

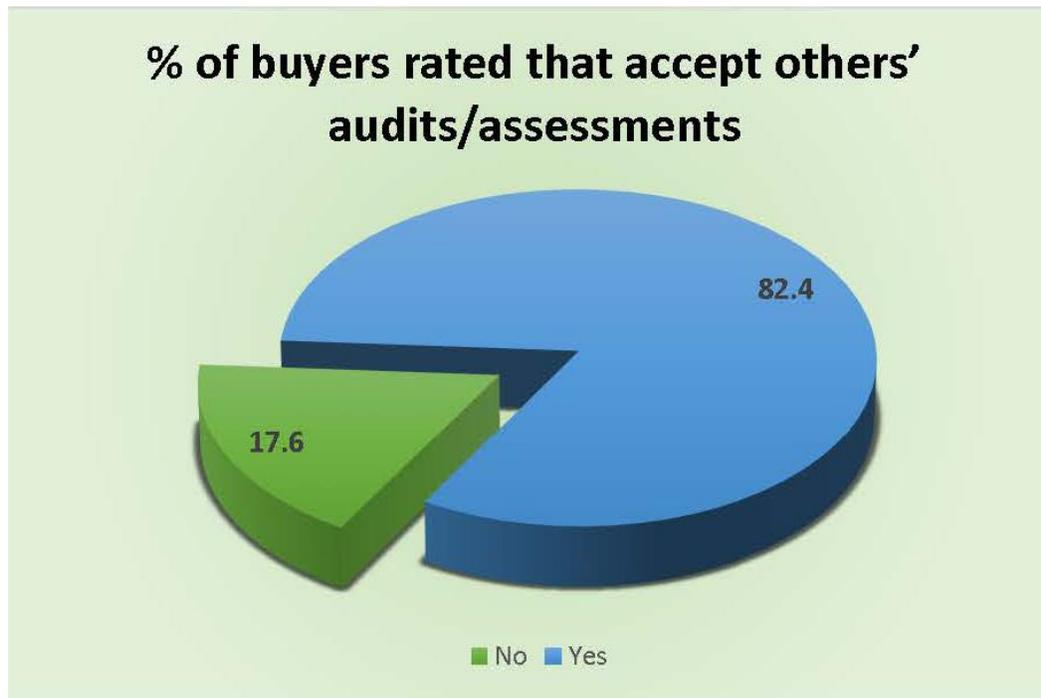
Chapter 4: CSR Harmonization

Many buyers rated in the Better Buying pilot are allowing suppliers to submit recently completed audits in lieu of undergoing new audits

The issue of CSR Harmonization includes both the internal challenge of aligning buyer staff on corporate social responsibility goals and the external challenge of reducing audit duplication. This chapter also addresses the often-heard supplier concern that on one hand, they are being asked to comply with strict overtime and other workplace requirements, while the business side of the company is telling them “I don’t care what you have to do, just get it here on time.”

CSR harmonization received an average score of 4.5 stars (range from 1 to 5 stars). Fewer than 8% of submitted ratings indicated buyer sourcing and/or product-focused staff making demands that conflicted with CSR/compliance requirements. In half of those cases (3.8% of all submitted ratings), suppliers reported the conflicting demands did not impact working conditions. However, one supplier (1.9% of all submitted ratings) indicated the conflicting demands led to overtime in excess of law or code requirements and another (1.9% of all submitted ratings) indicated conflicting demands led to inability to meet wages and social benefit requirements. These findings clearly indicate ways that these internal conflicts play out for workers on the factory floor. The other good news from the pilot test that we hope holds as more data are collected is the fact that over 82% of submitted ratings indicated that buyers were accepting results from recently

completed audits/assessments of workplace conditions in lieu of requiring new audits specifically for them.



Our independent external evaluation raised some concern from buyers about whether this question on acceptance of others' audits was appropriate to include. This question was added to the Better Buying rating system at the strong request of suppliers who spend countless days every year hosting and responding to duplicative audits. Suppliers argued that audit duplication is a purchasing practice that really must be addressed because of its drain on time and financial resources. Just like most buyers, suppliers would probably be better off shifting the time and money currently spent on multiple audits to developing capacity building initiatives that solve the problems.

How can you use the information Better Buying provides about CSR harmonization?

We took care in writing the question to be clear that buyers are not expected to take just any audit in lieu of their own. Buyers who create a well-thought out auditing program that accepts several different audits, and then carefully communicate that program to suppliers, should end up with positive ratings on this topic.

When ratings about individual buyer companies go public, suppliers will be able to consider their experience with CSR harmonization as compared to the average experience of other suppliers. If you're not allowed to submit other audits and your competitors are, you can ask why and what you need to do to get on a more open program.

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