

SUSTAINABLE PURCHASING & SUPPLY CHAIN MANAGEMENT



PRACTICAL GUIDE

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Business & Society Belgium is a business network reuniting over 80 companies and business associations from various sectors that wish to integrate CSR in their administration and activities. As a reference point for CSR in Belgium, we offer guidance and tools to the companies by sharing a good practice, developing new solutions on CSR and informing the stakeholders of various aspects of CSR.

Imprint

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May 2012

Introduction

Sustainable development and the companies' social responsibility (CSR) have become inseparable from the socio-economic debate. The standard ISO 26000 has inaugurated a new era: for the first time, an internationally recognized definition of 'social responsibility' exists, which is henceforth the case for all types of organizations, companies, NGOs or public institutions.

Moreover the standard ISO 26000 ascribes great significance to an organization's responsibility in its influential sphere, which signifies that social responsibility is not confined to boundaries of the organization but extends to other fields as well, particularly in its value chain. Responsibility in the value chain and sustainable purchases are thus pillars inseparable from a company's or organization's social engagement, and so from its (C)SR strategy.

[The CSR-barometer](#), conducted in 2011 by Business & Society in collaboration with the FEB, Vlerick Gent Management School and Louvain School of Management, and in which over 500 Belgian companies participated, confirms that companies are decidedly engaged in CSR. There are several reasons for companies to operate in a more sustainable way, many of those directly or indirectly linked to purchasing.

All the reasons above have motivated us to gather in this publication our expertise, the inspiring and different practices that have emerged from the two working groups organized by Business & Society as well as the recent education studies on sustainable management of the value chain.

This publication is intended to serve as a practical guide that highlights the steps and methods allowing the establishment of successful sustainable purchasing strategy.

In the first part, we will address the following questions:

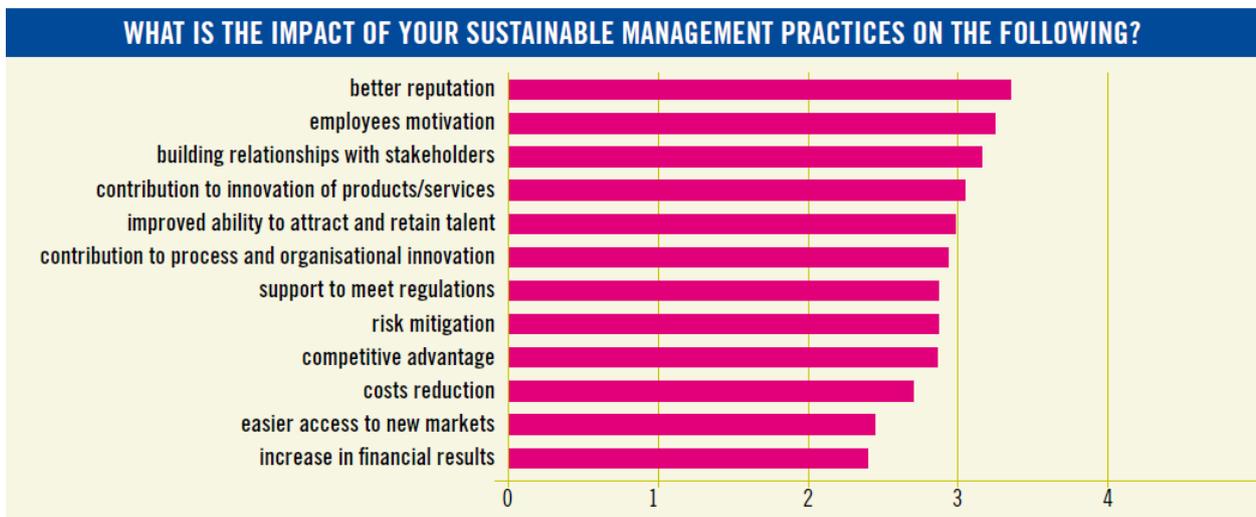
- Why is a sustainable procurement policy important?
- What are the major challenges to overcome in order to ensure sustainability of a purchasing policy and, more generally, of the management of the value chain?

In the second part, we will invite you to discover 10 steps to help you manage your procurement chain and purchases in a responsible manner. This second part is illustrated by numerous concrete cases and by some good practices.

We would like to thank the companies and stakeholders who have made a valuable contribution to the success of this project. This publication would not have existed without their support.

We particularly thank the members of Business & Society who have participated in the following working groups:

- Sustainable Procurement: Artoos, Belgacom, Fortis, Care, Dexia, Electrabel, FEB, GDF Suez, KBC, Sanofi Pasteur MSD and Sodexo.
- Sustainable Management of the Supply Chain: Artoos, Belgacom, BNP Paribas Fortis, Care, CESI, Coca-Cola Belgium Luxembourg, Cofely Services, Delhaize, Ecover, ELIA, Ernst & Young, Etex, GDF Suez, Heidelberg Cement - CBR, ICHEC-Enterprises, Infrabel, Janssen Pharmaceutica, KBC, Mobistar, Novartis, PricewaterhouseCoopers, Reynaers, Rosy Blue, Saint Gobain, Siemens, Solvay, Spadel, SWIFT, Total, UCB, Umicore and Van Marcke.



Source: 2011 Barometer of Corporate Social Responsibility, Sustainable development firmly rooted in companies in Belgium, Business & Society, Vlerick Leuven Gent Management School, Louvain School of Management, FEB-VBO.

Part 1

Why?

Sustainable management of the value chain, purchasing policy and CSR

Responsibility in the value chain and sustainable purchases are pillars inseparable from a company's or an organization's social engagement, and thus from its CSR strategy. They also allow the company to give a real and concrete meaning to their social engagement, both inside and outside the organization.

[The international standard ISO 26000](#) defines social responsibility of an organization as follows: "the responsibility of an organization vis-à-vis the impact of its decisions and activities on society and the environment, resulting in transparent and ethical behaviour which:

- contributes to sustainable development, health and well-being of society;
- takes into account the expectations of stakeholders;
- upholds the law in force and is in line with the international standards of behavior;
- is integrated into the organization as a whole and implemented in its relationships."

All types of organizations, whether businesses, non-governmental organizations or public institutions, operate within a chain in order to fulfill their mission. All products and services are purchased for the provision of other products or services.

Sustainable management of the value chain implies that the organizations use their purchasing power and their influence in their dealings with suppliers and clients in order to induce positive changes, the ultimate goal being to improve social and environmental performances of an entire chain of products and contributors.

A sustainable procurement policy is generally part of a broader approach to social responsibility. The choice of developing ecological products, for example, will induce a behavioral change in the purchasing department. The establishment of a sustainable procurement policy can also be the starting point for the development of a CSR strategy on all company activities. Therewith, ISO 26000 recommends organizations to question the environmental and societal impacts of their activities and decisions in seven dimensions:



Why is a sustainable procurement policy important?

Taking responsibility for one's value chain is important for more than one reason. The purchasing function plays an increasingly important role in the company strategy. Moreover the establishment of a sustainable procurement policy allows the company to identify risks as well as opportunities.

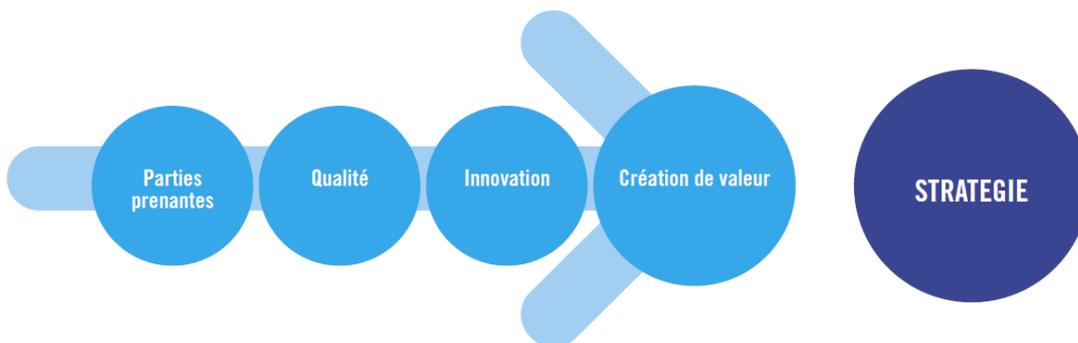
Purchasing: a strategic function

The purchasing department is becoming increasingly important in the day-to-day management of the company and the organizations' strategy. The reasons for this are various. The trend towards outsourcing has urged companies and organizations to collaborate with an increasing number of suppliers so as to be able to concentrate on their key-activities. Some examples include the outsourcing of salaries administration, catering, cleaning, billing, graphic work, etc.. As a result, the purchasing department absorbs a large share of the company's budget, sometimes going up to 80% of the budget, and its share in value creation increases.

Purchasing also has a significant impact on the quality of products or services provided. Moreover, they can greatly contribute to innovation. Finally, the Purchasing function maintains an increasingly close link with some of the most important stakeholders of the enterprise: suppliers and clients / consumers.

The [5th European Sustainable Procurement Barometer](#) conducted in 2011 by HEC Paris and Ecovadis draws the following conclusion and underlines the growing strategic importance of the Purchasing department:

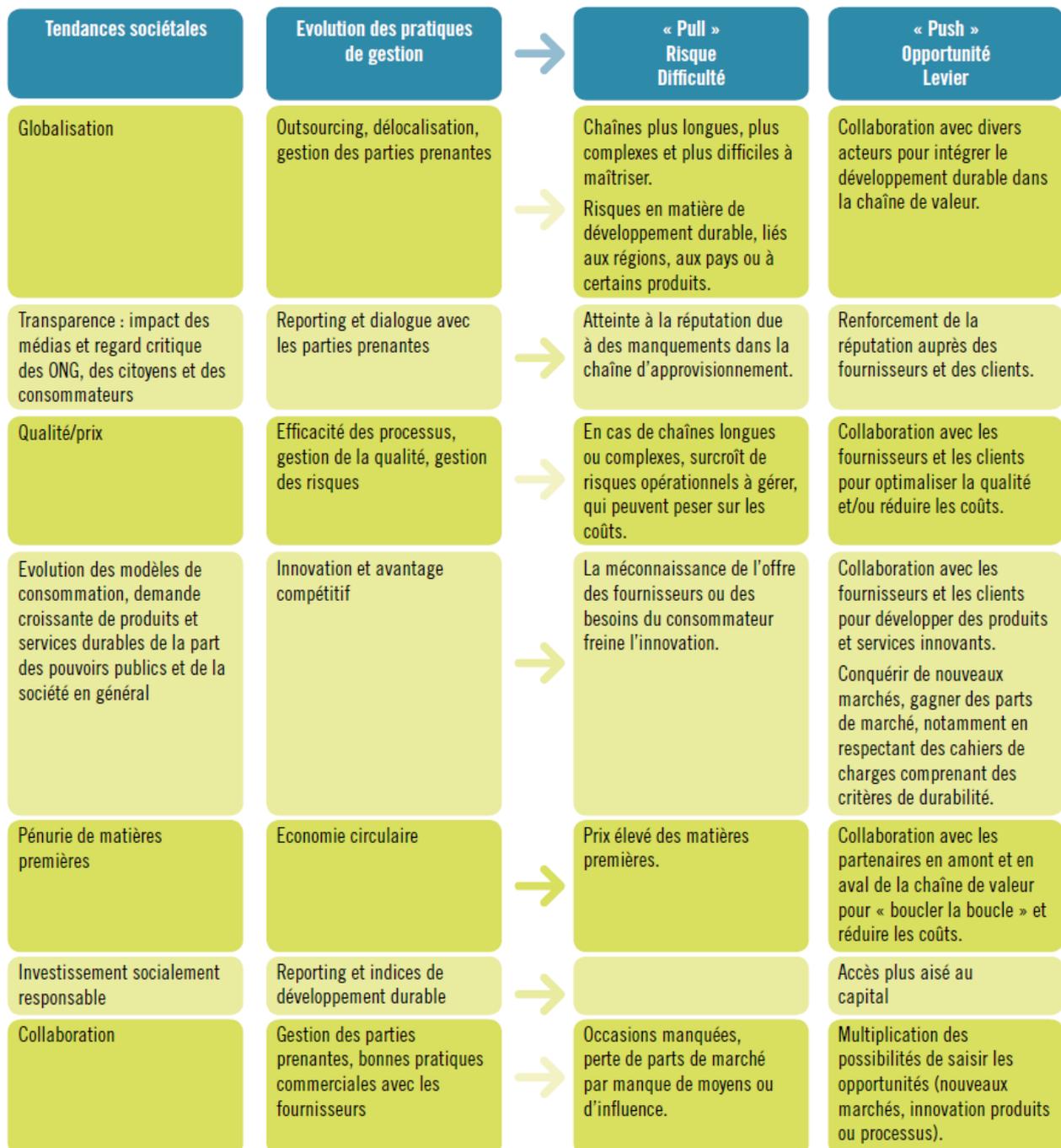
"First it is obvious that the future of the Sourcing and Procurement is a real move from a "cost-saving oriented" approach to a real contribution to the corporate Value Creation (i.e. the concept of Value for Money). In particular, through an incremental or a disruptive innovation process, but also as a competitive advantage. Sustainable Procurement can be part of this change when aligned with company strategies. This objective is more profitable than the current prevailing Risk Management approach."



Identify risks and opportunities through sustainable management of the value chain

Sustainable management of the value chain allows their identification, integration and the organization's engagement in a manner in line with social responsibility in its entire influential sphere.

Changes in society and in managerial practices of businesses and organizations are leading to the emergence of risks, as well as opportunities.



What are the major challenges for assurance of sustainability of the procurement policy and, more generally, of the value chain management?

As you can read in the second part of this publication, the answer to this question depends on the type of organization, of its activities, of its environment and of its influential sphere. It should also establish priorities.

Here we will give the overview of the key social challenges linked to the supply chain.

We have regrouped these challenges into three sections, corresponding to the three pillars of sustainable development: "*people, planet, profit*". The term "Profit" is not to be interpreted in the narrow sense of supply costs and thus of private company profits. It also covers the concepts of governance, financial management, transparency, efficiency, management, quality and ethics, all of which are equally important for private companies as for all types of organizations. The term "People" and refers to the social challenges and "Planet" to the environmental challenges. For each of these pillars, we will identify the various aspects to be taken into account, the questions that present themselves to the companies and to the organizations and we will suggest a first track of a concrete solution

PROFIT

The economic challenges are mainly related to operational risk management. Your influential power over the cost of supply because of the size of the contract, the financial situation of your supplier, his legal background, the reputation associated with corruption or diversification of your portfolio of suppliers are all factors that determine the level of economic performance of your value chain.

Financial health of suppliers

What conditions and terms of payment does your company offer to the suppliers? Are they reasonable? What is the impact of the negotiated price on the supplier? What is the state of the financial health of your supplier?

It is natural to try to negotiate good price in a deal. However, if you negotiate very low prices, it will not be without consequences on the supply chain (think about the safety conditions and workers' compensation, the issue of child labor, etc.), as well as the survival rate of your supplier.

Ensure that the delivery notices imposed by your company are reasonable, and make sure they are respected. If necessary, discuss this with your company's or organization's financial manager.

Suppliers' dependence on the organization

How important is your business in the supplier's revenue? What would be the consequences for the supplier if the collaboration was to be terminated?

If your supplier can only survive with your orders, the situation is obviously risky. Beware of your orders' share of your supplier's total revenue. It may be to a good idea to communicate your order estimations to your suppliers so that they can adjust their production accordingly.

Suppliers' Reliability

Does your supplier provide quality products? Does he respect the delivery notices? Is he reliable and does he not commit any offenses against the law?

Evaluate the economic performance of your suppliers, combine the results of their environmental and social performances and then establish a list of your preferred suppliers. If your provider commits an offense, this gives rise to a high risk of having to suspend or terminate his services and not being able to assure the continuity of supply. Do not hesitate to check whether the suppliers have committed any legal offenses in the past.

Corruption, fraud

Does your company pay attention to the rules of ethical trade? Does your company purchase in regions where corruption is of common occurrence? What to do if corruption is culturally accepted and desired?

Make sure that buyers and sales managers know and respect the rules of ethical trade. Make it possibly one of their personal objectives.

Transparency International publishes corruption indices and suggests some tools (including ['business principles'](#)) that can help companies fight corruption.

Diversity of the portfolio of suppliers

Does your purchasing process offer enough flexibility to attract different suppliers per category of products or services? Does your purchasing process leave some room for SMEs, socially economic enterprises and local suppliers?

Allowing different small suppliers to present themselves as candidates in your calls for tender promotes competition, innovation and fixation of a fair price. Consider how to better inform SMEs and social enterprises during your calls for tender. Your company may choose to do some purchasing locally. This often allows reduction of the ecological imprint related to transport and contributes to the establishment of links with the local communities in which your business operates.

Management of relations with the suppliers

How does your company communicate with its suppliers? How does it evaluate them? Does the evaluation create an opportunity for dialogue?

It is obviously not feasible to maintain an intensive dialogue about sustainability of the chain with all your suppliers. Establish priorities, in particular by using the information issued from the risk analysis (**see Part II**). For the suppliers at risk and for those who are of strategic importance to your business, it is important to communicate your expectations in a transparent and closely monitored manner.

PEOPLE

Social challenges are related to the compliance with human rights and the right to decent work as defined by the International Labour Organization (ILO). A good mastery of the chain helps identify the risks of violating human rights and labour rights. Regions and groups of specific products are especially known for their higher risk of violating these social rights. Safety issues and their impact on the local community are equally to be considered. It may also be useful for a company to execute a social analysis of the cycle of life ([see Part II](#)).

Child Labour

Does your company purchase from countries where child labour is part of reality? Does your company purchase products which are specifically sensitive in terms of child labour (agricultural products, clothing, raw materials, etc..)?

Child labour is closely linked to poverty and is sometimes the only source of income for a family's revenue. In addition, each country has its own laws concerning the minimum age of workers. An approach adapted to local conditions is therefore recommended.

The [International Labour Organization \(ILO\)](#) defines child labour as "work that deprives children of their childhood, impairs their potential and their dignity and harms their physical and mental health." The ILO considers that all work performed by children does not harm them, but the organization condemns all forms of work that are physically, socially or morally dangerous and harmful to children or that interfere with their education and development. Collaboration with NGOs and local associations is a good way to fight this problem.

The [ILO](#) offers a helpdesk to companies that have questions about child labour and the other rights defined by the ILO.

[UNICEF](#) is another source of useful information on child labour in different countries and it collaborates with local partners and businesses to manage the problem of child labour.

The [Business Social Compliance Initiative \(BSCI\)](#) is a collective platform that helps companies render their chain socially responsible, while contributing to the training and reinforcement of the suppliers' own capacities.

[SA8000](#) is an internationally recognized standard that accredits companies that respect human rights and labour rights.

Forced Labour

Does your company purchase from countries where human rights are violated? Does your company purchase products which are specifically sensitive to violation of human rights (agricultural products, clothing, raw materials, etc..)?

Forced labour is often linked to the problem of migrant workers, human trafficking and national debt. This is not limited to developing countries. In developed countries as well, some people are forced into modern slavery, whether in agriculture, construction, catering services or other sensitive sectors in terms of black market. You are therefore advised to be vigilant and to make sure that your suppliers pay their social security contributions for their staff and do not practice prices below the minimum rates. Social audits may be required.

[ILO, BSCI, SA 8000 \(see above\)](#)

Discrimination

What is the reputation of your supplier? What kind of discrimination are your purchases sensitive to (gender, age, sexual orientation, disability, race, etc..)?

Discrimination is a current problem in developing countries as well as in developed countries. Inform yourself about your supplier's reputation and ask him for any possible complementary information (internal social policy, labour regulations, anti-discrimination measures, etc..). In Belgium, there are many initiatives aiming to fight discrimination in companies. Depending on where you purchase, Diversity labels may possibly exist.

[ILO, BSCI, SA 8000 \(see above\), Centre for Equal Opportunities and the Fight against Racism](#)

Safety at work

Does your company purchase goods or services produced in dangerous conditions? Does your company buy from countries where safety standards are weak or inadequate?

The security and hygiene conditions at work differ widely among countries, economic sectors and social groups. Deaths and injuries are of a particularly high rate in developing countries, where a big part of the population is employed in potentially dangerous sectors, such as agriculture, fishing and mining. Worldwide, the poorest and least protected people - often women, children and immigrants - are among the most affected. So ask your supplier which safety measures are adopted by his company, make sure the workers dispose of adequately protective equipment. The [OHSAS label](#) is awarded to companies that make an effort regarding security and hygiene in the workplace.

[ILO, BSCI, OHSAS](#)

Minimum wage - Social Security

Does your supplier pay decent wages to his workers, or at least the legal minimum wage? What is the social security system in force (salary, termination due to illness, pregnancy, disability or pension) in your supplier's country of origin?

Ask your supplier about the wage scales and social security schemes he applies.

The ILO examines the coverage in its [World Report on Social Security](#) and possesses [a range of data related to the minimum wage](#).

Working hours and overtime

Does your supplier comply with the legal provisions regarding working hours, rest and vacation? Do the workers consistently work overtime? Are the overtime hours limited? Are the workers properly rewarded for working overtime?

Supplementary working hours and long working days are sometimes desired by the staff. This is especially true for immigrants who move to the big cities to earn money and feed their families. However, these practices should be limited, given the increased risks of accidents at work

and the need to take a minimum amount of rest. The ILO possesses [a database relating to minimum wage](#)

[ILO, OIOS](#)

Impact on the local communities

Does your supplier's activity have an impact on the local community in which it operates (health, pollution, development)? Are the rights of the indigenous people respected? Are the local communities capable of surviving and maintaining their lifestyle?

This issue is complex and about respecting human rights, labour rights, environment and culture. [Business & Human Rights](#) gathers relevant information on the rights of indigenous people.

Freedom of association and collective bargaining

Does your company purchase from countries where labour unions have (almost) nothing to say? Does your company purchase products that are specifically sensitive to non-compliance with that law (agricultural products, clothing, raw materials, etc...)?

In some countries, freedom of association and collective bargaining are not guaranteed. CSR is nevertheless a powerful engine of social dialogue within the companies of your suppliers.

The department of professional relations and employment relations of the [ILO](#) draws the situation of labour law in different countries as well as performance on freedom of association and collective bargaining.

The [China Labour Bulletin](#) closely monitors developments regarding freedom of association and collective bargaining in China and aims to make promotion lever of CSR.

PLANET

Throughout their activities of production, transportation and use of facilities, companies leave their imprint on the environment. If, globally, the purchase of products generates a greater environmental impact than the purchase of services, a good analysis will allow you to detect and measure this impact precisely.

You can manage the negative environmental impact in your chain in two different manners:

- Firstly, by purchasing more environment-friendly products. They will, for example, consume less energy, contain fewer new raw or harmful materials, be easier to recycle, etc..
- Secondly, by paying attention to the efforts of suppliers to render their production and other processes (such as logistics, for example) more respectful of the environment. See also part II, "The product, the service and the supply chain, inseparable links

See also Part II, "The product, service and supply chain links inseparable."

Identification of purchases with a large environmental impact

[What purchases exercise a great impact on the environment? Are there any environment-friendly alternatives on the market?](#)

Ask yourself which purchases necessitate large expenditures and try to measure the environmental impact they could generate on the aspects mentioned above.

Certain products, such as oil or petrochemical products, generate a significant environmental impact. It is important to identify the environmental impact of products purchased through the entire life cycle: Life Cycle Analysis (LCA), Total Cost of Ownership (TCO) - **see Part II.**

The definition and a detailed analysis of needs will help you find alternative solutions on the market.

Encourage your suppliers to provide sustainable solutions and to innovate in order to offer environment-friendly products.

Use of raw materials

Does your company purchase raw materials (products containing these raw materials) in countries where environmental legislation does not exist or underdeveloped? What purchases are suitable for a leasing formula? What purchases are suitable for research for alternatives on the market, containing recycled, biodegradable, easily recyclable or re-usable materials?

Mining activities and other forms of extraction of raw materials often have a negative impact on the environment. Products manufactured following the philosophy "design for disassembly" can more easily wrap the lifecycle of the materials. Opt for simple materials and avoid compound materials that complicate dismantling and recycling.

Consider also the products used during services (cleaning, catering, etc..). The analysis of the life cycle is usually the perfect tool to go of the environmental impact of the use of raw materials.

[EU 'resources efficiency, "common position of the FEB, UWE, Beci and Voka](#)

Energy use

Does your company purchase goods or services that require a lot of energy for their production or usage? Do your suppliers pay efforts to reduce their energy consumption? Do you have a perspective of your supply chain? Do you opt for multi-modal and sustainable logistics?

An analysis of the life cycle or the total cost of ownership (TCO) allows the identification of the major costs associated with energy consumption. Some specific machines like vehicles, refrigerators, printers generate the greatest environmental impact during the usage phase. It is therefore important to choose models that show to be economic through their usage.

Some specific labels provide information on the energy performance of appliances, like [Energy Star](#), the European certificate of energy efficiency. A good energy policy is linked to a good environmental policy. Specific environmental management systems such as the standard [ISO 14001](#), [Enterprise Ecodynamics label](#), [Green Key](#) (hotels) etc.. certify that the company makes an effort to act with respect to the environment.

Also ask your supplier if he purchases green electricity.

[Guide to responsible consumption labels for European Energy Labelling](#)

Waste

With respect to your own operations: What type of waste is generated by your product at the end of its life cycle? Can you limit the amount of waste in your purchases (packaging waste, modifications in delivery volumes, etc..)? Are all waste streams sorted and

recycled in an optimal manner? Can your recipient of waste treatment services help you? With respect to your relations with the suppliers: do your suppliers have their own policy on waste, or do they at least obey the law? Is their waste exported?

A good policy on waste requires a good environmental policy. There are specific environmental management systems such as [ISO 14001](#), the [Company Ecodynamics Label](#), [Green Key](#) (hotels) etc.. which certify that the company makes efforts to act respectfully with regards to the environment.

An analysis of the life cycle will allow you to discover the impact of a product at the end of its life.

[Guide labels for responsible consumption, Greenpeace e-waste](#)

Use of toxic materials

Does your company purchase products that contain toxic materials? Does your company purchase products (chemicals or materials containing chemicals) that are subject to the [REACH legislation](#)?

If you purchase from a distributor, ask him if he interrogates and/or controls his own suppliers with regard to the use of toxic materials.

[REACH](#) is the European management system of risks associated with chemicals, such as the risks of poisoning, fire and explosion, damage to health among workers and consumers, and environmental damage.

The system of "[cradle-to-cradle](#)" tackles the abolition of chemical components dangerous to health and environment. It assesses the toxicity of the materials based on 19 criteria.



Leasing and circular economy

The act of purchasing is usually associated with the concept of ownership. Nevertheless other formulas, such as leasing, exist as a common practice for vehicles.

Leasing is a form of circular economy. In the case of a vehicle, for instance, you rent a mobility solution that you make available to your collaborators. At the end of the leasing contract term, the product is returned to the supplier. This principle has very positive impacts with regard to sustainable development. It is of your supplier's interest to ensure that the product can be reused, then dismantled quickly and cheaply and that the waste streams can be developed in another company.

It's not only the vehicles that are suitable for leasing formulas. Other examples of application include computer hardware, carpets, furniture, chemicals, etc.. This model is rapidly growing.

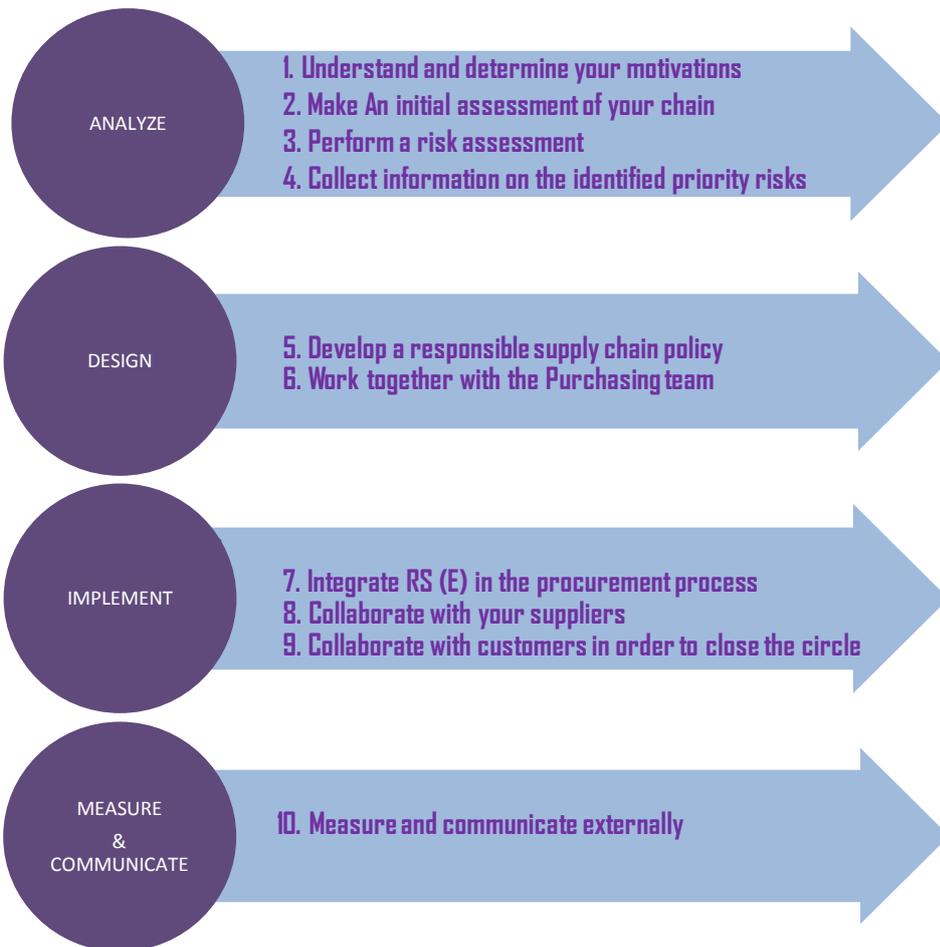
This business model is a form of circular economy, defined as follows: "a form of economy through which all materials used in a product are reused to fabricate a similar or different product, without losing its quality. The circle is complete when all waste streams are reused and the product's environmental impact is neutral. Here are some concepts associated with circular economy: analysis of the life cycle, cradle-to-cradle, eco-design, industrial symbiosis, ecological efficiency, ecological innovation, etc..



Part 2

How?

10 STEPS TO MANAGE YOUR SUPPLY CHAIN AND YOUR PURCHASING RESPONSIBLY



1.

Understand and determine your motivations

The first step is to determine why a responsible management of the supply chain is important for your business (in business cases). This will allow you to identify priority issues, to assess your risks and opportunities, and to obtain internal support through the next steps. Establishing the "business case" will also help you gain the support of senior management, with which you will determine the vision and objectives with regard to sustainable procurement.

Among these motivations, we find:

- **The creation of value and innovation:** the growing tendency towards outsourcing and the increasing scarcity of raw materials considerably increase the purchasing share in company budgets. The cost savings that the purchasing function can achieve is evident, especially in "closing the loop" through better collaboration with the suppliers. Beyond this aspect, the purchasing function is increasingly considered a part of value creation. With a clear understanding of what the suppliers offer and what clients need, asking more and more for sustainable products and services, the purchasing function contributes to innovation and thereby allows the gain of market shares and indeed the creation of new opportunities. Clients are more and more attracted to sustainable products and services. Access to capitals is also facilitated faced to financial institutions looking for socially responsible investments or simply companies that master the social, environmental and economic risks in their entire value chain.
- **Relations with stakeholders:** the Purchasing function maintains a close relationship with some of the most essential stakeholders, i.e. suppliers and customers. In the context of a globalized economy, where the chains are becoming longer and more complex, a successful CSR strategy requires close collaboration with these different players, both upstream and downstream. The company's reputation will come out enhanced
- **Quality:** by working closely with its suppliers, the purchasing department can generate a positive impact on the quality of products and services of the company.
- **Risk management:**
 - Operational, social and environmental: facing increasingly complex and lengthy chains, a good cooperation upstream as well as downstream can significantly reduce

the operational risk (Social and environmental risk and - see below, the section on risk identification) and the associated costs.

- On the reputation of the business: globalization and relocation generate increased risks, particularly when the company stock up in areas where social and environmental dimensions are hardly or not taken into consideration (see on this subject [the challenges identified in the first part](#)).
- Economics: a good collaboration throughout the chain can significantly reduce considerably the operational risk and the overhead it generates, as well as mitigate the impact of the higher costs of raw materials and avoid the risk of losing market share to competitors who offer sustainable products and services.



Spadel : aligning yourself with company values and provide customers and consumers with responsible products



Spadel has decided to implement a sustainable purchasing strategy for two main reasons. It was primarily concerned with the integration of the supply in the global CSR strategy of the company. Precise objectives were determined with regard to "Responsible sourcing" and all strategic purchases of Spadel (i.e. 80% of the company's purchases) are annually monitored and evaluated based on CSR criteria. The second motivation is directly linked to the relationship that Spadel maintains with its clients. This involves the acts of

responding proactively and anticipating the needs of the clients who are gradually introducing social criteria in their calls for tender. The price and quality are no longer the only decisive elements in taking over a market.



SIEMENS

Siemens: minimizing the financial, operational and reputational risks

In 2006, the Siemens society in Germany was suspected of breach of trust, corruption and tax evasion. In 2008, Siemens discharged a transactional fine of 1 billion euros, excluding the internal costs and attorneys' fees. This unfortunate event has prompted the company to become a leader on conformity (compliance) by introducing a global program supported by a clear message from the board "Compliance, as part of Corporate Responsibility, is 1st priority!" This global compliance program is managed by an independent organization, and consists of three parts:

- Prevention: training for managers on compliance policies, procedures and instruments, a communication program and the centralization of information;
- Detection: Compliance surveys and audits;
- Answers: the implementation of a follow-up of infringements and worldwide optimization.

This program is accompanied by a clear policy on corruption, corporate gifts, agents and brokers, etc. and is also communicated to suppliers and partners.

"Being a responsible company - this is what our foundation was built on, this is a core element of our values. Highest performance with highest ethics"

Peter Löscher, President and Chief Executive Officer of Siemens AG

We Stand for Our Values

Responsible - Excellent - Innovative

Find further information at www.siemens.com/compliance and www.siemens.com/values

SIEMENS



2.

Making an initial assessment of your chain

During this phase, you will examine the nature and scope of your supply chain. Depending on the complexity of your organization and the resources available to you, you could perform this analysis internally or by relying on an external consultant.

Remember to:

1. Make a list of all products and services that you purchase.
2. Identify your key purchasing categories of products or services, those that represent the largest share of your supply budget or those indispensable to the operational functioning of your business. Also specify which supplier you buy them from.
3. For each category of goods or services, trace the flow of materials. Do not forget to draw up the chain beyond your direct supplier? Many companies have in fact noted that the environmental and social risks usually lie with the most upstream suppliers of the chain. Do not forget to check the countries all these suppliers operate in. For this step, remember to check with your suppliers:

they may have already done the exercise, or they want to do it with you.

4. Examine how each product is transported.
5. Study your downstream flow of materials in the same way: whom do you sell your products and services to and what are they used for?

Once your motivations and your own state of affairs are established, proceed to an evaluation of:

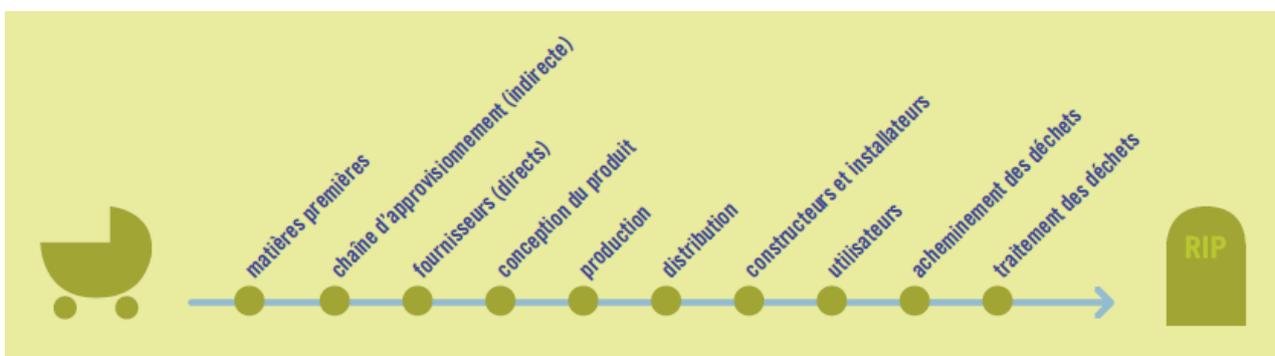
- what your competitors are doing: what do they include in their codes of conduct on sustainable procurement, how do they use these codes, do they have cooperation programs with the suppliers, what performance indicators do they use? Throughout this research, you will also be able to identify the prospective sectorial initiatives and avoid reinventing the wheel.
- the expectations of your stakeholders
- opportunities for partnerships

We will consider these last two points in more detail below.

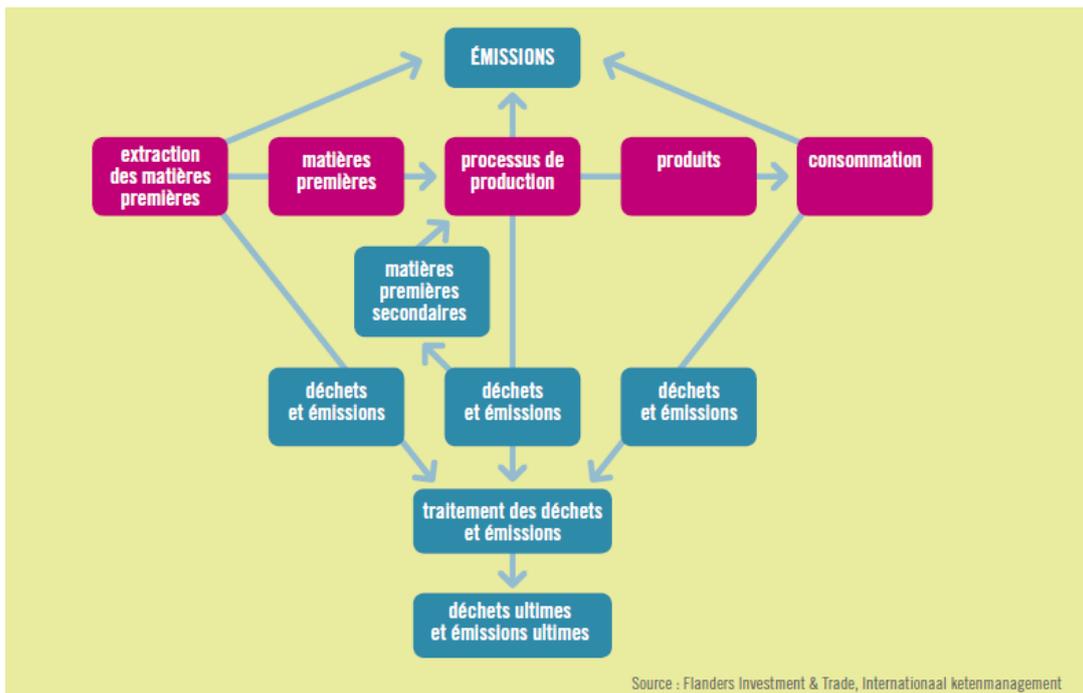
Product, service and supply chain: inseparable

A sustainable purchasing policy requires a combined approach. This is not only to examine the nature of products and services which the company acquires, but also to understand the entire value chain, both upstream and downstream. This combined approach gives an excellent picture of the risks the company faces in terms of sustainability.

The examination of the value chain consists of studying all phases of the lifecycle of a product or a service, which is also called life cycle analysis (LCA), combined with the analysis of the total cost of ownership (TCO).



This is the value chain of a manufacturing company. The same scheme may apply for a service provider.



Rosy Blue : ensuring the product's integrity throughout the value chain

Rosy Blue is a major player in the global diamond industry, from sales to distribution of polished diamonds and jewelry. With regard to the supply chain, the company's vision is without ambiguity:

"We believe an ethical supply chain is a vital part of our business. We want to partner with companies that share our vision on doing business the right way", Amit Bhansali - COO

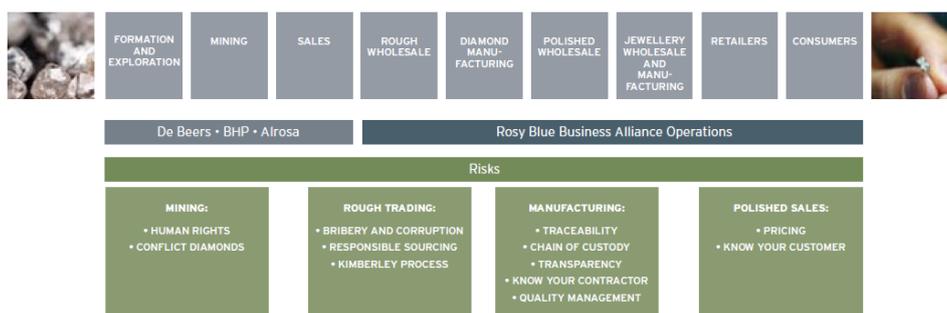
"Product integrity across the supply chain is our primary way of enhancing customer value. It encompasses the social, economic and environmental story that made this rough diamond a precious gift. Trust and confidence in the supply chain is the foundation of how we serve all our

clients, "Iris Van der Veken - Manager Global Corporate Affairs.

It is in this spirit that Rosy Blue has examined the nature and scope of its value chain, from the extraction of stones to the final consumer. The following diagram shows the various stages of the production of diamonds, including those where Rosy Blue and its various suppliers operate.

On this basis, the company has identified a set of risks. The "Kimberly Process Certification Scheme", a joint initiative of governments, industry and civil society allows the tracing of the provenance of rough diamonds throughout the chain.

In 2005, diamond producers and the largest jewelry brands also founded the "Responsible Jewellery Council" (RJC) to promote ethical, social and environmental practices and to protect human rights throughout the chain. Rosy Blue is one of 14 founding members of the RJC, which currently has 350 members.



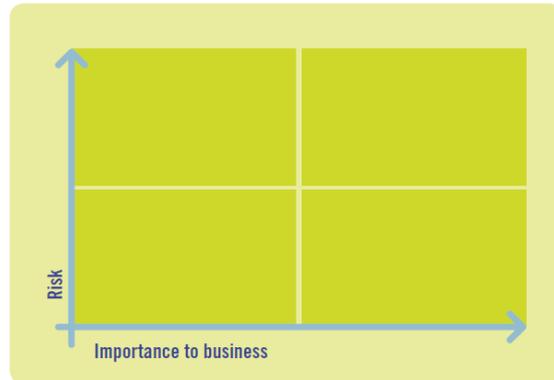
3. Conduct a risk assessment

First internally...

When evaluating risks, make choices and establish priorities depending on your motivations (business drivers), your key suppliers and the risks that you have identified. The risks and opportunities in your supply chain depend on the economic (operational, reputational, legal), social (human rights, working conditions, ethics) and environmental impacts associated with the products and services you purchase and their places of origin (see [the section on challenges in the first part](#)).

Based on these different factors and your motivations (business drivers), you can then map the risks in your supply chain. There are many models for mapping. If, for instance, the reputation has been identified as a key motivator, you can map the different types of purchases that carry high risks for the reputation, compared to their importance to your company.

CSR Netherlands suggest classification of the risk by suppliers rather than by categories of products, according to three categories (represented by a color code). These categories are then used to determine what additional actions are necessary: asking suppliers for information, sending out questionnaires, conducting audits, etc.. The category with the greatest risk (purple in the table below) will of course prevail.



		Risque RSE			
		Négligeable	Faible	Moyen	Elevé
Classification des achats (selon Kraljic)	Routine				
	Levier				
	Goulot d'étranglement				
	Critique / stratégique				

Source : MVO Nederland, Stappenplan Maatschappelijk Verantwoord Inkopen

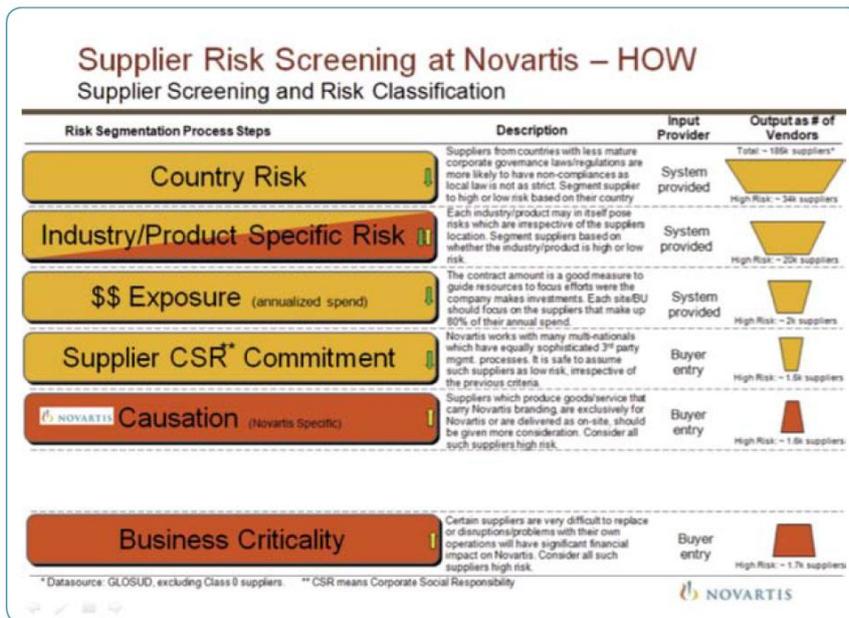


- the country of origin
- the specific risks related to the industry or product
- the causal link
- social commitment (CSR) of the supplier
- the importance of the supplier for the continuity of the operations
- the exposure

Novartis : risk assessment, a complex process based on multiple criteria

Novartis has developed a code of conduct for third parties, **the Novartis Corporate Citizenship Guideline No. 5**. Roles and responsibilities are clearly defined and, for each site, a person in charge of relations with third parties has been appointed. That person carries out quarterly checks and determines the priority actions. Also on a quarterly basis, new suppliers are registered in the global database “suppliers” of the group and analyzed in light of various criteria:

Suppliers are then classified into four categories (0 to 3), which are then translated into specific actions: none, sending a letter that refers to the code of conduct of the group, conducting a self-assessment questionnaire or audit (to be done by an independent expert).



... and to consult stakeholders



During the risk assessment, it is recommended to invest time in understanding the expectations of the stakeholders such as national and local governments, workers and their representatives, activists, NGOs, academics, experts, local communities and, last but not least, the suppliers. This dialogue is particularly important when the supply chain has an international dimension, because these stakeholders often have a better appreciation of the impacts on the ground and are thus often the first to identify the emerging social, economic and environmental challenges. This dialogue will not only allow companies to identify the risks more accurately, but will also allow, through an ongoing dialogue, to adopt a proactive approach rather than to discovering the problem afterwards. Our French partner ORSE has published a [practical guide](#) to help you with this consultation.

Stakeholder consultation in Reynaers Aluminium: identifying the social risks in the value chain

During a session of working group "responsible supply chain management", Reynaers presented its value chain, the countries where the company operates and its activities to an audience comprising trade unions, NGOs (WWF, Transparency International), financial analysts (Ethibel) and experts in corporate social responsibility. Reynaers then described in detail how the group sources its raw materials: a description of materials, use in

products, the origin and number of suppliers. Based on this information, participants identified the social, environmental and economic risks, then ranked them according to their significance, and completed a risk matrix. This exercise allowed Reyneers to identify risks that the company had not immediately perceived. For instance, some materials were purchased in Europe but were actually from Brazil, where social and environmental risks are higher.



The Life Cycle Analysis (LCA): A method allowing the detection of the risks in a sustainable development

The life cycle analysis (LCA) is a decision-making tool that allows businesses to better understand the different implications and impacts of a product or service to the community, the environment and the local economy throughout the life cycle.



The emphasis may be put on the environmental impact. In that case one speaks of the E-LCA or environmental life cycle analysis. The analysis covers the impact of the product or service on the environment throughout its life cycle, from extraction of raw materials, through consumption of energy and logistics, to waste treatment.

The same exercise can be done for the social dimension. This is called a [social-life cycle analysis or S-LCA](#). We analyze the impact on employees, their families, local communities, users and society in general.

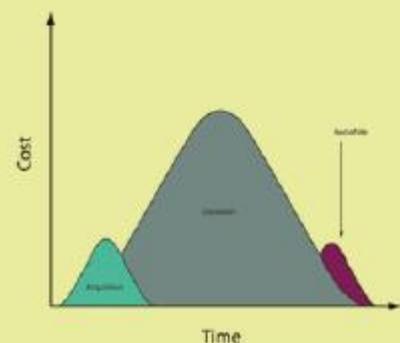
When finally the economic dimension is analyzed, one speaks of Life Cycle Costing (LCC) or Total Cost of Ownership (TCO). The cost structure is examined (Where is the added value created? Where are the costs generated?) throughout the life cycle of a product or service.



By combining these different dimensions, you will obtain a complete picture of the impact of your purchases on sustainable development. This is called Life Cycle Sustainability Analysis (LCSA).

$$LCSA = E-LCA + S-LCA + LCC$$

The life cycle analysis is a complex exercise. You must first determine the categories of purchases for which the exercise is relevant using the information gathered during the consultation of your stakeholders and your own priorities. Then you must collect a great number of data, especially from your suppliers. Transparent communication and a good relationship with your suppliers will improve the reliability of the gathered data



4.

Collect information on the identified priority-risks

Based on the identified risks, you should determine your level of requirement and elaborate your purchasing policy. In order for this policy to be realistic, we recommend to consult a few stakeholders, starting with a few of your suppliers who can provide you with useful insights. Knowledge of their challenges and performances will help you define your level of requirement. You can conduct this research on the basis of face-to-face interviews, site visits, questionnaires or documentary researches. Do not hesitate to consult the industry organizations which your company belongs to.

As an example, here are some aspects that you can discuss with your suppliers during this informative dialogue:

- the origin and mode of production of the products;
- how the supplier has himself developed and implemented a CSR policy or even strategy, especially regarding diversity, environmental impact, health and safety at work, etc.;
- the controls in place, to verify that the manufacturer complies with the social and environmental standards imposed by the supplier.
- how the supplier measures his economic, environmental and social performance.



5.

Develop a policy of responsible supply chain

The next stage consists of translating your expectations into guidelines that provide clear direction to your purchasing department and suppliers. At the very least, you should be entitled to expect your suppliers to comply with national laws and take proactive measures to prevent environmental and social damages. Naturally this stage requires you to work closely with all purchase teams of the company. To make sure the policy is relevant and the purchasers comply with it, they should be involved in the redaction.

Before you begin the writing of a new code, check what already exists, particularly in the industry organizations to which your company belongs. This way you will avoid reinventing the wheel and minimize the workload for your suppliers who face many customers with different codes and requirements. These collective initiatives are often accompanied by shared audits.

Some examples of industry organisations:

- [BSCI](#) (Business Social Compliance Initiative) is a non-profit initiative that promotes sustainability in the supply chain. The participants are mainly producers and distributors in the "non-food" industry, but membership is open to any company.
- [EcoVadis](#) provides a collaborative platform allowing companies to assess the environmental and social performance of their suppliers worldwide and to share the result with one another.
- [Electronic Industry Citizenship Coalition](#) (EICC) has developed a code of conduct for accountability in the supply chain in the electronics sector. EICC also provides auditing and reporting tools.
- [Ethical Trading Initiative](#) (ETI) is an alliance of companies, trade unions and NGOs that are committed to working together in order to identify and promote good practices, including the introduction of a code, follow-up actions and audits.
- [Fair Labor Association](#) (FLA) wants to improve working conditions in factories worldwide. The affiliated companies sign the code and the group has established monitoring, training and control procedures.
- [Fair Wear Foundation](#) (FWF) has a code of conduct for the clothing industry. FWF is also responsible for controls.
- [Forest Stewardship Council](#) (FSC) is a brand for responsible forestry management. Suppliers of wood and paper products can join the campaign. PEFC is a similar label.
- [Global Social Compliance Programme](#) (GSCP) stimulates the exchange of good practices in order to deliver a global and common approach of continuous improvement with regard to working conditions and the environment.
- [Marine Stewardship Council](#) (MSC) is a certification standard for fishery.
- [Sedex](#) is a non-profit organization aiming to promote responsible and ethical improvements regarding existing practices within supply chains. This collaborative platform enables the sharing of data in four main areas: labour standards, hygiene and safety, the environmental and commercial practices.



Sony: collaborating within the sector in order to reduce the workload for the supplier as well as in one's own company

Sony's CEO is very clear about the environmental footprint of the group: it must be reduced to 0 for the entire life cycle of products by 2050.

Four areas of action have been identified: conservation of natural resources, control of chemical substances, promotion of biodiversity and combat against climate change. In order to achieve this ambitious goal, Sony must work together with its suppliers and the Electronic Industry Citizenship Coalition (EICC), an alliance of more than 40 companies in the sector of communications and information technology. EICC has established a common code of conduct allowing to communicate clearly with consumers and suppliers.

It is by working in this manner that Sony manages to reduce the workload for its suppliers and to benefit from the results of the shared audits conducted by the EICC. Sony, however, conducts additional audits that allow assignments of a "green" label to certain partners. These partners are committed to measuring and publishing their emissions of greenhouse gases and other harmful substances, as well as to participating in joint actions allowing to reduce emissions and thus to reach the objective of "zero emission".

If no sectorial nor collective code is available or suitable for you, use internationally acknowledged standards, such as:

- The [OECD Guidelines for Multinational Enterprises](#), establishing the minimum international CSR requirements. The OECD guidelines are based on the international laws, regulations and treaties.
- [Global Compact](#), an initiative of the United Nations for businesses, based on the five themes of the OECD guidelines.

[ISO 26000](#), guidelines for all types of organizations that present the concepts, terms and definitions related to social responsibility as well as its principles and practices.



Remember to consider the following, when writing your own code:

- Have a clear goal or declaration of intention in mind
- Consult
 - Your stakeholders, including your suppliers
 - The various internal departments involved and especially your purchasing team.
- Consider the possibility that your CSR requirements might affect your suppliers' requirements for their own suppliers
- Define the minimally expected standards clearly
 - Comply with laws and regulations
 - For social matters, refer to internationally recognized instruments such as the Universal Declaration of Human Rights and ILO Conventions rather than inventing new standards.
 - For environmental matters, these matters vary from one sector to another, hence it is important to identify its risks accurately
 - Establish standards that you yourself comply with. In other words, make sure you dispose of a clear strategy on sustainable development that is actually implemented at all levels of the company.
- Explain in detail how the supply chain will be managed and monitored, how performance on such issues as labour rights or economic standards will affect the evaluations and contract renewals.
- Be very clear about the consequences of non-compliance: will there be any corrective actions? Can we work together to develop a solution? At what term?
- Add an explanatory document and a contact point where suppliers may ask their questions.



Novartis: A code of conduct based on acknowledged standards, along with an explanation regarding the expectations, collaborations and penalties in case of non-compliance

The pharmaceutical company Novartis has developed a code of conduct for its suppliers explaining its minimal requirements for ethics, working conditions, health, safety and environmental protection. This document is distributed to all potential and existing partners. In order to make this code more accessible, Novartis also communicates its "Corporate Citizenship Guidelines on Third Party Management" based on the principles of the United Nations Global Compact and in alignment with the "Pharmaceutical Industry Principles for Responsible Supply Chain Management", a sectorial initiative. The Novartis Code of Conduct explains what is expected of suppliers, but also the procedures established for monitoring and the control of requirements as well as the actions taken in case of non compliance. These documents are available on the Novartis website.

KBC: recommendations and non-compliance clauses regarding sustainable procurement

KBC has developed its suppliers' code of conduct based on the 10 principles of UN Global Compact. KBC stipulates for each principle minimum requirements that, in case of non-compliance, could lead to termination of the contract.

In addition, the financial institution also enunciates recommendations and refers to its own policy on working conditions, corruption, environmental management, etc.

By way of illustration, this is an excerpt of KBC's "sustainability policy for suppliers":

"When KBC believes that a supplier does not meet the requirements, the supplier will be invited to undertake appropriate corrective actions. This seems to be the best solution for the supplier, KBC, staff and the environment. If the supplier does not address the issue, KBC will then re-examine the relationship. KBC understands that not all goals can be achieved simultaneously and that a gradual approach is needed. This is why we distinguish between minimal requirements and recommendations which the supplier already starts to implement and of which he can each year demonstrate the improvement. This way KBC wants to continually raise the bar with suppliers in terms of environmental impact and sustainability in general. Requirements in terms of human rights, child labour, forced labour, corruption and the like are naturally part of the minimal requirements."



6.

Working with the purchasing team

All members of the purchasing team in various entities must familiarize themselves with the new sustainable purchasing policy so they can apply it and explain it to the suppliers (both new and existing). More importantly, they must be motivated to include those considerations regarding sustainable development in the evaluation and selection of the suppliers.

Acquiring knowledge and skills

The procurement staff must be trained for the various economic, environmental and social challenges inherent to supply chains. The focus should not only be on the positive aspect in which the policy is tailored to the values of the company, but also on the commercial and economic implications such as risk, quality, cost, etc. if those challenges are not taken into consideration. This training can be specific or part of a more general training. We must ensure that new collaborators joining the company understand the policy and challenges. Also remember to put information on the intranet. Some leading companies even go so far as to place a responsible sustainable development within the purchasing department. This is the case for Belgacom where in each department there is a SPOC (*Single Point of Contact*) whose task is to translate the objectives of the CSR strategy into a plan of action and make sure that colleagues follow this plan.



BNP Paribas Fortis: working hand in hand

For new contracts of more than € 200,000, buyers, project managers and CSR experts work together throughout the entire procurement process.

DETERMINATION OF SPECIFICATIONS

It is of course the buyers who determine the specifications. Then, the experts review the tender offer and, if necessary, suggest additional specifications related to the CSR impacts. On this basis, buyers and experts lay down minimal requirements; look for suppliers or for alternative solutions.

TENDER OFFERS

The code of conduct and policy of sustainable development of BNP Paribas Fortis are sent to the candidates, who must also complete a questionnaire containing aspects of sustainability.

SELECTION

The buyers and experts work together to determine the weight that will be attributed to the sustainability criteria during the selection phase. Tenders are evaluated based on several criteria: price, quality, technical characteristics of the product or service but also the agreed sustainability criteria.



Rosy Blue: information online

Rosy Blue has developed an internal extranet dedicated to social responsibility. Each country (Armenia, Belgium, China, Hong Kong, Israel, Japan, Luxembourg, Russia, South Africa, Sri Lanka, Thailand, United Arab Emirates, and United States) has access to it. This online knowledge platform offers training manuals, online training and an overview of different legislations relevant to the compliance of economical, social and environmental practices. This tool enables us to share good practices worldwide, to offer practical answers, to convey the expectations (code of conduct, etc..) and to collect CSR indicators.

Providing incentives

One of the biggest challenges encountered by the purchasing team is the tension between commercial objectives on one hand and the CSR objectives on the other hand (compliance with working conditions, good environmental practices, etc..). The best way to resolve this tension is to align the objectives of the purchasing team with those of the company. The evaluation of purchaser and the premiums (bonuses) must take into account the performance of the suppliers, on economic as well as social and environmental development. According to the 5th European barometer on sustainable procurement conducted by HEC Paris and Ecovadis with 80 European companies from different sectors, this tension appears to be the biggest challenge that needs to overcome.

The #1 challenge remains as in the “Contradictory objectives” (i.e. between short term financial targets and midterm Sustainability goals). This is an issue for 44% of companies, and since 2009, only 11% have been able to solve it.



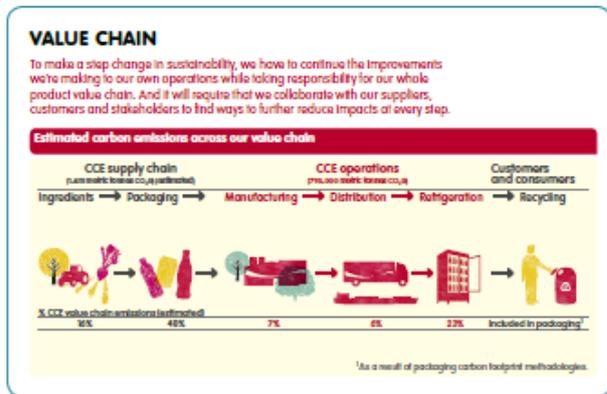
Umicore: explaining and motivating worldwide employees to integrate CSR in their purchases



In order to teach employees about CSR and more particularly about sustainable procurement, Umicore has developed an online training module. This module explains briefly what the CSR policy of Umicore consists of, its policy on sustainable procurement as well as the group's vision on sustainable development. The "Sustainable Development" Champions of each department select the employees - essentially those who are concerned with the procurement process - who can benefit from this training. A total of 329 employees received this training. Moreover, all purchasing staff of the Purchasing and Transportation Department have been invited to attend an interactive session on the theme of sustainable procurement, during which each participant has established his own list of sustainable actions.



Coca-Cola Belgium Luxembourg: integrating sustainable development into the procurement policy and providing the necessary incentives



Coca-Cola Enterprises has established a comprehensive global CSR action plan that is used in the various departments of the company and the employees' personal objectives.

The company goes beyond a simple reduction of its direct impact and brings about changes at each stage of its value chain, from the procurement stage until the end of the life cycle of the packing.

In this sense, the Procurement team members receive training on sustainable development provided by the Cambridge Leadership program. Sustainable development is also a recurring topic discussed during team meetings. And to ensure that these good intentions are translated into real actions on the field, each member of the team has a personal CSR objective, aligned with the overall objectives of the company regarding its commitment to society. By way of example, the manager of the Purchasing team promises to reduce the CO2 footprint throughout the supply chain.

7.

Integrating social responsibility in the procurement process

<p>The best way to ensure sustainability of the chain is to integrate social responsibility into the process of tendering and of suppliers' selection.</p> <h3>Defining your needs</h3> <p>Before launching a tender, try to identify the social and environmental impact of the product or service you wish</p>	<p>to acquire. Check whether there are alternatives enabling a reduced impact. Can a leasing arrangement be considered as an alternative to the purchase? To do so, challenge your internal clients to assess the impact over the lifetime of the product or service to be purchased.</p>
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Labels and certificates

Product labels ([Max Havelaar](#), [Cradle-to-cradle](#), [FSC](#), etc..) and certificates awarded to companies ([ISO 14001](#), [SA8000](#), ...) are very useful tools in the buying process, especially when the (small) buyer has little or no influence on the suppliers of his chain. Moreover, they quickly provide a flow of information to the buyer and are reliable in case of independent controls.

Certain labels have a mainly environmental goal (e.g. organic labels), others are more focused on social aspects, such as fair trade (Max Havelaar) or socially responsible production ([the Belgian social label](#)). The labels lay down a series of minimal requirements on the social, environmental and economic aspects, but with different focuses.

There are many different labels and it is therefore important that you understand what they represent: what are the producers engaged in, what criteria does the product meet, is there an independent authority operating a control check, is this label a private or public initiative or one from the stakeholders?

The website www.labelinfo.be provides an overview of the awarded labels for a variety of different product of sectors as varied as alimentation, construction, electronics, etc.. Remember that labels are often attached to specific sectors, such as, for instance, the [LEED](#) or [BREAAM](#) certifications for construction, the [Green Key](#) for tourism and hospitality, [Ecoscore](#) for vehicles, etc..

But beware: as stressed by the [OECD](#), the products subject to a sustainability label represent only 1-5% of the market, even in the most advanced countries in terms of labels. To attract a sufficiently broad portfolio of suppliers during the tenders, it is thus better to ask the suppliers if they have a label or if they take other initiatives in favour of sustainable development. Moreover, adherence to the labels or certification schemes generates often costs (money, time, staff) that make them less accessible to small companies. Make sure not to exclude SMEs from your tender and be open to their own sustainable proposals.



Delhaize: helping customers choose responsible products

Delhaize offers a wide range of products with an independent and recognized label, enabling customers to opt for a responsible alternative: the Bioguarantee label for organic products, the European Ecolabel for most of the green products, the MSC label for sustainable fishery products and the Max Havelaar fairtrade label for fair trade products.



The selection of suppliers

During the due diligence process, do include performance criteria and environmental and social management criteria, in addition to commercial criteria. Many companies invite their suppliers to self-evaluate their CSR performance as a first filter during the initial selection. The reliability of such assessments depends on the supplier's ability to gather information from different departments and to understand the questionnaire. It is also important to explain to the potential suppliers how this information will be used.



Remember to explain to your potential suppliers:

- Why you ask them questions about their sustainable performance, by placing them in the context of your global CSR approach and the efforts that your company herself accomplishes regarding sustainability. Feel free to be explicit with regard to your specific commitments in the purchasing area (compliance with the timeliness of payment to suppliers, remuneration policy of the buyers etc..).
- What you will do with the information that the suppliers transmitted; what the implications of a good or poor performance are.
- How you will use the information collected.

Do not forget to give your suppliers feedback highlighting the strengths, the areas to be improved and how they are compared to other suppliers in the same sector and country.

When preparing your questionnaire, remember to:

- take into account the workload of suppliers
- write questions as simple as possible and avoid jargon
- ask questions that refer to the risks or opportunities associated with the product;
- not to make demands that you fail to comply with yourself
- clarify what elements of proof you would like to receive
- ensure you have uniform measurement systems enabling comparison

Be sure not to ask too many questions, e.g. do not ask questions about their performances if you are able to make an informed judgment. Pay attention to the relevance of the questions: if your supplier is located in Belgium, you should probably not to ask him about child labour. You must also keep in mind that some suppliers may be more experienced in the field of CSR than you are, know their business better than anyone else and may sometimes be able to tell you how to make improvements.

Also, be very clear on how you will use their answers. For example, you could opt for a system, such as Sedex or OIOS, that allows you to share the answers with other companies.

You must then assess and weigh the different social, environmental and economic criteria in the selection of tenders.



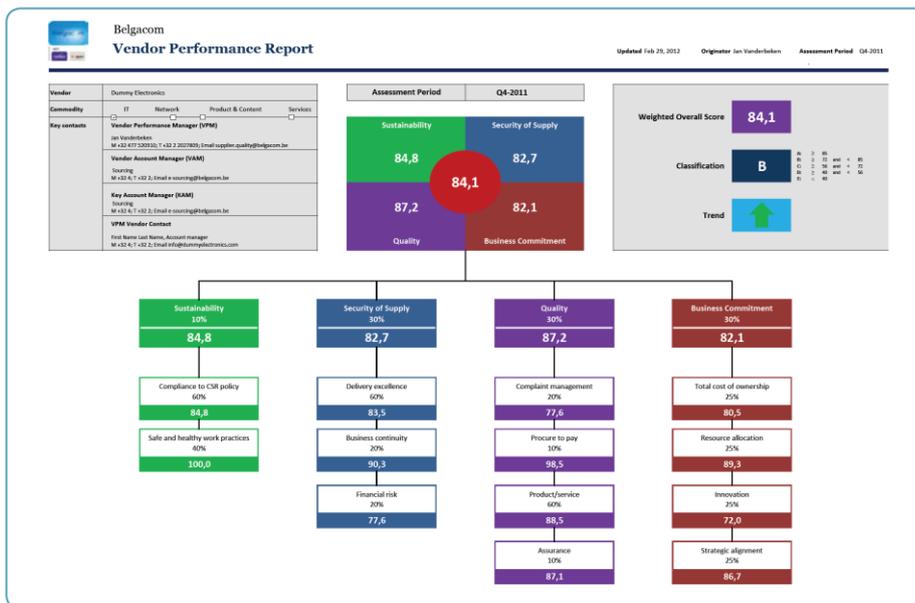
belgacom

Belgacom : Integrating CSR criteria in supplier selection

When selecting suppliers, Belgacom informs them in advance of the reason why they are asked questions related CSR. These questions represent at least 5% of the overall score. The CSR selection procedure is also accessible to all suppliers through a specific portal. For some questions, the supplier must provide proof (sustainable development report, policy on social, ethical, safety or environmental management, etc..), which can be loaded directly into the assessment tool. Following the calculation of each CSR dimension, the answers are balanced and an overall score reflecting the supplier's strengths and weaknesses is calculated. These results are communicated to the supplier. The emphasis is put on collaboration and education. By way of proof: when the record of an existing supplier reveals poor performance in sustainability, Belgacom will develop an improvement plan with this supplier.

Belgacom uses CSR reporting platforms (Ecovadis and SAP E-Sourcing) and so contributes to the standardization of CSR questionnaires. The supplier can thus use the same file to respond to tenders from different clients, who are also linked to these platforms.

Belgacom also conducts audits shared with other telecom operators in order to reduce the workload of the supplier. The CSR score is adopted in the overall evaluation of strategic suppliers of Belgacom on the scorecard "Vendor Performance Management", as illustrated below.



Purchase of cleaning services

The purchase of cleaning services is often done after substantial price negotiations, reinforced by the extensive use of online auctions. Although price is an important aspect in the purchase of cleaning services, cleaning companies that only play this card may neglect other important aspects, such as training and coaching of their staff, at the expense of quality. In order to encourage good practices in the selection of cleaning services, EFCI (European Federation of Cleaning Industries) and UNI-Europa (the representatives of the employees) have jointly developed, parallel to the directive, a European guide ("Choose the highest bidder") aiming to

- Facilitate the elaboration of tender and contract specifications
- Objectify the concept of quality
- Improve customer satisfaction and increase innovation and professionalism in the sector



Local purchases and social economy

The choice of a supplier may be prompted by your company's desire to strengthen its ties with local communities and contribute to their development. Turning to the social economy can not only stimulate the local economy but can also put disadvantaged groups to work such as long-term unemployed, people with low qualifications, people with disabilities, etc.. The social economy offers a wide variety of products and services (catering, packing, etc.) that are sometimes very specialized. The VRT f.e. uses the services of a sheltered workshop for the digitization of its archives. Local purchases also shorten the logistic chain and are more responsive to the social and environmental challenges of the community in which the company operates. This is how Ecopostale, an active local player in the delivery sector, has managed to adjust to the mobility requirements in Brussels. The fleet consists of small electric vehicles that guarantee optimal mobility and ensure a minimal environmental footprint.

8.

Working with your suppliers



Clarify the expectations

Once the policy or code is drafted, it must be communicated to the suppliers. It is important to ensure that your communication strategy uses media which the aimed public is familiar with, and that it takes into account the linguistic, cultural or geographical differences. You must also ask yourself who, in your organization, is the person in the best position - who has the highest credibility (the CEO, CFO, etc.) to share this information. Also remember to ask (some of) your suppliers to sign the code.

Some of the existing tools

A well-targeted specific communication at the launch, training, information on the website or on an online portal for suppliers, newsletters, integration in contracts and tender offers, regular reminders during meetings with suppliers and forums.

This provides an opportunity to explain in detail how the supply chain will be managed and monitored and how performance on issues such as labour rights or economic standards will influence the evaluations, contract renewals and the consequences or protocols in case of non-compliance.

Apart from focusing on the negative aspects, it can also be interesting to establish incentives for better sustainable performances.

Some incentives

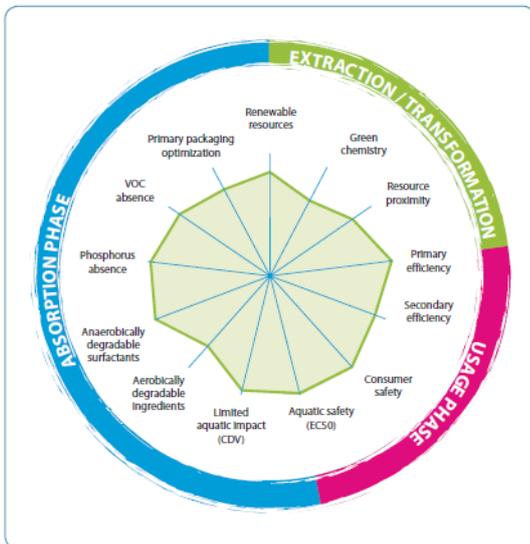
- Addition to the list of favourite suppliers
- Increase the number of orders
- Reduce the number of audits
- Awards and ceremonies
- Cost sharing for improvements in sustainable development



Ecover: integrating CSR with suppliers through existing tools

Ecover is specialized in the production of detergents and ecological cleaning products. Respect for the ecology is present at all stages of the value chain, from purchasing raw materials, packaging to recycling and the end of the life cycle. In order to align the design of new products with this vision, Ecover has developed its own model in 13 pillars, baptized as Diamond. This model measures the CSR impact throughout the products' life cycles (extraction - use - disposal).

The election and origin of raw materials being the first link in the life cycle, Ecover uses the annual maintenance of its suppliers' performance evaluation to clarify its CSR strategy, to ensure that the expectations are understood and to develop a plan for common progress. Ecover also integrates CSR criteria into their tender offers, purchasing contracts and quality controls (questionnaire, audit)



Ensuring follow-up and control

It is important to ensure follow-up of the suppliers' performance after selection, in order to maintain the pace and make continuous improvements. The performance evaluation also allows you to communicate with your suppliers on various CSR aspects. The "SLA" (*service level agreement*) and "PLA" (*product level agreement*) may constitute a good basis for discussion.

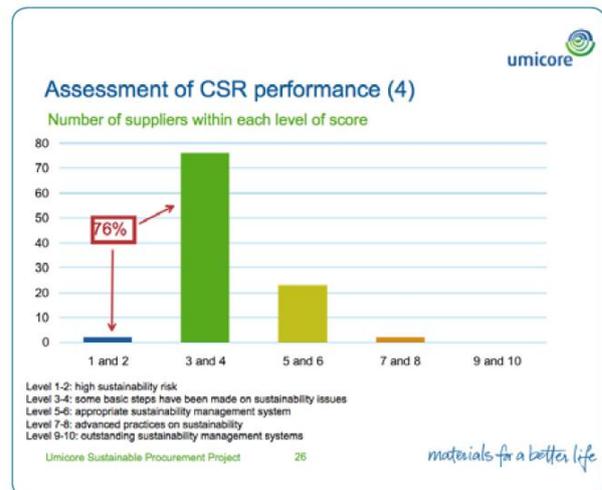
When performance is not in line with the objectives or minimal standards, talk to your suppliers, try to identify the causes and agree on an action plan, given that non-compliance does not result in immediate termination.

To minimize the workload and interruptions for your suppliers, preferably use the self-assessing questionnaires.



Umicore : suppliers' evaluation questionnaire and progress plan

By the end of 2011, the regional purchasing centers of Umicore in Belgium, France and Germany had identified 127 suppliers for whom a detailed evaluation was necessary. This selection was based on criteria such as volume of business, location and type of product or service (including whether they were critical or not to the Umicore's operation). The evaluation questionnaire has enabled the establishment of a "scorecard" for each of those suppliers and an overall score of 1 (high CSR risk) to 10 (excellent sustainable management system). Finally, 76% of the evaluated companies scored between 1 and 4. All "scorecards" were subject to a detailed analysis, particularly on their compliance with Umicore's sustainable procurement chart. Suppliers who do not meet the minimal requirements are encouraged to prepare a progress plan in collaboration with Umicore.



Regarding the audits (field assessment), check whether there is any sectorial initiative that would enable reduction of your workload as well as your suppliers'.

Such audits may be conducted by your company or by a third party. Both methods have their advantages and inconveniences.

- Some of the most recognized external auditors are: SGS, TÜV, Intertek and Bureau Veritas.
- Some consultation firms can test your suppliers on their sustainability. Among them are: One Stop Shop, Symbeyond council, Ecovadis d'Achilles.
- **Finally, organizations such as Sedex, Ecovadis, BSCI and SA International offer databases containing a wealth of information on the suppliers' audits.**



During an audit, you must:

- Be informed about local conditions before going on site;
- remain critical of the received information. If the audit is announced, the supplier will be inclined to prepare it carefully. It is therefore essential to encounter more than one source in order to verify the information. This is also the reason why many companies alternate surprise audits and announced audits.



C&A: Auditing increasingly further in the chain

In order to meet the objectives that the company has set for itself regarding sustainable procurement, C&A has created an independent entity that conducts CSR audits on suppliers, rather than using an existing independent auditing society. The entity is called SOCAM (Service Organisation for Compliance Audit Management). SOCAM conducts no less than 1,800 audits around the world each year.

C&A distributes its code of conduct, based on international conventions and agreements. The suppliers are contractually bound to it. The code is available in 28 languages and additional guidance was made available on the company website. C&A then ensures that employees and suppliers adjust to the code, especially by organizing information and training sessions. The suppliers authorize SOCAM to perform inspection visits to their facilities, without having given notice in advance.

The suppliers put the names and addresses of their production facilities directly in C&A's database, which is only accessible to SOCAM. This information is updated quarterly. Based on these data, the auditors establish their audit plan. During the audits, which are generally not announced in advance, the auditors verify whether suppliers do in fact meet C&A's code of conduct as well

as the standards laid down by SOCAM. The results are systematically the subject of a dialogue with the managers of the production site and the suppliers will be warned in writing when corrective actions are needed. If a supplier does not comply with the code of conduct, sanctions may range from imposition of corrective actions to termination of the contract.

Auditors have taken particular attention to the following areas: compliance with ethical standards, child labour, forced labour, discrimination, harassment, freedom of association, health and safety at work, working conditions, protection against fire, working hours, wage conditions and the environment.

The 'zero tolerance' approach is of application here. In case of failure of compliance, a corrective action plan must be developed within a specific timeframe. The contract is immediately terminated and no new contract can be entered into by the supplier and the C&A's purchasing department if SOCAM finds one of the following infringements: child labour, forced labour, corruption, denial of access to production facilities, falsification of documents.

The task of SOCAM's auditors is increasingly important and complex. The geography of textile production is constantly evolving and the public demands that the companies active in their sector master the entire chain. C&A must therefore ensure that no child is employed in the cotton production fields and that the water is used in a sustainable manner. C&A does not only detect problems, but also looks for solutions, encouraging suppliers to adopt more sustainable production methods.



Updating and reinforcing capacities

The idea here is to improve the supplier's performances, either because he does not meet your requirements or in order to satisfy an approach of continuous improvement.

Before terminating a contract, enter into a dialogue with the supplier and help him rectify the bad practice identified. Terminating a contract may have unexpected consequences: think of a supplier who fails to pay his workers the minimum wages. Simply terminating the contract outright could aggravate poverty in the local community even more.



Remember to:

- Encourage improvements through a regular dialogue;
- Work with your failing suppliers to formulate an action plan with measurable targets and tangible but reasonable deadlines. This plan must take into account the economic and financial obligations of each supplier;
- Develop a roadmap to move towards a higher level of performance with a view to continuous improvement,
- Terminate the relationship only on matters where you have zero tolerance policy (these issues and their consequences in case of non-compliance must of course be explicitly stated in advance).
- Share good practices and train your suppliers. The ultimate goal is that your supplier is truly committed to sustainable development and also starts a similar approach with his own suppliers.

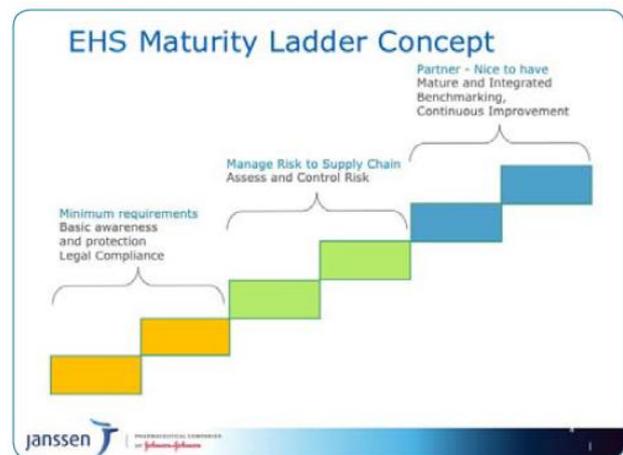


Janssen Pharmaceutica : assess the CSR performance of the suppliers and help them improve

Janssen Pharmaceutica's selection of external partners is not limited to those who comply with the company's principles on sustainable procurement ("*Standards for Responsible External Supply*"). Janssen supports them and helps them to reach acceptable levels of risk. The partners are thereby reinforced in their own sustainable development.

Janssen's Department of Supply Chain Management has developed an innovative concept: the "*maturity ladder program*". This program benefits both the company, which reduces the risks associated with external purchases, and the small and medium-sized suppliers in developing countries. Indeed these suppliers slowly integrate the principles of a responsible growth, improve working conditions and environmental management and this allows them easier access to developed markets, where standards are more strict (EU, USA).

The partnership is based on trust, fairness, transparency and the "win-win" principle, benefiting both Janssen and its suppliers.



Coca-Cola Enterprises : encouraging exchange of good practices between suppliers

For over four years, Coca-Cola Enterprises has been working in a structured way with its suppliers and customers at all levels. Apart from the "*Supplier Guiding Principles*" signed by the suppliers, the company selects and evaluates its suppliers based on criteria integral to CSR. Dialogue and collaboration are essential for the achievement of these objectives. Therefore, the company works with its suppliers on a daily basis in order to find innovative solutions.

In addition to this daily work, Coca-Cola organizes the annual *Supplier Sustainability Summit* which reunites the 50 leading European suppliers. The purpose of this meeting is to share the sustainable development strategy and to reflect together on concrete and innovative actions that can be implemented. A recent example: the new 1.5-liter PET bottle, developed in collaboration with a supplier, results in a weight reduction of 4.5 grams or 8% per bottle, and a saving of 510 tons of PET each year.

This reduction was achieved through better distribution of the material in the mold during blowing and has resulted in a considerable saving of raw materials. Furthermore, CO2 emissions are reduced throughout the whole life cycle of the packaging - from production to recycling.



VAN BAVEL BUSINESS GIFTS: when the supplier integrates sustainability

Van Bavel Business Gifts (VBBG) faces the always more pressing requests of large enterprises in relation to CSR. Receiving many different questionnaires, each one more complex than other, can be frustrating for smaller suppliers who do not always have the resources to answer them.

For VBBG, these questionnaires have been the trigger for change: the company has integrated CSR into its business processes by establishing a code of conduct for suppliers and incorporating CSR criteria into its existing audits.

Collaborating with stakeholders

Collaboration with local authorities, NGOs, experts, local community and other businesses can help you with the introduction of improvement programs improvement for your suppliers.

Some existing initiatives:

- Networks for exchange of good practice: the practical guide you have in hand has been compiled by a number of exchanges of good practices among members of Business & Society Belgium. During different workshops, the members have been given the opportunity to exchange the approaches and tools they use in their relationship with suppliers.
- Joint programs: sectorial initiatives such as the EICC, and cross-sector initiatives such as SEDEX and BSCI, allow the reduction of duplications and inefficiencies for both the suppliers and customers. However, they are not always fully adapted to your situation and require an investment of time.



UCB and Baxter: an alliance in order to minimize the impact of logistics on the environment

Almost one in four trucks drives empty and the other three are barely 60% loaded on average. Based on this finding, Tri-Vizor, a spinoff from the University of Antwerp, has developed a model of horizontal collaboration, "Smart Bundling", independently managed and supported by a flux optimization software.

For the functioning of such collaboration, different ingredients are required: mutual trust, openness, risk-sharing and cost savings. Since April 2011, UCB and Baxter have successfully been using the "smart bundling" to serve eight destinations in Eastern Europe. This proved that, when the ingredients are present, the recipe works.



Colruyt and Vredeseilanden: towards sustainable food chains, inclusive for small farmers



Colruyt has been working together with Vredeseilanden, an NGO, to improve the sustainability of food chains, with special attention to family farmers. By implementing concrete projects, Colruyt and Vredeseilanden have travelled through a real apprenticeship journey together. This is how a project was started to support rice producers in Benin in 2006, and it is still going on. Vredeseilanden supports production and sale of rice and thus guarantees the farmers a minimum level of income from sustainable agriculture. The harvested rice was awarded the fair trade label and is sold in the shops of the Colruyt group. Colruyt also helps farmers improve

the quality of their production and the marketing of the product, mainly by working on the product information written on the packaging. Colruyt and Vredeseilanden are currently working on the production of canned asparagus, produced in Peru.



Collaboration between companies for a sustainable management of industrial parks

By working with their partners, companies in the same industrial park can implement a sustainable purchasing policy on energy supply, waste management, transport, etc.. Very often, it is an industrial park manager and a business association who implement the joint projects by applying a simple and standardized methodology: measuring environmental or social impact, finding ways to reduce the impact, rationalizing the processes and creating economies of scale for the industrial park.

This form of collaboration is particularly attractive to smaller businesses. They often share the same challenges, but their size does not allow them to reach sufficient effect of scale to implement certain solutions such as solar panels and sustainable mobility solutions.

The Walloon Employers' Federation UWE (Union Wallonne des Entreprises) and the Provincial Development Companies located in Flanders (POM, Provinciale Ontwikkelingsmaatschappijen) make their experience available to companies that wish to work together for the development of sustainable solutions in the industry parks.



In-company cooperation, an innovative form of collaboration with social economy

Collaboration with the social economy is not limited to outsourcing of tasks such as packaging, pouches or catering. The social economy can also grow inside the walls of the company. This is called in-company cooperation, or *intra-muros cooperation*. This concretely means that workers from the social economy and their companions are active within your company itself. DHL, Nike and VRT put this into practice.



9.

Collaborating with your clients to close the loop

Looking at the chain from the client's point of view seems to be self-evident and a natural mirror of what happening upstream. Yet it is not easy. Clients, especially consumers, do often not understand the technical information surrounding sustainability and feel lost or skeptical when they take notice of so many messages and information. When analyzing the life cycle, it is interesting to look where the impacts on sustainability are situated. The impact may occur when you customers use your product or services. In this case, you will need to:

Innovate

Technological innovations can help diminish the impact resulting from the use of the products. There are many examples: a television that stops when nobody is watching it, a water-saving showerhead, a liquid detergent that washes at 15 ° C in, etc..

Communicate and Educate

It is however useless to introduce a liquid detergent which washes at 15 ° C on the market in limited amounts if the consumer continues to wash at 60 ° C and uses several pods (nozzles) of liquid. Just like it is also useless to produce water-saving showerheads if the buyers or retailers do not recommend this model because they believe it will be at the expense of the customer's comfort.



Remember to:

- Help consumers understand the challenges and explain to them how they can make a difference. Be careful however to make the necessary efforts with regard to internal sustainability, at the risk of losing your credibility;
- Make use of recognized labels that enhance credibility and ensure that they are adequate to brand;
- Ensure that the technical information is accessible and comprehensible, by using drafts, pictures, films etc..
- Provide training to your customers; especially inform them of the benefits of establishing an environmental management system such as ISO 14001.

Working together to maximize the impact

When you want to reduce the negative impacts of a product, you have to look at the entire life cycle. You will inevitably have to work with your partners, both upstream and downstream. That way, some companies offer carbon compensation programs to consumers, others calculate the whole of carbon emissions of products, allowing consumers to make an informed choice. Some also engage in programs such as cradle-to-cradle, where the waste of customers can serve as raw materials for suppliers.

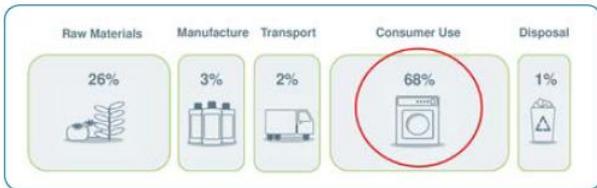


Unilever : innovating to reduce the environmental impact and educating the consumer

Thanks to an analysis of the lifecycles of 1600 of its products, Unilever found that the main source for the production of greenhouse gases is situated at the stage where its products are used. It is therefore not sufficient to develop innovative products that minimize the environmental impact. It is necessary that consumers be informed and educated regarding an ecological use of these products.

Take the example of liquid detergents: technological innovation greatly reduces the amount of product needed, but it is still necessary for the final consumer to understand the proper use of the product and to add credibility to the message. The product information provided on the package is therefore as important as technological innovation of the product it contains.

For other products, Unilever uses recognized labels to help consumers make a choice in all transparency.



Van Marcke : training installers so that they will effectively recommend and install more ecological products



In Belgium, the impact of construction on the environment is very high (second most important sector after the industry). Van Marcke realized it was not sufficient to launch more ecological products on the market (e.g. water-saving showerheads), but that it is also necessary for installers to understand the benefits of these sometimes very technical and complex solutions and to enable them to recommend the products to the customers. That is why Van Marcke created "Big Blue", a centre of information, marketing and expertise exclusively dedicated to green solutions, destined for not only consumers, but also for installers, architects and research departments.

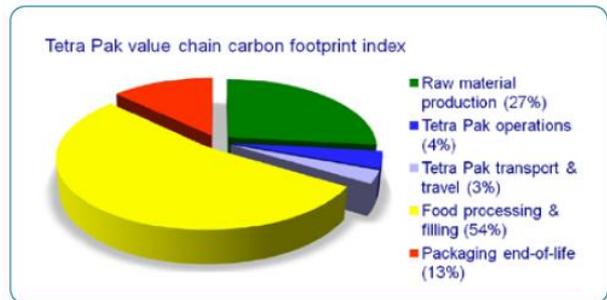
Big Blue is also a training centre, where professionals discover the latest techniques, their advantages in terms of environmental impact and the best way to convey this information to the client.



Tetra Pak : working with partners at all stages of the chain in order to improve sustainable performance

Tetra Pak has set itself a strategic goal to reduce its environmental impact throughout the whole value chain by 2020. For example, the climatic footprint of the business is frozen at its 2010 level, despite an expected annual growth of activity of 5%.

A life cycle analysis has made it possible to identify the stages in the chain with the greatest environmental impact.

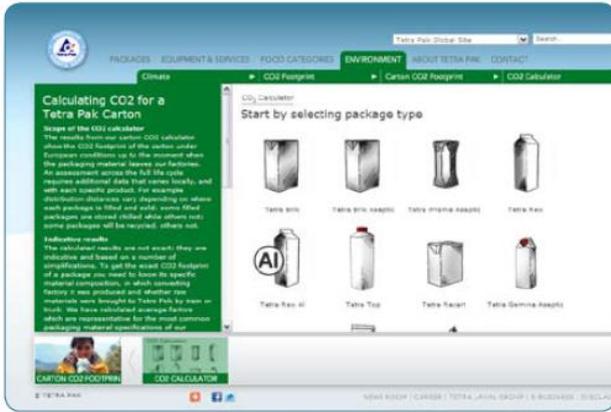


The impact is the greatest at the level of the client, especially during commodity treatment and filling process. Greater automation and more efficient processes (lower energy and water consumption, less waste production) allow the environmental impact to be significantly reduced.

Tetra Pak also works with its suppliers in order to increase the proportion of sustainable wood fibers (FSC certification) in the cardboard layer of the finished product. The goal is to reach 50% in 2012 and 100% by 2020. Tetra Pak also uses green polyethylene caps. The

ultimate goal is for the package to be made of 100% recyclable raw materials.

The company has developed a tool to measure the climatic footprint of its various types of packaging. This tool is available to the company's clients and end consumers.



- Advice, e.g. on integrated production (no waste), knowledge of assessment models of the buildings, regulations, environmental certification, possibilities of eco-friendly management of buildings, etc
- Production: choice of types of cement, knowledge of granulates (recycled), delivery by ship versus delivery by truck, the life cycle analysis, environmental performances of a product (EPD), the environmental score of competing construction systems etc..
- Service: determining the CO2 footprint of a project by using the Carbon Calculator, optimizing the product mix and production process, familiarizing with the concepts of constructions with low CO2 emission, etc..

And the company goes even further: it also organizes information sessions for its clients and contributes to the life cycle analyses of its customers. The share of cement in the customer's environmental footprint is thus known in all transparency.

Finally, Tetra Pak invests in the optimization of recycling technics, collection logistics and communication with end users in order to increase the share of products entering the selective waste collection.



HEIDELBERGCEMENT
BENELUX

Heidelberg Cement – CBR: informing the clients and working with them

CBR, cement producer of Heidelberg Cement Group, works closely with its customers and helps them become more self-sustainable and ecologically responsible.

From the client's needs, CBR identifies the main ecologically responsible actions to be undertaken. Such actions may involve:

As part of collaboration with Eternit, CBR has established a genuine cradle-to-cradle process. CBR uses the waste produced by Eternit as an fuel substitution and also as raw material. Eternit in turn uses CBR's cement for its own production. This is a good example of collaboration within the chain for a more sustainable development. More on www.eco-responsibility.be



10.

Measuring and communicating externally

Communicating your responsible procurement policy may be a tool for stimulation of accountability and increase of transparency in the supply chain.

In your online communication or in your sustainability report, specify the approach, objectives and key performance indicators as well as the results of your follow-up (monitoring), the measures you have taken to overcome problems and your goals for the future. Make sure that the information contains specific data and situates them in their context. Remember to include information on the objectives that have not been respected or accomplished. Explain why and what actions you have taken in response. This will strengthen the confidence of the stakeholders in your statement and increase transparency.

According to a study of ORSE, our French partner, in relation to the communication of the CAC 40 listed companies:

- *"Sustainable Procurement have now become a standard: 95% of companies mention Sustainable Procurement in their Sustainability or CSR reports.*
- *They are an important part of sustainable development policies: 64% of companies present their Sustainable Procurement policies as a prime objective of their CSR policy.*
- *51% of the companies have set quantitative targets for Sustainable Procurement. "*

The main objectives of sustainable procurement mentioned in the ORSE study include:

- Increasing the number of supplier evaluations (e.g. increasing the number of audits by 10%);
- Reducing greenhouse gas emissions in the supply chain (e.g. calculating the carbon footprint of certain products, reducing CO2 emissions of suppliers by 50% through joint programs);
- Introducing a code of conduct for suppliers;
- Developing the CSR skills of suppliers (e.g. supplier trainings for a specific problem, encouraging prime suppliers to write a report on sustainable development, creating a new CSR training module).

More generally, among the most widely used quantitative indicators are:

- The number of suppliers having participated in a sustainable development training;
- The number of suppliers having taken a required measure for corrective action after an audit;
- The number of suppliers who have established their own systems of sustainable management;
- The environmental impact such as CO2, waste, accidents.





C&A: Integrating the supply chain into sustainable reporting

Sustainability of the supply chain is the center of C&A's CSR strategy (top right in the matrix of materiality - see below).

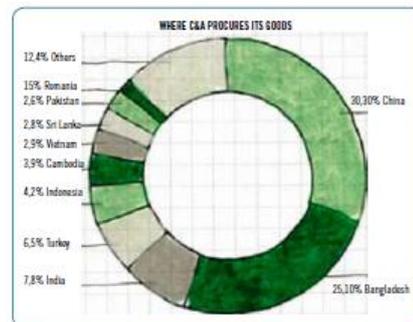
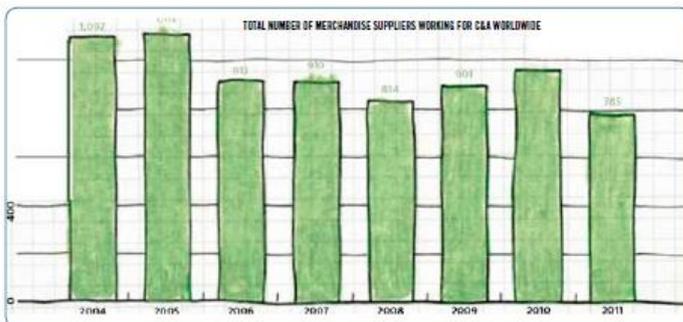
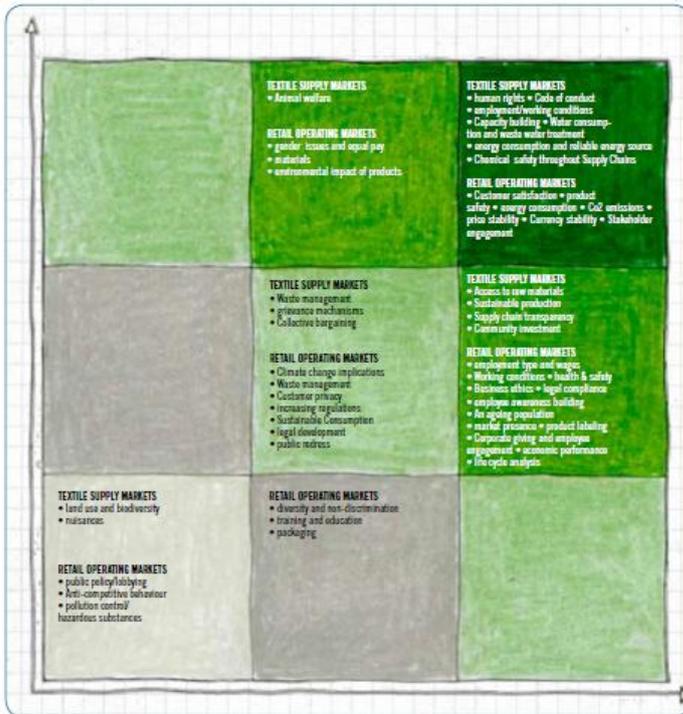
The company devotes an entire section in its CSR report to it, explaining the operation, follow-up and CSR control (quality, health, environmental impact, etc..) of the supply chain (direct and indirect purchases), discussing its code of conduct and proposing some indicators.



Apple : Dedicating an entire report to responsibility in the supply chain

The company Apple has recently published a report entirely dedicated to its supply chain, which covers four areas: labour and human rights, health and safety of workers, the impact on the environment and ethics.

For each area, the company presents the results of the audit on a series of indicators, such as compliance with the anti-discrimination requirements, child labour, working hours, water and air pollution, accident prevention, protection of intellectual property, etc.. Then, for each issue, Apple explains the found infringements and the corrective measures taken. The report can be downloaded on this website: www.apple.com/supplierresponsibility.



Sources and useful links

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PART 1: WHY

How to: Manage your supply chains responsibly, Business In The Community :

http://www.bitc.org.uk/resources/publications/how_to_manage_your.html

Shopping directory and Sustainable Development, Observatory for Corporate Social Responsibility (ORSE) [in French]:

http://www.orse.org/maj/upload/document/document_96.pdf

Steps to Responsible Purchasing, CSR Netherlands [in Dutch]:

http://www.mvonederland.nl/dossier/8/169/dossier_description/1934

European Sustainable Procurement Barometer – 5th Edition, HEC and Ecovadis :

<http://www.ecovadis.com/website/l-fr/etudes.EcoVadis-13.aspx>

PROFIT

Corruption | Business Principles, Transparency International:

http://transparency.org/global_priorities/private_sector/business_principles

PEOPLE

Labor rights, ILO: <http://www.ilo.org/>

Integration of **human rights** in the value chain: <http://www.integrating-humanrights.org/>

Child Labour

ILO : <http://www.ilo.org/global/topics/child-labour/lang--fr/index.htm>

UNICEF : http://www.unicef.org/protection/57929_58009.html

Business Social Compliance Initiative : <http://www.bsci-intl.org/>

SA8000 : <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937>

Discrimination

Center for Equal Opportunity and the Fight against Racism: <http://www.discriminationemploi.be/emp/histoire.htm>

Safety

OHSAS 18000: <http://www.ohsas-18001-occupational-health-and-safety.com/>

Minimum wage, Social Security

ILO database on labor conditions and labor law:

http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_146566/lang--en/index.htm

ILO data on minimum wage:

http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_146566/lang--en/index.htm

Working hours, overtime

ILO database on labor conditions and labor law:

<http://www.ilo.org/dyn/travail/travmain.home>

Impact on local communities

Business & Human Rights, information on the rights of indigenous peoples:

<http://www.business-humanrights.org/ToolsGuidancePortal/Issues/Indigenouspeoples>

Freedom of association and collective bargaining

ILO, performance in terms of freedom of association and collective bargaining:

<http://www.ilo.org/ifpdial/lang--en/index.htm>

China Labour Bulletin : <http://www.clb.org.hk/en/node/100012>

PLANET

Use of raw materials

EU: resource efficiency : <http://ec.europa.eu/resource-efficient-europe/>

Common position of the FEB, UWE, Beci and Voka:

http://vbo-feb.be/fr/dossiers/energie_efficacite_energetique_et_environnement/

Energy use

Energystar: <http://www.energystar.gov/>

ISO 14001 – Environmental Management:

[http://www.iso.org/iso/home/standards/management-standards/iso14000.htm?="](http://www.iso.org/iso/home/standards/management-standards/iso14000.htm?=)

Ecodynamics Company/ Bruxelles Environment:

<http://www.bruxellesenvironnement.be/Templates/Professionnels/Home.aspx?langtype=2060>

Green Key: <http://www.green-key.org/>

Guide to responsible consumption labels [in Dutch or French]: www.labelinfo.be

European Energy Labelling:

http://ec.europa.eu/energy/efficiency/labelling/labelling_en.htm

Waste

ISO 14000 : http://www.iso.org/iso/fr/iso_14000_essentials

Label Entreprise Ecodynamique [in Dutch or French]:

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Greenpeace, e-waste:

<http://www.greenpeace.org/international/en/campaigns/toxics/electronics/the-e-waste-problem/where-does-e-waste-end-up/>

Toxic

European Commission, European Community Regulation on chemicals and their safe use (REACH) :

http://ec.europa.eu/environment/chemicals/reach/reach_intro.htm

Cradle-to-cradle : <http://mbdc.com/detail.aspx?linkid=2&sublink=9>

PART 2: HOW

Conducting an initial assessment of your chain

The indivisible links among product, service and supply chain, Flanders Investment & Trade, International supply chain management [in Dutch or French]:

<http://www.flanderstrade.be/appl/communicatie.nsf/81F699071F044569C1257>

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Conduct a review of risk

Steps to Responsible Purchasing, CSR Netherlands [in Dutch]:

http://www.mvonderland.nl/dossier/8/169/dossier_description/1934

Life Cycle Analysis, Bernard Mazijn: <http://www.bernardmazijn.be/expertise-and-experience/>

Examine the risks in consultation with stakeholders

Business engagement with their stakeholders, the Observatory for Corporate Social Responsibility (ORSE) [in Dutch]: http://www.orse.org/engagement_des_entreprises_avec_leurs_parties_prenantes-52-33.html

Integrate social responsibility in the procurement process | Labels and certificates

Max Havelaar [in Dutch or French]: <http://www.maxhavelaar.be>

Cradle to cradle : <http://mbdc.com/detail.aspx?linkid=2&sublink=9>, www.cradletocradle.nl [in Dutch or French]

FSC [in Dutch or French]: www.fsc.be

ISO 14000: http://www.iso.org/iso/iso_14000_essentials

SA8000 Standard : <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937>

Belgian Social Label[in Dutch, German or French]: <http://www.mi-is.be/be-nl/node/65989>

Guide to responsible consumption labels: <http://www.labelinfo.be>

BREAAM: <http://www.breeam.org/>

LEED: <http://www.usgbc.org/>

Green Key: <http://www.green-key.org/>

Ecoscore : <http://www.ecoscore.be/en>

OCDE, Voluntary Sustainability Standards and Labels: <http://www.oecd.org/dataoecd/3/62/39363328.pdf>

Measure and communicate externally

Benchmark Disclosure of CAC 40 companies on responsible purchasing, Observatory for Corporate Social Responsibility (ORSE):

http://www.orse.org/benchmark_sur_la_communication_des_entreprises_du_cac_40_relative_aux_achats_responsables-52-79.html

Study on the reporting of large international groups on responsible procurement: the Observatory of Corporate Social Responsibility (ORSE) and Ecovadis: <http://www.ecovadis.com/website/l-fr/etudes.EcoVadis-13.aspx>

Other sources

Portal for responsible supply chain management : <http://www.csr-supplychain.org/>

UN Global Compact Sustainable Supply Chain : <http://supply-chain.unglobalcompact.org/>

ABBREVIATIONS

CSR	Corporate social responsibility
LCA	Life cycle analysis
LCSA	Life cycle sustainability analysis
E-LCA	Environmental life cycle analysis
S-LCA	Social life cycle analysis
LCC	Life cycle costing
TCO	Total cost of ownership
SLA	Service level agreement
PLA	Product level agreement