



CORPORATE SOCIAL RESPONSIBILITY IN PROCUREMENT

PART III – EMBEDDING CSR IN THE FUNCTION

PART III – EMBEDDING CSR IN THE FUNCTION: EXECUTIVE SUMMARY

RESEARCH OVERVIEW:

- In our four-part *Corporate Social Responsibility in Procurement* research series, Part I assessed the current state of CSR, including the challenges organisations are facing, and the key motivations driving CSR activities. Part II provided benchmarks of CSR performance based on the globally recognised 26000 definition of CSR.
- In Part III, we are looking at procurement's role in executing CSR, specifically the tangible actions taken within the function. The research will also provide insight into how procurement collaborates externally, with both suppliers and stakeholders, and how CSR-related cost is being dealt with.
- This report is based on the results of a survey the Procurement Leaders Network (PLN) conducted between July and September 2012. The sample represents 296 responses from procurement officials and CSR sustainability officers at companies across the world.

INSIGHT:

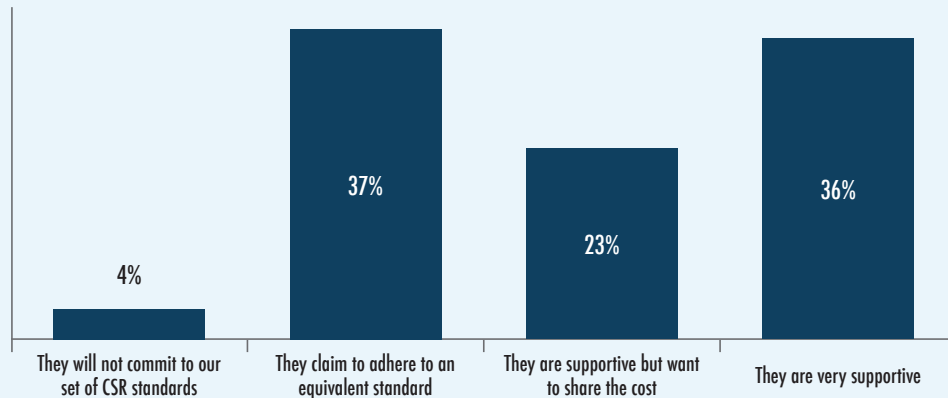
15%

of procurement's overall resources are dedicated to CSR.

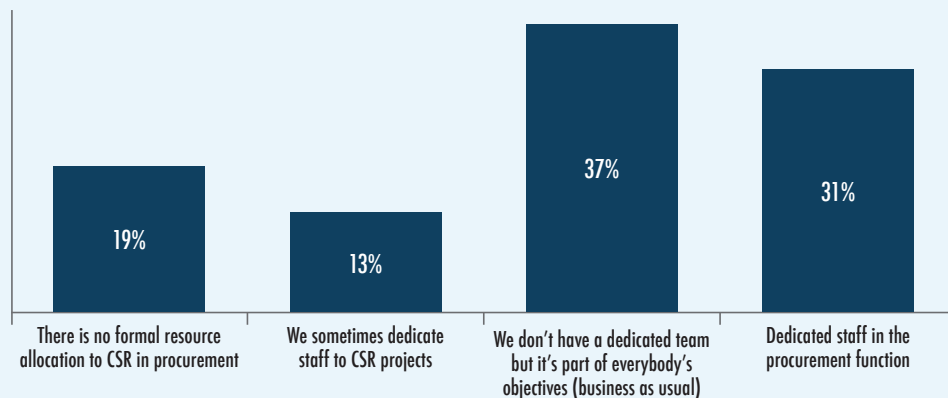
This is similar to the amount the function dedicates to the development of category plans.

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How do Your Suppliers Respond to Your Required CSR Standards?



How Does Procurement Resource CSR Activities?



KEY FINDINGS	ACTION POINTS
CSR standards vary from company to company; there is no single global standard that everyone can sign up to.	Many suppliers will adhere to your CSR standards; but about a third claim to have an equivalent standard in place. In these situations, assess the strength and compatibility of the supplier's policy and where you find it acceptable, take this in lieu of your own policy. Also, beware of suppliers who commit to your policy too quickly.
CSR is becoming 'business as usual', but major change projects are still required.	Be prepared to dedicate significant budget and resources to CSR-related projects, in addition to business as usual CSR activities. These major projects could be necessary either to meet legal obligations or delivery value to the organisation in other ways.
Procurement has managed to integrate CSR into its processes, but mostly at grass-roots level.	Integration of CSR into the procurement process is essential even though this is just the start. CSR needs to be included in the business strategy and grass-roots procurement can play a part in making sure this is the case. Procurement can push CSR up the business agenda by highlighting the numerous opportunities and risks within the supply chain.
Most companies don't allow for cost increases to improve CSR performance.	Some CSR activities, such as the procurement of energy-efficient electricity or green cars, don't necessarily cost more, but those represent the low-hanging fruit. If you want CSR to render greater value, be prepared to invest (e.g. consider investing some of your savings generated in CSR activities). Some customers may only value initiatives where companies have put their money where their mouth is on CSR.
A problem shared is a problem halved. More often than not, the solution to CSR challenges is a joint effort.	CSR is a topic where people feel compelled to collaborate, even among competitors. Companies should take advantage of this and use CSR to build or enhance relationships with suppliers. Start by sharing your CSR objectives with your suppliers and understanding theirs.

