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Is There an Enhanced Role for Corporate Leadership to Integrate Its CSR Strategies into Supply Chain Management? A Conceptual Inquiry

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Abstract

This paper argues that there is an emergent and enhanced role for corporate governance in the area of supply chain oversight, due to on-going problems in the multi-tiered webs of today's buyer-supplier relationships. The challenge is for corporate leadership in buyer firms to develop improved methods of ensuring that their suppliers manage with ethical values consonant with the sustainability strategies of those buyer firms, whose brands and reputations are at stake. For pragmatic reasons, today's corporate leaders must view embedding of ethics in their supply chains not only as deontological value, but as crucial risk management tools. This study raises the question: what is the role of corporate leadership in terms of Corporate Social Responsibility (Note 1) in Supply Chain Management? (Note 2)

Keywords

corporate social responsibility, supply chain management, corporate governance, sustainability, ethics, leadership

1. Corporate Leadership—Why Should It Ensure SCM-CSR?

A new and pressing role for strategic leadership involvement in Supply Chain Management (SCM) has emerged in the last decade, and it involves the need for closer scrutiny in the design and oversight of supply chain—particularly in ethics oversight (Ameshi et al., 2008). Leaders must remember that ethics is not just something worthy that must be done; rather, it should also be viewed in pragmatic terms as *a risk management tool*. Oversight of SCM was once simply the purview of supply chain managers at the operations level, but recent scandals about poor, and even deliberately unethical, management of supply chain partners must be addressed at the strategic level of buyer firms. In this way the firm can ensure alignment of SCM with its strategic CSR mission (Note 3). The well-publicized case of Apple in 2010 revealed that its supplier HonHai (Foxconn) was engaging in abusive workplace practices in producing Apple components in contradiction to Apple's stated sustainability goals. A number of tragic suicides over the working conditions followed that heightened concerns about breakdowns in these buyer-seller (or leader-follower) relationship. The dictum "*you are judged by the company you keep*", came back to haunt Apple, HP, Dell and other buyers who were served by Foxconn. A similar incident involved sourcing of seafood for Darden, Inc. (parent company to Olive Garden and other restaurants in the food service industry), when it was discovered that slave labor from Burma was being used by the supplier, Thai Union Foods, to source and process shrimp for Darden restaurant subsidiaries. Like Apple, Darden's reputation was tarnished by its association with its supplier Thai Union. In 2014 the Ting Hsin International Group was investigated for tainted cooking oil, after it was learned that its subsidiary Cheng-I Food Co., was mixing animal feed oil with cooking oil and then selling it for human consumption. Other such leader-follower mishaps abound in supply chain dyads, indicating that leaders in buyer firms must keep a tighter scrutiny of supplier firms. The buyer firms' latter's own interests fall into four important categories: legal mandates; guilt-by-association reputational factors; risk management, and ethics and equity criteria (Coates, 2015a). The logistics literature (Bongani & Mushanyuri, 2013; Klassen & Vereecke, 2012; Kong, 2012; Krajewski et al., 2010; Van Weele, 2010; Cruz, 2008; Cruz & Wakolbinger, 2008; Boyd et al., 2007) pinpoint the growing awareness of the importance of supply chain sustainability, and how violations by suppliers taint brand reputations of buyers.

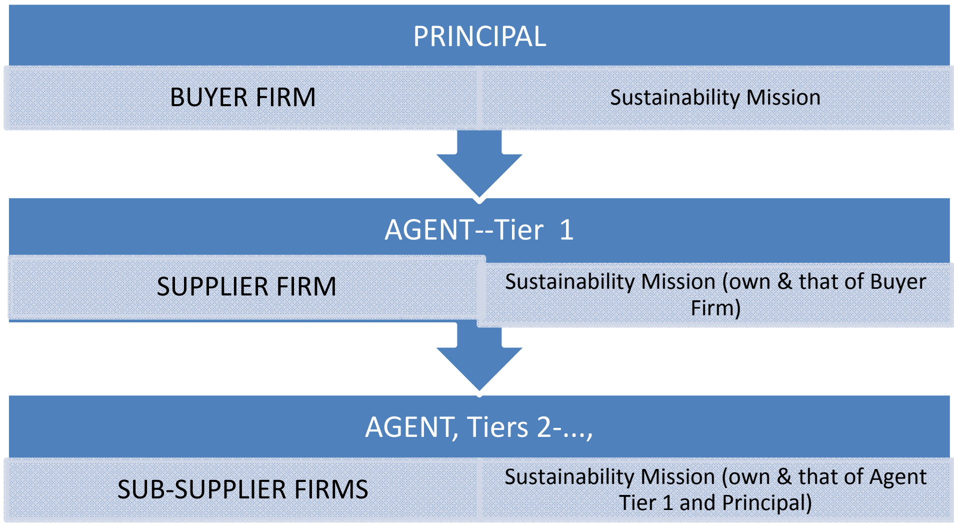

Figure 1. The System of Relationships between Principal and Agents

Source: Coates, B. E., 2015.

2. Leadership Theories Germane to the Argument

Leader-Member Exchange (LMX) theory explains how exchanges work between principals and agents. The LMX relationship is built through interpersonal exchanges in which parties to the relationship evaluate the ability, benevolence, and integrity of each other. Thus, a relationship between a buyer firm and supplier underpins the notion of trust, respect and a sense of mutual reciprocity (Brower et al., 2000; Ariani, 2012; Bass & Avilo, 1990, 1994; Bass & Ruggio, 2005). The *vertical dyad linkage theory* (Dansereau et al., 1975) is an early LMX construct that tells us that a leader's relationship to followers consists of dyadic relations. The quality of the relationship is reflected by the degree of mutual trust, loyalty, support, respect, and obligation between parties. These perceptions, in turn, influence the behaviors and productive results of members (followers) who work to the specifications of the leader (Defee et al., 2009).

Lipman-Blumen (1992) argues that successful leaders consciously connect to their environments because of the underlying understanding of the interdependent nature between organizations and their environments. This "*connective*" argument extends to the firm's *extern*al environment, as much as to the *internal* one. Recently Apple, having presumably learned from its recent past history with supplier mismanagement, notes in its annual supplier report (which monitors nearly 400 suppliers) found that juveniles were employed at 11 factories engaged in making its products. A number of them had been recruited using forged identity papers. The report uncovered a catalogue of other offenses, ranging from mandatory pregnancy tests, to bonded workers whose wages were then confiscated to pay off debts imposed by recruitment agencies. They also found cases of children being made to lift heavy items, employees having their wages garnished as a disciplinary measure, and also discovered one factory dumping waste oil in the toilets. A circuit board component maker called Guangdong Real Faith Ping Zhou Electronics was jettisoned by Apple after 74 children under the age of 16 were recruited to work on its production lines. According to Apple, the children had been knowingly supplied by one of the region's largest labor agencies, Shenzhen Quanshun Human Resources. Its investigators found that the agency conspired with families to forge identification documents (Garside, 2014; Peters & Mukerjee, 2014).

Moral leadership theory i.e., knowing your core values and having the courage to live them in all parts of your life in service of the common good (Rhode, 2006) has been seen as being related to corporate values such as the achievement of sustainability. Moral leadership includes monitoring and evaluating a firm's policies to ensure that negative associations do not infect the product and/or service lifecycle (Porter & Kramer, 2011). These include buyer-seller interchanges on ethics. Andrews in1989 argued for *moral leadership* and asserted that corporations have "become an institution in society governed by moral as well as economic values. Its strategists need moral as well as economic motives and competence" (p. 68). This aligns with Robert Greenleaf's concept of the *servant leader* (2003) which shows servant leaders share value with all levels of the organization—internal as well as external.

Greenleaf's servant leadership is also seen as c*onscious leadership*—which embodies "capitalism with a social conscience" (Civitia, n/d/, www.newfuturesmedia.com) that takes into account leadership of supplier firms in a way that products and services add ethical values. At its core servant leadership displays four critical tenets: *conscious leadership* that appreciates the *interdependence* of a extensive array of *corporate stakeholders*. Leadership that guides the firm to an elevated purpose, via the creation of a c*onscious culture*—one which elicits *corporate citizenship behavior*. Corporate citizenship (Coates, 2015b) is a reflection of John Elkington's the triple bottom line conceptualization (1998) that business value is more than just about financial gains; and that care for the welfare of all stakeholders—including the environment—must emerge from business behavior (Glavas & Piderit, 2009). The authors reveal that their regression analyses and structural equation modeling support the proposition that workers who observe elevated dimensions of corporate citizenship will report increased degrees of engagement, connectedness and creativity. As a consequence, businesses that merge corporate citizenship with business strategies, have at their disposal a stouter set of instruments for serving customers, shareholders and communities (Coates, 2015b).

Transformational leadership is another conceptualization that relates to management with a higher purpose when it involves buyer guidance to their seller firms in terms of SCM. Bass and Aviolio (1994) and Bass and Ruggio (2005) have shown how *transformational leaders* can bring about optimal out comes by motivating through inspiration, intellectual stimulation, role model behavior, and giving individualized consideration to follower needs and goals. Waldman et al. (2004) collected data using an interactive simulation, using executives as participants. Results indicate that follower organizations can make a great contributions to overall supply chain performance when transformational leadership is present. Ryuzabuto Kakunoted that when the Japanese concept of *kyosei*, or cooperation, is embraced between leaders and followers, then sustainability evolves naturally within such enterprises (1997). These (and other) scholarly writings on leadership argue that top-management support for CSR is necessary (Jones et al. 2005).

The *institutional theory of leadership* is aligned with the preceding concepts of leadership in that it explains that leaders who are seen as working in an atmosphere of trust, transparency, cooperation and ethics, gain follower support, and motivation to the goals. Handelman and Arnold (1999); Palazzo and Scherer (2006), Pfeffer and Salancik (1978); Sen and Bhattacharya (2001), have shown that CSR is a critical factor that empowers corporations to appeal to the socio-cultural norms of its institutional ecosystem, and through this it can appeal to its communal (or social) relevance. This engenders popular legitimacy, which in return, affects the movement of financial flows to the firm from a broad corporate stakeholder spectrum. The upshot of this flow of capital and support enriches the firm (Luo & Bhattacharya, 2006; Margolis & Walsh, 2003).

The once-prevalent wealth-maximizing ideology (Friedman, 1970) is has moved to insistence for corporate social responsibility strategies that address a broad set of stakeholders (Coates, 2012, 2015a, 2015b). The *stakeholder model* of the corporation perspective (Freeman, 1984), contends that it is essential for leadership to consider non-financial stakeholders as well as shareholders, who could be turned into critics and abandon their support to firms that do harm human and ecological values. While most that business leaders today say their firms are equally attentive to CSR and the bottom line, we still see that there has been many at time that businesses seem to have paid only public relations lip service to conscious citizenship. Some have termed this as “talking, but not walking the walk” on CSR. Businesses today are expected to do more than make insincere nods-often called “greenwashing” or “symbolic CSR” (Matejak & Gossling, 2014). It falls upon the shoulders of corporate leadership however, that sustainability policy and business policy align in terms of value-creation and competitive advantage (Hart, 1997; Salzmann, 2005).

Having discussed leadership theories that indicate connectivity and exchange between buyers (leader firms) and suppliers (followers), we now turn to the salient factors that make this connection imperative.

3. Drivers for Leadership SCM Sustainability—External Drivers

Corporate leadership must consider the following external and internal pressures for SCM sustainability to achieve competitive advantage.

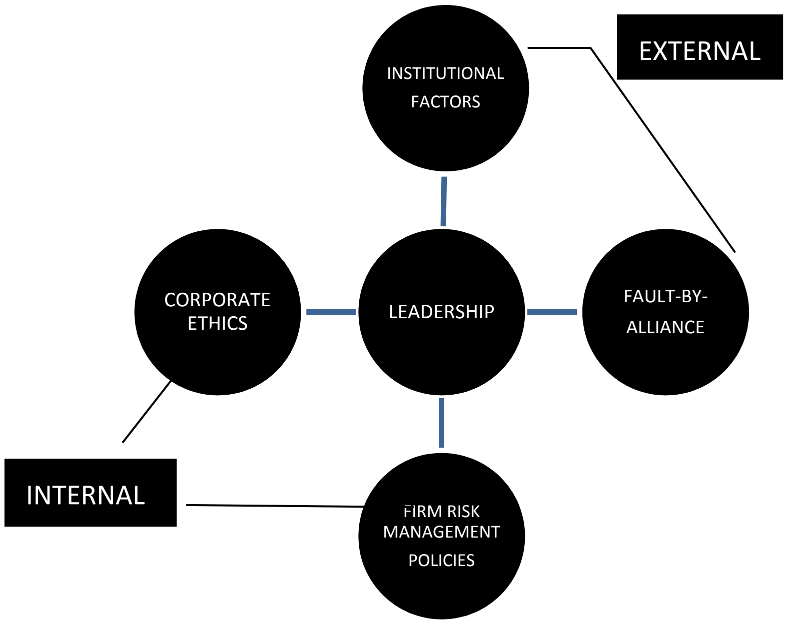

Figure 2. External and Internal Pressures on Leadership

Source: Coates, B. E., 2015.

3.1 Institutional Factors

Douglass North (1990) explained that institutions and institutional change affect the performance of markets. Institutional constraints are devised to structure the uncertainties involved in human interaction. These uncertainties are endemic in buyer-seller dynamics. The Dodd-Frank Act of 2010 is one such legal institution requires buyer firms to disclose how components are sourced, particularly from "conflict zones" also known as "Conflict Countries". Extractive industries have to be vigilant of "red-flagged" conflict zones e.g., the Democratic Republic of Congo, Rwanda, Uganda, Nigeria and others who have extractive industries in their nations (Note 4). These zones are ravaged by the externalities of war: slave labor, including child labor (Kolk & Tudder, 2002), labor abuse and the like. State-mandated regulatory law, such as the California Transparency in "Supply Chain Act" 2010 (Note 5) (another institutional constraint) specifically relate to supply chains. There are also guiding principles from the United Nations—such as the United Nations Global Compact (Note 6), trading blocs like the EU and NAFTA, and professional SCM societies. In the regulatory landscape, emergent new issues invariably surface. For example, human rights issues have been pushed up on the schema of scrutiny in SCM. The UN's Ruggie framework (Note 7) (2008) on human rights abuses as well as the explosion of social media where documentation of human trafficking are common, have brought more of these hitherto hidden supply chain issues to light. Banks and financial institutions have turned to "Equator Principles" (2010) in lending. These principles prohibit lending to companies that have projects involving ecological or human suffering (Note 8). Earlier statutes while not specifically targeting the supply chain, prescribe ethical firm behavior. Laws such as the EPA and OSHA provide ethical mandates on use of water, air and land; and health and safety standards. Labor statutes define the ethical standards on the terms and conditions of labor on a variety of human standards.

3.2 Fault-by-Alliance Factors

The dictum that "*you are judged by the company you keep*"—can be applied to such instances as theHon Hai's (Foxconn) employee abuse scandal that impacted buyer firms like Apple (also HP, Dell and others). As a consequence of revelations that Primark's supplier used child labor from the refugee camps of southern India to sew its profitable designs that allowed it to eclipse Marks and Spencer in earnings, Primark disengaged from three of its Indian supply firms. Chocolate producing companies such as Mars Inc., Nestlé USA, Ferrero SPA, The Hershey Company and Cadbury Schweppes Plc., among others, have been connected to slavery supply chains for sourcing of cocoa beans from Africa's D' Ivoire from which 40% of all cocoa beans are harvested (Note 9). In 2001, a voluntary protocol between American chocolate companies and the American government called the Harkin-Engel Protocol-also called the Cocoa Initiative (2002) was reached to end "abusive labor practices" and "forced child labor" in the Ivory Coast.

The *Associated Press* revealed results of an inquiry into slavery on Southeast Asian fishing vessels that supply seafood to large supermarkets, restaurants, bistros and other second-tier seafood distributors throughout the United States. It found that a major seafood supplier, Thai Union Frozen Products, was named in the inspection. Thai Union supplies Darden Restaurants Inc. (parent company to the well-known restaurant, Olive Garden). This report built upon on a Guardian inquiry reported in June 2014 that divulged that fishing trawlers which were catching fish which were used to feed shrimp and prawn farms, employed Burmese slave labor. The treatment of these slaves was shown to be grossly inhumane. Beatings and killings had occurred. Other sourcing scandals revealed that large corporations as the Gap, and Marks and Spencer, also used manufactured garments from sources in Cambodia that abused employees. Many cases where workplace laws in Cambodian garment firms were defied were documented in a report entitled "Work Faster or Get Out" (*Human Rights Watch Report*, 2015). The report detailed how workforces (consisting of young, uneducated women, under short-term contracts) were easy targets for control and firings. This was coupled with poor labor check-ups and enforcements by government. These, and other, negative buyer-seller associations have prompted statements from the likes other firms who have learned from the actual experiences that have been released by the media. Tom's Shoes has taken the stand that: "on an annual basis we require our direct suppliers to certify that the raw materials incorporated into our products are procured in accordance with all applicable laws in the countries they do business regarding slavery and human trafficking (Note 10)".

4. Drivers for Leadership in SCM Sustainability—Internal Drivers

4.1 Risk Management Considerations

The prevention of risk in a firm entails the continuing process to identify, analyze, evaluate and treat loss, is a consuming activity to protect the organizational entity from threats. Today companies are aware that risk reverberates back to companies that sully the environment—e.g., draining of toxic chemicals, agricultural and industrial waste into rivers and waterways by big business, or their suppliers, which then poses the risk of health problems for large populations of impacted people. In the case of the Peanut Corporation of America discovery of the salmonella outbreak from peanut paste and the emergent lawsuits, was cause for filing for bankruptcy in 2009 (Layton & Miroff, 2009). Other food safety risks, such as the adulteration with melamine of powdered milk in China has caused expensive problems for its buyer firm (Spencer, 2009). Other cases worth noting are the 2010 BP oil spill in the Gulf resulted in law suits and lost sales (Sanchanta &Takasi, 2011). As argued by Henson and Reardon (2005) and Trienekens and Zuurbier (2009) it is not just the legal costs, but the disenchantment by consumers of the quality of the product category (not just the individual corporation's brand image) that results in lost sales.

4.2 Corporate Ethics

As argued earlier, Greenleaf's servant leadership, Andrews' moral leader, transformational leadership (Bass & Ruggio, 2005), and Kaku's *kyosei* leadership-style are supportive of the triple bottom line principles (Elkington, 1998) (Note 11). Thus, such questions as, "who pays the true cost of the product or service?" is likely to be asked in strategizing. Consequently, language prohibiting abuse of workers and the environment will show up in contracts. Today's supply chain managers have seen enlarged responsibility for oversight and accountability for CSR and ethics in their respective corporate supply chains. This includes a requirement for both "hyper-transparency", and to be willing to be interactive and proactive in SCM dynamics. These new SCM professionals know that since nearly6.8 billion mobile phones are in use around the world, that ever more of these can (and are) being used for anonymous text and video revelations about corporate environmental and labor abuses. Firm reputations are being lost in this mobile-phone-enhanced hyper transparency trend, which makes violations hard for firms to hide and to ignore. The reasons for leadership ethics in SCM are primarily in the deontological, teleological, and virtues ethics categories. Under each of these paradigms, Principals and Agents (Leaders and Followers) must ask the following questions when creating contracts and designing policies.

Table 1. Ethical Principles in SCM Contracts and Policies

CATEGORY	PRINCIPLE	QUESTION
DEONTOS	Obligation; Responsibility	How does this contract/policy impact corporate obligations/responsibilities to employees, society and the natural environment?
TELIOS	Greatest good for greatest number; Costs and Benefits	Who benefits and who pays as a result of this contract/policy?
VIRTUE	Eudemonics in society	How does this contract/policy impact the right to life, liberty and the pursuit of happiness?

Source: Coates, B. E., 2015.

In terms of pertinent theories of distributive justice Principals and Agents (Leaders and Followers) must ask the following questions when creating contracts and designing policies, as one can readily see justice criteria and ethical principles are closely aligned:

Table 2. Theories of Justice for SCM Contracts and Policies

THEORY	PRINCIPLE	QUESTION
KALDOR-HICKS CRITERION	Winners must compensate losers	How can we create contracts and policies that take into account compensation for harms we have created?
RAWLS' CRITERION	Greatest good for all begins with the good of the least-advantaged	How can we create contracts and policies that distribute justice to all by starting with the least-advantaged in society?
PARETO CRITERION	Avoids making anyone better off if it makes another worse off	How can we create contracts and policies that do not make anyone worse off at the expense of making someone better off?

Source: Coates, B. E., 2015.

5. Choice of Apposite Yardsticks for SCM

Because of the extent of complexity of supply chains, many corporations decide on where in the supply chain to focus specific remediations, generally sorting them under the categories of "risk" and "impact".

In terms of managing risk and impact, Coca Cola selected specific areas of CSR—such as waste management, and specific geographical regions like Ghana, within which to manage that waste—either eliminating it completely, or minimizing it. This experience is translated into Coca Cola's scorecard to monitor how well they and their suppliers manage waste for the eventual goal of zero waste—including zero defects—which leads to less waste (Schniederjans & LeGrand, 2013). Huawei established its "Supplier CSR Committee" to ensure that SCM is managed in accordance with its strategies throughout the procurement process and supplier life cycle (Huawei) (Note 12). They hold conferences to socialize their suppliers on the requirements. New suppliers must qualify on a scorecard of issues to be monitored.

Research emphasizes the newer SCM paradigm of "reverse value chain" processes (also known as reverse logistics), whereby buyers and sellers alike find alternatives to waste management; in essence viewing logistics as a bi-directional process instead of a uni-directional one. They do so by activities such as redesign of returned products, repair and remanufacturing, as a closed loop system that yields competitive advantage.

In the past there were no globally-accepted standards for measuring greenhouse gas emissions from suppliers, until the Greenhouse Gas Protocol (GHGP) was created in 2001. The GHGP standard is now the most is the most extensively-utilized measurement instrument by which governments and corporations comprehend measure and supervise gas emissions. This protocol has come about via a collaborative effort between businesses, environmental groups, governments and international agencies —such as the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). An array of major companies from diverse industries like electronics, food, automobiles, garment producers and others have field-tested and installed the GHGP protocol. The Consumer Goods Forum (Note 13) has also approved the use of the GHGP.S.C. Johnson described their road test of the standard as the "key data to drive our strategic business decisions regarding greenhouse gas reductions". PepsiCo's Senior Director of Environmental Sustainability, Robert terKuile, praised it as "an economically, as well as an environmentally valuable tool", which he noted would help the company manage the carbon footprint of its vast supplier network (Bapna, 2012). Smaller companies like Swire Beverages (a supplier of Coca-Cola products in China) are doing their parts to cut electricity use—in the case of Swire Beverages—at 35-40%, by investing in, and adopting energy efficient processes (Bapna, 2012). These measures will be the source of innovation and creation of energy options for a low-carbon future.

How does a firm select standards and accountability factors when there are so many standards to choose from? To create standards for responsible and responsive supply chains, the firm may have to seek an SCM consultant to help push through the more than 450 consumer-facing eco-labels around the globe to determine factors and standards appropriate for an individual corporation (Jaffe, 2015). Collaboration between firms instead of competition—variously referred to as "inclusive business" (Note 14) models or "co-opetition" (Note 15) is being encountered whereby firms share knowledge and techniques for mutual gain. For example, joint research for more efficient and greener fuel cells and electric car battery technologies, is being done between Toyota and BMW who are using the inclusive business model of co-opetition. Heinz has copied Coca Cola's greener bottling and packaging (Ireland, 2015).

Table 3. Mapping Risk and Impact of a Supplier

SCM RISK—Questions	Enumerate & Score	SCM IMPACT—Questions	Enumerate and Score
What are the potential risks connected to this Supplier?	High, Medium, Low	How do we create value for ourselves, people and the planet (TBL)?	Qualitative Answer
How much will these risks impact our TBL strategy?	High, Medium, Low Qualitative Answer	Have there been negative impacts that auditing, or media sources have uncovered?	Yes No Qualitative Answer
Is the risk from this Supplier worth taking?	Yes, No Qualitative Answer	How do the costs made to create positive impact compare with end-states?	High, Medium, Low
How can we eliminate the risk, or minimize it?	Qualitative Answer	How are we doing on transparency of impacts?	Qualitative Answer
Is the risk such that the Supplier should be replaced?	Yes, No	What must we do to communicate positive impact?	Qualitative Answer

Source: Coates, B. E., 2015.

Measuring positive (and negative) social, environment and economic impacts in the supply chain can provide crucial learning and knowledge creation insights for the buyer entity. Having done due diligence in mapping risks and impacts, and found the best, most meaningful, metrics, a firm can then carve out a strategy with its suppliers that provides best value in terms of efficiency and effectiveness.

6. Conclusion

Consumers today are becoming better educated about overseas working conditions, and the unfair treatment of workers can seriously harm sales and brand identity of buyer firms. The public's growing awareness of environmental issues also puts pressure on companies to build more sustainable supply chains. This all adds up to a huge opportunity for companies to encourage their suppliers to reduce emissions contributing to climate change– and spur efficiencies in this process as well as other environmental issues. Increasingly, investors, shareholders, and consumers are pressing for action.

Heedful of the bitter lessons from supplier associations firms have recently begun interventions. For example, Apple reported that: "in January 2014 we confirmed that all active, identified tantalum smelters in our supply chain were verified as conflict-free by third-party auditors… We're pushing our suppliers of tin, tungsten and gold just as hard to use verified sources" (Peters & Mukerjee, 2014). On April 21, 2015, McDonald's, working with the World Wildlife Fund, announced that it had vowed to eliminate deforestation across its entire supply chain. Related pledges have also been made by Yum Brands, Dunkin' Donuts and others. These fast food corporations will have a significant impact on World Wildlife Fund which advised others in the fast food industry (Srinivas, 2015).

One of the largest demolishers of rain forests is the giant palm oil industry—as palm oil is an ingredient in many foods, We also see some progress in conservation efforts by consumer colossuses like Unilever—which announced its policy to find sustainable solutions for its use of palm oil in its supply chain so that all of it is traceable and sustainable by the year 2020.

Based on prohibitions of statutory law such as the Dodd-Frank Act, firms like Nintendo have taken steps to stop sourcing of conflict minerals that are used in electronic devices (Brownstone, 2013). Thus, it can be argued that scrutiny by the media, investors and consumers of Fortune 500 companies' supply chains are making a difference in the reduction of abuse to employees and the environment.

This conceptual inquiry began with a question: is there an enhanced role for corporate leadership integrates its CSR strategies into Supply Chain Management? The paper continued with an argument that in today's corporate milieu SCM ethics concerns become a natural outgrowth of strategies on CSR. Two external factors—institutional considerations and guilt-by-association; and two internal factors—risk management and corporate ethics drive this leadership focus. CSR, itself has grown from a corporate ideology, into practical strategic policies, and has moved corporations from a reactive stance to problems to an era of self-study and awareness (Wagner & Lutz, 2009). There has been a distinct shift towards broader strategic goals than wealth-making alone—exemplified by the Milton Friedman school of thought (Friedman, 1970; Ghoshal & Moran, 1996; Ferraro et al., 2005). In turn today, we see corporate leaders moving towards a greater sense of responsibility in SCM—particularly in buyer firms. To summarize, this paper states that:

1) CSR in SCM can pragmatically be viewed as a risk management tool, and extension of corporate risk management strategy.

2) Agency theory gives credence to the link between strategic CSR principles and SCM management.

3) There are External Drivers (institutional considerations; and fault-by-alliance factors) and Internal Drivers (risk management; ethic sprinciples; and organizational justice considerations) for Leadership attention.

4) Corporate leadership must ensure that strategic CSR principles are embedded into its SCM contracts and operations.

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Notes

Note 1. "Corporate Social Responsibility means that a corporation should act in such a way that enhances society and its inhabitants and be held accountable for any of its actions that affect people, their communities and their environment" (Lawrence & Weber, 2014, p. 49).

Note 2. Supply chain management is about the supply and demand areas of a business, and it covers the planning and management of all activities involved in sourcing, procurement, logistics management.

Note 3. For a closer view of Strategic CSR, see Coates, B. E (2012, 2015a, 2015b).

Note 4. This list also includes, Zambia, Angola, Burundi, Tanzania, The Central African Republic and South Sudan (Luxton, 2012).

Note 5. This took effect in 2012, and requires specified disclosures on slave labor and human trafficking.

Note 6. A Guide to Traceability: A Practical Approach to Advance Sustainability in the Global Supply Chain, 2014. The United Nations Global Compact.

Note 7. UN Special Representative John Ruggie proposed a framework on business & human rights to the UN Human Rights Council in June 2008, resting on three pillars: 1) the state duty to protect against human rights abuses by third parties, including business; 2) the corporate responsibility to respect human rights; and 3) greater access by victims to effective remedy, both judicial and non-judicial. http://www.business-humanrights.org/Documents/UNGuidingPrinciples

Note 8. The Equator Principles. (2010). Is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making.

Note 9. As of 2011, the ICI has "supported the construction" of 497 classrooms, helped train 391 teachers, and has helped provide 2000 tables to schoolchildren in Ghana. The hope of these projects is to create a better education network that will prevent children from being lured into the cocoa industry (International Cocoa Initiative, 2010).

Note 10. http://www.toms.com/corporate-responsibiity#corporateresponsibility

Note 11. The Triple Bottom Line embodies the 3 Ps—People, Planet and Profit.

Note 12. http://www.huawei.com/ca-en/about-huawei/corporate-citizenship/supply-chain/index.htm

Note 13. The Consumer Goods Forum is an entity comprised of over 400 corporationswho do about a combined $3 trillion dollars in sales.

Note 14. The term inclusive business was coined by the World Business Council for Sustainable Development (WBCSD) in 2005. It refers to sustainable business solutions that go beyond philanthropy and expand access to goods, services, and livelihood opportunities for low-income communities in commercially viable ways.

Note 15. This term refers to cooperation within competition.