



Victoria's Little Secret

On December 15, 2011, Cam Simpson reported in Bloomberg Markets Magazine (and syndicated globally) that Victoria's Secret "fair trade" sourced cotton had been using child labor. Specifically, he told the story of how a thirteen-year-old girl, Clarisse Kambire, labors in the cotton fields of Burkina Faso in slave-like conditions. These are fields that are "certified fair trade" and the cotton is exclusively sold to Victoria's Secret.

Original article (12/14/2011)

Subsequent to the release of this article, there were actions taken and statements made by Victoria's Secret and its parent company as well as the organizations responsible for trading and certifying the "fair trade" nature of the cotton. Those were outlined in a follow-up article that ran in the same publication in January:

Follow-up article (1/13/2012)

Your team has been asked to research this situation, analyze the current state of affairs and make recommendations to management of Victoria's Secret as to how they should proceed.

Victoria's Secret (a subsidiary of Limited Brands of Columbus, Ohio) has over 1,000 retail stores and over \$6 billion in annual sales.

The Limited Brands policy regarding suppliers and subcontractors states:

"We require our suppliers to comply with all applicable laws, regulations and industry standards. Limited Brands maintains a policy called "What We Stand For," which is designed to ensure that our business partners operate ethically and that our merchandise is produced under appropriate conditions in the United States and around the world. We will not do business with individuals or suppliers that do not meet our standards. We expect our suppliers to promote an environment of dignity, respect and opportunity; provide safe and healthy working conditions; offer fair compensation through wages and other benefits; hire workers of legal age, who accept employment on a voluntary basis; and maintain reasonable working hours. Finally, we require that all suppliers be particularly vigilant about compliance with country of origin and other requirements of the United States Customs Service and related agencies, and with similar requirements of other applicable jurisdictions."

Throughout the <u>website</u>, <u>annual report</u> and <u>social report</u> of Limited Brands, there is a consistent message of dedication to the environment, community, diversity and inclusion, and labor practices including a commitment to fair sourcing and labor standards.

The management team is concerned about the reputational harm to the Victoria's Secret brand. They are looking for strategies and tactics that are in alignment with their organizational values. How can they proceed in a way that achieves their stated goals and objectives? Where should they focus their efforts?

A few months have passed since this news broke, so we are past crisis communications stage. What should happen right now, and how does that relate to how your recommendations will play out over the next few years?

This case provides you an opportunity to use your knowledge and research skills to explore the issues related to corporate social responsibility, reputation, communications, supply chain management, stakeholder engagement and multiple other related topics.

You have the next 72 hours to develop your presentation to the panel of judges who will represent the management of Victoria's Secret. You will have 15 minutes to make your presentation and to convince the panel that your team's recommendations represent the best course of action at this time. The judges will then have 10 minutes to ask you questions about your recommendations. Be prepared to defend your position in a professional manner.

You may use any <u>publicly available</u> information about this article and the organizations involved. You may not contact the company, organizations, or the reporter for additional information.

This case description and the attached links are presented solely for the purpose of case study discussion. It is not intended to serve as an illustration of effective or ineffective management.

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