



CSR in the Supply Chain

**Conference on Responsible Sourcing:
Improving Global Supply Chain Management**
Brussels, 18 November 2005

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What is the Business Social Compliance Initiative :

Monitoring system for social standards of European retailers, initiated by the Foreign Trade Association (FTA) in Brussels in 2003

Improvement of labour conditions in supplier companies - in particular in newly industrialized and developing countries

Audit / qualification system (no certification)

Current emphasis on textiles, clothing, sports goods, shoes, toys

In the future also agricultural products



Why do we make this effort :

As internationally operating corporations, we feel we have responsibility towards our employees, customers, as well as our supply chain.

There are customers who want to know.

Our employees are asking questions.

Analysts and investors request more information.

And most of all, NGO's and Unions are questioning our activities.

Besides the willingness to take responsibility, we are also concerned about our reputation and the risk in running our business.



Who is BSCI :



These companies are committed to Corporate Social Responsibility.



BSCI system

Common Code of Conduct is part of buying conditions (minimum requirement).

Auditing and Development Process

Information / assessment of suppliers

Awareness / local supplier workshops

Auditing (audit companies accredited by SAI)

Correction phase : stepwise improvement with agreement on goals with deadlines

Coaching through internal or external parties

Re-audit – depending on result of first audit

New audit – every 2 to 3 years

Database

Local roundtables in supplier countries

Qualification

Verification

Termination of business relations only as last resort



producer

S 1/1
 (7 total)

DBID	name	SupplierCode	street	zip-code	city	country	State	date	Auditor	your classification	Audit Status	Audit Re Date
2089	testproducer	465765437374	teststreet		testcity		Denmark	2004-03-29	auditor2	Self-Assessment conducted	0. no entry	
2093	testproducer22		testproducer22		testproducer22		Albania	2004-04-28	auditor	no entry	0. no entry	..
2094	testproducerga		testproducerga		testproducerga		Albania	2004-04-28	auditor	no entry	4. No further qualification needed	..
2095	testproducergg		testproducergg		testproducergg		Albania	2004-04-28		no entry	0. no entry	
2096	testproducerstest		testproducerstest		testproducerstest		Albania	2004-04-28		no entry	0. no entry	
2097	testproducercn		testproducercn		testproducercn		China	2004-04-28	auditor	no entry	0. no entry	
0	supplier		street		hongkong		China	2004-09-14	auditor3	no entry	0. no entry	



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(7 total)

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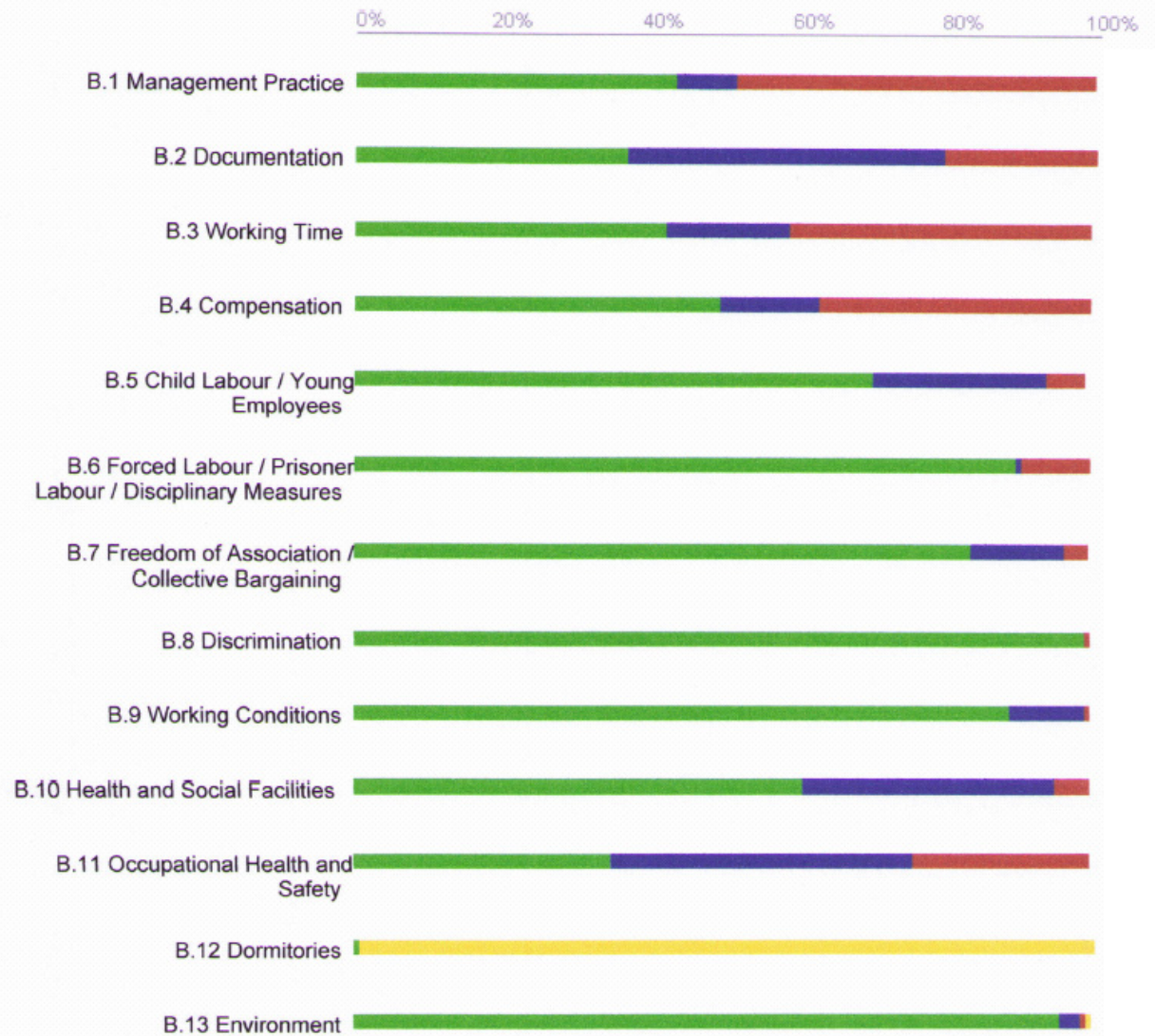


Audit

Results

Turkey

Total in all countries about 1000 audits performed





Sustainable improvement

An audit provides a snapshot of the situation, but CSR is more than auditing:

- Coaching

- Creating awareness, responsibility and identification

- Organizing workshops and training

- Building a complaint system

- Involving local stakeholders

- Building roundtables and networks (dialogue platform for local stakeholders)

Training and capacity building are essential elements for realistic improvements in the supplier countries.



Training and Capacity Building

Capacity building is a necessity to further advance CSR beyond the auditing process and improve the working conditions in a sustainable way.

General Issues

Awareness raising among governments, companies and workers

Addressing the issues based on audit results

Quality and capacity of auditing companies

Capacity and number of educated trainers



Training and Capacity Building (continued)

Specific issues

Implementation and enforcement of law

Lack of good management

Duplication of audits by different systems

Cooperation among different initiatives

Support on the international level

Lack of sufficient resources in several regions

Emphasis on a business case

Competitive sentiments limiting cooperation / outcome

Measurability of results – available tools

Local ownership / management to encourage involvement



Next steps for the BSCI

Raising further local awareness among stakeholders

Training on specific issues emerging from audit results

- Occupational Health & Safety
- Human Resource Management

Discussing cooperation possibilities with other initiatives and/or systems



Thank you very much for your attention

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<http://www.fta-eu.org>