

## NEWS RELEASE



# ETHICAL TREATMENT OF UK SUPPLIERS IS AS IMPORTANT AS ALL OTHER AREAS OF CORPORATE RESPONSIBILITY, SAYS REPORT

**September 21, 2006:** Greater attention should be paid by British business to the ethical issues which arise in dealing with their suppliers, says a report published today by the Institute of Business Ethics.

Attention has previously been focused on the social, environmental and ethical concerns of these relationships with suppliers in developing countries – for example the well documented scandals with Nike, Gap and others. But following the tragedy of the Morecambe Bay cockle pickers companies are more aware of the need to ensure that their suppliers based in the UK are also fairly treated.

The report, *Supplier Relationships in the UK: Business ethics and procurement practice* by Laura J Spence of Brunel University, draws on more than 25 interviews with customers and suppliers.

It highlights two groups of ethical issues – those around responsible practices by purchasing staff and having fair business relationships with suppliers; and those around the notion that large companies have responsibility for what happens in the firms those that make up their supply chain as well as their own social and environmental impacts.

A particular focus of this report is the perspective of small and medium sized enterprises. The report argues that they are consistently disadvantaged in many business processes comprise the vast majority of private sector organisations in the UK yet.

The report includes good practice examples to illustrate what companies can achieve in moving towards engagement with suppliers and the issues of extended customer responsibility and supplier operational practices. These include Camelot (The National Lottery), Waitrose (food retailing), and Toyota (the automotive manufacturing industry). There is also guidance for suppliers grappling with their 'side' of the supplier relationship and hoping for integrity and fairness in their associations with other firms.

*"The ethics of the supply chain should be as important to management as all other areas of ethical behaviour. For too long this has been a neglected area, with any focus solely on suppliers from the developing world,"* says Dr Spence.



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This report was sponsored by Camelot.

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### Notes for editors:

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*Supplier Relationships in the UK: Business ethics and procurement practice* by Dr Laura J Spence is published by the Institute of Business Ethics on 21st September 2006

ISBN 0 9549288 1 4 Price £25 available from [www.ibe.org.uk](http://www.ibe.org.uk)

*Supplier Relationships in the UK* will be launched at a lunch event at the Institute of Business Ethics, 24 Greencoat Place, London SW1P 1BE.

Please email [dee@ibe.org.uk](mailto:dee@ibe.org.uk) if you would like to attend.

**The Institute of Business Ethics** was established by business in 1986 to encourage high standards of business behaviour based on ethical values. The IBE aims to lead the dissemination of knowledge and good practice in business ethics. It is a registered charity.

- We raise public awareness of the importance of doing business ethically.
- We help organisations to strengthen their ethics culture and encourage high standards of business behaviour based on ethical values. We assist in the development, implementation and embedding of effective and relevant ethics and corporate responsibility policies and programmes. We help organisations to provide guidance to staff and build relationships of trust with their principal stakeholders.
- We collaborate with other UK and international organisations with interests and expertise in business ethics.

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