



PRAXISTAGE FÜR MITTELSTÄNDISCHE UNTERNEHMEN

Lieferketten verantwortlich gestalten
Über Nachhaltigkeit berichten

28. November 2018, Daimler AG, Stuttgart

Veranstaltungspartner



Baden-Württemberg

MINISTERIUM FÜR WIRTSCHAFT, ARBEIT UND WOHNUNGSBAU



Landesverband der Baden-Württembergischen Industrie e. V.



IHK Region Stuttgart

Workshop C

Praktische Umsetzung von Nachhaltigkeitsanforderungen durch den Einkauf

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Nachhaltigkeit in der Lieferkette

Stand: 10/2018



Kennzahlen Konzern im Überblick

ZF-Konzern 2017

Umsatz	36.444 Mio. €
Mitarbeiter (Jahresende)	146.148
Investitionen in Sachanlagen	1.350 Mio. €
Forschung und Entwicklung	2.230 Mio. €



Unternehmen – wie Politik und Zivilgesellschaft – sind gefordert, ihren Beitrag zu einer nachhaltigen Entwicklung zu leisten



Nachhaltig ist eine Entwicklung, „die den Bedürfnissen der heutigen Generation entspricht, ohne die Möglichkeiten künftiger Generationen zu gefährden, ihre eigenen Bedürfnisse zu befriedigen und ihren Lebensstil zu wählen.“

(Brundtland Bericht 1987)

- Die Sustainable Development Goals (SDGs) der Vereinten Nationen formulieren die politisch-gesellschaftlich verfolgten Ziele einer nachhaltigen Entwicklung
- Unternehmen, Staaten, Kommunen und die Zivilgesellschaft sind dazu aufgerufen, ihr Handeln an diesen Zielen auszurichten

Heterogene Kundenanforderungen erhöhen Komplexität und Aufwand

Kundenanforderungen

SAQ Supplier Sustainability Questionnaire CSR-Check Sustainability Audit
CMRT
CSR-Self-Assessment Human Rights Survey CO₂ Survey
CDP



Tier 1 Lieferant

Erfüllung der Nachhaltigkeitsanforderungen und deren Weitergabe in der eigenen Lieferkette



Tier 2 – n Lieferant

Erfüllung der kaskadierten Anforderungen

Nachhaltigkeit ist nicht mehr nur Aufgabe der „ganz Großen“. Durch die Weitergabe über die Lieferkette sind die Anforderungen auch im Mittelstand angekommen.

Vielzahl und Heterogenität der externen Nachhaltigkeitsanfragen und -anforderungen stellt eine Herausforderung dar, gerade für KMUs.

Unser Ansatz:

- Anforderungen „challengen“
- an Brancheninitiativen mitwirken
- gemeinsam nachhaltige Lösungen entwickeln zur Verbesserung von Nachhaltigkeitsleistungen in der gesamten Wertschöpfungskette

Nachhaltigkeit in der Lieferkette

Festlegung der Grundsätze der Zusammenarbeit im **Geschäftspartnerkodex** und aktive Kommunikation



Lieferanten **Selbsteinschätzung** zur Nachhaltigkeitsleistung – Einsatz des SAQ der European Automotive Working Group



Risikomanagement

Audits

Beschwerdemöglichkeit

Mitwirkung an Pilotprojekten und **Mitgestaltung** von Brancheninitiativen



VDA

Nachhaltigkeit in der Lieferkette im Spannungsfeld von Herausforderung und Chance

- Stakeholdererwartungen an nachhaltige Lieferketten nehmen zu
- Nachhaltigkeitsperformance ist heute schon vielfach license to operate und zahlt positiv auf das Risikomanagement ein
- Nicht nur die eigenen Geschäftsprozesse sind verantwortlich zu gestalten, sondern auch die Umsetzung gesetzlicher und normativer Anforderungen in der Lieferkette ist sicherzustellen
- Die Offenlegung von nachhaltigkeits-relevanten Informationen und die Verbesserung der Nachhaltigkeitsleistung entlang der Lieferkette ist eine Herausforderung für alle Unternehmen
- Nicht jedes Unternehmen muss „das Rad neu erfinden“ bzw. kann die komplexe Aufgabe allein bewältigen
- Brancheninitiativen und gemeinsame Anstrengungen haben das Potential, zur Verbesserung der Nachhaltigkeit entlang der Lieferkette beizutragen.

Vielen Dank!
Haben Sie Fragen?

HUMAN RIGHTS IN THE SUPPLY CHAIN

USING EXAMPLE
ROBERT BOSCH

Bosch: Human Rights in the supply chain

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1. Introduction

"What is Bosch?"

2. Sustainable Procurement

Bosch Approach

3. Summary

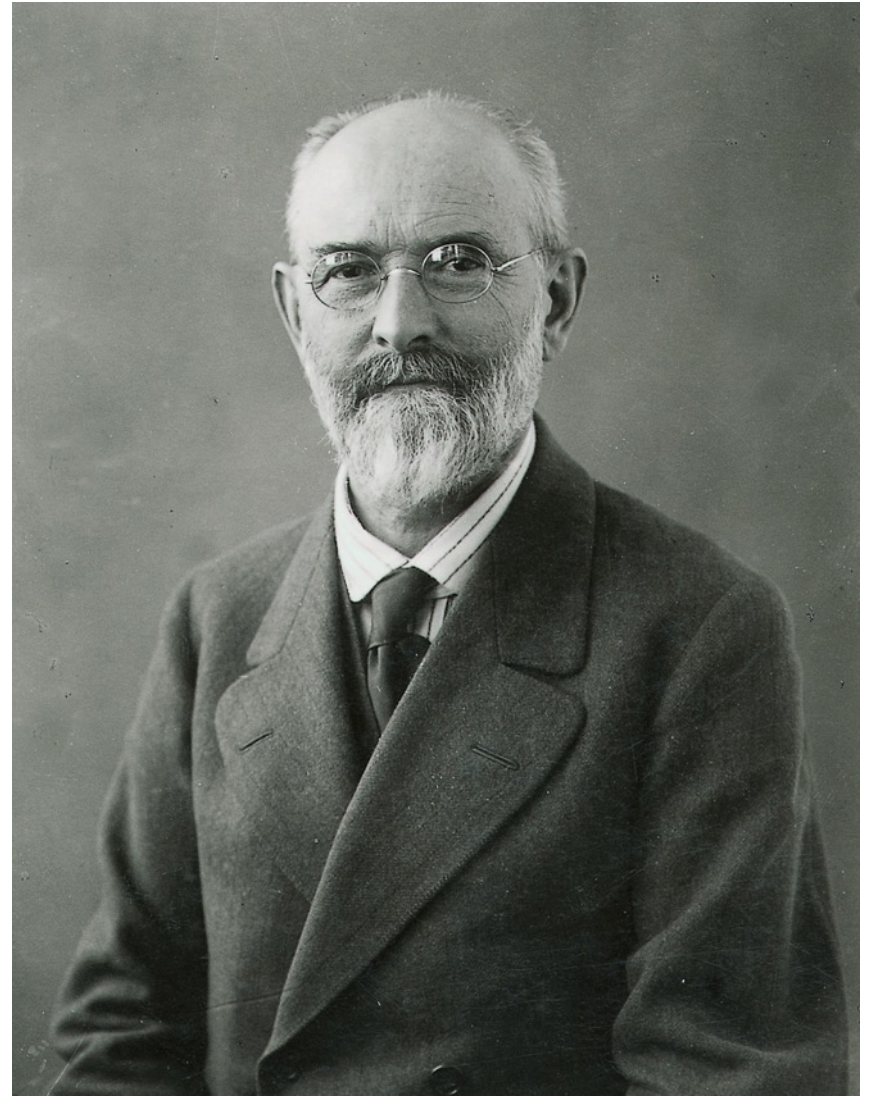


What does it mean for procurement?

... to keep it simple

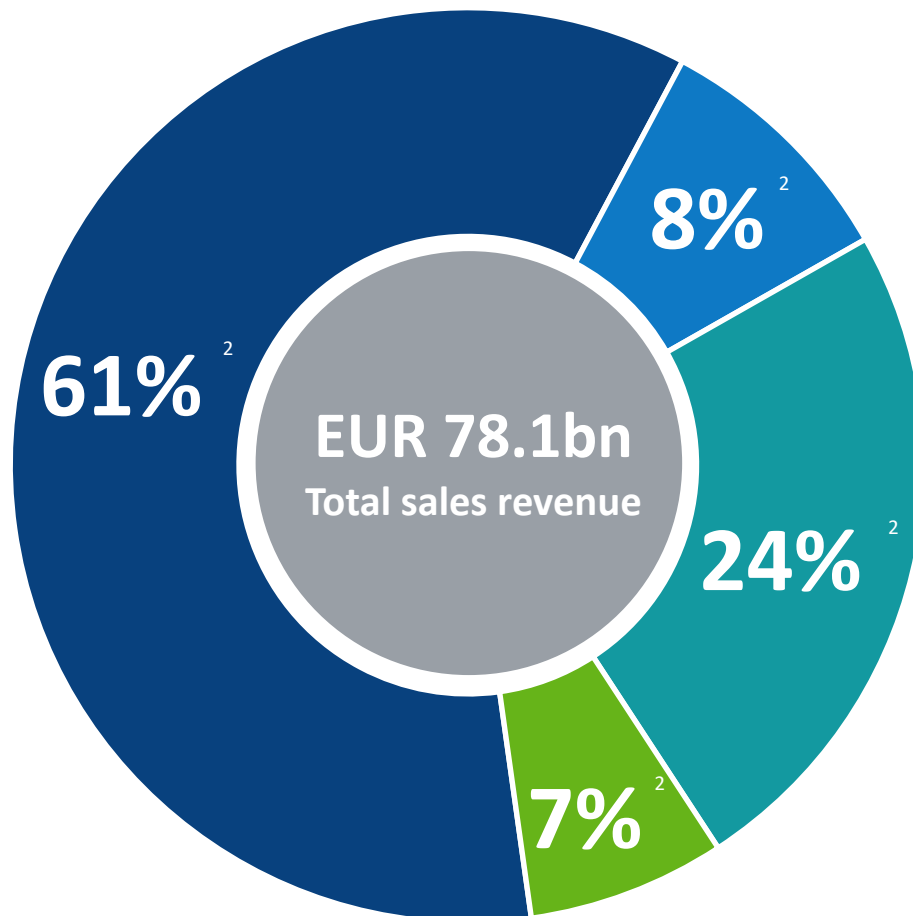
*“Never forget your
humanity, and respect
human dignity in your
dealings with others”*

Robert Bosch, 1920



BOSCH GROUP SALES¹ IN 2017

BY BUSINESS SECTOR



Mobility
Solutions

EUR 47.4bn



Industrial
Technology

EUR 6.8bn



Consumer
Goods

EUR 18.5bn



Energy and
Building

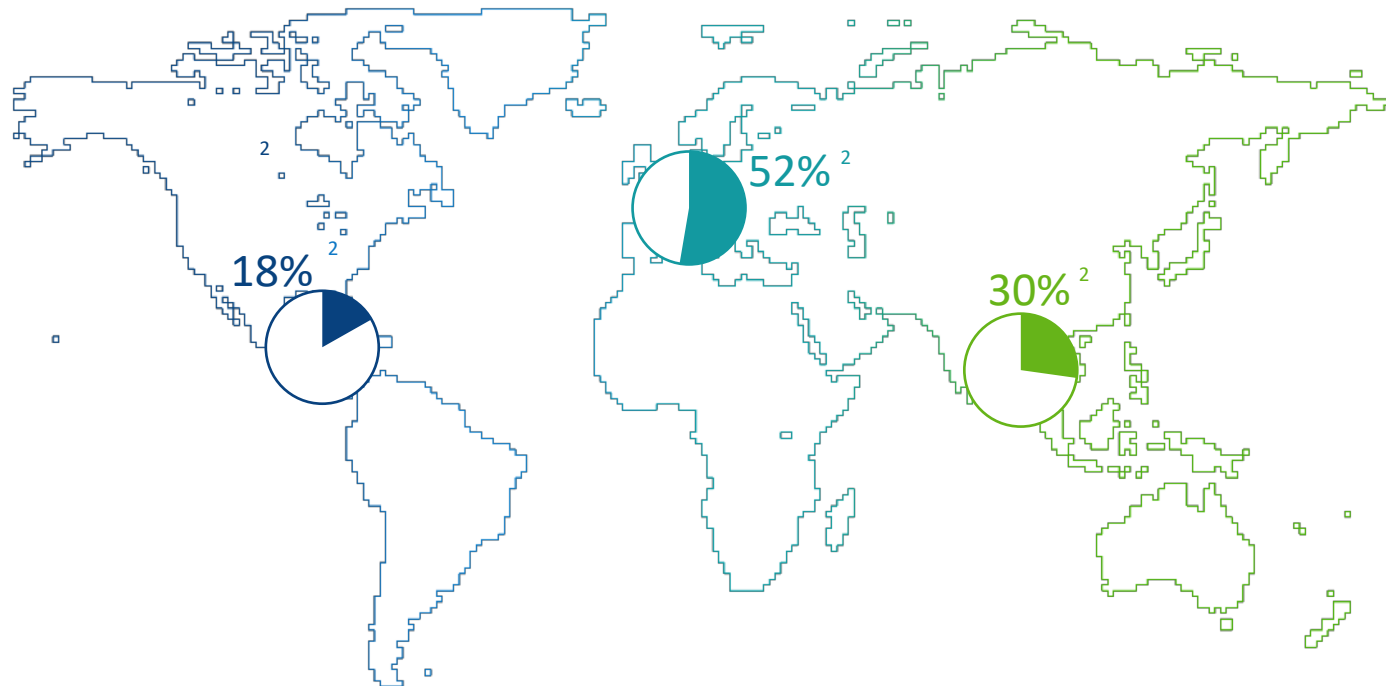
EUR 5.4bn

1 acc. Bosch annual report 2017
2 Share of total sales

BOSCH GROUP SALES¹ IN 2017

BY REGION

Total sales revenue
EUR 78.1bn



1 acc. Bosch annual report 2017

2 Share of total sales

3 Including other regions

America
EUR 13.7bn

Europe
EUR 40.8bn

Asia Pacific
EUR 23.6bn

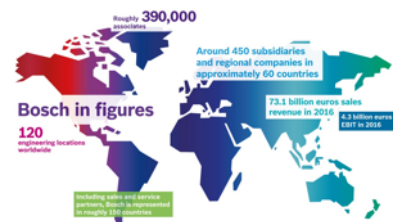
3

Sustainability and Values

How sustainability is organized at Bosch



Bosch: Human Rights in the supply chain



Global Company

+



wide product portfolio

+



History & Business ethics

Implication for procurement process and supply chain

Bosch: Human Rights in the supply chain

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CODE OF CONDUCT FOR SUPPLIERS

CONTRACTS

PROCEDURES

CSR @ Supply Chain Management

Code of Conduct for Business Partners

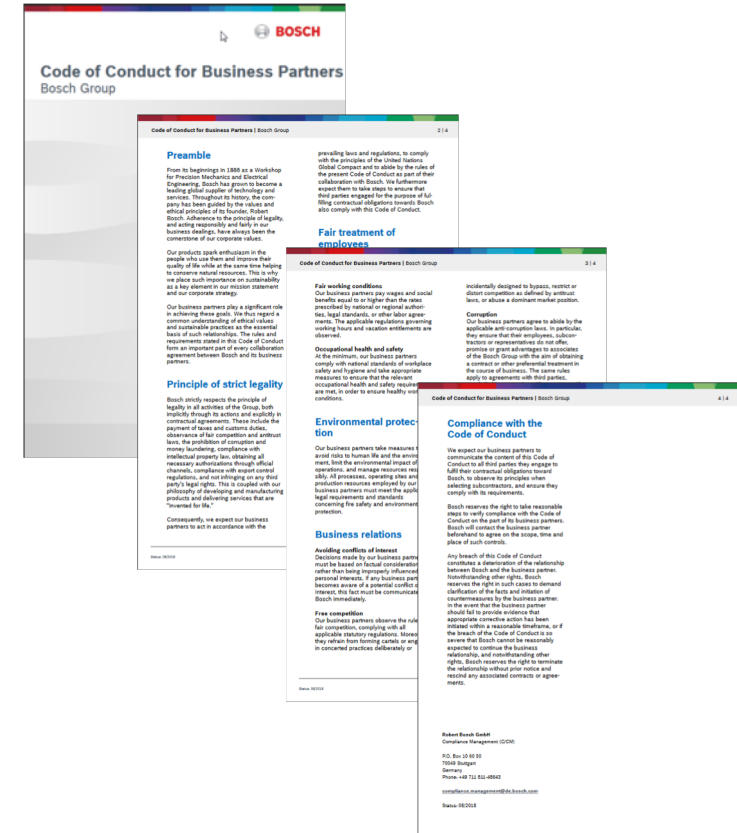
➔ Clarify Bosch expectation towards business partners and Bosch purchasing associates

- PRINCIPLE OF STRICT LEGALITY
- FAIR TREATMENT OF EMPLOYEES
- ENVIRONMENTAL PROTECTION
- BUSINESS RELATIONS
- COMPLIANCE WITH THE CODE OF CONDUCT

➔ Available at WWW

<http://purchasing.bosch.com/en/de/responsibility/compliance/compliance.html>

➔ Passive approval by suppliers



CSR @ Supply Chain Management

Terms and Conditions of Purchase



16. Compliance

- 16.1 The supplier undertakes, within the framework of its business relationship with us, not to offer or grant, promote or accept any advantages, neither in its business dealings nor when dealing with governmental officials, which are in breach of applicable anti-corruption regulations.
- 16.2 The supplier undertakes, within the framework of its business relationship with us, not to make any agreements with other companies or to agree on concerted practices with other companies aiming to or bringing about a prevention, restriction or distortion of competition under applicable antitrust regulations.
- 16.3 The supplier guarantees that it will comply with the applicable laws governing the general minimum wage and commit sub-suppliers engaged by it to the same extent. On request, the supplier shall evidence compliance with the foregoing guarantee. In the event of a breach of the foregoing guarantee, the supplier shall hold us harmless from all third party claims and is obliged to reimburse any fines imposed on us in this connection.
- 16.4 The supplier shall comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety at work and to work on reducing the adverse effects of its activities on human beings and the environment. In this respect the supplier shall set up and further develop a management system in accordance with ISO 14001 within the realms of its possibilities. Further, the supplier shall comply with the principles of the UN Global Compact Initiative relating basically to the protection of international human rights, the abolition of forced labor and child labor, the elimination of discrimination when personnel is engaged and employed and the responsibility for the environment (www.unglobalcompact.org).
- 16.5 In the event of a suspected violation of the obligations under paragraphs 16.1 to 16.4, the supplier must investigate any possible violations without undue delay and inform us of the investigation measures taken. If the suspicion proves to be justified, the supplier must inform us within a reasonable period of time of the measures that it has taken internally within its organization in order to prevent violations in future. If the supplier fails to comply with these obligations within a reasonable period of time, we reserve the right to withdraw from contracts with the supplier or to terminate them with immediate effect.
- 16.6 In the event of severe violations of the law by the supplier and in the event of violations of the provisions of paragraphs 16.1 to 16.4, we reserve the right to withdraw from the existing contracts or to terminate them without notice.

**Bosch Conditions of Purchase, require compliance
with the principles of the
UN-Global Compact.**



CSR @ Supply Chain Management

Quality Assurance Agreement (QAA)



Bosch QAA underlines the principles of
the
UN-Global Compact
&
requires **sub-supplier management**

1 The Supplier Management Systems

THE SUPPLIER shall maintain a certified management system complying at the very least with ISO 9001.

In the event that the SUPPLIER delivers products for use in BOSCH's automotive business, SUPPLIER shall also maintain a certified management system in accordance with ISO/TS 16949 or must develop such a system.

The SUPPLIER shall further ensure and if agreed demonstrate any and all Industry-specific or material-field-specific requirements.

Promptly upon BOSCH's request, the SUPPLIER shall provide certificates demonstrating that the management system complies with the requirements. Should a membership certificate be required, the SUPPLIER shall provide it before the current certificate expires. The SUPPLIER shall inform BOSCH of any changes to the management system.

7 Corporate Social Responsibility

The SUPPLIER shall comply with all applicable statutory regulations relating to environmental protection and occupational health and safety and will keep any manufacturing effects on people and the environment as minimal as possible through appropriate environmental protection management and a corporate environmental protection policy.

The SUPPLIER shall introduce or further develop an environmental management system (EMS) in accordance with ISO 14001 or a comparable environmental management system.

Besides the compliance of legal laws, each delivery must comply with BOSCH standard N2580 "Prohibition and Declaration of Substances". (Internet: www.bosch.com > Purchasing & Logistics > Downloads).

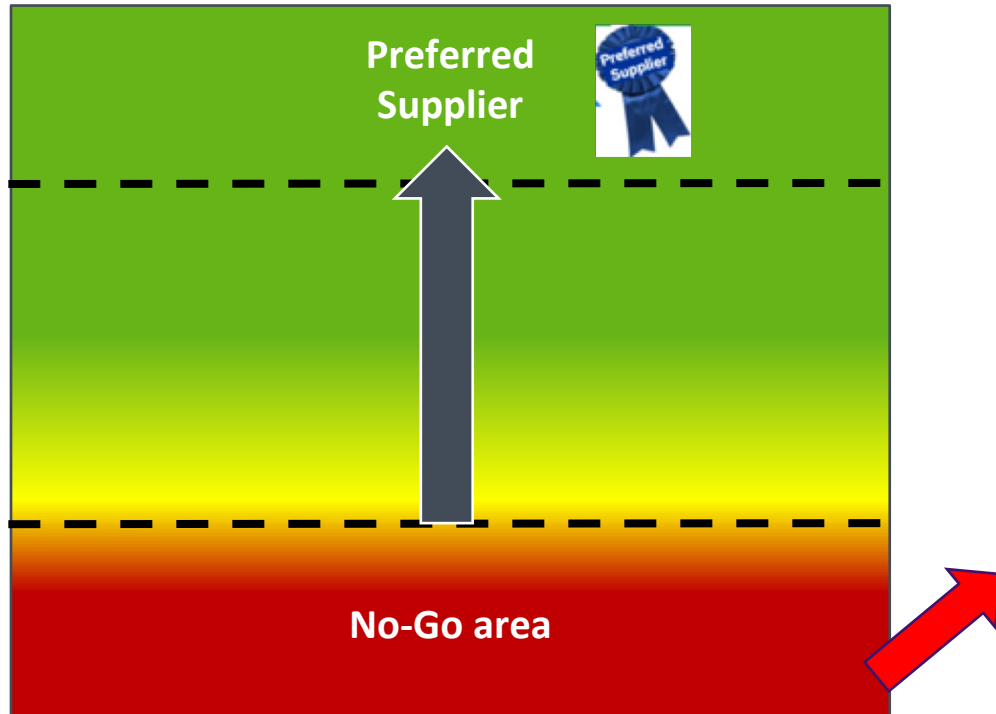
The SUPPLIER shall observe the principles of the UN Global Compact Initiative and consider them in its sub-supplier management.

If the SUPPLIER performs work on BOSCH premises e.g. sorting actions, then it will follow all of BOSCH's safety and accident preventive regulations and shall observe BOSCH procedures regarding behavior on the company premises.



CSR @ Supply Chain Management

Internal regulation for procurement



Dynamic Supplier Classification (DSC)

- System to ease procurement and to rank suppliers
 - Higher rank = higher chance to get order
 - Initiates continuous improvement process of supplier
- General No-Go criteria
 - Non-legal behavior
 - Inadequate Corporate Social Responsibility (CSR) performance
 - ... (Business Unit, material field, ... specific criteria)

RfQ = Request for Quotation

VERIFICATION TOOLS

Supplier CSR Verification

CSR verification tools – On site assessments

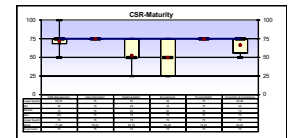
Quick Scan-Assessments

- ▶ Embedded in **usual visits**
 - ▶ Quality meetings
 - ▶ Negotiations
 - ▶ Supplier Development
- ▶ Performed by **“Everybody”**
 - ▶ Purchasing
 - ▶ Quality
 - ▶ Management
- ▶ Scope:
 - ▶ Environment
 - ▶ Work-Safety
 - ▶ Human Rights
- ▶ Duration: ~ 30 minutes
- ▶ Result: „go/no go“



Drill Deep-Assessments

- ▶ **Emphasis based**
 - ▶ Regional Risk
 - ▶ Nomination by “Purchasing”
 - ▶ Whistleblower & input from Quick Scans
- ▶ Performed by **Specialists**
 - ▶ Internally licensed CSR Assessors
 - ▶ Cont. assessments and further training for preservation of assessor license
- ▶ Scope:
 - ▶ Sustainability Management
 - ▶ Environment
 - ▶ Work-Safety
 - ▶ Human Rights
 - ▶ Compliance & labor law
- ▶ Duration: 1 – 2 days
- ▶ Result: **Maturity Map** and in case **follow up**

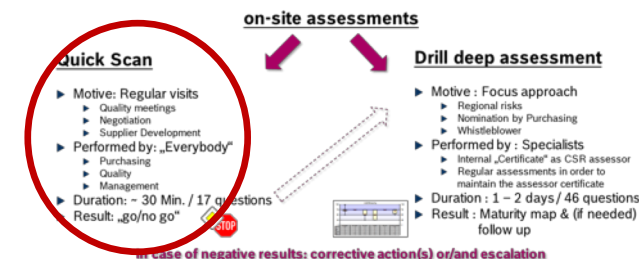


Supplier CSR Verification

CSR verification tool – Quick Scan

Structure:

- ▶ **Line visit with focus on**
 - ▶ environment
(e.g. waste water, emission, soil contamination, waste)
 - ▶ Health & safety incl. fire protection
(e.g. pers. safety equipment, fire extinguisher)
 - ▶ Human Rights
(e.g. child labor, forced labor)
- ▶ **Final result**
 - ▶ Requirements met / not met



Purpose:
„Get a reliable overview“

Supplier CSR Verification

CSR verification tool – Quick Scan (paper version)

Occupational health and safety and fire protection section:	Evaluation		Comments (label and describe serious faults here)
	Yes	No	
Question 2.5: Occupational safety (working conditions)			
- Do you notice any areas with working conditions that are unacceptable for the staff working there? Notes: High dust levels, moving heavy loads without proper equipment, dangerous fumes/mists, no protective equipment for critical activities such as in electroplating or paint shop. Fundamentally, the appropriate protective equipment must be available for the work involved, e.g. safety boots, gloves, masks or earplugs.	☐	☐	
- Are employees at risk? Notes: Avoidable hazards such as exposed machine parts/drives, pitfalls etc. are not present; staff are trained in how to handle unavoidable hazards (e.g. chemicals in the work process).	☐	☐	
- Are there any hygiene or cleanliness issues? Notes: Include toilets and recreation rooms in the evaluation.	☐	☐	
Question 2.6: Fire protection			

- ✓ Simple
- ✓ RB-wide standard
- ✓ X-divisional understandable

BUT

“Paper & Pencil”

uncomfortable during line walk

“forgotten” / not available

Media break between “Paper” and “Data Base”

Supplier CSR Verification

CSR verification tool – Quick Scan (APP version)



Aim:

- Quick Check questionnaire & booklet always on hand
- Increase amount of uploaded audits

Content of the APP:

- Newest questionnaire (German & Engl.)
- Help-function (Background info with description and pictures)
- Easy handling (yes/no selection, optional photos and/or comments)
- Report function for upload into Supplier Data Base



Supplier CSR Verification

CSR verification tool – Quick Scan (APP version)

Vodafone.de 4G 10:47 88 %

Supplier XY

Occupational health and safety and fire protection section
Q 2.5.a: Occupational safety (working conditions)

Do you notice any areas with working conditions that are unacceptable for the staff working there?

☐ Yes

☒ No

Vodafone.de 4G 10:49 88 %

Supplier XY

High dust levels, moving heavy loads without proper equipment, dangerous fumes/mists, no protective equipment for critical activities such as in electroplating or paint shop. Fundamentally, the appropriate protective equipment must be available for the work involved, e.g. safety boots, gloves, masks or earplugs.



Supplier CSR Verification

CSR verification tool – Quick Scan

- Quick Scan will be hosted by econsense
(Forum for Sustainable Development of German Business)
- Free Download

The image displays three sequential screenshots of a mobile application interface for 'econsense'.

The first screenshot shows the main menu with the 'econsense' logo, the tagline 'Forum for Sustainable Development of German Business', and the title 'Supplier Check'. At the bottom, there are two buttons: 'VIEW YOUR ASSESSMENTS' and 'CREATE NEW ASSESSMENT'.

The second screenshot shows a survey question: 'Did you observe... 10. ...any indication for child labor on site?'. Below the question are two radio button options: 'Yes' and 'No'. A red circle highlights the information icon (i) in the top navigation bar, and a red arrow points from this icon to the third screenshot.

The third screenshot shows a text area with the following notes: 'Notes: According to the International Labor Organization (ILO) the supplier shall not employ any person under the age of 15 or under legal minimum working age, whichever is the higher. Notes: Hazardous/dangerous work for young workers below 18 years is not allowed, e.g.: working with or near chemicals, with dangerous machines, carrying out heavy work or in an environment that is excessively noisy, night work and working excessive hours.' Below the text is a photograph of a young boy working in a factory setting.

Supplier CSR Verification

CSR verification tool – Drill deep assessment

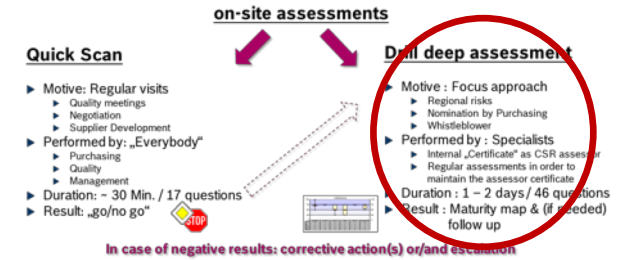
- ➔ Definition of CSR-categories and their criteria
- ➔ It is NOT an ordinary checklist (yes/no) – more a “binding guideline”
- ➔ Structure of the questionnaire:

- ➔ EXCEL-file with 8 sheets

- Cover sheet
- Chapter: CSR-management
- Chapter: Labor standards
- Chapter: Health & safety
- Chapter: Environment
- Chapter: Human rights
- Chapter: Compliance
- Result of assessment

Stays with the assessor

Interchanged with supplier and base for further steps (Open Point List)



Supplier CSR Verification

CSR Report – Example / Extract



Corporate Social Responsibility (CSR) –Assessment



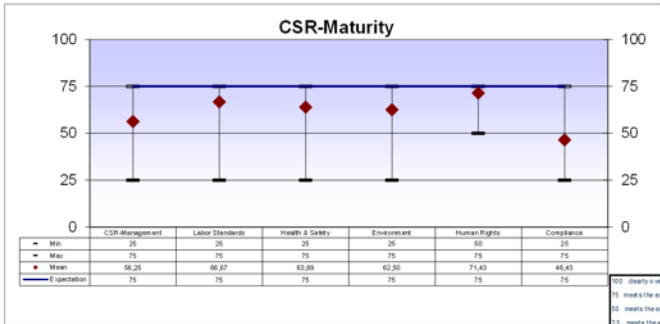
Corporate Social Responsibility (CSR) –Assessment

overall
Result

The over all result is 61 points
from 75 possible points (81%)



Corporate Social Responsibility (CSR) –Assessment



CP/PUQ2 | 06.04.2018

Corporate Social Responsibility (CSR) –Assessment

Sector: CSR-Management		
List of Improvements	Severe Deviation ?	List of Strength
		(+) UN Global Compact member
		(+) ISO 14001, OHSAS18001, ISO9001 exist
		(+) Energy audit performed 2015
(-) QSL not signed (Bosch did not demand so far)		
(-) CSR objectives could be more included in Management targets		
(-) No Associate Survey in place		
		(+) Monthly CIP process in place to communicate improvements
		(+) CSR expectations communicated to suppliers via "Chart de Qualité Sécurité Environnement"
(-) "Chart de Qualité Sécurité Environnement" providers so far		

Corporate Social Responsibility (CSR) –Assessment

Sector: Environment		
List of Improvements	Severe Deviation ?	List of Strength
		(+) Sustainability report in place with statements to environmental protection, carbon footprint
(-) Energy efficiency strategy missed (also because of missed targets)		
(-) Monitoring of consumption responsible areas from AF		
(-) Labeling of barrels / waste		
(-) Waste separation area too		
(-) Used chemicals in kitchen etc.)		
(-) Cleaning general good, but		

Corporate Social Responsibility (CSR) –Assessment

Next steps:

- internal definition of measures R:
- Report about measures and follow up plan until 15th of July 2016 to Mr. R:
- Close open points (does meets expectation initially) or detailed plan until September 15th 2016 R:
- Status report (and Telcon with pictures for evidence) latest Sept. 15th 2016 R:
- Common decision about next steps within Telcon R: & RB

CP/PUQ2 | 06.04.2018

BOSCH

ACCOMPANYING MEASURES

Sustainable Procurement – accompanying measures

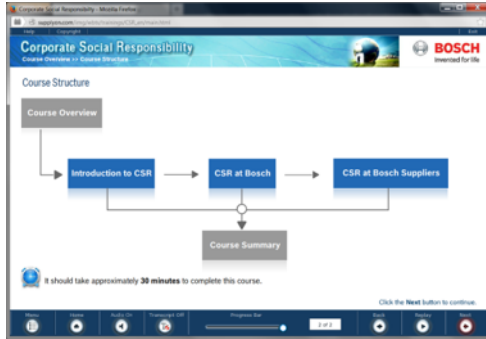
Training

RB-Supply Chain Academy



Webbased Training(s)

- for supplier (ca. 30min)
- for RB associates (ca. 45 min)



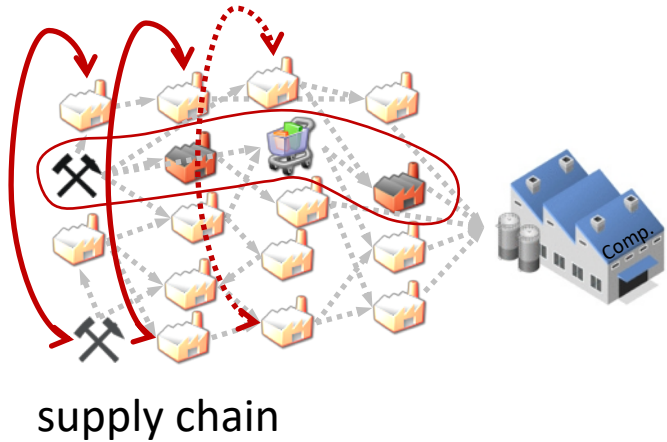
Face to Face Training

- for supplier (2 h)
- for supplier and RB associates in context with e.g. Quality trainings
- „on demand“ at internal or external events (e.g. supplier days)

Motivation and transparency

Sustainable Procurement – accompanying measures

Continuous Development – some examples



Observation of international
and regional regulations



Observation of trends
Dialogue with stakeholders

Sustainable Procurement – accompanying measures

Example: econsense¹

About us

- The major expert platform for CSR and sustainability in Germany for globally active companies.
- A dialogue partner for politics, science, media and society to advance corporate sustainability.
- Founded in 2000 by the Federation of German Industries (BDI) with currently 36 member companies.

econsense

Forum for Sustainable Development
of German Business



¹ Excerpt from presentation
“econsense at a glance”

Sustainable Procurement – accompanying measures

Example: econsense¹

- econsense Trainingsmodul “Respecting Human Rights in your Supply Chain” (Handbook and Training Video) for supplier and purchasing officer
- Workshops in China
- Guideline steps of the process sustainable supply chain management
- Guideline sustainability management
- Supplier Quick Check

Different Projects



econsense
Forum for Sustainable Development
of German Business

¹ Excerpt from presentation
“econsense at a glance”

Bosch: Human Rights in the supply chain

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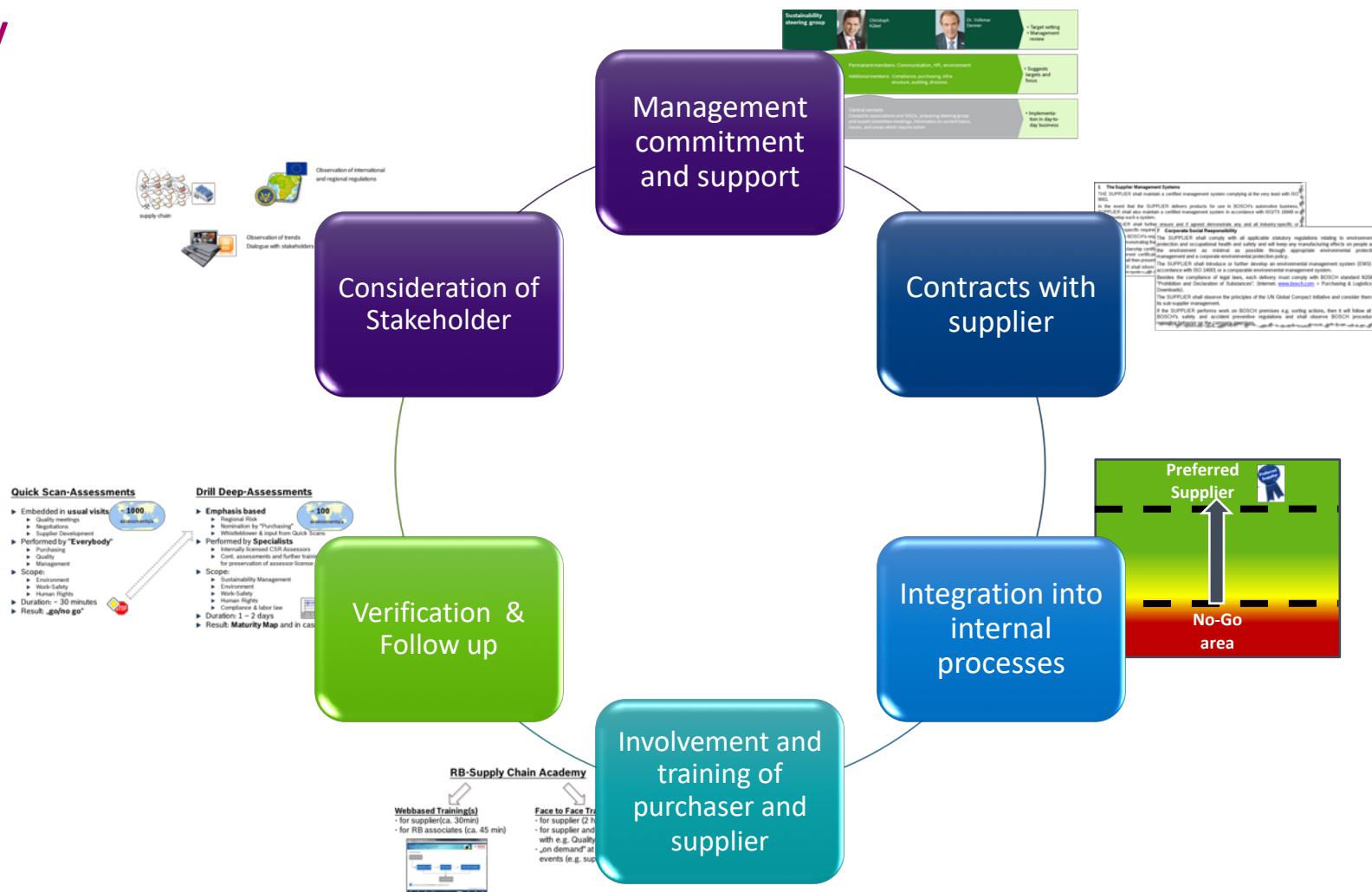
2. Sustainable Procurement Bosch Approach

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Bosch: Human Rights in the supply chain

Summary



Bosch: Human Rights in the supply chain

