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## Victoria's Little Secret

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# Victoria's Little Secret

**MICCSR 2012**

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# Agenda

- ▶ Introduction
- ▶ Analysis: Current State of Affairs
- ▶ Our Recommendation
- ▶ Immediate Response
- ▶ Long-Term Response
- ▶ Marketing
- ▶ Aligning Values



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# What is CSR?

- ▶ Business and society interlinked
- ▶ Mutually beneficial strategies
- ▶ Community benefits:
  - Social
  - Environmental
  - Economic

# Organizational Values

- ▶ Limited Brands' four key values:
  1. The customer rules
  2. Passion leads to success
  3. Inclusion makes us stronger
  4. It matters how we play the game

# Analysis: Current State of Affairs

# Current State of Affairs: The Issues

- ▶ Child labor
- ▶ Global cotton prices
- ▶ Supply chain sustainability
- ▶ Reputational harm
- ▶ Fair trade
  
- ▶ **Where to focus our efforts?**



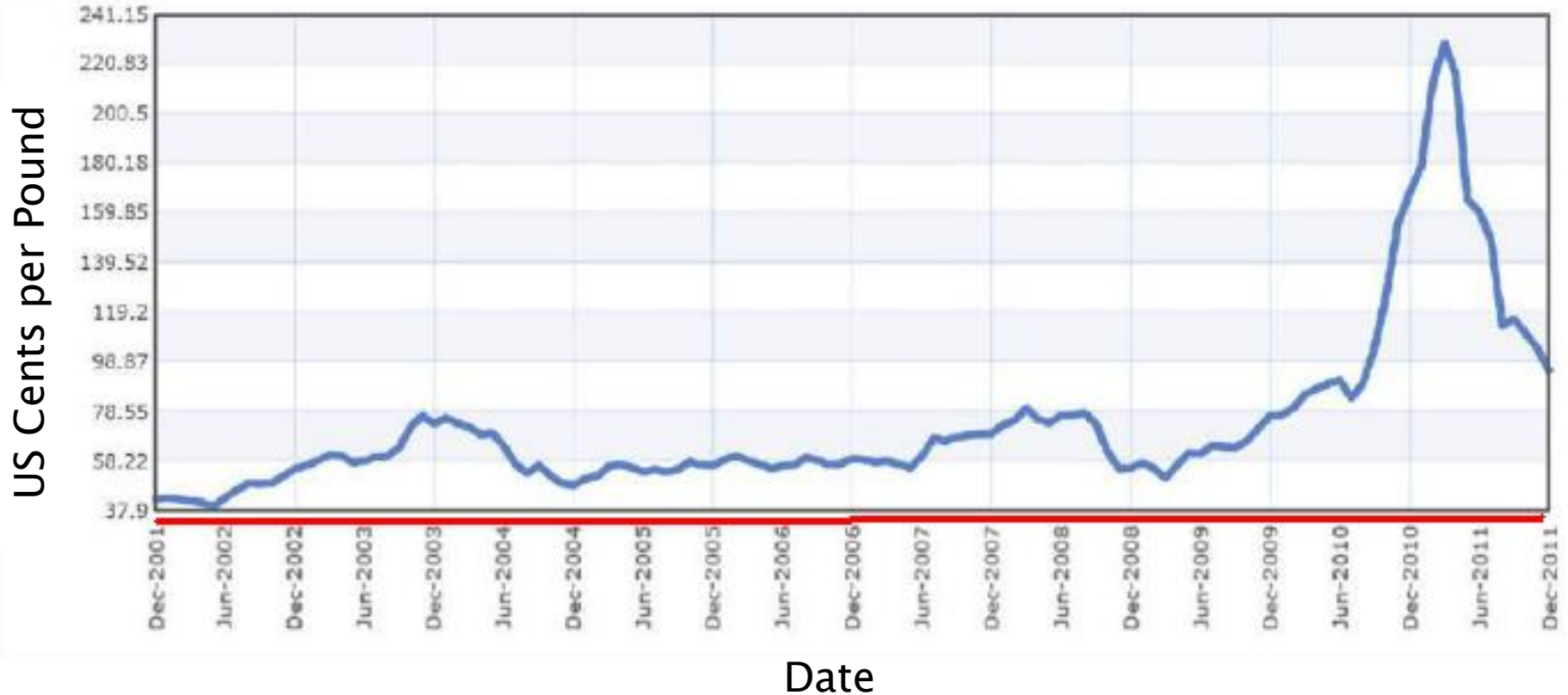
# The Issues: Child Labor

- ▶ 38% of Burkina Faso children subjected to worst forms of child labor
- ▶ Ratification of ILO Conventions 138 and 182



# The Issues: Global Cotton Prices

Global Price of Cotton



# The Issues: Supply Chain Sustainability

- ▶ Diversified crop rotation
- ▶ Slash and burn field clearing
- ▶ Ensure long-term supply in a volatile industry

# The Issues: Reputational Harm

- ▶ Not “Good for Women”
- ▶ Opportunity to build brand image



# The Issues: Fair Trade



FAIRTRADE  
INTERNATIONAL

- ▶ Fairtrade International failed
- ▶ Unreliable 3<sup>rd</sup> party certifications
- ▶ Benefits associated with fair trade

# Where to focus our efforts?

- ▶ Child labor is a symptom of a larger problem
- ▶ Reexamine supply chain for:
  - Sustainability
  - Transparency
  - Social responsibility

# Our Recommendations

# Goals

- ▶ Social responsibility in supply chain
- ▶ Empower women globally





# Immediate Response

# Immediate Response

- ▶ Create Ethical Sourcing Department
- ▶ Work with UNPCB



# Immediate Response

- ▶ Tiered supplier scoring system:



**Socially  
Transparent  
And  
Responsible  
Sourcing**

# Scoring

- ▶ Work with ILO to develop criteria
- ▶ Distribute criteria
- ▶ Baseline: meeting basic standards



# Immediate Response

- ▶ Regional office in Burkina Faso
  - Incentive-based supplier scorecard
- ▶ Management by expatriates, local employees

# Long-Term Response

# Long-Term Response

- ▶ STARS Method implementation
  - Empowering women
  - Incentive system
  - Applied to entire supply chain
  - Suppliers take ownership of change

# Long-Term Response

- ▶ STARS Incentive-based System
  - How it works
  - Ahead of industry standards
  - A new way of doing business



# Long-Term Response

- ▶ Empowering women
  - Increase farm yield
  - Women's role in agriculture
  - Superior quality of products
- ▶ Women in management and ownership roles

# Long-Term Response

- ▶ Give Suppliers Ownership of Social Change
  - Why this works
    - Fair wages
    - Transparency
    - Empowerment
    - Technology
    - Maintain standards



# Long-Term Response

- ▶ STARS Mutually beneficial incentives
  - Preferential buying
  - Higher Premiums
  - Access to capital
  - Training sessions
  - Infrastructure
- ▶ Overall benefit



# Marketing

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# Marketing Strategy

- ▶ Making women feel:

**SEXY, SUBSTANTIAL AND  
SUCCESSFUL**

# Marketing

- ▶ Demonstrate Victoria's Secret empowering women
- ▶ Supported by STARS initiative
- ▶ Various marketing channels
- ▶ Gain customer loyalty

# Aligning Values

# Aligning Strategy and Organizational Values

- ▶ Customer rules
- ▶ Passion leads to success
- ▶ Inclusion
- ▶ It matters how we play





Questions?

