

Ethical connections

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**CATEGORY- Best contribution to corporate responsibility
WINNER- BT**

A thorough approach to corporate social responsibility saw BT scoop this award for the second time. Paul Snell, News Editor, Supply Management magazine reports.

Corporate social responsibility (CSR) may have a "lip service" reputation, as awards host Dara O Briain joked, but it is something BT takes very seriously.

The company's commitment to CSR is emphasised by winning this award for the second time in four years. The judges commended this year's entry as "thorough and comprehensive progress", and that it was clear BT "really means it, in a big way, not just ticking boxes".

"Our approach is multi-dimensional," says Liz Cross, head of CSR strategy and policy for procurement. "We pool information to highlight or reinforce possible CSR issues. We share this with our suppliers to make improvements."

Procurement already has strong links with CSR at BT, where the CSR champion is Meryl Bushell, chief procurement officer. But the creation of a head of CSR strategy and policy for procurement has enabled purchasing to improve its links with similar programmes across the business. As the business is now placing a greater focus on low-cost country sourcing, these links have enabled procurement to explain the risks of introducing CSR policy.

For Bushell's team CSR is all about labour standards, environmental issues and supplier diversity.

Since 2001 BT has carried out more than 2,000 supplier risk assessments of environmental and labour standards. Buyers are now working with 191 suppliers to improve their impact on the environment. BT is also helping 148 suppliers to improve working conditions for employees.

But CSR policy at BT is not just about the number of checks carried out, but how great the risk is with the supplier. Firms are awarded green, amber or red status depending on the risk they pose. Risk is calculated on the goods being bought or the supplier's country.

Using this approach, BT carried out 20 CSR appraisals with suppliers it identified as "high-risk" in 2005-06.

Not only does good practice pass between BT and the supplier, it also filters down the supply chain - one top-tier supplier in China performed 80 audits on the labour standards of its own suppliers.

Cross explains: "If our suppliers are seen to be doing this, then other companies in the same sector can see the benefits and start to think they should be doing it too. So it builds awareness in that country."

Environmental purchasing also has a role to play. The renegotiation of two energy contracts, to buy more renewable energy in 2002-03 has added £250,000 to the energy bill, but has cut carbon dioxide emissions by 283,000 tonnes.

As for the future, Cross says: "It gives us another opportunity to talk about it with our internal clients. Issues such as timing and budget need to be built into CSR projects. And that's where we can help."