

# Sustainable Procurement reporting

by Major International Groups



Analysis of the external communication of 125 Asian,  
American and European companies from the Global 500

November 2010

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**Warning :** Some citations in this document have been translated from French into English. The original version can be accessed directly on the reference document or web page.



# Summary



By analysing for the first time the external communication of 125 of the world's largest companies, this study aims to identify the major trends in terms of Sustainable Procurement policies.

## GENERAL OBSERVATIONS

- Sustainable Procurement has now become standard practice: 95% of companies mention Sustainable Procurement in their Sustainable Development or CSR reports.
- It represents an important aspect of Sustainable Development policies: 64% of companies present their Sustainable Procurement approach as a priority objective of their CSR policy.
- 51% of companies have set themselves quantitative Sustainable Procurement targets.
- 74% of companies state that they assess the CSR performance of their suppliers, through questionnaires or audits (respectively 59% and 55% of companies surveyed).
- 55% of companies claim to support their suppliers in improvement programmes, therefore adopting a proactive and positive attitude towards their business partners.
- 59% of companies publish information about their Sustainable Procurement performance indicators, although the nature of the data published varies from one company to another.
- There is still much room for improvement, particularly in terms of the lack of standardisation for elements such as the calculation of the 'number of suppliers', which makes it difficult to compare Sustainable Procurement practices.
- Companies still do not communicate enough about their internal organisation (governance, motivation/training of buyers). Less than 1% of the companies communicate about their buyers' individual CSR targets.

## GEOGRAPHICAL SITUATION

Quite marked differences according to geographical zones are to be noted:

- All in all, the European companies communicate more and present better structured policies than their American and Asian counterparts (e.g. an 'advanced' level of transparency in their reports for 75% of companies in Europe, compared to 40% in North America and 18% in Asia)
- There is a great deal of variation in the publications of North American companies, some of which are leaders in the field thanks to an innovative Sustainable Procurement communication, while others hardly mention the subject, simply referring to 'Supplier Diversity'.
- In general, the external communication of Asian companies does not describe the implementation of structured Sustainable Procurement policies. The subject is nonetheless mentioned, but greater focus on the issue is required.

## SECTOR-BASED SITUATION

- There are significant variations according to the industry sector, ranging from those with substantial communication, such as Electronic Equipment or IT firms, to others which make very little reference to the subject, such as the Construction and Materials industry.
- Furthermore, depending on the sectors, the Sustainable Procurement approaches vary: for example, 50% of companies in the Financial Services sector declare that they assess the CSR performance of their suppliers, compared to 91% of companies in the IT sector.
- Another example that illustrates the sector-based differences is that none of the companies in the Telecommunications sector state that they require their suppliers to be certified, whereas 62% of firms in the Automotive sector impose such a requirement.

Even if reporting is only indicative of the true practices of companies, it should be noted that, in 2010, communication about Sustainable Procurement has become extremely structured and quantified. In view of this increasing level of transparency, it is becoming harder for companies to content themselves with merely symbolic actions in terms of Sustainable Procurement. The 'best practices' identified in this study could encourage companies to continue to 'raise the standard' in the years ahead.

#### AT&T :

"We know that – just as we're responsible for our own operations, products and services – we also have a responsibility to use our size and purchasing power to promote ethical and sustainable business practices in our supply chain." [Citizenship and Sustainability Report 2008](#) (page 49)

#### DAIMLER :

We've also got one set of purchasing guidelines that is binding for our suppliers throughout the world. And even the suppliers of these suppliers have to comply with our standards. We don't want to support business practices that are legally or ethically irresponsible [Sustainability Report 2009 Magazine](#) (page 11)

#### VOLKSWAGEN :

"In purchasing too, the Volkswagen Group has set minimum environmental and social standards. This is especially important in the case of suppliers from developing and emerging countries where statutory environmental and social standards are inadequate or even non-existent" [Sustainability Report 2009-2010](#) (page 19)

#### BRITISH TELECOM :

"Our supply chain is becoming increasingly global as we source skills, products and services from more countries worldwide. Known as global sourcing, this trend contributes to the economies of developing countries. However, environmental and labour regulations may be poorly enforced in these countries and there is a risk that standards are below acceptable norms." [Sustainability Report 2009](#) (page 6)

#### CARREFOUR :

"Social responsibility in the supply chain is a topical subject for many people and has been a major concern for the Carrefour Group since 1997. [Sustainability Report 2008 – Brochure entitled 'At the Heart of Global Issues'](#) (page 8)



# Methodology

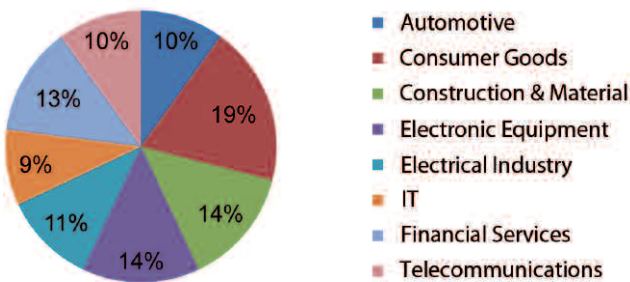


## SCOPE OF THE STUDY:

The study focuses on external communication about Sustainable Procurement by companies belonging to the 'Global 500' category of top global companies. Eight industry sectors, represented by 125 companies\* have been analysed.

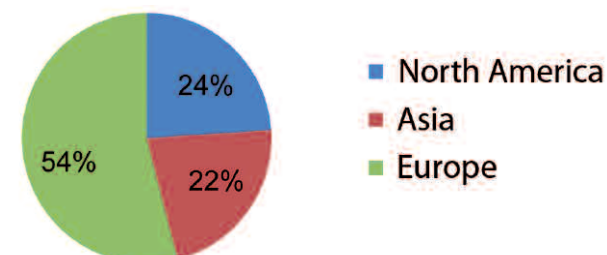
\* The list of companies in the panel can be consulted in the appendices.

### Proportion by geographical zone :



The companies are present in 17 countries, which have been split into 3 zones: North America (USA and Mexico), Asia (China, Japan, South Korea and Taiwan), and Europe (Belgium, England, Finland, France, Germany, Ireland, Italy, the Netherlands, Spain, Sweden, and Switzerland).

### Proportion by geographical zone :



## METHODOLOGY:

The analysis was based on the companies' Sustainability reports, annual reports and most recent reference documents, as well as the information available on their websites (published as at 30 April 2010).

An analysis grid was defined in order to collect the data required by the study.

This grid is split into four parts:

- A) General information about Procurement
- B) Vision: Strategies, policies and objectives
- C) Action: Means and manner of making the change
- D) Results

In this study, the term 'Sustainable Procurement' refers to any purchase or service that integrates, throughout the supply process, economic, social and environmental aspects, particularly via new characteristics or specific clauses in contracts.

\* The table of results of this study can be consulted in the appendices (Appendix 2: Table of results: entire panel and by geographical zone/ Appendix 3: Table of results by sector).



# I) Sustainable procurement reporting



## A) GENERAL PROCUREMENT INFORMATION

### A. 1) Do companies communicate about their Procurement ?

54% of companies surveyed publish data about their Procurement, i.e. just over one in two companies. While this percentage is relatively stable across the various sectors of activity, it differs greatly in terms of geographic region: 70% of the European companies and 43% of the North American companies publish information about their Procurement, whereas the figure drops to just 29% for companies in the Asia region.

### A. 2) What information do they publish about their Procurement ?

The list below shows the most frequently published data concerning Procurement, in descending order (starting with the most frequently published data):

#### N°1) Information about the sum of their Procurement:

→ Around 40% of companies include this information in their public documents. However, it should be noted that there is no standard definition of the term 'Procurement': some companies communicate about their purchases of 'raw materials', others about their 'strategic' purchases, and others about their 'goods and services' purchases. This is why it is impossible to give a general average either in terms of the annual sum of procurement or the percentage of the turnover represented by procurement.

For companies that communicate this percentage, the bracket is situated, for illustrative purposes, between 50% (Schneider Electric) and 75% (Hochtief). These high figures demonstrate the importance that Procurement can have in a Sustainable Development strategy.

#### N°2) Publication of the number of suppliers :

→ 20% of companies communicate their number of suppliers. Companies in the panel are amongst the 500 largest companies in the world, and work with a considerable number of suppliers. The majority of companies surveyed work with between 30,000 and 100,000 suppliers. The three companies with the highest number of suppliers are Unilever (110,000), Wal-Mart (100,000) and Skanska (100,000). However, as with 'procurement', it should be noted that the term 'supplier' means different things to different companies: strategic suppliers, suppliers of raw materials, suppliers with whom an order has been placed within the last year, suppliers identified as potentially risky in terms of CSR, etc. Analysis of communication by companies in the Electronic Equipment sector on this subject clearly illustrates this lack of standardisation: even when dealing with similar sized companies, some claim to work with around 600 suppliers (Cisco Systems), while others estimate the figure at over 27,000 (Motorola).

#### N°3) Information about the geographical spread of Procurement

→ 16% of companies indicate the geographical spread of their Procurement, either by geographical zone or by country of origin. This figure appears low given the global dispersion of procurement and the underlying sustainable development risks. Companies' communication on the geographical spread of their procurement shows that they are mostly supplied by firms situated in low-cost countries; however, only 2% of companies specify the sum of their expenditure with suppliers based in such countries.

**BRITISH TELECOM :**

"We are looking to make cost savings within our supply chain, which means sourcing more goods and services from low-cost countries. We are aware that this presents higher risk of poor standards on health and safety, employment and the environment

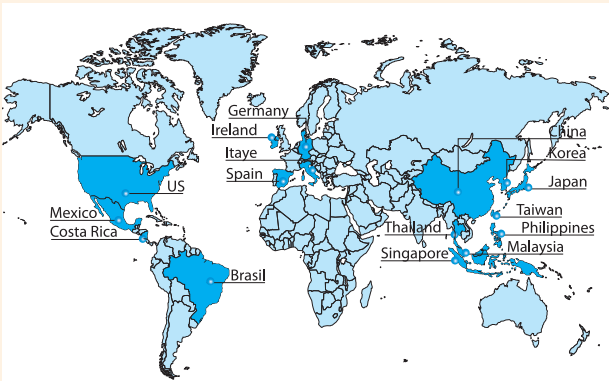
Running a Responsible Business - Sustainability Report 2009 (page 6)

**N°4) Details of Procurement proportions by category of products/services**

→ 8% of companies surveyed publish information on the proportional distribution of their procurement in terms of broad categories of products/services.

**DELL :**

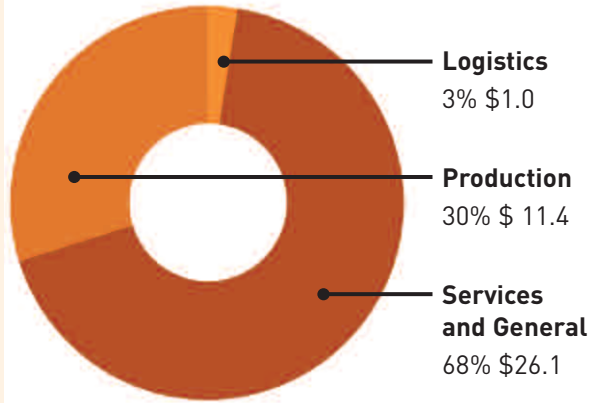
Headquarter Locations of Key Dell Suppliers



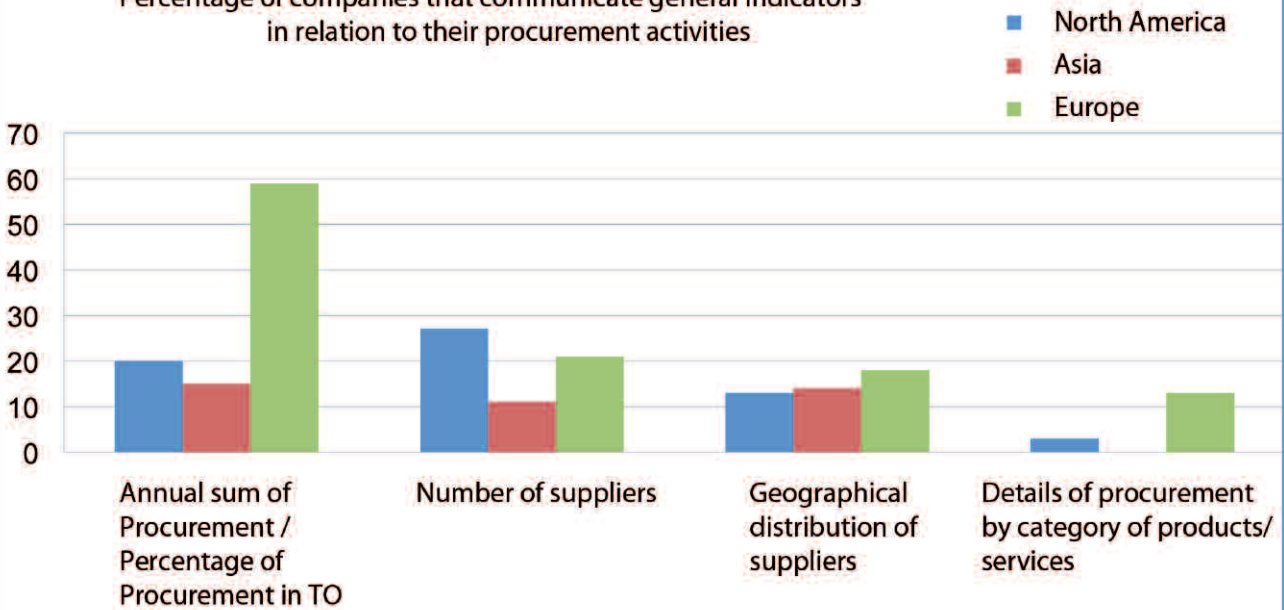
**IBM :**

Corporate Responsibility Report 2008

**2008 by Category**  
Dollars in Billions



Percentage of companies that communicate general indicators in relation to their procurement activities





## B) VISION: STRATEGIES, POLICIES AND OBJECTIVES

### B. 1) Is Sustainable Procurement a priority in CSR policies ?

A large majority of companies surveyed (95%) deal with the subject of Sustainable Procurement in their external communication.\* For 64% of companies surveyed, Sustainable Procurement is presented as a priority objective of the CSR policy.

#### Messages from the CEOs that refer to the company's vision in terms of Sustainable Procurement

In the introductions of some of the Sustainability reports, the messages from the CEOs expressly mention Sustainable Procurement, thus showing that their company's commitment in this area has the backing of the top levels of management.

HP (MARK HURD) :

"We are leveraging the power of our supply chain to protect both the environment and human Rights" *Changing the equation – The impact of HP Global Citizenship in 2009 and beyond (page 3)*

WAL-MART (MIKE DUKE) :

"At our Beijing Sustainability Summit in October, we made it clear that we expect suppliers – whether in China, Costa Rica or the U.S. – to continue to comply with ethical standards and environmental laws." *Global Sustainability Report 2009 (page 3)*

ALCATEL-LUCENT (BEN VERWAAYEN) :

"I believe that everyone within the company and connected to it has a role to play. Our employees, our Board, our management, our customers and our suppliers are all part of advancing Corporate Social Responsibility " *2008 CSR Report (page 5)*

However an analysis at the regional level reveals major disparities: while the vast majority of the European companies (84%) appear to consider Sustainable Procurement as a priority of their CSR strategy, the same is true for only half of the North American companies and one third of the Asian companies.

The sector-based differences are also marked: the percentage of companies presenting Sustainable Procurement as a priority objective varies from 50% to 80% depending on the sector of activity concerned.

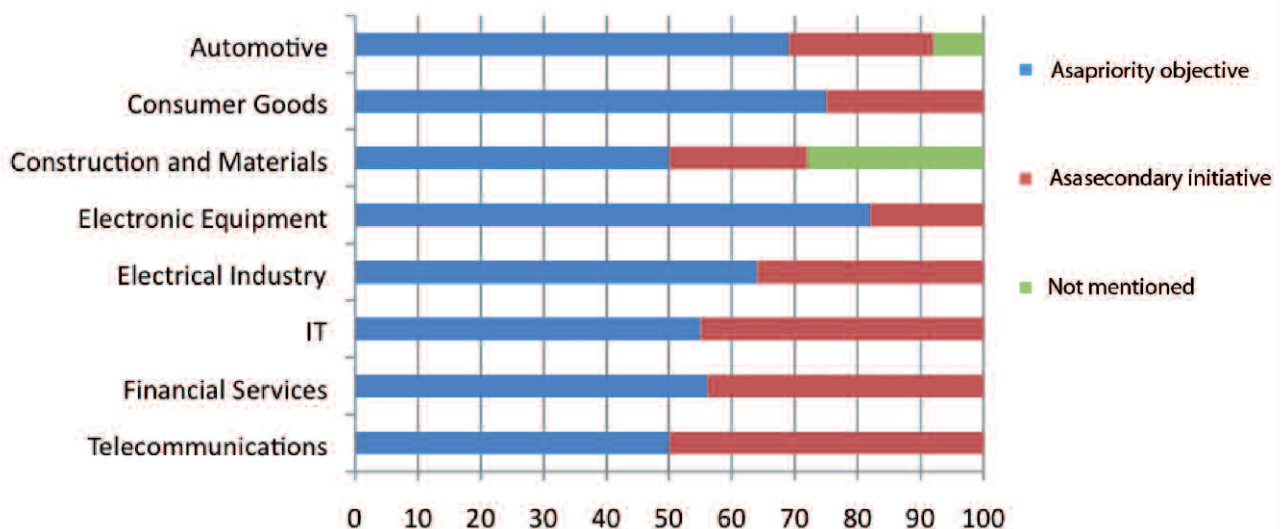
\*It should be noted that, of the 5% of companies that do not mention Sustainable Procurement in their external communication, 4% are Chinese companies and 1% North American.

#### Sustainable Procurement is sometimes the subject of a specific publication.



Apple does not publish a Sustainable Development or Social Responsibility report. However, to counter criticism from stakeholders, in early 2010 the company published a 'Supplier Responsibility 2010 Progress Report' devoted solely to its Sustainable Procurement policy.

How is Sustainable Procurement presented in the CSR strategies ?



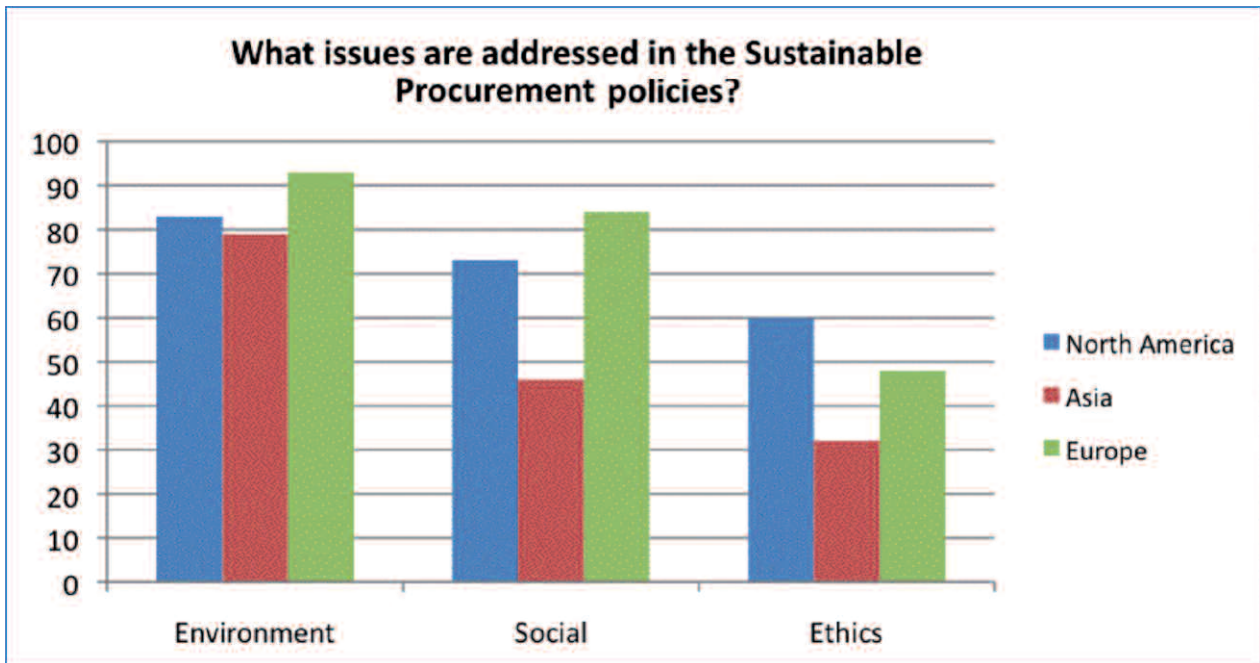
## B. 2) What are the main CSR issues addressed ?

87% of companies surveyed mention environmental issues in communication about their Sustainable Procurement policies, 73% refer to social issues and 47% mention ethical issues.

- **The favourite topic** is the environment: companies are aware of the need to encourage their suppliers to take into account the environmental aspects of their activities. For example they underline their preference for suppliers that develop 'green' products, work towards reducing their CO2 footprint, have an environmental management system, etc.

- **Social issues** are also a key subject of communication for the companies studied: most of them have joined the Global Compact, and they have high standards in terms of ensuring that their suppliers respect human rights and provide decent working conditions for their staff.

- **The subject of ethics**, encompassing issues linked to corruption and anti-competitive practices, is addressed by less than half of companies surveyed, and is mainly addressed by the North American companies, which demonstrates the importance of ethics in business in the United States.



**Economic aspects** are rarely mentioned in companies' communication about their Sustainable Procurement policies, and have not been specifically analysed in this study.

However it should be noted that several companies raise the issue of the economic balance of their supply chain, in differing degrees of detail.

### • Automotive sector

Many of the companies in the Automotive sector mention economic aspects when talking about their supplier relations. For example, in its Sustainable Value Report 2008, BMW explains that it aims to identify suppliers at risk of finding themselves in financial difficulty, in order to help them to resolve their problems.

### • Payment deadlines :

Several companies also raise the issue of payment deadlines, declaring their commitment towards greater fairness and transparency in this area.

#### BMW :

"In today's difficult market climate, the number of suppliers in financial difficulties is rising. The BMW Group uses its risk management system to try to identify companies at risk of insolvency in time to help them by providing advice or other assistance." [Sustainable Value Report 2008 \(page 15\)](#)

#### AXA :

On its website, AXA explains that it attaches great importance to the quality of its supplier relations, which it promotes through respect for its Procurement Code of Ethics and payment deadlines, as well as ongoing dialogue with the Group's main suppliers.

## B. 3) Sustainable Procurement Objectives :

For a Sustainable Procurement policy to be of lasting value, medium and long term objectives must first be decided upon. One in two companies communicate their quantitative targets for Sustainable Procurement. These targets can be divided into two types: firstly, targets in terms of means (for example: increasing the number of suppliers to be evaluated) and secondly, targets in terms of results (for example: reduction of greenhouse gas emissions in the supply chain).

Again there are marked differences between regions. While more than half the European and North American companies present quantitative Sustainable Procurement targets (60% and 53% respectively), the figure is only 29% for their Asian counterparts.

### Top 4 Targets :

#### N°1) Increasing the number of supplier evaluations

The number of suppliers to be assessed, whether by questionnaires or audits, and the annual increase in this number, is the means target that is most often cited (20% of the panel).

##### Examples :

#### Increase in the number of supplier evaluations

##### ABB

Increase the number of sustainability Audits by 10 percent per year from 2007 to 2012

##### ALCATEL-LUCENT

End of 2010: assess the CSR practices of all of our key and preferred suppliers.

##### EDF

2009: Increase number of audits by 30%

##### VOLVO

For 2010: All suppliers complete the Self-Assessment program.

#### N°2) Calculation / Reduction programme for GHG emissions in the supply chain

The reduction of greenhouse gas emissions in the supply chain comes second: 12% of companies mention this target. Their communication refers either to their intention to calculate/document the greenhouse gas emissions produced by their suppliers or to their intention to implement programmes to reduce these emissions.

##### Examples :

#### Calculation / Reduction programme for GHG emissions in the supply chain

##### MC DONALD'S

Early 2010: complete supply chain carbon footprint

##### MICROSOFT

Expand greenhouse gas reporting for our direct material supply chain and establish improvement targets.

##### VODAFONE

By March 2012: with suppliers accounting for 50% of procurement spend: Develop joint CO2 reduction strategies.

##### WAL-MART

Eliminate this equivalent - 20 million metric tons of greenhouse gas (GHG) emissions - from our global supply chain by the end of 2015.

#### N°3) Supplier Charter/Code of Conduct

8% of companies state that they are creating or rolling out a CSR Charter or Code of Conduct to be followed by their Suppliers.

##### Examples :

#### Supplier Charter/Code of Conduct

##### FIAT

2009: Approval and dissemination to all Fiat Group suppliers Sustainability Guidelines

##### HEINEKEN HOLDING

Finalize the implementation of the Supplier Code by 2010

##### PEUGEOT

2010-2011: Roll out PSA Peugeot Citroen's 'Social and Environmental Standards' charter SODEXO

##### SODEXO

2012: All international suppliers have accepted the Code of Conduct

#### N° 4) Encouraging suppliers to work on their CSR practices (e.g. through training, awareness-raising)

Certain companies (7%) also state that they have set themselves targets in terms of helping suppliers to implement more sustainable practices and methods.

The types of action taken to encourage suppliers to improve their CSR policies vary greatly, with some companies preferring to raise awareness amongst their suppliers by informative meetings and others preferring to provide specific training programmes.

##### Examples :

#### Encouraging suppliers to work on their CSR practices

##### APPLE

Develop best practices and training for Apple suppliers around key issues uncovered in audits + Expand supplier training on workers' rights for both management and workers

##### DELL

Encourage Tier 1 suppliers to publish a corporate responsibility report in FY10 + Engage 35 suppliers in eLearning training to build supplier capability

##### FORD MOTOR

2009: Supplier training programs in Brazil, China, India, the Philippines, Romania, South Africa and Turkey

##### VOLKSWAGEN

Develop a regional training program (deadline: 2011)

## C) ACTION : MEANS AND MANNER OF MAKING THE CHANGE

### C. 1) Internal organisation

Overall, the results of the study show that the companies do not say a great deal about their internal organisation in response to the challenge of Sustainable Procurement.

#### a. Internal code of conduct

Ethical Charter, Supplier Relations Code of Conduct, etc. these charters are an important aspect of Sustainable Procurement policies, setting down rules in terms of buyer practices. They are now almost standard practice: 86% of companies surveyed, across all regions, confirmed that they have an internal Code of conduct (North America: 83%; Asia: 71%; Europe: 93%).

#### b. Dedicated Sustainable Procurement function

A study conducted by HEC and EcoVadis in 2009, based on interviews with 21 European Procurement Directors, showed that 37% of companies had designated a Sustainable Procurement Manager. However, this organisational reality is rarely mentioned in the external communication, since only 13% of companies surveyed publish information about the team in charge of Sustainable Procurement. It should be noted that most of the companies that do communicate on this theme specify that the team reports to the Procurement Division, for reasons related to performance and operational efficiency.

#### Fonction dédiée Achats Durables

##### AXA

Sustainable Procurement Group Manager + Different local sustainable procurement managers

##### BOUYGUES

Responsible Procurement Committee

##### DELL

Dell's Worldwide Procurement Supply Chain Supplier Environmental Responsibility Team

##### DEUTSCHE TELECOM

International Sustainable Procurement Working Group

##### FRANCE TELECOM

In every local procurement team: 1 correspondent entitled for Sustainable Procurement

##### MC DONALD'S

Sustainable Supply Steering Committee

##### PANASONIC

Supply Chain CSR Committee

##### PROCTER & GAMBLE

Supplier Sustainability Board

##### VOLVO GROUP

CSR Purchase advisory board

#### c. Training for buyers

Almost 30% of companies publish information in relation to the fact that they organise Sustainable Procurement training sessions or programmes for their buyers. Around 40% of the European companies communicate on this subject, 23% of the North American companies, and less than 10% of the Asian companies

#### Training for buyers:

##### ALSTOM

Distance training

Subjects: **Sustainable Development and Sustainable Sourcing**

1. The main principles of sustainable development
2. Alstom's strategy
3. The impact of sustainable development on the sourcing process
4. The Alstom policy for sustainable sourcing

Available in **7 languages**

→ End of 2008: over 1400 employees concerned

\* The first two parts of the Sustainable Sourcing training course are available on the Alstom website.

##### SIEMENS :

"We also extended our procurement training program, adding a special module on supply chain sustainability which we co-developed with our operating units and based partly on real-world situations that they had experienced." [Sustainability Report 2008 \(page 94\)](#)

#### d. Individual Sustainable Development targets for buyers

Buyer individual targets in terms of Sustainable Development and Sustainable Procurement are very rarely mentioned in companies' communication.

The process of setting such targets is essential for a company looking to roll out a Sustainable Procurement policy on a large scale, but complex to implement. One of the immediate challenges for companies is the definition of performance indicators that are sufficiently reliable to be used as a basis for the buyers' targets.

Out of the companies surveyed, only AXA mentions this subject, but does not communicate precise figures.

##### AXA :

"In 2009, tracking the corporate responsibility performance was included in the objectives of our procurement officers" [Activity and Corporate Responsibility Report 2009 \(page 57\)](#)

#### e. Partnerships with NGOs

As is the case with certain other CSR issues, company partnerships with NGOs can be very positive in the field of Sustainable Procurement, whether in improving the CSR performances of suppliers or developing more sustainable product lines, as shown by the following examples:

• **PUMA / FLA (Fair Labor Association) partnership:**

Any company joining the Fair Labor Association (FLA) must accept its Code of Conduct, which is a set of basic principles relative to human rights and working conditions. Furthermore, the company must undertake to be completely transparent about the CSR performances of its suppliers. To ensure that its Code of Conduct is also being respected by the company's suppliers, the FLA carries out independent and unannounced audits.

In 2004, PUMA entered into a partnership with the Fair Labor Association. Each year the FLA audits 5% of PUMA suppliers, and the company publishes the list of its suppliers for public consultation via the NGO.

• **L'Oréal/Yamana partnership:**

To counter the problem of desertification caused by the production of argan oil in Morocco and to implement a more sustainable sourcing policy, l'Oréal and its local supplier have set up a partnership with the NGO Yamana.

"L'Oréal is working to create a fair trade supply channel for argan oil, together with one of its suppliers, the Laboratoires Sérobiologiques (Cognis, France), and the French NGO Yamana, which has set up privileged links with local players. A supply programme was launched in June 2008. Drafted after consulting the various parties involved, it contains several measures designed in particular to determine the level of fair return to the local population, to increase product traceability, to guarantee that no bio piracy is involved and to allow local cooperatives to become more and more economically autonomous." Sustainable Development Report 2008 (page 49)

**C. 2) Integration of CSR in Supplier relations**

**a. Supplier Charters and Codes of conduct**

Charters or Codes of conduct allow companies to give a formal framework to the CSR requirements that they expect of their suppliers and are therefore the first step in creating a practical Sustainable Development policy. 53% of companies surveyed state that they have published such a document. The analysis of the differences at the regional level is interesting, since a great many of the American companies have a supplier Charter or Code of conduct (70%), a figure that is significantly higher than that of the European companies (51%) and the Asian companies (39%).

**BOUYGUES :**

"The Supplier CSR Charter attests to the determination of Bouygues group entities to promote the application of sustainable development principles by their suppliers, contractors, sub-contractors and service providers" [Website](#)

- **Core elements:** The content of Supplier Charters or Codes of Conduct is generally very similar. The main issues addressed are human rights, working conditions, respect for the environment and ethics. Most of the documents refer to major international instruments such as the ILO Conventions and the United Nations Global Compact.

**Examples :**

**APPLE :**

Apple: Summary of issues addressed in the Supplier Code of Conduct:

Apple Supplier Code of Conduct			
Labor and Human Rights	Health and Safety	Environmental Impact	Ethics
<ul style="list-style-type: none"> <li>• Antidiscrimination</li> <li>• Fair treatment</li> <li>• Prevention of involuntary labor</li> <li>• Prevention of underage labor</li> <li>• Juvenile worker protections</li> <li>• Working hours</li> <li>• Wages and benefits</li> <li>• Freedom of association</li> </ul>	<ul style="list-style-type: none"> <li>• Occupation injury prevention</li> <li>• Prevention of chemical exposure</li> <li>• Emergency prevention, preparedness, and response</li> <li>• Occupational safety procedures and systems</li> <li>• Ergonomics</li> <li>• Dormitory and dining</li> <li>• Health and safety communication</li> <li>• Worker health and safety committees</li> </ul>	<ul style="list-style-type: none"> <li>• Hazardous substance management</li> <li>• Wastewater management</li> <li>• Air emissions management</li> <li>• Solid waste management</li> <li>• Environmental permits and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Business integrity</li> <li>• Disclosure of information</li> <li>• Whistleblower protection and anonymous complaints</li> <li>• Protection of intellectual property</li> </ul>
Management Commitment			
<ul style="list-style-type: none"> <li>• Company statement</li> <li>• Management accountability and responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Documentation and records</li> <li>• Training and communication</li> </ul>	<ul style="list-style-type: none"> <li>• Worker feedback and participation</li> <li>• Corrective action process</li> </ul>	

Some companies deal with specific issues related to their sector of activity in these documents. For example, companies in the agro-food industry often refer to biodiversity and sustainable agriculture in their Supplier Codes of Conduct.

**NESTLÉ :**

"Nestlé supports and encourages operating practices, farming practices and agricultural production systems that are sustainable. This is an integral part of Nestlé's supply strategy and supplier development" [Nestlé Supplier Code \(page 1\)](#)

- **Presentation:** The format of the documents differs greatly from one company to the next. Some are brief, repeating the company's basic CSR requirements (e.g. Hochtief: 2 pages), while others are much more detailed (e.g. Veolia Environnement: 8 pages).
- **Languages:** To be operational, a company's Supplier Charter or Code of Conduct must be understood by all its suppliers. Therefore, in general, these documents are distributed in several languages via the Internet. For example, PepsiCo publishes its Supplier Code on its website\* in 19 languages, including Urdu and Thai.

\*<http://www.pepsico.com/Purpose/Sustainability/Supplier-CSR-Assurance.html>

**EICC Sector-based initiative for a single Code of Conduct: e.g. the EICC (Electronic Industry Citizenship Coalition):**

To avoid subjecting suppliers to multiple and sometimes diverging requirements, the companies of a same sector of activity can work together to create a common Code of Conduct.

The EICC, formed by the leading ITC companies, offers member companies a reference Code of Conduct to be adopted and respected in their supply chains.

11 companies analysed in this study belong to the EICC (Dell, HP, Hon Hai Precision Industry, and Phillips, among others).

**b. CSR clauses in supplier contracts**

The inclusion of CSR clauses in supplier contracts generally represents the second step in a Sustainable Procurement policy, and is a demanding step for suppliers, due to the legal implications. The terms of these clauses vary: some are quite general and others more detailed. The CSR clauses may stipulate the possibility of terminating the commercial relationship in the event of a serious breach of contract by the supplier.

Almost 40% of companies surveyed state that they include CSR clauses in their supplier contracts.

There are significant regional differences: only 4% of the Asian companies communicate about these clauses, compared to 27% of the North American companies and 57% of the European companies.

**BNP :**

“Group Legal Affairs monitors changes in environmental laws and regulations. Clauses covering the corporate and environmental responsibility of suppliers are systematically included in service agreements” [Report on Social and Environmental Responsibility 2008 \(page 163\)](#)

**IBERDROLA :**

“In this spirit, specific corporate social responsibility clauses to be observed by suppliers were added to the Group’s contracting conditions (respect for and protection of human rights, elimination of all forms of forced and compulsory labour, avoiding any form of child labour, elimination of all discriminatory practices, working against corruption, etc.)” [Sustainability Report 2009 \(page 119\)](#)

**c. Analysis of suppliers’ CSR performance**

The third step in a Sustainable Procurement policy consists in analysing supplier CSR performance in order to be aware of their practices and control the risks.

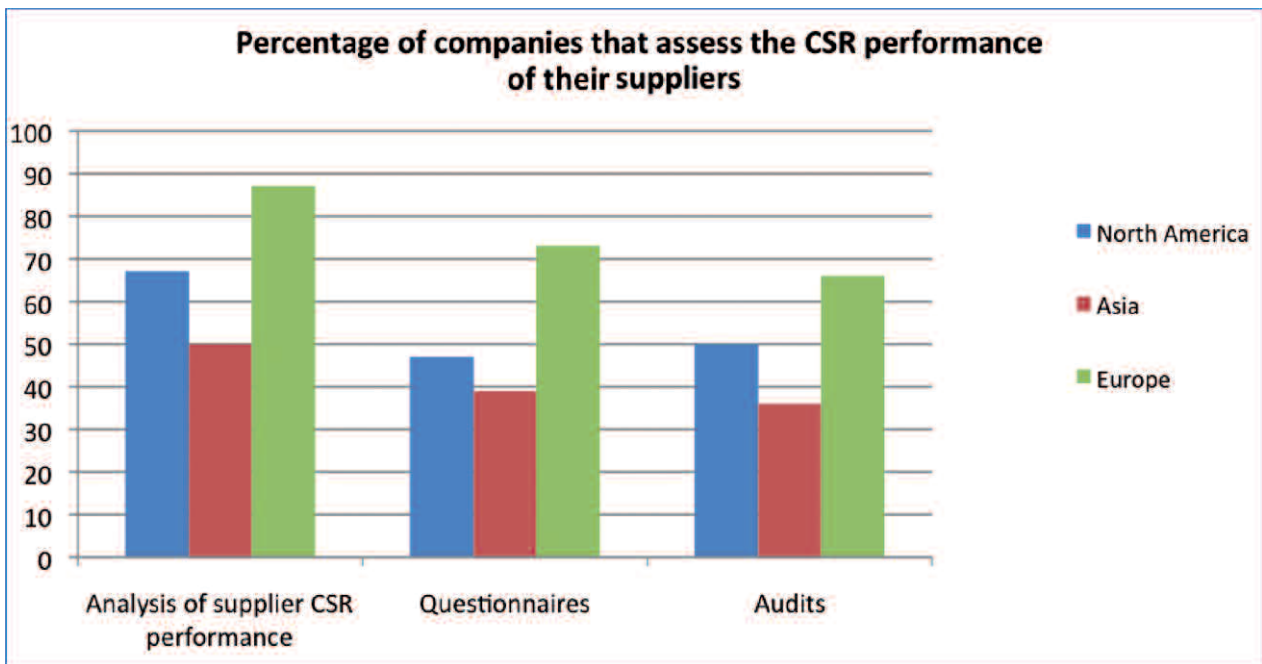
Almost 3 in 4 of companies studied (74%) state that they analyse their suppliers’ performances in terms of sustainable development requirements. Such companies are keen to emphasise this point, since the notion of analysis reflects an operational and efficient aspect of their CSR approach.

This analysis of supplier CSR performance has become general practice worldwide. Nevertheless, the geographical differences remain quite significant, with the European companies being most likely to perform such analyses (87%), followed by the North American companies (67%) and then the Asian companies (50%).

**• Different methods of analysing supplier CSR performance:**

The two main tools available to companies to assess the CSR performance of their suppliers are questionnaires and audits.

According to the study, these two tools, despite being very different, seem to be used by companies in almost equal proportions: 59% of companies state that they use questionnaires and 55% state that they perform audits.



A total of 74% of companies' surveyed state that they analyse the CSR performances of their suppliers, but the ways in which they go about doing so vary greatly.

The scope of the questionnaires differs significantly depending on the number of questions (from 3 to 200), the perimeter that they cover and the type of answers that they require (yes/no or more precise answers). The same is true for the audits, which have different consequences depending on whether the audit lasts a few hours and is conducted by a single auditor or lasts a week and is conducted by experts in each function (environment, HR, etc.).

→ The best practice is to combine these different tools to assess (based on questionnaires and documentary audits) the performance of the management systems of a large number of suppliers, resulting in targeted audits on certain sites only.

#### • Performance of the analyses:

In general, the trend is to outsource supplier CSR assessment. More than 40% of companies based in Europe or North America state that they call upon a third party to assess the CSR performance of their suppliers (via questionnaires and/or audits).

The most frequently cited bodies are: EICC, EcoVadis, Intertek, and SEDEX.

The companies surveyed give two major reasons for this decision to outsource: as well as allowing their buyers to concentrate on developing supplier CSR know-how and supporting them in their progress (for example through awareness-raising and training actions), it allows them to widen the scope of suppliers assessed and to make the assessments more thorough.

#### Examples of companies that outsource the CSR assessment of their suppliers :

##### E-TASC : MOTOROLA :

"In 2008, suppliers began using e-TASC, the self-assessment tool developed by GeSI. Forty-seven suppliers completed self-assessment questionnaires for more than 65 facilities." Website

##### EcoVadis : Alcatel-Lucent :

"By the end of 2010, we aim to assess the CSR practices of all of our key and preferred suppliers, related either to direct or indirect spend (second-tier suppliers), using the EcoVadis rating solution." CSR Report 2008 (page 26)

##### SEDEX : PepsiCo :

"In 2007 PepsiCo joined Sedex as the means for our supplier community to articulate and verify their activity in the areas of employee labour conditions, health & safety, environmental management and business integrity." Website

#### The approach to supplier CSR assessments is changing:

It is becoming apparent that companies are no longer assessing their suppliers solely for defensive and insurance reasons consisting in identifying 'non-conformities' in their practices. They now seem to be adopting a more positive attitude, also looking at the suppliers' strengths and innovations in terms of CSR, particularly through the analysis of environmental performance indicators (e.g. carbon intensity, % of eco-designed products, etc.).

Two recent major initiatives on the international scene illustrate this trend:

#### WAL-MART : SUSTAINABILITY INDEX

In July 2009, Wal-Mart announced the launch of a Sustainable Development initiative called the 'Sustainability Index' aimed at its 100,000 suppliers.

It will be implemented in 3 stages:

- End of 2009: Analysis of the suppliers: each of Wal Mart's 100,000 suppliers must complete a questionnaire made up of 4 parts: energy and climate, material efficiency, natural resources and people and community.
- Creation of a database of life cycle analyses by a consortium of universities that will work alongside suppliers, distributors, NGOs and the government.
- The information will be displayed on products, in a simple and effective manner which has yet to be determined, with the aim of encouraging consumers to adopt more sustainable behaviour.

#### IBM : NEW SUSTAINABLE PROCUREMENT POLICY

In April 2010, IBM announced the launch of a new CSR policy aimed at its suppliers: all suppliers with whom IBM has direct commercial relations, i.e. 28,000 suppliers in 90 different countries, will be required to meet new standards. In this context, they will have to:

- Define and develop a social responsibility management system;
- Assess their performance (using a software program that records their energy consumption, GHG emissions, volume of waste and recycling rate) and set themselves quantitative targets in terms of environmental protection;
- Publish the results linked to these targets and to the other environmental aspects of their management system.

→ Sector or inter-sector pooling of the results of supplier CSR performance analyses is also a growing trend throughout the world.

Via professional associations (e.g. GSCP, EICC) or specialist service providers (e.g. EcoVadis), companies can pool and share the results of assessments or audits of their suppliers.

**d. Support for suppliers**

The fourth step in a Sustainable Procurement approach is to assist suppliers in making the necessary changes and to monitor their progress. 55% of companies surveyed publish information concerning the support and/or actions implemented to encourage their suppliers to take social and environmental aspects into account and enable them to improve their performance in these areas (North America: 50%; Asia: 39%; Europe: 64%).

- Organising corrective action plans and training programmes or sessions:  
41% of companies state that they draw up corrective action plans for their suppliers, and 35% that they offer their suppliers training. The latter figure should be treated with caution, however, since the offer of training programmes generally applies to a limited number of suppliers only.

**TELEFÓNICA:**

“The Telefónica Group developed in-class training for 68 supplier SMEs in the various areas of CR. The aim of the 16-hour training programme is to make Telefónica’s supplier SMEs aware of the main arguments and elements of CR and to introduce them to Telefónica’s business principles and its responsible Procurement programme.” [Website](#)

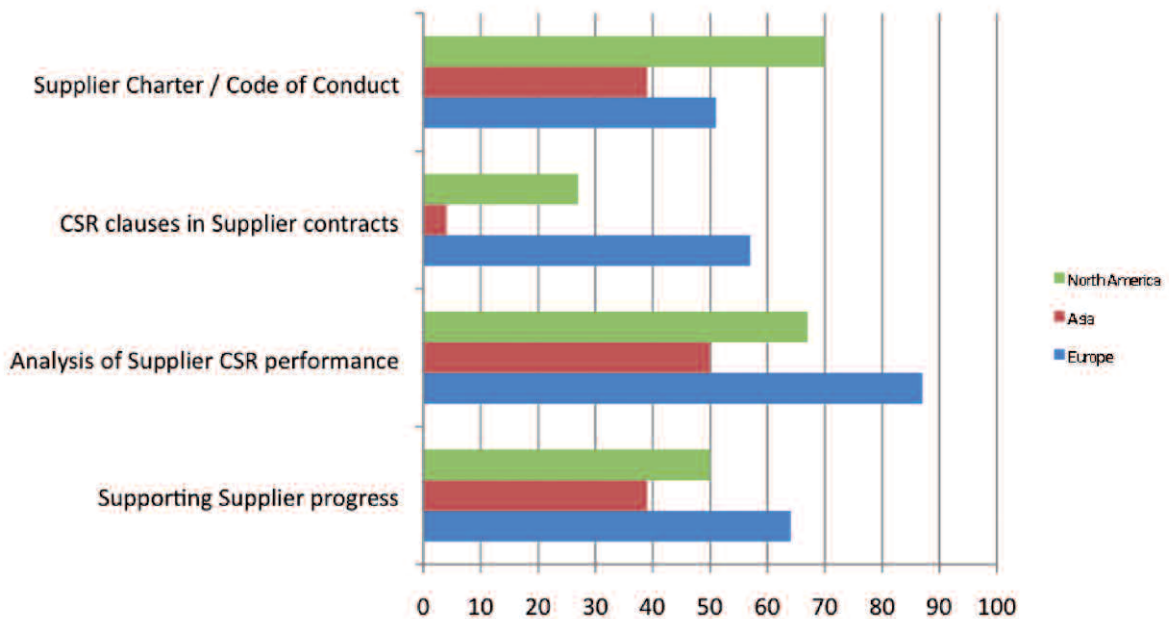
**Suppliers trained by country**

Country	Number of supplier SMEs trained
Chile ( ** )	22
Argentina	8
Peru	6
Colombia	32
<b>SMEs TRAINED</b>	<b>68</b>

**CARREFOUR :**

“Carrefour is also committed to training its suppliers and their employees in their rights and duties at work. In Bangladesh, 56 factories benefited from this approach between 2006 and 2009, representing all of Carrefour’s suppliers. In 2010, Indian suppliers will be trained.” [2009 Annual Activity and Sustainable Development Report \(page 65\)](#)

**Percentage of companies that take action in terms of their relationship with suppliers**





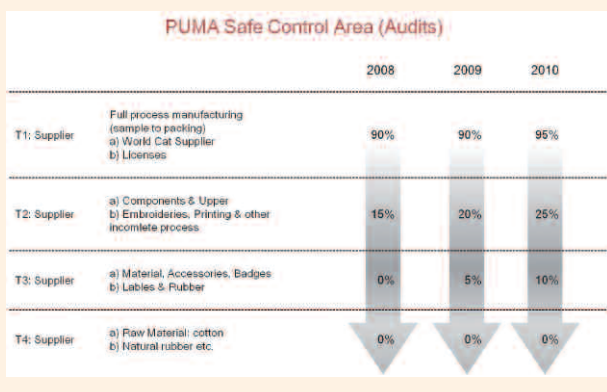
### e. CSR practices within second-tier suppliers

Some companies surveyed address the issue of the CSR performances of their second-tier suppliers, considering that all the participants in the supply chain are concerned by their Sustainable Procurement approach.

In its 2008 CSR report, the Swedish company LM Ericsson asserts that inappropriate practices in second-tier suppliers is one of the most frequent causes of non-conformities revealed by the audits (Ericsson Corporate Responsibility and Sustainability Report, page 15).

#### PUMA (PPR):

"In addition, PUMA made a long-term commitment in 2008 to map out the lower tiers of its supply chain and strengthen monitoring at these levels. Until 2010, PUMA has committed to undertake direct auditing of a percentage of facilities in lower tiers of the supply chain." [Website](#)



#### BMW :

"In spring 2003, the BMW Group established mandatory requirements for ecological and social responsibility in its national and international Procurement conditions. By signing these terms and conditions, suppliers are committing to these sustainability standards. The Procurement conditions were revised and updated – also with regard to sustainability issues – in 2009. Effective as of autumn 2009, these conditions make it mandatory for suppliers to require Tier 2 suppliers to adhere to the same social and ecological standards." [Sustainable Value Report 2008 \(page 14\)](#)

#### IBM:

"In order to further the coverage of our initiative, in 2009 we are working to engage first-tier suppliers to enable them to expand SCSR activity into the second-tier of the IBM supply chain. [Corporate Responsibility Report 2008 \(page 35\)](#)

### f. Innovative initiatives

Some companies communicate about particularly innovative Sustainable Procurement actions which demonstrate their desire to promote different types of cooperation with suppliers in order to develop more sustainable practices.

#### "The Danone Ecosystem Fund"

In 2009, Danone created the Danone Ecosystem Fund to finance programmes and projects aiming to support the activities of all the group's stakeholders, including its suppliers. The initial sum injected into the fund was 100 million euro, plus 1% of the Group's net profit each year. It is important to note that this fund will only benefit "suppliers whose practices comply with the RESPECT programme (Danone's Charter of Fundamental Social Rights)". The fund is intended to back projects proposed by Danone subsidiaries, mainly in three areas: agricultural raw material supplies; waste management; and finally, micro-distribution. [Sustainable Development Report 2009 \(page 115\)](#)

#### "Cooperative Eco-design"

A significant trend in Sustainable Procurement concerns the development of partnerships between clients and suppliers, to design more environmentally-friendly products. Companies in the Automotive sector, where eco-design is an important issue, are particularly active in launching such partnerships.

#### PSA PEUGEOT CITROËN :

To reduce the environmental impact of its activity, PSA Peugeot Citroen has set itself the objective of increasing "the proportion of green materials to 20% of the mass of polymers by 2011". It is taking several steps to achieve this, particularly developing partnership initiatives with its suppliers to promote the use of recycled materials. [Website](#)

#### RENAULT :

"Laguna benefited from all the experience Renault has acquired in eco-design with a view to improving recycling results. Thanks to the efforts of Renault and suppliers on 90 of the car's components, it is 95% recoverable by mass at end of life and contains more than 17% recycled plastic" [Website](#)

### C. 3) Integration of CSR in the Procurement processes

Corporate communication about the operational integration of social and environmental aspects in Procurement processes reflects a move towards greater maturity in terms of Sustainable Procurement: from an insurance-related approach disconnected from the existing Procurement processes, companies are evolving in their approach to supplier relations by efficiently integrating CSR requirements into the various phases of the Procurement process.

#### a. Weight of CSR in invitations to tender

22% of companies surveyed state that they take social and/or environmental criteria into consideration in their invitations to tender. The range of consideration given to CSR varies from 3 to 10%. The regional differences are very marked: 33% of European companies refer to this aspect, compared to only 13% of North American companies and 7% of Asian companies.

#### SOCIÉTÉ GÉNÉRALE

For Société Générale, one of the priorities in its Responsible Sourcing approach is to "Factor in CSR criteria (minimum 3%) when selecting suppliers".

The supplier must complete a questionnaire on CSR issues, and the answers are analysed in order to attribute a CSR rating. This result is then integrated into the e-Sourcing tool which processes purchasing files online. "When an invitation-to-tender is sent out, the purchaser is able to consult the existing CSR rating of a candidate in the database. If a supplier has not yet been rated, a questionnaire is sent at the same time as the invitation to-tender." This rating counts for at least 3% in the supplier selection process. [Website](#)

#### b. Certification requirements

Requiring that suppliers be certified before concluding a contract with them offers a company 'reassurance' as to the quality of practices implemented by their suppliers.

33% of companies surveyed require their suppliers to be certified by third-parties, either for their environmental management system (e.g. ISO 14 000), or relative to social aspects (e.g. SA 8000).

The percentage of companies requiring supplier certification is very similar for the three broad geographical zones studied (North America: 30%; Asia: 36%; Europe: 33%).

#### FORD MOTOR:

"By 2006, 100 percent of Q1 production suppliers had achieved ISO 14001 certification. Suppliers that did not meet the deadline were not eligible for Q1 status, which is a prerequisite for consideration for future Ford business. We also encourage our suppliers to extend the benefits of improved environmental performance by requiring their own suppliers to implement environmental management systems as well" [Sustainability Report 2008-2009 \(Website\)](#)

#### c. Modification of specifications

Prior to imposing CSR requirements on suppliers before accepting to do business with them, companies can also modify their 'products/services' specifications to integrate social and/or environmental criteria.

#### Eco-responsible procurement:

Some companies modify their specifications in order to integrate CSR criteria they have defined.

Many Japanese companies include specific environmental characteristics in their 'products' specifications.

#### FUJITSU :

"In our procurement activity, we give priority to Procurement parts, materials and products that are eco-friendly. We stipulate our basic requirements for green procurement in the Fujitsu Group Green Procurement Direction and promote green procurement activities together with business partners." [2009 Fujitsu Group Sustainability Report \(page 67\)](#)

Table 1 Green procurement requirements to be fulfilled by suppliers

	Requirements	Material/parts suppliers*	Other suppliers	Section
(1)	Establishment of EMS (Environmental Management System)	Required	Required	4.1
(2)	Compliance with regulations for Fujitsu Group specified chemical substances	Required	N/A	4.2
(3)	Establishment of CMS (Chemical substances Management System)	Required	N/A	4.3
(4)	Approaches towards limiting or reducing CO2 emissions	Required	Required	4.4
(5)	Approaches towards biodiversity preservation	Required	Required	4.5

\*Material/parts suppliers: suppliers whose deliverables are equipped to Fujitsu Group's products or suppliers of OEM/ODM products

#### Examples of environmental criteria:

##### • Certified palm oil

Some of the companies in the Consumer Goods sector state that they are keen to encourage more sustainable production of palm oil, and in order to encourage best practices they undertake to purchase only certified palm oil by 2015.

#### UNILEVER:

We were founding members of the Roundtable on Sustainable Palm Oil (RSPO) in 2004. In 2008 we supported a moratorium on deforestation for palm oil in South-East Asia and made a commitment to purchase all our palm oil from certified sustainable sources by 2015". [Sustainable Development Overview 2009 \(page 21\)](#)

#### HENKEL :

"We plan to build on this by taking further steps to focus our product portfolio completely on certified sustainable palm and palm kernel oil by 2015." [Sustainability Report 2009 \(page 11\)](#)

• **Certified paper**

In their external communication, many of the companies mention their decision to use only paper or paper pulp from certified sources. The certification that is most often cited by companies is the FSC (Forest Stewardship Council).

**JP MORGAN CHASE :**

“All our primary suppliers have achieved either single or dual chain of custody certification (FSC or SFI (Sustainable Forestry Initiative)).” [Corporate Responsibility Report 2008 \(page 17\)](#)

**SEARS HOLDINGS CORPORATION :**

“Sears Holdings Corporation believes in the responsible use of natural resources and our preference is to work with suppliers that practice sustainable forestry. We continue to work within the supply chain to promote certification of forests and fiber.” [Website](#)

**Examples of social criteria:**

• **Choosing the Adapted Sector**

The percentage of purchases from local suppliers is published by some of the companies surveyed, to show that they support the local economies in the countries in which they operate.

**EDF :**

Supporting the protected sector in France

“As part of its national agreement on the integration of people with disabilities, EDF set a target for procurement from adapted companies or those specialized in insertion, and organizations hiring a majority of disabled employees: €25.5 million over the period of the agreement 2006-2008. The target was surpassed, with €26.55 million invested. The 2009-2011 agreement is under negotiation. In 2009 EDF will continue to explore new purchasing segments for the employment of people with disabilities.” [Sustainable Development Report 2008 \(page 47\)](#)

• **Choosing local suppliers:**

The percentage of purchases from local suppliers is published by some of the companies surveyed, to show that they support the local economies in the countries in which they operate.

**CEMEX :**

We support the growth of local economies by building relationships with local business partners. In 2008, 94% of our purchases were from locally-based suppliers.” [Sustainable Development Report 2008 \(page 27\)](#)

## D) RESULTS

### D. 1) Performance indicators

Almost 60% of companies publish performance indicators concerning their Sustainable Procurement policy in their external communication. This percentage is similar to that of companies which consider Sustainable Procurement as a priority objective (64%).

The differences appear at the regional level: 72% of the European companies include indicators in their public documents, compared to 50% of North American companies and 39% of Asian companies.

The study reveals that the indicators used by companies also vary greatly, for both means indicators and results indicators. The table below lists the most frequently mentioned indicators.

**Table: Types of indicators presented by companies and Percentages**

MEANS INDICATORS	TOTAL AVERAGE	NORTH AMERICA	ASIA	EUROPE
Number of suppliers assessed or audited	41%	40%	18%	51%
Number or % of suppliers trained	6%	7%	11%	4%
Number or % of suppliers that sign Supplier Charters/Codes of Conduct	7%	3%	4%	10%
% of ISO 14001 certified suppliers	6%	3%	0%	9%
RESULTS INDICATORS				
Results of supplier assessments (number, percentage of non-compliances; ratings)	14%	20%	11%	13%
% of purchases from assessed suppliers	4%	0%	0%	12%
% of purchases from local suppliers	6%	10%	0%	7%
CO2 emissions in the supply chain (Mt equivalent CO2)	2%	3%	0%	1%
Monitoring of CO2 emissions in the supply chain (not quantified)	3%	3%	4%	3%
Number of suppliers excluded from the supply chain after assessments, audits	6%	0%	4%	9%

The most frequently mentioned means indicator is the number of suppliers assessed or audited.

The main results indicator communicated by the companies surveyed is the results of supplier assessments (number, percentage of non-compliances discovered, or ratings attributed to the suppliers).

It is important to add that, once again, the various indicators referring to the notion of 'suppliers' can encompass different realities, and while some companies calculate their indicators on the basis of their strategic suppliers, others calculate them on the basis of all their suppliers.

**Example :**

Results indicator : CO2 emissions in the supply chain (Mt equivalent CO2) :

**LM ERICSSON**

In its CSR Report 2008, the Swedish company L.M Ericsson communicates its commitment to reduce its carbon footprint by 40% within 5 years, with a reduction of 10% in 2009.

To back up this statement, the company publishes a table of its estimated direct and indirect CO2 emissions. The emissions generated by the supply chain represent approximately 4 million tons of CO2, a figure that is much higher than that corresponding to its operational activities (0.8 Mt).

“The largest share of carbon impact in the manufacturing phase comes from our suppliers. Our supply chain accounts for an estimated 4 Mtons of CO2 according to extensive LCA studies.”

Corporate Responsibility and Sustainability Report 2008 (page 18)

**D. 2) Communication Transparency**

How transparent are the Sustainable Development Reports published by the companies studied in terms of Sustainable Procurement?

To answer this question, the reports were compared with the GRI (G3) Guidelines, and more specifically those relative to the supply chain.

A detailed summary of the GRI supply chain guidelines is presented in the appendices.

After this comparison, the companies' communications were classified according to 3 levels of transparency: 'detailed', 'basic' or 'insufficient'.

Level of transparency	Correspondence with GRI	Panel distribution
Detailed	Goes beyond the requirements of the GRI guidelines (innovation in terms of transparency : publication of the list of suppliers)	2%
Basic	Meets the GRI guidelines concerning supply chain data * see Appendix 5) Summary of GRI (G3) supply chain guidelines	52%
Insufficient	Does not respect the GRI guidelines	46%

→ The level of transparency of over half of companies surveyed (52%) was judged as 'basic'. These companies take into account the influence that they can have on suppliers and include the supply chain in the scope of the report. They mention the information required by the GRI guidelines, whether in terms of economic, environmental and social issues, human rights and product liability.

→ Only 3 companies surveyed were classified in the 'detailed' category. These companies publish a list of their suppliers : they are HP, Dell and Puma (PPR).

The lists published by the first two companies include over 95% of their suppliers, and can be consulted directly via their website. The PUMA (PPR) list of suppliers can be requested via the FLA.

HP :

"Alphabetized listing of HP production suppliers. These suppliers represent more than 95% of HP's procurement expenditures for materials, manufacturing and assembly of HP's products all over the world. This list includes contract manufacturers, electronic manufacturing services providers, original design manufacturers, and commodity suppliers. HP is sharing this list with the intent of promoting transparency and progress in raising social and environmental standards in the electronics industry supply chain." [Website](#)

DELL :

"Key Suppliers: As part of our commitment to transparency, we're disclosing this list of more than 95% of our suppliers as measured by our spending. With various stakeholders worldwide requesting this information, we worked with our partners to make this disclosure possible". [Website](#)

PUMA :

"In line with the puma.safe principle of transparency, PUMA's supplier list is publicly available via the Fair Labour Association (FLA)." [Website](#)

**INNOVATIVE INITIATIVE : Transparency and traceability throughout the supply chain :**

**Traceability in the supply chain:**

WAL-MART :

"Love, Earth: Jewelry made from responsible sources and traced to its origins"

Wal-Mart, the American retail giant, has recently launched a very innovative Sustainable Procurement initiative.

The gold and silver used to make the jewellery sold in its network under the 'Love, Earth' brand comes from sustainable sources and their origins can be traced. A code associated with each piece of jewellery allows its new owner to view the entire manufacturing chain via the internet.



## II) Sector-based analyses



### → Are there notable sector-based differences concerning corporate communication in terms of Sustainable Procurement ?

As well as the geographic differences indicated in the first part of the document, the study revealed the following differences according to sector.

### AUTOMOTIVE

The Automotive sector, which comprises both manufacturers and equipment providers, has long been marked by very structured Procurement, since this function is a strategic priority for the industry. This explains why companies in this sector focus so much on Sustainable Procurement in their communication.

	Automotive	Entire panel
VISION :		
Quantitative Sustainable Procurement targets	77%	51%
ACTION: Certification requirements	62%	33%
RESULTS: Performance indicators	69%	59%
RESULTS :		
Basic level of transparency	69%	52%

→ Companies in the Automotive sector communicate above all about their Sustainable Procurement targets, their certification requirements, and their performance indicators.

#### • Environmental management system certifications:

62% of companies in the Automotive sector require their suppliers to have an environmental management system certified ISO 14001 or equivalent (compared to only 51% for all companies surveyed).

23% of companies in this sector also communicate the results of their approach, indicating the percentage of their suppliers that are ISO 14001 certified (e.g.: Ford: 100% ISO 14001 certified suppliers; Fiat: 91% ISO 14001 certified suppliers, etc.).

#### BMW :

“Suppliers are required to set up a fully functional environmental management system certified in accordance with the established standards ISO 14001, EMAS or equivalent certificates” [Sustainable Value Report 2008 \(page 14\)](#)

→ Indeed, the level of transparency of their Sustainable Development or CSR reports is the most uniform of the 8 sectors studied: for 69% of companies, the level of transparency is considered as ‘basic’.

## CONSUMER GOODS

The 'Consumer Goods' sector, which comprises all manufacturers and distributors of mass consumer goods, is a sector where the social and environmental risk is high, particularly due to widespread dealings with suppliers in low-cost countries, and is also a highly exposed sector in terms of image given its proximity to consumers.

The study shows that companies in this sector communicate more than those in other sectors about the actions implemented with their suppliers, whether in terms of analysis of supplier CSR performance or in terms of assisting suppliers in their improvement programmes.

	Consumer goods	Entire panel
ACTION : Percentage of companies stating that they perform supplier audits	75%	55%
ACTION : Percentage of companies stating that they outsource supplier assessment	63%	34%
ACTION : Assisting suppliers in improvement programmes	71%	55%

### → Analysing supplier CSR performance

75% of companies state that they perform audits to verify the practices of their suppliers.

A majority (63%) also call upon the services of third-parties to perform these evaluations and controls compared to just over a third of companies taking all sectors into account.

#### CARREFOUR :

"We explain all our policies to potential suppliers and two audits are required before entering into a commercial contract: one technical and one social. They are conducted by specialized independent firms" [Sustainability Report 2008 \(page 14\)](#)

#### WAL-MART:

"Wal-Mart's ethical standards group and third-party audit firms conducted 11,502 audits in more than 7,000 supplier factories" [Global Sustainability Report 2009 \(page 73\)](#)

### → Supporting suppliers

71% of companies surveyed state that they encourage their suppliers to adopt more sustainable practices.

One in two companies in the Consumer Goods sector promote supplier training to develop their CSR know-how (54%).

### A sector initiative: GSCP

The aim of this initiative launched in 2006 is to share the results of audits carried out by its members, but also to pool best practices. In total, 26 companies are members of the GSCP: 6 of them have been analysed in this study (Carrefour, Casino, Dell, Hewlett-Packard, Tesco and Wal-Mart).



#### CARREFOUR :

"Carrefour decided, along with its major worldwide competitors, to participate in the launch of the GSCP (Global Social Compliance Programme) platform. This platform, in which we have been joined by several major manufacturers and the aim of which is to harmonise the systems used throughout the world, has already helped to bring greater transparency and comparability to audit codes and systems" ['At the Heart of Global Issues' 2008 \(page 8\)](#)

## CONSTRUCTION AND MATERIALS

→ This sector comprises equipment manufacturers and construction firms.\*

These companies often have a very decentralised and unstructured procurement organisation, and prefer 'local' purchases.

#### LAFARGE :

"Our supply purchasing shows a strong commitment to local suppliers. For instance in our Cement business, Lafarge India Pvt. spent €155.5 million on supplies in 2009, 91.7% being from Indian suppliers. In our Gypsum business, the story is the same with 92% of Lafarge Gypsum China's purchases being from Chinese suppliers." [Sustainability Report 2009 \(page 15\)](#)

Companies in the 'Construction and Materials' sector are those that give the most information about their Procurement in general, but communicate the least about Sustainable Procurement.

	Construction & Materials	Entire panel
General Procurement information	67%	54%
Percentage of Procurement in the turnover	33%	8%
Annual sum of Procurement	44%	32%

\* It is important to note that out of the 18 companies representing the Construction and Materials sector for this study, 5 are Chinese companies (i.e. 28%) whose CSR communication is practically inexistent.

→ 67% of companies in the Construction and Materials sector publish information about their procurement in their reports, a figure higher than the average taking all sectors into account (54%).

1 in 3 companies communicates the percentage that Procurement represents in their turnover, and 44% of companies surveyed indicate the annual sum of their Procurement.

## ELECTRONIC EQUIPMENT

The sector of Electronic Equipment is characterised by very complex and globalised supply chains. It is also the sector that communicates the most about Sustainable Procurement.

	Electronic equipment	Entire panel
VISION : Sustainable Procurement: a priority objective of the company's CSR policy	82%	64%
ACTION : Assisting suppliers in improvement programmes	71%	55%
ACTION : Corrective action plans	59%	41%

→ 82% of companies surveyed present their Sustainable Procurement policy as a major CSR issue.

→ 71% of companies state that they help their suppliers to improve their CSR practices, and almost 60% state that they implement corrective action plans to help their suppliers to progress in this domain.

### ROYAL PHILLIPS ELEC :

"Corrective action plans are agreed upon within 30 days of an audit." [Annual Report 2009 \(page 49\)](#)

### Tantalum - A burning issue for this sector

The controversial subject in terms of Sustainable Procurement in the electronics sector concerns the supply chain of certain minerals, such as tantalum or tin, which all the major companies use to make computers, mobile phones, etc.

The extraction and distribution of these minerals is often carried out with little regard for human rights and the environment, and may also be tied in with armed conflicts (in the Democratic Republic of Congo, for example). In response to rising criticism and accusations by NGOs, several initiatives have been launched to find a solution.

A partnership between the GeSI and the EICC, two major initiatives in the electronics industry, has been launched to work on the creation of a traceability model for the supply chains of tin, tantalum and cobalt.

## ELECTRICAL INDUSTRY

Sustainable Procurement communication by companies in the Electrical sector corresponds to the panel average, and is slightly above this average in certain areas such as supplier training and the use of questionnaires to assess the suppliers' CSR practices as well as development of suppliers' CSR know-how through awareness-raising and training actions.

	Electrical Industry	Entire panel
ACTION : Supplier training	43%	28%
ACTION : Analysing supplier CSR performance via questionnaires	79%	59%
ACTION: Supplier awareness-raising training actions	57%	35%

→ Almost one in two companies state that they train their suppliers in sustainable development and Sustainable Procurement.

→ More than three out of four companies in the Electrical sector assess the CSR performance of their suppliers via questionnaires.

→ More than half of the companies communicate on their supplier training/awareness-raising sessions or sustainable development programmes..

### CENTRICA :

"For any large organization, procuring goods and services is a complex global activity. To remain competitive companies are adopting a range of sourcing strategies such as increasing outsourcing and sourcing from emerging markets. Energy companies in particular must focus their efforts increasingly on developing countries and less stable economies to find new sources of energy. Companies are regularly held to account by consumers, NGOs and investors for failing to manage the social and environmental impact of their supply chains. As a result, there is a growing need for companies to focus on both their own operations and the activities of their suppliers and business partners." [Corporate Responsibility Report 2009 \(page 83\)](#)



## IT

This sector, which comprises both IT manufacturers and service companies, is one of the best performing sectors in terms of Sustainable Procurement communication, notably thanks to a number of leading companies such as HP, IBM, and Dell.

	IT Sector	Entire panel
ACTION : Supplier Charters and Codes of conduct	91%	53%
ACTION : Analysing supplier CRS performance	91%	74%
RESULTS : Detailed level of transparency	18%	2%

→ Almost all companies in the IT sector publish information about their Supplier Charters or Codes of conduct and state that they analyse the CSR performance of their suppliers via questionnaires or audits.

Furthermore, the level of transparency of the reports of 18% of companies in the IT sector is considered as 'detailed', which is a significantly higher rate than for the other sectors.

## FINANCIAL SERVICES

The Financial Services sector comprises banks and insurance companies.

The CSR issues within the Procurement function, particularly in terms of risks, are less crucial than in industrial sectors. Nevertheless, the risk culture inherent in the Financial Services sector explains the very structured Sustainable Procurement approaches set up by these companies, and the associated communication.

	Financial Services	Entire panel
ACTION : Internal Code of conduct	100%	86%
ACTION : Sustainable Procurement team	19%	13%
ACTION : CSR clauses	56%	38%
ACTION: Importance of CSR in invitations to tender	44%	22%

→ Creation and distribution of an internal Code of conduct, appointment of a designated Sustainable Procurement team, inclusion of CSR clauses in supplier contracts, and consideration of CSR issues in invitations to tender. These four themes are more often addressed, and more broadly developed, by companies in the Financial Services sector than in other sectors.

## ALLIANZ GROUP :

"As an international financial services company, the social and environmental impacts of our supply chain, as well as the resulting risks, are comparatively low compared to other sectors, such as manufacturing." [Website](#)

## TELECOMMUNICATIONS

Sustainable Procurement communication by companies in the Telecommunications sector is very disparate. Some companies, such as Deutsche Telekom, Vodafone and Telefonica, present their strategy in this domain in great detail, whereas others such as AT&T and Sprint Nextel give very little information.

	Telecommunications	Entire panel
VISION : Quantitative Sustainable Procurement targets	67%	51%
ACTION : Analysis of the CSR performance of their suppliers	75%	74%
RESULTATS : Performance indicators	67%	59%

Generally speaking, companies in this sector give a lot of information concerning their quantitative Sustainable Procurement targets, the analysis of the CSR performance of their suppliers and their performance indicators.



# Appendices



## APPENDIX 1)

### List of Companies analysed

AUTOMOBILE	
BMW	Germany
Daimler	Germany
Fiat	Italy
Ford Motor	United States
General Motors	United States
Honda Motor	Japan
Hyundai Motor	South Korea
Peugeot	France
Renault	France
Robert Bosch	Germany
Toyota Motor	Japan
Volkswagen	Germany
Volvo Group	Sweden

CONSUMER GOODS	
Anheuser-Bush InBev	Belgium
Carrefour	France
Coca Cola Company	United States
Coca-Cola Enterprises	United States
Compass Group	Great Britain
Groupe Danone	France
Foncière Euris	France
Heineken Holdings	The Netherlands
Henkel	Germany
Kraft Foods	United States
L'Oréal	France
Macy's	United States
Mc Donald's	United States
Métro	Germany
Nestlé	Switzerland
Pepsi Co	United States
PPR	France
Procter & Gamble	United States
Sears Holdings	United States
Sodexo	France
Target	United States
Tesco	Great Britain
Unilever	Great Britain / The Netherlands
Wal-Mart Stores	United States

## CONSTRUCTION AND MATERIALS

Acciona	Spain
ACS	Spain
Bouygues	France
Cemex	Mexico
China Communications Construction	China
China Metallurgical Group	China
China Railway Construction	China
China Railway Group	China
China State Construction Engineering	China
CRH	Ireland
Fluor	United States
HeidelbergCement	Germany
Hochtief	Germany
Holcim	Switzerland
Lafarge	France
Saint-Gobain	France
Skanska	Suède
Vinci	France

## ELECTRONIC EQUIPMENT

Alcatel-Lucent	France
Cisco Systems	United States
Emerson Electric	United States
Hitachi	Japan
Hon Hai Precision Industry	Taiwan
LG	South Korea
L.M Ericsson	Sweden
Mitsubishi Electric	Japan
Motorola	United States
Nokia	Finland
Panasonic	Japan
Royal Philips Electronics	The Netherlands
Samsung Electronics	South Korea
Sharp	Japan
Siemens	Germany
Sony	Japan
Toshiba	Japan

## ELECTRICAL INDUSTRY

ABB	Switzerland
Alstom	France
Centrica	Great Britain
Electricité de France	France
Enel	Italy
Hyundai Heavy Industries	South Korea
Iberdrola	Spain
Korea Electric Power	South Korea
Mitsubishi Heavy Industries	Japan
Schneider Electric	France
Scottish & Southern Energy	Great Britain
State Grid	China
Tokyo Electric Power	Japan
Veolia Environnement	France

## IT

Accenture	United States
Apple	United States
Asustek Computer	Taiwan
Canon	Japan
Dell	United States
Fujitsu	Japan
Hewlett-Packard	United States
IBM	United States
Microsoft	United States
NEC	Japan
Oracle	United States

## FINANCIAL SERVICES

Allianz	Germany
AXA	France
Banco Santander	Spain
Bank of America Corp.	United States
BNP Paribas	France
Citigroup	United States
CNP Assurances	France
Crédit Agricole	France
Deutsche Group	Germany
Dexia Group	Belgium
HSBC Holdings	Great Britain
ING Group	The Netherlands
J.P Morgan Chase & Co.	United States
Royal Bank of Scotland	Great Britain
Société Générale	France
UniCredit Group	Italy

## TELECOMMUNICATIONS

AT&T	United States
BT	Great Britain
China Mobile Communications	China
Deutsche Telekom	Germany
France Telecom	France
Nippon Telegraph & Telephone	Japan
Sprint Nextel	United States
Telecom Italia	Italy
Telefonica	Spain
Verizon Communications	United States
Vivendi	France
Vodafone	Great Britain

## APPENDIX 2)

### Table of results: entire panel and by geographical zone

			ENTIRE PANEL	NORTH AMERICA	ASIA	EUROPE
GENERAL PROCUREMENT INFORMATION			54%	43%	29%	70%
<b>VISION</b>	In the CRS policy, Sustainable Procurement is presented as :	• A priority objective	64%	47%	36%	84%
		• A more secondary initiative	31%	50%	46%	16%
		• Not mentioned	5%	3%	18%	0%
	Themes addressed by the Sustainable Procurement policy	• Environment	87%	83%	79%	93%
		• Social	73%	73%	46%	84%
		• Ethics	47%	60%	32%	48%
Quantitative Sustainable Procurement targets			51%	53%	29%	60%
<b>ACTION</b>	Initiating the change	• Internal Code of conduct	86%	83%	71%	93%
		• Sustainable Procurement team	13%	10%	11%	15%
		• Buyer training	28%	23%	7%	39%
	Supplier relations	• Supplier Charter, Code of conduct	53%	70%	39%	51%
		• CSR clauses in supplier contracts	38%	27%	4%	57%
		• Analysis of supplier CSR				
		- Performance	74%	67%	50%	87%
		- Questionnaire	59%	47%	39%	73%
		- Audits	55%	50%	36%	66%
		- Performed by an internal team	26%	20%	11%	34%
		- Performed by third-parties	34%	40%	4%	43%
		• Assistance/support for suppliers	55%	50%	39%	64%
		- Corrective action plans	41%	47%	18%	48%
	- Supplier training	35%	37%	29%	39%	
	Integration of CSR in the Procurement process	• Importance of CSR in invitations to tender	22%	13%	7%	33%
		• Certification requirements	33%	30%	36%	33%
	<b>RESULTS</b>	Performance indicators		59%	50%	39%
Level of transparency of sustainability/CSR reports (in terms of Sustainable Procurement)		• « Detailed »	2%	7%	0%	0%
		• « Basic »	52%	37%	18%	75%
		• « Insufficient »	46%	57%	82%	25%

# APPENDIX 3)

## General Procurement information

	AUTOMOTIVE	CONSUMER GOODS	CONSTRUCTION AND MATERIAL	ELECTRONIC EQUIPMENT	ELECTRICAL INDUSTRY	IT	FINANCIAL SERVICES	TELECOM-MUNICIPATIONS
<b>GENERAL PROCUREMENT INFORMATION</b>								
<b>VISION</b>								
In the CSR policy,	58%	42%	67%	56%	57%	36%	62%	59%
• A priority objective	69%	75%	50%	82%	64%	55%	56%	50%
Sustainable Procurement	23%	25%	22%	18%	36%	45%	44%	50%
Is presented as :	8%	0%	28%	0%	0%	0%	0%	0%
• Not mentioned								
Themes addressed by the Sustainable Procurement policy	92%	79%	50%	100%	93%	100%	100%	100%
• Environment	77%	79%	33%	88%	71%	64%	88%	83%
• Social	8%	50%	33%	59%	43%	55%	63%	67%
• Ethics								
<b>ACTION</b>								
Quantitative Sustainable Procurement targets	77%	58%	22%	59%	36%	73%	31%	67%
Initiating the change	92%	92%	67%	88%	93%	73%	100%	75%
• Internal Code of conduct	8%	13%	17%	6%	0%	18%	19%	17%
• Sustainable Procurement team	31%	33%	11%	41%	43%	9%	18%	25%
• Buyer training								
Supplier relations	46%	75%	28%	59%	50%	91%	19%	58%
• Supplier Charter, Code of conduct								
• CSR clauses in supplier contracts	31%	33%	44%	24%	50%	27%	56%	33%
• Analysis of supplier CSR performance	77%	79%	56%	88%	79%	91%	50%	75%
- Questionnaire	62%	46%	44%	71%	79%	73%	50%	67%
- Audits	62%	75%	44%	71%	43%	64%	19%	58%
- Performed by an internal team	46%	29%	17%	35%	0%	36%	6%	42%
- Performed by third parties	38%	63%	11%	35%	14%	45%	19%	33%
• Assistance/support for suppliers	54%	71%	28%	71%	64%	64%	31%	50%
- Corrective action plans	46%	46%	6%	59%	29%	55%	31%	50%
- Supplier training	31%	54%	22%	41%	57%	55%	0%	25%
<b>RESULTS</b>								
• Integration of CSR in the Procurement process								
• Importance of CSR in invitations to tender	0%	21%	33%	6%	29%	27%	44%	17%
• Certification requirements	62%	38%	22%	35%	50%	36%	19%	0%
Performance indicators	69%	63%	33%	65%	64%	64%	56%	67%
Level of transparency of Sustainability/CSR reports (in terms of Sustainable Procurement)	0%	0%	0%	0%	0%	18%	0%	0%
• « Detailed »	69%	63%	50%	59%	57%	27%	38%	50%
• « Basic »								
• « Insufficient »	31%	38%	50%	41%	43%	55%	63%	50%

## APPENDIX 4)

### CSR reporting: worldwide legal obligations

<b>China</b>	2008: Regulation on Environmental Information Disclosure (SEPA, State Environmental Protection Administration): obligation for environmental agencies and highly polluting companies to publish certain environmental information.
<b>Denmark</b>	Act amending the Danish Financial Statements Act 2008: For the 1100 largest Danish companies: obligation to include CSR information in their annual financial reports. Scope: -information on CSR or SRI policies -information on how policies are put into practice -information on the results obtained and the future objectives in terms of CSR/SRI
<b>United States</b>	Sarbanes- Oxley Act of 2002: Section 406: Obligation to publish a written Code of Ethics (and if not, explanation of the reason why).
<b>France</b>	NRE Law of 2001: Art. 116: French listed companies must present, in their annual management report, as well as their accounting and financial information, data on the environmental and social consequences of their activities. Promulgated by a Decree dated 20 February 2002.
<b>Japan</b>	2006: Mandatory Greenhouse Gas Accounting and Reporting System: certain specific entities (emitting high quantities of GHG) must calculate their GHG emissions and report the results to the Government
<b>Norway</b>	Accounting Act of 17 July 1998, no. 56 (entered into force on 1 January 1999 and modified on 16 June 2000): Chapter 3: Public limited companies must present an annual management report as well as a report by the board of directors. Such reports must indicate: - the nature and location of the company's activities - information about policies and working conditions - a complete summary of any of the company's activities that could have an effect on the environment and the measures taken to prevent negative impacts.
<b>The Netherland</b>	1997 Environmental Management Act: Companies whose activities have significant negative effects on the environment must provide the authorities with an environmental report.
<b>United Kingdom</b>	Companies Act 2006: Obligation for listed companies to publish information on environmental and social issues as necessary in order for the shareholders to understand the company's activities. Climate Change Act 2008: Obligation for listed companies to publish their CO2 emissions on an annual basis.
<b>Sweden</b>	1998 Environmental Code: Obligation for companies in the construction sector and companies whose activities generate environmentally dangerous emissions to publish information on the environmental consequences of their activities in an annual environmental report. NOTE! Public companies: As from 2009 (fiscal year starting from 1 January 2008), companies in which the State has shareholdings must compile an annual sustainability report based on the GRI guidelines.

## APPENDIX 5)

### Summary of GRI (G3) supply chain reporting guidelines

#### 1) Principles for Defining Report Content

- **MATERIALITY** : Determine the materiality of the information on the basis of the organization's influence over the upstream entities (supply chain)
- **STAKEHOLDER INCLUSIVENESS** : Identify the stakeholders and explain how it has responded to their reasonable expectations and interests.
- **SUSTAINABILITY CONTEXT** : Describe the links between the themes relative to sustainable development and its strategies, risks and opportunities in the long term (including on the theme of the supply chain).
- **COMPLETENESS** : Analyse the organization's capacity to influence the upstream entities (supply chain for example)

#### 2) Defining the scope or boundary of the report

The report should include in its boundary all entities over which the reporting organization exercises control or significant influence with regard to its relations with different upstream entities.

#### 3) Standard disclosures

- **ECONOMIC** :
  - Performance indicator: policy, practices and proportion of procurement from local suppliers at the main operational sites.
- **ENVIRONMENT** :
  - Procedures relative to monitoring and preventive and corrective actions, including those in relation to the supply chain.
  - List of certifications of environmental performance or certification systems or other audit or verification approaches of the organization or of its supply chain.
  - Performance indicators: total direct and indirect greenhouse gas emissions by weight (teq CO2).
- **HUMAN RIGHTS**:
  - Procedures relative to monitoring and preventive and corrective actions, including those in relation to the supply chain.
  - List of certifications of performance in terms of human rights or certification systems or other audit or verification approaches of the organization or of its supply chain.
  - Performance indicator: percentage of significant suppliers and subcontractors that have undergone screening on human rights and actions taken.
- **SOCIETY** :
  - Procedures relative to monitoring and preventive and corrective actions, including those in relation to the supply chain.
  - List of certifications of performance or certification systems or other audit or verification approaches of the organization or of its supply chain.
- **PRODUCT LIABILITY**:
  - Procedures relative to monitoring and preventive and corrective actions, including those in relation to the supply chain.
  - List of certifications of performance in terms of product liability or certification systems or other audit or verification approaches of the organization or of its supply chain.

## APPENDIX 6)

### List of Supplier Charters and Codes of conduct

AUTOMOTIVE		
COMPANY	TITLE	URL LINK
TOYOTA	Green Purchasing Guidelines Supplier CSR Guidelines	<a href="http://www.toyota.co.jp/en/environment/vision/green/pdf/p1.pdf">http://www.toyota.co.jp/en/environment/vision/green/pdf/p1.pdf</a> <a href="http://www.toyota.co.jp/en/csr/relationship/pdf/supplier_csr_en.pdf">http://www.toyota.co.jp/en/csr/relationship/pdf/supplier_csr_en.pdf</a>
VOLKSWAGEN	VG requirements for sustainable development with regard to the relationships with business partners	<a href="http://www.vwgroupsupply.com/b2b/vwb2b_folder/supply2public/downloads">http://www.vwgroupsupply.com/b2b/vwb2b_folder/supply2public/downloads</a>
DAIMLER	Sustainability Guidelines for Daimler AG Suppliers	<a href="https://daimler.portal.covisint.com/web/portal/guideline">https://daimler.portal.covisint.com/web/portal/guideline</a>
FIAT	Fiat Group Sustainability Guidelines for Suppliers	<a href="http://sostenibilita.fiatgroup.com/it-IT/Documents/Fiat%20Group%20Sustainability%20Guidelines%20for%20Suppliers.pdf">http://sostenibilita.fiatgroup.com/it-IT/Documents/Fiat%20Group%20Sustainability%20Guidelines%20for%20Suppliers.pdf</a>
PEUGEOT	PSA Peugeot Citroen Supplier CSR requirements	<a href="http://b2b.psa-peugeot-citroen.com/index.php?id=738&amp;L=2#exigence">http://b2b.psa-peugeot-citroen.com/index.php?id=738&amp;L=2#exigence</a>
VOLVO GROUP	Key elements procedures	<a href="http://www.volvogroup.com/suppliers/global/en-gb/supplierselection/ourrequirements/">http://www.volvogroup.com/suppliers/global/en-gb/supplierselection/ourrequirements/</a>

CONSUMER GOODS		
COMPANY	TITLE	URL LINK
WAL MART	Standards for Suppliers	<a href="http://walmartstores.com/AboutUs/279.aspx">http://walmartstores.com/AboutUs/279.aspx</a>
NESTLE	Nestlé Supplier Code of Conduct	<a href="http://www.nestle.com/AllAbout/Suppliers/Introduction.htm">http://www.nestle.com/AllAbout/Suppliers/Introduction.htm</a>
METRO	BSCI CoC	<a href="http://www.bsci-eu.org/index.php?id=2034">http://www.bsci-eu.org/index.php?id=2034</a>
PROCTER & GAMBLE	P&G Sustainability Guidelines for Supplier Relations	<a href="http://www.pgsupplier.com/sustainability-guidelines">http://www.pgsupplier.com/sustainability-guidelines</a>
UNILEVER	Business Partner Code	<a href="http://www.unilever.com/sustainability/customers-suppliers/suppliers/partner-code/index.aspx">http://www.unilever.com/sustainability/customers-suppliers/suppliers/partner-code/index.aspx</a>
SEARS	Code of Vendor Conduct	<a href="http://www.searsholdings.com/about/compliance/docs/Vendor_Code_Conduct_2007.pdf">http://www.searsholdings.com/about/compliance/docs/Vendor_Code_Conduct_2007.pdf</a>
PEPSI CO.	Responsible & Sustainable Sourcing Guidelines PepsiCo Supplier CoC	<a href="http://www.pepsico.com/Download/PepsiCo_SSM_Supplier_Relations_Guidelines.pdf">http://www.pepsico.com/Download/PepsiCo_SSM_Supplier_Relations_Guidelines.pdf</a> <a href="http://www.pepsicocareercenter.com/Download/English.pdf">http://www.pepsicocareercenter.com/Download/English.pdf</a>
FONCIERE EURIS	Supplier Ethical Charter (Rallye)	
COCA COLA COMPANY	Supplier Guiding Principles	<a href="http://www.thecoca-colacompany.com/citizenship/pdf/SGP_Brochure_ENG.pdf">http://www.thecoca-colacompany.com/citizenship/pdf/SGP_Brochure_ENG.pdf</a>
PPR	Supplier Charter	
MACY'S	Vendor/Supplier CoC	<a href="http://www.macysinc.com/AboutUs/Policies/minc_code_of_conduct.pdf">http://www.macysinc.com/AboutUs/Policies/minc_code_of_conduct.pdf</a>
Mc DONALD'S	Supplier CoC	<a href="http://www.aboutmcdonalds.com/etc/medialib/csr/docs.Par.96140.File.dat/code_of_conduct_for_suppliers.pdf">http://www.aboutmcdonalds.com/etc/medialib/csr/docs.Par.96140.File.dat/code_of_conduct_for_suppliers.pdf</a>
COMPASS GROUP	Purchasing & Supply Policy Statement	<a href="http://cr09.compass-group.com/getdoc/5775c836-b99d-439e-ac6d-95ffe5d30146/supply-chain-policy_dec-08.aspx">http://cr09.compass-group.com/getdoc/5775c836-b99d-439e-ac6d-95ffe5d30146/supply-chain-policy_dec-08.aspx</a>
DANONE	Fundamental Social Principles Subcontractor Charter	<a href="http://www.danone.com/en/sustainable-development/people.html">http://www.danone.com/en/sustainable-development/people.html</a>
COCA COLA ENT.	Supplier Guiding Principles	<a href="http://www.cokecce.com/pages/_content.asp?page_id=96">http://www.cokecce.com/pages/_content.asp?page_id=96</a>
HEINEKEN	Supplier Code	<a href="http://www.heinekeninternational.com/content/live/files/downloads/CorporateResponsibility/Heineken%20Supplier%20Code.pdf">http://www.heinekeninternational.com/content/live/files/downloads/CorporateResponsibility/Heineken%20Supplier%20Code.pdf</a>
HENKEL	Supplier Code	
SODEXO	Supply Chain Code of Conduct	<a href="http://www.sodexo.com/group_en/Images/Sodexo_VendorCodeofConduct_tcm13-193199.pdf">http://www.sodexo.com/group_en/Images/Sodexo_VendorCodeofConduct_tcm13-193199.pdf</a>



## CONSTRUCTION AND MATERIALS

COMPANY	TITLE	URL LINK
SAINT GOBAIN	Supplier Charter	<a href="http://www.saint-gobain.com/files/Charte-Fournisseurs_Suppliers-Charter.pdf">http://www.saint-gobain.com/files/Charte-Fournisseurs_Suppliers-Charter.pdf</a>
VINCI	Charter of common commitments on safety in the workplace	<a href="http://www.vinci.com/vinci.nsf/fr/developpement-durable/pages/PCF002.htm">http://www.vinci.com/vinci.nsf/fr/developpement-durable/pages/PCF002.htm</a>
BOUYGUES	Supplier CSR Charter	<a href="http://www.construirenotreavenir.com/#/fr/politique-de-bouygues/une-charte-rse-fournisseurs-147">http://www.construirenotreavenir.com/#/fr/politique-de-bouygues/une-charte-rse-fournisseurs-147</a>
HOCFTIEF	Code of Conduct for Hochtief Subcontractors and Suppliers	<a href="http://www.hochtief.com/hochtief_en/data/pdf/hochtief_CodeofConduct_nachunternehmer.pdf">http://www.hochtief.com/hochtief_en/data/pdf/hochtief_CodeofConduct_nachunternehmer.pdf</a>
LAFARGE	Supplier Safety and Sustainable Development Brochure	<a href="http://www.lafarge.fr/04282009-sustainable_development-P25_supplier_safety_brochure-uk.pdf">http://www.lafarge.fr/04282009-sustainable_development-P25_supplier_safety_brochure-uk.pdf</a>

## ELECTRONIC EQUIPMENT

COMPANY	TITLE	URL LINK
SIEMENS	Code of Conduct for Siemens Suppliers	<a href="https://w9.siemens.com/cms/csp/en/supplier-portal/supplier-siemens/corp-responsibility/Documents/COC_Englisch_V2.1.pdf">https://w9.siemens.com/cms/csp/en/supplier-portal/supplier-siemens/corp-responsibility/Documents/COC_Englisch_V2.1.pdf</a>
HITACHI	Supply-Chain CSR Deployment Guidebook	<a href="http://www.hitachi.com/ICSFiles/afieldfile/2009/03/12/SC_CSR_E.pdf">http://www.hitachi.com/ICSFiles/afieldfile/2009/03/12/SC_CSR_E.pdf</a>
	Green Procurement Guidelines	<a href="http://www.hitachi.com/environment/library/pdf/green_en.pdf">http://www.hitachi.com/environment/library/pdf/green_en.pdf</a>
SONY	Sony Supplier Code of Conduct	<a href="http://www.sony.net/SonyInfo/csr/quality/code/qfhh7c00000i5kbl-att/supplier_code.pdf">http://www.sony.net/SonyInfo/csr/quality/code/qfhh7c00000i5kbl-att/supplier_code.pdf</a>
TOSHIBA	Toshiba Group Supply Chain CSR Implementation Guidebook	<a href="http://www.toshiba.co.jp/csr/jp/procure/pdf/Toshiba_sc_csr_guidebook_en0806.pdf">http://www.toshiba.co.jp/csr/jp/procure/pdf/Toshiba_sc_csr_guidebook_en0806.pdf</a>
CISCO SYSTEMS	Cisco's Supplier Code of Conduct	<a href="http://www.cisco.com/legal/Cisco_Supplier_Code_of_Conduct.pdf">http://www.cisco.com/legal/Cisco_Supplier_Code_of_Conduct.pdf</a>
PHILLIPS	EICC - Phillips Supplier Sustainability Declaration	<a href="http://www.philips.com/shared/assets/Downloadablefile/sustainabilitydownloads/">http://www.philips.com/shared/assets/Downloadablefile/sustainabilitydownloads/</a>
L.M. Ericsson	Code of Conduct (Supplier Supplement)	<a href="http://www.ericsson.com/ericsson/corporate_responsibility/doc/codeofconduct.pdf">http://www.ericsson.com/ericsson/corporate_responsibility/doc/codeofconduct.pdf</a>
MOTOROLA	Supplier Code of Conduct	<a href="http://www.motorola.com/staticfiles/Business/Corporate/US-EN/corporate-responsibility/suppliers/supplier-code-of-conduct.html">http://www.motorola.com/staticfiles/Business/Corporate/US-EN/corporate-responsibility/suppliers/supplier-code-of-conduct.html</a>
SHARP	Supply-Chain CSR Deployment Guidebook	<a href="http://sharp-world.com/corporate/eco/customer/csr/index.html">http://sharp-world.com/corporate/eco/customer/csr/index.html</a>

## ELECTRICAL INDUSTRY

COMPANY	TITLE	URL LINK
EDF	EDF responsible outsourcing agreement Sustainable Development Charter between EDF and its suppliers	<a href="http://fournisseurs.edf.fr/edf-fr-accueil/accueil/les-achats-d-edf/engagements-edf-53760.html">http://fournisseurs.edf.fr/edf-fr-accueil/accueil/les-achats-d-edf/engagements-edf-53760.html</a>
TEPCO	Basic Policy on Procurement	<a href="http://www.tepco.co.jp/en/related/procure/tenor/index2-e.html">http://www.tepco.co.jp/en/related/procure/tenor/index2-e.html</a>
VEOLIA ENVIRONNEMENT	Supplier Charter	<a href="http://www.developpement-durable.veolia.com/library/fr/standalone/2009/2591,21_Charte-fournisseurs-p76.pdf">http://www.developpement-durable.veolia.com/library/fr/standalone/2009/2591,21_Charte-fournisseurs-p76.pdf</a>
CENTRICA	Responsible Procurement and Supplier Management Policy	<a href="http://www.centrica.com/files/pdf/businessprinciples_suppliermanagement.pdf">http://www.centrica.com/files/pdf/businessprinciples_suppliermanagement.pdf</a>
IBERDROLA	Contracting and Relationship with Suppliers Policy	<a href="http://www.iberdrolarenovables.es/wcren/gc/en/doc/Politica_RSC_proveedores.pdf">http://www.iberdrolarenovables.es/wcren/gc/en/doc/Politica_RSC_proveedores.pdf</a>
Mitsubishi HI	CSR Procurement Guidelines	
ALSTOM	Sustainable Development Charter and sub-contractors	<a href="http://www.alstom.com/home/about_us/corporate_responsibility_new/a_sustainable_sourcing_policy/alstom_charter_for_sustainable_development/15.pdf">http://www.alstom.com/home/about_us/corporate_responsibility_new/a_sustainable_sourcing_policy/alstom_charter_for_sustainable_development/15.pdf</a>

IT		
COMPANY	TITLE	URL LINK
HP	HP's EICC Supplier Code of Conduct	<a href="http://www.hp.com/hpinfo/globalcitizenship/environment/pdf/supcode.pdf">http://www.hp.com/hpinfo/globalcitizenship/environment/pdf/supcode.pdf</a>
IBM	IBM Supplier Conduct Principles/ Guidelines	<a href="http://www-03.ibm.com/procurement/proWeb.nsf/objectdocswebview/fileibm+supplier+conduct+principles/">http://www-03.ibm.com/procurement/proWeb.nsf/objectdocswebview/fileibm+supplier+conduct+principles/</a> <a href="http://www-03.ibm.com/procurement/proWeb.nsf/objectdocswebview/fileibm+supplier+conduct+principles+-+guidelines/">http://www-03.ibm.com/procurement/proWeb.nsf/objectdocswebview/fileibm+supplier+conduct+principles+-+guidelines/</a>
DELL	DELL EICC CoC	
MICROSOFT	Microsoft Vendor CoC Microsoft Vendor Guidelines	<a href="http://www.microsoft.com/about/companyinformation/procurement/process/contracting.msp">http://www.microsoft.com/about/companyinformation/procurement/process/contracting.msp</a> <a href="http://www.microsoft.com/about/companyinformation/procurement/process/contracting.msp">http://www.microsoft.com/about/companyinformation/procurement/process/contracting.msp</a>
FUJITSU	Fujitsu CSR Procurement Guidelines	<a href="http://www.fujitsu.com/global/about/procurement/policy/">http://www.fujitsu.com/global/about/procurement/policy/</a>
NEC	Supply-Chain CSR Guidelines	<a href="https://www.procurement.nec.co.jp/OTXJSP/">https://www.procurement.nec.co.jp/OTXJSP/</a>
APPLE	Apple Supplier CoC	<a href="http://images.apple.com/supplierresponsibility/pdf/Supplier_Code_of_Conduct_V3_2.pdf">http://images.apple.com/supplierresponsibility/pdf/Supplier_Code_of_Conduct_V3_2.pdf</a>
ACCENTURE	Supplier Standards of Conduct	<a href="http://www.accenture.com/NR/rdoonlyres/88C035EB-DAA1-44F9-BEC2-411C87DB788A/0/Accenture_Supplier_Standards_of_Conduct_English_Dec09.pdf">http://www.accenture.com/NR/rdoonlyres/88C035EB-DAA1-44F9-BEC2-411C87DB788A/0/Accenture_Supplier_Standards_of_Conduct_English_Dec09.pdf</a>
ORACLE	Oracle Supplier Code of Ethics and Business Conduct.	<a href="http://www.oracle.com/corporate/supplier/coe.pdf">http://www.oracle.com/corporate/supplier/coe.pdf</a>
ASUSTEK	Consent to Asustek CoC	

FINANCIAL SERVICES		
COMPANY	TITLE	URL LINK
ING Group	Procurement Code of Conduct	<a href="http://www.ing.com/group/showdoc.jsp?docid=350088_EN&amp;menopt=cre pollsup">http://www.ing.com/group/showdoc.jsp?docid=350088_EN&amp;menopt=cre pollsup</a>
RBS	Ethical Code for Suppliers	<a href="http://www.rbs.com/downloads/pdf/about_rbs/RBS_Ethical_Code_for_Suppliers.pdf">http://www.rbs.com/downloads/pdf/about_rbs/RBS_Ethical_Code_for_Suppliers.pdf</a>
Citigroup	Statement of Suppliers Principles	<a href="http://www.citigroup.com/citi/procurement/supplierprinciples.htm">http://www.citigroup.com/citi/procurement/supplierprinciples.htm</a>

TELECOMMUNICATIONS		
COMPANY	TITLE	URL LINK
AT&T	Citizenship & Sustainability Principles of Conduct for Suppliers	<a href="http://www.attsuppliers.com/misc/SupplierSustainabilityPrinciples.pdf">http://www.attsuppliers.com/misc/SupplierSustainabilityPrinciples.pdf</a>
VERIZON COMMU.	Supplier CoC	<a href="http://www22.verizon.com/about/supplier_code_of_conduct.pdf">http://www22.verizon.com/about/supplier_code_of_conduct.pdf</a>
DEUSTCHE TELEKOM	Social Charter	<a href="http://www.telekom.com/dtag/cms/contentblob/dt/en/28906/blobBinary/Social+charter.pdf">http://www.telekom.com/dtag/cms/contentblob/dt/en/28906/blobBinary/Social+charter.pdf</a>
TELEFONICA	Extension of business principles to Supply Chain	
VODAFONE	Code of Ethical Purchasing	<a href="http://www.vodafone.com/start/responsibility/our_approach/policies/vodafone_group_code.html">http://www.vodafone.com/start/responsibility/our_approach/policies/vodafone_group_code.html</a>
VIVENDI	Supplier Relations Charter	Not downloadable
SPRINT NEXTEL	Sprint's Supplier Code of Conduct	<a href="http://www.sprint.com/companyinfo/scm/docs/SprintPrinciplesBusConductforConsultantsContractorsSuppliers_new.pdf">http://www.sprint.com/companyinfo/scm/docs/SprintPrinciplesBusConductforConsultantsContractorsSuppliers_new.pdf</a>

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