

Update from the Global Ethical Sourcing Conference in New York City, March 31 - April 1, 2011
John Kelleher, CEO - R.J. McCarthy LP

I was thrilled to be invited to New York this year to present at the Global Ethical Sourcing Conference. I presented a case study on R.J. McCarthy and highlighted all of the progress we have made in the past two years since deciding to make corporate social responsibility a top priority in our company.

Over two days, we presented two workshops to attendees of this year's conference - professors, other CEOs, CSR experts, media, and factory auditors from around the world. We focused on telling our story: our commitment to audit major factories every year with third party auditors, our achievement in publishing our industry's first accountability report, our decision to engage various NGO's in an open and transparent dialogue, our new initiatives on greening our operations, and so on. We received extremely positive feedback from the conference attendees, and were applauded as a real leader beyond our own industry. I am truly proud of our accomplishments and the recognition we received regarding R.J. McCarthy's progress thus far.

I am also convinced that we are at the forefront of CSR in the North American student apparel industry - for the second year in a row we were the only company from our industry to attend this critical conference, the first company in our industry to be asked to speak at the conference, and the first company in our industry to be singled out as a leader by many delegates and even organizers of the conference. This is great news for our people and our organization.

All that being said, I truly see everything we've achieved so far as the beginning of a very long journey. I was very candid at the conference about how much more work there is still to do and about many of the challenges we are facing. Getting CSR right and seriously making progress is not easy. For example, although our audits have confirmed that there are no "zero tolerance" issues present, we are committed to working alongside our factories to help make improvements to other aspects of their processes. We see the process of continuing to work with factories in addressing issues, whether big or small, as important work. Although tedious, we do not want to shy away from these challenges as a company. Our dedication to global manufacturing and commitment to prioritizing CSR in our decision-making is seriously helping to improve working conditions in a meaningful way. But as I pointed out in my speech at the conference, straight talk around this issue is essential. I refuse to shy away from talking candidly and openly about both our big achievements and the many challenges inherent in any manufacturing operation.

Once again, we are thrilled to have been recognized by the global CSR community for all of our efforts. We are going to continue working diligently on the issue - I am absolutely convinced it is both the right thing to do and a critical long-term competitive advantage for our company.

If you would like to send any feedback to us - I would be most interested to hear from you. Please email sustainability@rjmccarthy.com. I am committed to personally reviewing all mail received at this address.