Responsible Sourcing and Corporate Responsibility Defined

The consumer products market is increasingly regulated and subject to scrutiny by many government agencies, consumer groups and individual buyers. Today’s buyer is more aware than ever of the link between good business and responsible business behaviors. The age of technology enables buyers and communities to share information, faster and on a larger, more visible scale, as to their expectations of business and experiences with specific companies. Forward-looking companies are taking notice and closely monitoring their supply chains in an effort to increase market share.

In the promotional products industry, there are tens of thousands of companies across the country, sourcing from multiple vendors and factories across the globe. The enormous nature of the promotional products supply chain, the fact that so many products can be used in so many different ways and distributed to so many different age groups lends itself to many unforeseen risks. For this reason, it is imperative for industry organizations to have visibility into their supply chains and have processes in place to mitigate risk.

Corporate social responsibility (CSR) can mean many different things to many different groups. Some approach the concept of CSR from a philanthropic point of view. Others equate it with ethical behavior while still others look at it from the viewpoint of the impact they have on society as a whole. Practically, many corporations consider it an essential element in their risk mitigation process. When assessing risk exposure, companies with a CSR program consider risk to the workers, risk to the customers’ brands, and risk to the company itself.

PPAI views all of these premises as components of responsible sourcing best practices and refers to responsible sourcing as an overarching umbrella under which we take a holistic approach to corporate responsibility. Under this umbrella we place the pillars of a robust compliance program—social responsibility, product responsibility, environmental responsibility, product quality and import/export compliance—as separate but equal and interrelated parts of the whole. In this sourcing and compliance manual for the promotional products industry, we address all five pillars while providing guidance to industry companies who are developing their own promotional products corporate responsibility programs and responsible sourcing best practices.

When companies do not take corporate responsibility obligations seriously they open themselves up to scrutiny from the community, shareholders, customers, employees, business partners, competitors, investors and the government. By implementing a program, a company is able to address and minimize potential risk to the worker, risk to the customers’ brands and risk to the company itself. Clearly there are expenses associated with implementing such a program, but those costs are dwarfed by the costs resulting from the negative publicity, brand and relationship damage that can follow a failure in the manufacturing process.

When an organization chooses to source responsibly by implementing a corporate responsibility program it should understand this is a journey, not a destination. It takes concerted effort and while there are real costs associated, these costs can be controlled based on the type and depth of the program implemented. A larger organization will likely implement more components than a smaller company. Supplier implementation is a more involved process than that of a distributor. As a matter of practicality, social responsibility programs adapt leading best practices to each given situation. The unique demographics of each individual organization and the stakeholders involved will determine the extent to which social responsibility implementation can reasonably be implemented and success determined.