

Selected CSR Research Resources for Procurement Professionals

“Corporate social responsibility (CSR) refers to a business practice that involves participating in initiatives that benefit society.”¹ CSR areas of focus include environment, philanthropic, governance, social, and ethical labor practices.

In regards to procurement, assessing and monitoring suppliers for CSR issues is increasingly becoming a priority. Awareness of CSR risk issues has grown significantly due to the increased expansion of global supply chains; many of which engage suppliers from countries that do not always adhere to positive practices. Also, social media and technology now enable local stakeholders to witness and report negative CSR activities, especially those concerning labor and environmental issues. The importance of understanding the CSR practices of companies/suppliers will likely to grow as Millennials actively favor ethical and sustainable business practices.²

Research resources, that are key in exposing CSR practices, are not only used by procurement and supply chain professionals, but by financial investment professionals as well. Investors are steadily fueling the growth of CSR analysis, research and monitoring. Research firms, “specializing in environmental, social and governance analysis are experiencing a growth in the demand for their services as investors and other influential users become more attuned to the utility and availability of such information.”³

The term CSR first emerged in the 1960s and early 1970s, but the focus on environmental stewardship in the supply chain area took hold in the 1990s.⁴ Peter Lund-Thomsen and Adam Lindgreen, in a recent article appearing in the *Journal of Business Ethics*, write about the development of CSR in global value chains. The compliance model, also known as private social auditing, emerged in response to public complaint about sourcing practices used by international retailers and supermarkets in developing countries.⁵ However, impact assessments of corporate codes of conducts indicate that social auditing schemes “at best have brought about limited improvements in workers’ conditions, especially in developing country export industries.”⁶ A new cooperation-based paradigm, involving local government, corporations, agencies, consultants, academics, and NGOs (non-government organizations) is now being promoted for CSR implementation in global supply chains.⁷ An ongoing example highlighting this cooperation-based paradigm is how Caobisco is improving working conditions using a multi-stakeholder approach

under the leadership of the Turkish Ministry of Labor and Social Security (MOLSS), in hazelnut orchards in Turkey.⁸

The selected resources listed are for procurement professionals to consider when researching CSR practices of current or potential suppliers and competitors.

CIPS (Chartered Institute of Procurement & Supply) Sustainability Index

The CIPS Sustainability Index (CSI) allows you to benchmark your suppliers' organizational sustainability with this "cross-sector financial, social and environmental audit." Currently available in the UK and Ireland, with plans to expand worldwide, "it is the only independent, verified measurement tool available, allowing suppliers to prove their sustainability credentials and buyers to obtain essential sustainability information in a more efficient way than individual and lengthy questionnaires."

CorpWatch

CorpWatch's mission is to provide "non-profit investigative research and journalism to expose corporate malfeasance and to advocate for multinational corporate accountability and transparency." According to its website, the book, *The Corporate Planet: Ecology and Politics in the Age of Globalization*, written by CorpWatch's founder Joshua Karliner, was the foundation for the organization. CorpWatch provides news, analysis, research tools, and action alerts to respond to corporate activity around the globe. Industries covered include: Chemicals, Construction, Energy, Food and Agriculture, Manufacturing, Natural Resources, and Technology/Telecom, to name a few. The Issue library covers broad subject areas such as Corruption, Environment, Globalization, Human Rights, Labor, and Trade justice. Research tools include an interactive Research Guide, which takes you step by step on how to research corporations on the Internet, and links to various government, international, academic organizations, and multiple NGOs.

CSR Reports

CSR Reports provides open access to current corporate social responsibility and sustainability reports. Reports are associated with CSRwire members, which include corporations, NGOs, agencies, universities and organizations. These members are interested "in communicating their corporate citizenship, sustainability, philanthropy and socially responsible initiatives to CSRwire's global audience." CSRwire tags its content using over 25 corporate social responsibility categories including Business Ethics, Corporate Governance, Fair Trade & Supply Chain, Human Resources & Diversity, Ratings & Awards, Philanthropy & Corporate Contributions, Stakeholder

Engagement, Sustainability, and Women. You can search by company, but sorting features are limited.

CSRHub

CSRHub provides access to corporate social responsibility and sustainability information and ratings on major companies in North America, Europe and Asia, representing 135 industries in 104 countries, and covering the categories of Community, Employees, Environment, and Governance. CSRHub pulls together information across a wide range of different sustainability measurements and data sources and transforms it into a 0 to 100 scale, with 100 being the best rating. The amount and quality of data sources used to calculate the ratings is impressive. The list of sources is made readily available on the site and in company profiles. Examples of sources include ASSET4 (Thomson Reuters), CDP (Carbon Disclosure Project), EIRIS, Governance Metrics International, IW Financial, MSCI (ESG Intangible Value Assessment and ESG Impact Monitor), RepRisk, Trucost and Vigeo. Company ratings are open source. Subscribers, paying a reasonable fee, have access to more detailed information, including twelve subcategory ratings.

Dow Jones Sustainability Indices (DJSI)

Created in 1999 to analyze and evaluate large companies based on economic, environmental and social performance, procurement professionals need to be aware of the existence of the important Dow Jones Sustainability Indices, offered by RobecoSAM and S&P Dow Jones Indices. “The DJSI is internationally recognized as the de-facto leaderboard for sustainability performance, and carries with it significant value – be it reputation, stakeholder engagement, brand management, access to capital, investor confidence and the satisfaction of being internationally recognised as a sustainable business.”⁹ The DJSI website provides reports on each of the 24 industry group leaders.

Environmental Performance Index (EPI)

The Environmental Performance Index (EPI) ranks how well countries perform on high-priority environmental issues in two broad policy areas: protection of human health for environmental harm and protection of ecosystems. These areas “are further divided into nine issue categories that span high-priority environmental policy issues, including air quality, forests, fisheries, and climate and energy, among others.” The EPI is open access and produced by Yale Center for Environmental Law and Policy, Yale University, and the Center for International Earth Science Information Network, Columbia University.

ISM (Institute for Supply Management) Supplier Risk Index

ISM, partnering with Ethisphere, offers the Supplier Risk Index, which measures risk throughout

the supply chain. It can “help you identify potential supply disruptions — including disasters, and ethics, compliance and sustainability issues — to keep your business running and protect your brand.” The Index is a series of survey questions made up of three indices: 1) Risk Index, 2) Ethics Index, and 3) Sustainability Index.

RepRisk

RepRisk was founded in 1998, originating from the consultancy firm ECOFACT. It provides ESG (environmental, social and governance) risk business intelligence services. Products of interest include RepRisk Web-based Tool and RepRisk Company Reports. The Web-based Tool allows you to access updated ESG information and gauge risks related to worldwide companies, projects, countries and sectors, in addition to monitoring stakeholder sentiment. The Company Reports includes negative news summaries since 2007, a RepRisk Index (RRI) analysis, sector and peer comparisons, and geographical distribution of the company’s risk exposure. RepRisk tracks 27 environmental, social and governance (ESG) issues in addition to using 28 Topic Tags, which include current and controversial sub-issues. Data feeds can be set up tailored to fit specific needs. The database contains information on over 48,000 listed and unlisted companies, including those in emerging markets. RepRisk monitors independent third-party sources such as major print media, NGOs, newsletters, news sites, and governmental agencies. Blogs and social media are also monitored, allowing for unobstructed access to local stakeholder input and information. RepRisk collects and analyzes information on various projects, including large infrastructure initiatives such as pipelines, dams, and mines, as well as plantations, mills, factories, and processing facilities.

Sustainable Purchasing Leadership Council

Building on two prior collaborations: The Keystone Center’s Green Products Roundtable and a pilot project conducted with the Association for the Advancement of Sustainability in Higher Education, The Sustainable Purchasing Leadership Council launched in July 2013 and is a “non-profit organization whose mission is to support and recognize purchasing leadership that accelerates the transition to a prosperous and sustainable future.” SPLC has defined leadership in sustainable purchasing according to the five principles: Understanding, Commitment, Results, Innovation, and Transparency. The *Guidance for Leadership in Sustainable Purchasing v1.0* is being developed to guide organizations in starting and running a strategic sustainable purchasing program. SPLC is also developing a rating system, similar to LEED “which will provide benchmarking and leadership recognition for organizations’ sustainable purchasing efforts and impact reductions.”

NOTES

1. Nicole Fallon, "What is Corporate Social Responsibility?" *Business News Daily*, February 27, 2014, <http://www.businessnewsdaily.com/4679-corporate-social-responsibility.html>.
2. Randy Lewis, Bill DiBenedetto and Joe Tillman. "CSR Sustains Walgreens' Supply Chain." *Material Handling & Logistics* 68, no. 4 (April 2013): 34-36. *Business Source Elite*, EBSCOhost (accessed December 9, 2014).
3. Mike Wallace and Sarah Corrigan, "ESG Research Firms Are Looking at Your Company. Are You Ready?" *GreenBiz*, October 3, 2014, <http://www.greenbiz.com/blog/2014/10/02/esg-research-firms>.
4. Randy Lewis, "CSR Sustains Walgreens' Supply Chain."
5. Peter Lund-Thomsen and Adam Lindgreen, "Corporate Social Responsibility in Global Value Chains: Where Are We Now and Where Are We Going?" *Journal Of Business Ethics* 123, no. 1 (August 2014): 11-22. *Business Source Elite*, EBSCOhost (accessed December 9, 2014).
6. Ibid.
7. Ibid.
8. Paula Byrne, "Responsible Sourcing," *Food & Drink Technology* 14, no. 1 (September 2014): 51-52. *Business Source Elite*, EBSCOhost (accessed December 9, 2014).
9. "How to Create an Effective Strategy for the Dow Jones Sustainability Index," *Sustainability Reporting Examiner*, February 4, 2014, <http://www.sustainabilityreportingexaminer.com/how-to-create-an-effective-strategy-for-dow-jones-sustainability-index-filings>.

Posted on December 10th, 2014 by Jeanette Jones