

## **Research Project: CSR and Accountability in Key Contexts – CSR and Sustainability in Supply Chains.**

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**Background:** Although consideration of sustainability issues within business has a focus on the end consumer, the relationship between businesses within particular industries and supply chains is also an important focus for research to understand business sustainability and CSR. The origins of BRASS lies in a team working on a European-funded project looking into how sustainability issues are managed in relationships between larger companies and the smaller firms that supply them, and this remained an ongoing focus of BRASS work particularly in relation to food supply chains (see Projects A5-10) and the automotive industry where the Micro-Factory Retailing project in particular had a strong supply chain element (see A3). However, there was other BRASS work with a supply chain focus.

### **Aims & objectives:**

- To understand key dimensions of the management of business relationships within supply chains relating to sustainability and CSR in the context of particular sectoral supply chains;
- To explore the relationship between sustainability management in supply chains and e-procurement and develop a new model of the relationship between them;
- To evaluate the extent to which stakeholders responsible for purchasing within the public sector are able to use their purchasing power to promote greater sustainability amongst private sector companies;

### **About the research:**

- Sustainability supply chain management (SCM): Using purchasing and supply via SCM to reduce negative impacts on the environment, economy and society is becoming increasingly common amongst firms. This work explored sustainable SCM issues in companies that are recognized as leaders in their sectors, what factors influence sustainable SCM, and how practice might change in the future. It utilised case studies of seven UK companies, through semi-structured interviews with purchasers and CSR practitioners, and secondary data collection from reports and websites. Sectors included aerospace, retail, pharmaceuticals, and food and drink.
- E-procurement and sustainable supply chains: Sustainable procurement and e-procurement are two recent initiatives in public sector procurement that have emerged in many countries. This work examined the relationship between the two, and its implications. It used a survey of sustainable procurement and e-procurement adoption practices involving a sample of over 280 professional from 20 countries, with a collective responsibility for expenditure totalling \$45 B. Multiple regression was used to develop and test a model of their interaction.
- Public sector procurement and sustainability: Public bodies are being encouraged by policymakers in many counties to procure more sustainably, in order to reduce their social and environmental footprint and to stimulate sustainability in the private sector. However, actual practices and progress within public sector organisations in responding to this encouragement remains under-researched. There were two dimensions to BRASS's contribution to this agenda. One involved the survey relating to e-procurement which, because it involved public sector organisations, also shed light on a wider range of sustainability issues relating to procurement. Since this survey was spread across some 20 countries, it provided opportunities for international comparisons to be drawn. The other dimension to this work involved investigations of the extent to which sustainability is being integrated in the public sector procurement policies relating to food, particularly within the UK (although with some comparative dimensions involving countries such as Italy and Canada). A key element of this work related to school food provision (see A9)

- Sustainable automotive supply chains: Although other projects have elements of supply chain management in the automotive sector (particularly A3) there was other more general work on the sustainability of automotive supply chain with a particular focus on the chains linking Korea and Europe.

**Results and outputs:** The work on sustainable SCM generated a typology of companies approaches according to the perceived enablers of, and barriers to, integrating sustainability issues into SCM. The modelling work showed that e-procurement and communication with suppliers supports some environmental, labour, health and safety aspects of sustainable procurement, but hinders others particularly in terms of buying from smaller local firms with less IT capacity. The work on international differences in public sector procurement identified how policy and practice in sustainable procurement vary across regions, providing practical insights into whether and how government policies are being implemented around the world.

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**Impacts achieved/potential for impact:** The work on sustainable SCM draws out useful lessons from leading companies which should be of value to practitioners from other companies interested in following their example. The work on sustainable procurement and e-procurement provides valuable insights both for smaller companies seeking to secure business from public sector procurement processes, and also for the management of those processes by public sector organisations and the potential unintended consequences of discriminating against smaller companies. In June 2012 BRASS hosted a Sustainable Supply Chain Management workshop involving academics, practitioners and policy makers including expert speakers from the USA and Germany, from UK Government departments and leading companies including Boots and PepsiCo.