



## Social Responsibility and the global supply chain

More than ever before, corporate leadership teams have a responsibility to consider the broader societal implications of their actions. Regardless of size or sector, social responsibility is something that no organization can afford to ignore. Businesses must act in a way that is ethical, taking into account social, economic and environmental impact – not to mention the conservation of human rights.

The supply chain presents a number of challenges for organizations seeking to work in a consistently responsible manner. To maintain or implement appropriate social responsibility policies, companies need to extend their view of supplier networks beyond the first tier and look well beyond the company walls. Yet despite the best intentions, many organizations struggle to manage large, complex networks of suppliers in a way that is efficient, measurable and that drives continuous improvement to ensure social responsibilities are met.

As consumer and shareholder expectations continue to increase, strong social and environmental performance in the supply chain is key. Businesses are now accountable on all fronts for aligning their brand values with supply chain capability. Failing to do so can cause long-lasting damage to brand perceptions, risking the loyalty and esteem of both customers and partners.

The connection between social responsibility and supply chain management also has a direct effect on financial performance: structured properly, a fair and up-to-date supply chain policy creates a win-win situation for both buyer and supplier. What's more, in addition to growing societal demands, governments have begun to regulate social practices to identify and mitigate risk – making visibility and transparency a top priority all the way down the chain.

Taking a standards-based approach is the best way to establish a responsible supply chain. Standards allow organizations to do business fairly and sustainably, and to validate supply chain integrity through continuous improvement. So, what are the key standards for organizations looking to integrate CSR and their supply chain?

The ISO 28000 supply chain security management systems standard protects an

organization's goods from point of manufacturing to point of sale. Using this standard, businesses can identify risks across the supply chain and apply appropriate controls to actively manage and minimize them. It addresses potential security issues at all stages of the process, including financing, manufacturing, information management and transportation.

With an ISO 28000 compliant management system in place, businesses can demonstrate their commitment to the safety of individuals and security of goods and services, improving business confidence, reputation and future growth. In order to achieve this, organizations must work together and support one another. Here ISO 44001 and BS 11000-2 on collaborative business relationship management systems can help. The first specifies requirements to develop and manage contractual relationships, while the latter allows businesses to implement and optimize systems. Used together, these standards improve collaborative competence, enabling organizations to build towards a supply chain in which all parties share responsibility and approach risk management appropriately.

Another useful standard is ISO 31000, which provides a common approach to managing risk

at all levels. Its structure allows businesses to mitigate social responsibility risks across the supply chain, developing plans for evaluating environmental and social compliance, as well as ethical sourcing and development.

In line with this, it is wise to consider specific standards on environmental management and sustainability, such as ISO 14001 to introduce an environmental management system and ISO 20400 on sustainable procurement.

ISO 14001 puts environmental management at the heart of an organization's operations to help meet regulations and improve efficiency and performance across the supply chain. Similarly, ISO 20400 helps organizations introduce sustainable procurement processes, improving the performance of all supply chain partners and ultimately increasing overall reputation and value.

Finally, in today's ever-changing digital landscape it's never been more important to apply an ethical approach to managing information risk. Organizations are challenged to maintain effective privacy and security protocols to protect both consumer and organizational data.





Information must be used appropriately, under safe and secure management, throughout the supply chain – and prevention measures established to guard against cybersecurity incidents. While the ISO/IEC 27000 series of standards guide the creation and implementation of an information security management system (ISMS), BS 7799-3 covers all the necessary processes to manage information security risks.

The advantages are significant when organizational activity is consistent with social responsibility. Greater public trust, improved reputation and international trade opportunities, optimized risk management, and an increased competitive edge are just a few.

Through the implementation of internationally recognized standards, and by effective supplier engagement, businesses can work toward shared goals that benefit the entire value chain to maintain a leadership position when it comes to social responsibility.

#### **Bullet point summary**

- As consumer and shareholder expectations continue to increase, strong social and environmental performance in the supply chain is key. Businesses are now accountable on all fronts for aligning their social responsibility values with supply chain capability.

- Taking a standards-based approach is the best way to establish a responsible supply chain. It allows organizations to do business fairly and sustainably and validate integrity through continuous improvement.
- The ISO 28000 supply chain security management systems standard protects an organization's goods from point of manufacturing to point of sale. Businesses can use it to identify risk and apply appropriate controls. ISO 44001 and BS 11000-2 on collaborative business relationship management systems help supply chain partners work together optimally.
- ISO 31000 allows businesses to mitigate social responsibility risk across the supply chain, and support compliance. Closely related are ISO 14001 on environmental management and ISO 20400 on sustainable procurement.

For more information on our business improvement standards, visit:

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