first *two days* of the show! The owner was so happy with the orders that he and his sales team left the MAGIC Show early to enjoy the golf and shows of Las Vegas rather than spend time taking orders they couldn't fill. They are now having their other two factories in Peru and Korea WRAP certified.

We were privileged to have Mr. Alain Villard, Managing Director of Sewing International S.A. visit our booth. You may recall that one of Mr. Villard's factories in Port au Prince, Haiti was heavily damaged in the recent earthquake. Over 300 of his employees were killed when the building collapsed. I was honored to be able to present him with the certificate for Sewing International, the sister facility in Haiti that was only slightly damaged. Ironically, we issued the certification for Sewing International on the day of the earthquake.

We were also honored to have at MAGIC Ms. Giuliana Zucatto, Managing Director of Addis Garment Company of Ethiopia, the first company certified in Ethiopia. This was their first time at MAGIC, a good show for her company.

Hong Mei, our Compliance Certification Manager who also attended the show, commented that we were approached by more factories than ever asking how to become WRAP certified. Why? Because their buyers were asking for WRAP certificates and they saw first-hand that those factories that displayed the WRAP logo in their booth received far more visits from buyers than they did. WRAP clearly meant more business for them.

We will be back at MAGIC in August. If you are interested in participating in our next Pavilion, please contact Yin Yin at yyin@wrapcompliance.org as soon as possible to reserve your space. Join us to experience the Magic of MAGIC."

Steve Jesseph
President and CEO

ALSO IN THIS ISSUE

WRAP Staff Profile 2
WRAP 10th Anniversary 3
New Accredited Consultant 4
Trade Law Updates 5
Upcoming Events 6



WRAP CEO Presenting WRAP Certificate to Mr. Alain Villard, Owner of Sewing International S.A. in Haiti, which was certified on the day the devastating earthquake hit Haiti.

Please join WRAP on:



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From Remote Village to Industrialization:

WRAP's Senior Vice President Francis Yü k

Francis Y ü k joined Worldwide Responsible Accredited Production (WRAP) as Senior Vice President on October 1, 2009. He has worked in manufacturing, international trade and quality audit industries for over 30 years. His passion is to help improve working conditions and in the environment what he learned and received from the supply chain industry.

Y ü k was brought up in a remote farm outside Shanghai, China. "In those years, there was neither electricity nor tap water in the remote village." Yü k said, "Things have changed dramatically ever since. Nowadays, LCD televisions, air conditioners and supermarkets are popular in the village."

Yü k completed his education in Hong Kong, the UK and the United States. He received Master of Science degree in Textile Sciences from University of Leeds, England, and completed post-graduate research at the Cotton Incorporated Research Institute in Raleigh, North Carolina, USA. He is an ISO 9000 certified auditor, a Fellow of the Textile Institute and a Fellow of the Institute of Management.



Francis Yü k, Senior Vice President of WRAP

Y ü k began his career as a mechanic and chief engineer for vertical textile manufacturing facilities in Hong Kong, Singapore and Malaysia. His international merchandising career started with the Dodwell Hong Kong Buying Service. Later he joined Australian retail chain - Myer Emporium Buying Offices (currently Coles Group) as Regional Manager for their China, Hong Kong, Singapore and Taiwan buying operations.

Yü k subsequently joined SGS, one of the world's largest third-party testing and inspection organizations and later moved to Intertek Testing Services (Labtest) in the United States. For SGS and Intertek, he organized and gave presentations at various consumer product safety and audit seminars throughout the Far East and the United States building long-standing relationships with numerous consumer product industries as well as government agencies. Most recently, Yü k was the President of Supply Chain Services with Intertek, Consumer Goods Division, and the CEO of SgT Group.

Yü k has worked, lived and traveled in Far East, United States and Europe. He is fluent in English and Mandarin, and conversant in Cantonese and Shanghainese, the two popular dialects spoken in China. Yü k enjoys classical music and ballet. When he was a student, he would line up in a queue for 3 hours to get a 2-hour stand ticket for Vienna Royal Orchestra in Austria. He remembers well the deep base sound effect at Carnegie Hall in New York and the unique talent of Bolshoi Ballet dancers in Moscow. He is an amateur photographer; he took pictures for his schoolmates at their weddings in Hong Kong. He likes traveling with his family. He and his wife Winnie have been to Alaska, Harbin and the North Pole. "I love my work. It is my passion to contribute my knowledge and experience back to the industry." Yü k said.

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Save the Date!
WRAP 10-Year Anniversary Celebration
November 18-19, 2010

WRAP will celebrate its 10-Year Anniversary with a *Global Social & Environmental Best Practices Conference* in Fort Lauderdale, Florida, USA, November 18-19, 2010. For those who enjoy golf, we will host a pre-conference fund-raising tournament on November 17. PLEASE SAVE THIS DATE –MORE INFORMATION TO COME. Attendance is limited to 300.

Topics for this conference will include, and more:

Views on Social & Environmental Responsibility: Asia, Africa, Latin America and Europe

Viewpoints on SER from Global Industry and Trade Leaders

Africa: The Next Frontier?

Is Africa the “next Asia”?

Plastic Recycling: What’s to Come

Current practices and future trends in the Recycling and Reuse of Plastics

Alternative Energy

As fossil fuels decline, learn how smart companies use alternative fuels to run their businesses

Community and Employee Relations:

How great Community & Employee Relations Programs can make you an Employer of Choice

Water: Mankind’s Biggest Challenge?

Making the Most of Waste

Reducing costs through recycling and re-using waste materials

Compliance Means New Business

Learn how demonstrating compliance to accepted standards attracts new customers

Global Legislative Update

A global overview of legislative issues that may affect your business

Restricted Substances Lists

How companies have used RSLs to streamline their business and save money

Registration: **\$495.00** for general admission and WRAP certified facilities. A special rate of **\$295.00** is offered for educators and students.

Accommodation: We obtained a special rate of **\$159** per room at Embassy Suites Fort Lauderdale, just four blocks from the Fort Lauderdale Cruise Port and two miles from the beautiful beaches of Fort Lauderdale, FL.

If you are interested, please reserve your hotel room [here](#) or contact WRAP’s Communications Specialist Ms. Yin Yin at 703-243-0970, or yyin@wrapcompliance.org for inquires.

SCSA is WRAP's Newest Accredited Consultant

WRAP has announced that Social Compliance Service Asia (SCSA) became its new accredited consultant.

Social Compliance Services Asia (SCSA) is an independent organization which renders a wide range of consultation service on sustainable management and social system for the labor intensive sectors across the regions. "The young and energetic professionals at SCSA share the vision of WRAP in humane manufacturing practice and possess years of experiences in providing pragmatic, lawful, humane and ethical manufacturing solutions to factories/suppliers. We strive to provide quality and ethical consultation services to the factories/suppliers in enhancing their compliance management system and productivity," said Samuel Wong, the Director of SCSA.

To know more about WRAP accredited consultants, please visit <http://www.wrapcompliance.org/en/accredited-consultants>.

WRAP CEO Steve Jesseph Elected President of the AAFA Education Foundation

WRAP's President and CEO, Steve Jesseph, has been elected President of the AAFA Education Foundation. He will succeed the current President Michael T. Fralix at the end of May, 2010.

The AAFA Education Foundation, a non-profit organization, was founded in 1968. It provides scholarships to 13 colleges and universities that are preparing students to enter the apparel and footwear industry.

For students, the scholarship is prestigious recognition of hard work, an opportunity that encourages a career, and an award that enhances a resume. It is also a way to develop the talent needed for the industry. The support and recognition for the students and institutions keep the industry moving forward.

Sourcing at MAGIC to Highlight WRAP Pavilion Again in August

Following the tremendous success of the first WRAP Pavilion at MAGIC (the largest fabric and apparel sourcing event in North America) in February 2010, we are planning another WRAP Pavilion to showcase your business and product at the August 16-19, 2010 MAGIC Show in Las Vegas, Nevada.

The benefits of participating the WRAP Pavilion includes:

- Match-making service provided by the Sourcing at MAGIC organizers setting appointments with buyers.
- A "meter board", placed in the main aisle way, highlighting the names of the factories and booth locations.
- A full-page ad in the Sourcing at MAGIC Catalog noting the names and booth locations for all certified factories.
- Referral by the Information Desk to all certified facility booth locations.
- Free buffet lunch for all participants on the last day, and free beverages and water daily.

A Studio Booth package has been developed for all WRAP pavilion participants. The package includes a 10'x10' space, a booth sign, a table with three chairs, six fixtures, one wastebasket, 500 watt electrical, and 300 pounds of drayage. The total cost is **\$5,500**.

Please contact Yin Yin at WRAP's office yyin@wrapcompliance.org to receive more information and the registration form. The deadline to register is **June 7, 2010**.

Submit Your "Sustainable Business Stories" to WRAP

Dear WRAP-certified facilities,

WRAP believes it is important to share sustainable business efforts with your peers and customers. Starting with issue, the WRAP report will begin to do just that in a new section dedicated to your best practices towards corporate social responsibility (CSR) and sustainability.

This is also an opportunity for you to highlight and promote sustainable efforts/projects at your facility such as:

- Energy efficiency efforts/upgrades
- Waste water treatment improvements
- Community support and outreach
- Solid waste reduction/recycling
- Machinery/technology upgrades
- Ecological fabrics/sustainable materials sourcing

We will feature one WRAP certified facility in each issue based on the stories we received. This is a great way to let the marketplace know about your commitment to CSR and sustainability. If you are interested in having your company profiled, please let us know at the below noted email address: yyin@wrapcompliance.org

FTC Warns Retailers to Stop Labeling and Advertising Rayon Textile Products as Bamboo

The Federal Trade Commission has sent letters to 78 retail companies nationwide warning them that they may be breaking the law by selling clothing and other textile products that are labeled and advertised as "bamboo" but are actually made of manufactured rayon fiber. The FTC sued several companies in 2009 for allegedly committing similar violations but believes that many others are unaware of and not complying with the rules.

Rayon is a manmade fiber created from the cellulose found in plants and trees and processed with harsh chemicals that release hazardous air pollution. Any plant or tree, including bamboo, could be used as the cellulose source, but the fiber that is created is rayon. The FTC states that if a product is made of a manufactured fiber for which bamboo was the plant source, and is not made directly of bamboo fiber itself, the product should be labeled and advertised using the proper generic name for the fiber, such as "rayon" or "rayon made from bamboo."

The FTC has also warned companies against making other deceptive claims on textile and apparel products made from bamboo, including that the products retain the bamboo plant's antimicrobial properties, are made using environmentally friendly manufacturing processes and are biodegradable. The FTC can seek civil penalties of up to \$16,000 per violation against any company that receives information concerning the improper use of a fiber name but fails to correct its advertising and labeling.

Given the FTC's scrutiny and the substantial penalties that can accompany violations, companies selling textile products should review their labeling and advertising for those products and remove or correct any misleading bamboo references.

For more information on this issue, please contact:

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WRAP Principle 7: Prohibition of Discrimination

Definition Facilities will employ, pay, promote, and terminate workers on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.

Explanation Cultural differences exist and different standards apply in various jurisdictions, however, all terms and conditions of employment should be based on an individual's ability to do the job, not on the basis of personal characteristics or beliefs. Suppliers must demonstrate a social and political commitment to basic principles of human rights and not discriminate against their employees in hiring practices or any other term or condition of work, on the basis of race, color, national origin, gender, sexual orientation, religion, disability, or other similar factors (pregnancy, political opinion, social status).

UPCOMING EVENTS

SPESA Expo 2010

May 18-20, 2010

GA World Congress Center

Atlanta, GA

Note: WRAP President & CEO Steve Jeseph will speak at “the Business Benefits of Labor and Environmental Compliance” session on May 19.

To get more information, visit www.spesaexpo.com.

Social and Environmental Compliance Awareness Seminar

May 19th, 2010

Auditorium, SGS Lanka (Pvt) Ltd.

140, Vauxhall Street, Colombo 02

Note: WRAP Director of Compliance Administration Mr. Avedis Seferian will be the speaker at the event.

To get more information, contact: Chaminda Pilane: 071 6812183 or Lourdes Philip: 071 5354869

FESPA Fabric 2010

June 22-26, 2010

Munich, Germany

Note: WRAP is a supporter for FESPA Fabric 2010.

For more information, visit www.fespa2010.com.

Sourcing at MAGIC

August 16-19, 2010

Las Vegas, U.S.A.

Note: WRAP and WRAP-certified facilities will jointly exhibit at the show. For more information or request for registration form, please contact Yin Yin, yyin@wrapcompliance.org.

26th IAF Convention

October 5-7, 2010

Hong Kong

Note: WRAP will attend the convention. For more information about the event, visit IAF's [website](#).