



Promoting Responsibility in SMEs through Supply Chain Management

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Role and Impact of SME

- **Prevalence**
 - Vast majority of enterprises globally are SMEs
- **Impact**
 - Drivers of local economic development
 - Biggest creators of jobs
 - Lifeblood of corporations

SMEs, CSR and Ethics

- CSR and Organisational Ethics often neglected in SMEs
- Reasons for neglect:
 - Lack of management & governance structures
 - Limited resources
 - Lack of time
 - Under the disclosure radar

Corporations and SME Suppliers

- Corporations responsible for conduct of their suppliers
 - **You cannot outsource your immorality**
- Legislative pressure on companies to promote responsibility in supply chain management
 - Foreign Corrupt Practices Act (USA)
 - Bribery Act (UK)
- Also supported by best practice codes
 - Global Compact
 - OECD guidelines

Relationship with SMEs

THE
ETHICS
INSTITUTE

Abusive

Precautionary

Paternalistic

Developmental

Mutually supporting

building an
ethical
SOCIETY

Central question

What can corporations do to support responsibility in SMEs in their supply chain?

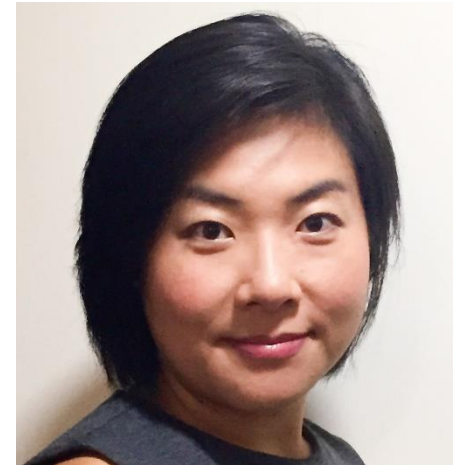
Company Perspectives



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