EMBRACING THE CORPORATE JOURNEY INTO SUSTAINABILITY

STORIES FROM WESTPAC’S SUPPLY CHAIN
EMBRACING THE CORPORATE JOURNEY INTO SUSTAINABILITY

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EMBRACING THE CORPORATE JOURNEY INTO SUSTAINABILITY

STORIES FROM WESTPAC’S SUPPLY CHAIN

EVERY INDIVIDUALS’ AND EACH COMPANY’S JOURNEY TOWARDS SUSTAINABILITY STARTS WITH A TRIGGER EVENT (EITHER INTERNAL OR EXTERNAL), IS INFORMED BY OTHERS AND THE EVENTS AROUND THEM, AND CHANGES AS KNOWLEDGE AND SKILLS DEVELOP OVER TIME. FOR COMPANIES TODAY, THE TRIGGERS ARE MANY: CLIMATE CHANGE, NEW CUSTOMER EXPECTATIONS, AN INCREASED FOCUS ON COST AND RISK MANAGEMENT, A CHANGING MARKETPLACE, AND THE OPPORTUNITY TO ACCESS NEW MARKETS.

The social, ethical and environmental aspects of doing business are important to Westpac, and have been for a long time. As far back as 1992 we began to talk to our shareholders, employees and customers about the way we impact our people, the communities in which we operate and the environment. Anti-bank sentiment was running hot at the time, and we needed to ensure our reality matched our rhetoric. In the beginning we focussed primarily on our own internal operations, but we always knew that our own products and our supply chain were an important part of our social and environmental impact.

In order to work co-operatively with others and support market change, we became members of local and global sustainability bodies, including the United Nations Global Compact, the Equator Principles and the Australian Business Roundtable on Climate Change. Through these associations and our own activities we learnt that we need to work with our peers and suppliers to remove barriers to implementing sustainability throughout the marketplace. Westpac does this by sharing information, highlighting best practice among our suppliers, and assisting our suppliers to make changes for the better.

Our experience is that suppliers embrace sustainability as a broad concept, but struggle with the detail. This is particularly so for smaller suppliers, who lack the scale of large companies like Westpac.

On our webpage (http://www.westpac.com.au/about-westpac/sustainability-and-community/) you can read about Westpac’s own journey into sustainability, and access the resources we provide to our suppliers. These case studies highlight the journeys of 10 suppliers, and how – as a corporate customer – our setting of sustainability expectations triggered, informed or supported each journey.

It is clear that some of our suppliers’ journeys are well advanced and the strategies being implemented are mature and well considered. Others have only recently left the starting blocks, and the learning curve is still steep. A few suppliers have dedicated resources to guide their journey, while others rely on passionate individuals to bring the sustainability agenda to life from within ‘business as usual’ roles.

What these suppliers share with each other and with Westpac is their commitment to be good corporate citizens, their appreciation of the social, environmental and ethical aspects of doing business, and their active exploration of the steps needed to get there. Each offers an insight into the challenge of doing business sustainably, and depicts aspects of the journey every company needs to go through.

Corporate social responsibility was once considered to be an issue of competitive advantage. Today we recognise the benefits of working with industry to improve sustainability standards and genuinely believe we’ll get further by sharing information. Not because we believe ours is the only way to implement sustainability, but because all methods offer insight of value to other companies and contribute to the development of change across the marketplace. Westpac encourages other organisations to do the same, and trust these stories by our suppliers will be of value to you, wherever you and your company are on your journey to sustainability.
BUILDING BETTER PARTNERSHIPS

DEFINING HOW A GROWING RECRUITMENT AGENCY EMBRACES CORPORATE SUSTAINABILITY AND WORKS TO BUILD VALUE FOR ITS CUSTOMERS, EMPLOYEES AND THE COMMUNITY IS NOT SOMETHING KAREN BECK, FORMER COMMERCIAL MANAGER, BLUEFIN RESOURCES EVER THOUGHT WOULD BE A PART OF HER JOB DESCRIPTION.

That was until Westpac asked Bluefin Resources to complete its sustainable supply chain management (SSCM) questionnaire as part of its tender process.

Bluefin Resources was established in 2003. They specialise in the areas of data analytics, marketing and market research, investment and wealth management, banking and finance, technology, project services and sales. Bluefin recruits for a range of clients from large international organisations to small niche businesses, with the aim of providing superior quality to all of its customers.

As the former Commercial Manager for Bluefin, Karen was well versed in promoting meaningful relationships with customers, but she’d never had to quantify the company’s social, ethical and environmental credentials.

At first, Bluefin was apprehensive at the scope of the task and questioned where they would find the resources to develop, measure, and communicate best practice in sustainability. “We were initially taken aback at the scope of the task but we decided to make this work for us as a company. We saw significant gaps in our structure and it really opened our eyes to how we could improve things,” Karen said.

“We’ve shown how we can deliver sustainable value through focussing on our customers’ needs, ethical behaviour and doing business as a responsible corporate citizen.”

“Thankfully, Westpac was only a phone call away. Meetings, reference documents and FAQs were all invaluable in getting the job done.”

For Bluefin, it was an opportunity to initiate change to optimise its business performance, build a more customer-focused, open and honest culture and actively engage with its stakeholders in a broader social and environmental context.

“It allowed us to develop some unique solutions that would underscore the way we make business decisions, the service we offer our customers and our efforts to achieve an open and honest work culture,” Karen said. Bluefin’s Managing Director, James Hone, continues to champion this approach.

With this in mind, Bluefin introduced a number of new policies including a Labour Workplace Practice Policy, an Environmental Practice Policy and a Business Continuity Plan.

“As a service business, attracting and retaining the best people is fundamental to our success. We wanted to use this process to help build a work place where people want to work and to add value to the experience,” Karen said.

The Labour Workplace Practice Policy provides employees with a range of initiatives to promote better work and life balance, including blood donor leave, study leave and religious leave. Perhaps the biggest change has been the development and implementation of the Business Continuity Plan to effectively manage risk and disruption. Importantly, the plan provides a framework for an effective response to any disruption and helps to safeguard the interests of Bluefin’s customers and its reputation and brand. “We will continue to focus on strengthening our workplace culture and values to attract and retain great people,” Karen said.
At the core of Bluefin’s Environmental Practice Policy is a desire to be a part of the solution for climate change.

“No matter how small our environmental footprint, we recognised that we could do something.”

“Now Bluefin uses recycled paper and 75% of our power is GreenPower. Our staff feel very positive that we are helping to contribute to a better tomorrow,” Karen said.

Although it’s difficult to put a dollar value on the improvements Bluefin has made to the way it does business, it’s been an “investment worth making”. “It’s worth looking beyond the business case for sustainability – the bottom line - and understanding how what we do impacts on our people, our customers and our community. We believe the positive advances we’ve made to CSR will help us build trust, enhance our reputation and make balanced day-to-day decisions,” she said.

While the company’s understanding of CSR hasn’t changed, its approach certainly has. “I’d say we now integrate CSR into our day-to-day business decision making and operational practices. We openly engage in meaningful dialogue with our employees about where we are headed and we live our values,” Karen said.

“Westpac is undoubtedly a leader in building a truly sustainable business. We’re proud of the real initiatives we’ve undertaken and CSR will continue to receive our focus and attention.”

Westpac’s SSCM process has pushed the company to look beyond the present and into the future. By completing the SSCM process Bluefin has been able to create a long term view of their business and they have learnt how to express this view to their employees and customers. Karen believes that all Australian businesses have the know-how and the resources to build value for their customers, employees, stakeholders and the community. Although she acknowledges that CSR has become a core component of the way that many businesses conduct their everyday practices, she believes that there are many small businesses that could take the journey.

“We’ve shown how focussing on our customers’ needs or our ethical behaviour and doing business as a responsible corporate citizen can be a positive contributor to business success. We recognise that sustainability helps build brand value, fosters customer loyalty and improves staff efficiency and morale.”

In 2011 Westpac supported a 3rd party Sustainability Supply Chain Management assurance process and Bluefin completed the 2011 questionnaire. Bluefin Resources has now put in place a 3 year sustainability project plan, updated and released several policy documents and statements, is formalising sustainability measures and is aiming, in FY 2013, to release our 1st formal sustainability public report based on Global Reporting Initiative guidelines. In 2012 Bluefin Resources continues its commitment to CSR and sustainability.
EXPERIENCING THE BENEFITS OF SUSTAINABILITY

AS A FAST GROWING COMPANY, SPECIALIST CONSULTANCY, THE CUSTOMER EXPERIENCE COMPANY (CEC) INITIALLY SAW COMPLETING WESTPAC’S SUSTAINABLE SUPPLY CHAIN MANAGEMENT PROCESS AS “SOMETHING OF A CHORE”.

With just 25 staff working in Sydney and Melbourne, Managing Director Raj Mendes initially feared the process would be a burden but soon concluded it would be vital to the growth of the company. At the same time, he knew it was important to the company’s continued good relationship with Westpac.

At the time that Westpac’s SSCM questionnaire was issued, now 5 years ago, The Customer Experience Company was three years old and quickly establishing itself as a player in the competitive management consulting marketplace. Westpac’s SSCM questionnaire brought the issue of sustainability to the forefront of the company’s focus and forced them to think about issues that were not previously considered. “We realised pretty quickly that if our core business is to help companies build value for their customers, employees and the community, then we should not waver in our commitment to be a responsible, ethical and trustworthy company either,” Raj said.

Surprisingly, as they worked through the questionnaire, they recognised that the process would be of real value. In effect, it was a checklist of policies and processes they needed to have in place in order to operate a business well.

“The rigorous nature of the questionnaire was a surprise for us. None of our other customers had asked such comprehensive questions about how we manage our business. Westpac engaged us in a meaningful dialogue that made us think about how we make decisions, how we comply with legislation and how we build trust among our employees and stakeholders,” Raj said.

“We now understand that good sustainability performance truly matters and that we can add value to our company by reducing risks, enhancing our efficiency, and engaging our staff through the process.”

“The process uncovered areas that needed attention, such as reporting on community involvement, ensuring Business Continuity Plans and Human Resources policies are communicated and understood by all employees. CEC also found that they needed to develop policies to reduce business operational risks.”

In response, the company put together an Employee Handbook that included policies and operational procedures that puts their management practices on par with larger organisations. CEC felt that the SSCM questionnaire was an opportunity to develop the company in such a way that it is more prepared for the future. This has allowed the company to grow and develop as a competitive supplier in the market place often competing and winning against the largest global firms.

Over the past 2 years, CEC has enhanced its offerings to help clients improve and innovate the delivery of their customer experiences. Raj stated, “In order to be innovative, one needs to have the time and space. People often think that a highly structured and procedural environment stifles innovation. The tightening of our internal processes and operating procedures now allows us the time and space to be creative. We no longer need to worry about support processes in the business. Around 6 months ago, we took a major expansion step in the business by establishing a Design Centre in the Sydney CBD. When taking a major growth step like we did required our operational processes to be optimised. SSCM has helped in this
by continuously driving us to make sure our support processes keep up with the growth of the business.

On hand to streamline the process were Westpac staff and access to reference documents and internet resources, all of which were critical to completing the process. “We’ve come a long way in our perception of corporate social responsibility (CSR). We had considered that as a small company our impact and influence on CSR was fairly minimal,” Raj said. “We now understand that good sustainability performance truly matters and that we can add value to our company by reducing risks, enhancing our efficiency, and make a difference even as a small company.”

One of the most notable impacts has been at the point of recruitment. “We’re now able to provide our employees with a range of staff and company policies that demonstrate that while they are joining a new and growing company, it’s one which has a responsible structure, operational practices and discipline.” This has increased the number of highly skilled employees in the organisation by attracting the best candidates.

Having a range of internal resources to draw on has also been beneficial in putting together tenders for government departments. Importantly, the company is more aware of risk management in relation to its day-to-day business operations.

“I think our employees also view us more positively as we’ve been able to better turn our values into practices and start to embed this in our culture. This will undoubtedly drip through to the way we service our clients in the future and enhance our corporate reputation as well,” Raj said.

“Understanding risk will lead to better business decisions and sustainable business growth.”

“Westpac is undoubtedly a global leader in corporate sustainability, leading by example and extending its expertise and influence into the wider Australian economy. It’s helped to show us that to continue to prosper, we must integrate environmental and social considerations into day-to-day decision making.”

Raj Mendes can see how sustainability is continuously becoming more important for organisations. With a strong focus on sustainability, the small organisation feels it will be well equipped to survive and prosper in a dynamic marketplace.

It may have taken a bit of encouragement from Westpac but now The Customer Experience Company is standing on its own two feet when it comes to sustainability.

The awareness created by Westpac’s SSCM questionnaire has already been beneficial for the company and they plan on extending their current policies and practices to improve even further in the future. The whole process has opened the organisation up to the benefits available to them if they consider sustainability in all aspects of their services.

“We now not only have the know-how, skills and resource to take on the social, ethical and environmental issues that impact on us, but also how to develop the services we offer our clients,” Raj said.
We take Westpac’s Sustainable Supply Chain Management commitment very seriously. We believe the role of a recruiting expert carries with it duties of social, ethical and environmental responsibility.

Westpac’s recognition that their own social, ethical and environmental impact also resides in their supply chain was a big catalyst for us, giving us extra motivation to use our energy and dynamism to embrace continuous improvements. Westpac’s commitment to Sustainable Supply Chain Management has motivated us to invest, and make improvements, in three key areas: employees, the community, and our environmental impact.

**EMPLOYEES**

Looking firstly at our employees, we recognise that our business is entirely dependent upon our people, not only those who deal with clients and candidates, but those who support them. That’s why we initiated significant developments in the areas of employee engagement, talent management and leadership development.

This included our annual employee engagement survey TALKback, where in excess of 70 per cent of employees expressed their views and opinions on all aspects of their workplace environment, our brand, our values, our leadership and development activity and the work that we do for clients. The results showed that engagement levels were good, at 83 per cent in Australia. This reflects positive responses to most of the items that make up employee engagement in Hays, namely career development, leadership and direction, culture and collaboration.

During the year we also committed to providing our employees with opportunities to develop and grow their skills. ‘Management Direct’, a comprehensive desktop information and learning resource, was introduced to all Hays employees. ‘Fast Forward’, our flagship global executive development programme for our most senior leaders, has also been expanded.

We believe that diversity is a key driver of our effectiveness, both now and in the future. We actively encourage different viewpoints, styles and approaches, and are committed to providing a workplace free from discrimination of any kind.

A notable success in this area came when, for the tenth consecutive year, we received the EOWA Employer of Choice for Women (EOCFW) citation, one of only two recruitment companies to achieve this prestigious award.

**COMMUNITY**

We play an active role in the community by providing an essential recruitment service for local people; finding the right role for every candidate is one of the most important objectives of our business.

But we also have a strong record of contributing to the community and our people work hard for good causes. For example, throughout the year many Hays employees volunteered their expertise and time outside of standard business hours to hold careers evenings to help job seekers and new entrants to the job market. We sponsor career fairs, and work with industry bodies to advance the careers of members.

In 2010 our employees worldwide joined together to raise £53,000 for the UNICEF Haiti Appeal. In 2011 our employees across Asia Pacific
held a Queensland Flood Disaster fund raising day. Over $30,000 was raised for The Premier’s Flood Relief Appeal, which was then matched dollar for dollar by Hays. Our charity partners for 2012 are the Cure Cancer Foundation in Australia and United Way in New Zealand.

**ENVIRONMENTAL**

“While our business has a low environmental impact, we are committed to achieving continuous improvement in environmental performance and to preventing pollution. We seek to reduce our use of energy, water and raw materials, increase efficiency and reuse wherever possible.”

Last year we measured our global carbon footprint for the first time in accordance with the Greenhouse Gas Protocol – an industry-leading step providing reliable emissions data that will enable us to target CO2 reductions more effectively. While our business has a low environmental impact, we work to reduce it each year.

We are pleased that Hays plc is included in the FTSE4Good Global, Europe and UK Indices, which provide tools for responsible investors to identify and invest in companies that meet globally-recognised corporate responsibility standards.

Taking our lead from Westpac, we recognise that environmental initiatives do not work in isolation. So we operate an environmentally-sensitive procurement policy that encourages suppliers and contractors to support our programmes and minimise the impact of the goods and services that they provide to us. Before we select a new supplier, we establish through a questionnaire the supplier’s policy, practice and targets in the areas of corporate responsibility and environmental management. This year, we will introduce reviews of suppliers’ own assurance reports, where available.

In addition to our statutory obligations, we have developed an online training course to promote understanding, compliance and competency in health and safety, and to reinforce our approach and embed policy arrangements.

**LOOKING AHEAD**

Looking ahead, we will continue our programme of continuous improvement in the area of corporate responsibility. This is why Westpac’s SSCM process is a welcome analysis of our continued progress in this area. We’re embracing their approach, holding the mirror up to ensure we conduct our business in a responsible way and recognise the importance of managing the impact of our business on people, the world and its resources in a responsible, ethical and sustainable manner.
Case Study Four
Geyer

A CASE FOR CHANGE

WHEN WESTPAC ASKED LEADING INTERIOR DESIGN FIRM GEYER PTY LTD TO COMPLETE ITS SUSTAINABLE SUPPLY CHAIN MANAGEMENT (SSCM) QUESTIONNAIRE, THE COMPANY HAD SOMETHING OF A HEAD START. AFTER ALL, INTEGRATING ENVIRONMENTALLY SUSTAINABLE DESIGN (ESD) PRINCIPLES INTO INTERIOR ENVIRONMENTS IS ALL IN A DAY’S WORK FOR THE COMPANY.

As Director Peter McCamley put it: “at the core of our business is designing interiors that are sustainable – more productive, healthier, happier places to work – so it follows that we are responsive to embracing corporate social responsibility in our corporate culture.”

Peter recognised the SSCM questionnaire as an opportunity to measure and improve the company’s level of stakeholder dialogue and engagement, social accountability and ethical behaviour.

“When we stepped back and realised it wasn’t an audit but an opportunity to better align our practices with those of our client, we approached the exercise with an open mind and a willingness to learn,” he said.

Although Geyer had already integrated a number of social and environmental practices into its business operations, Peter said the SSCM process was a driver for the company to improve its reporting, heighten communication with stakeholders and improve accountability in its projects and within the company.

“We’re more aware than ever that adopting business principles and practices that meet the needs of stakeholders is incumbent on us.”

“We have the opportunity to totally integrate our social and environmental activities into every aspect of our business.”

Peter believes it is the people at Geyer that make the company such a catalyst for change.

“We have experienced an enormously positive response from our people as we have continued to discuss and promote environmental and socially responsible actions in our business,” he said.

He thinks employees increasingly expect their employer to have an enlightened attitude to the community. That’s why Geyer is committed to providing workplace training, guidance and support and has flexible work practices and a range of health and well-being initiatives to support its staff.

Peter said the company recently rewarded its Brisbane team for its design work for a community youth centre, with its ‘Innovation Idol’.

“The Idol is a quarterly award for excellence in aligning an activity, project or event to our cultural values and is highly regarded within our organisation. The award itself was designed by our own people in collaboration with a professional South Australian sculptor,” he said.

The company has implemented EEO and Diversity Training that is Green Star accredited, and an ES Action Plan and is currently implementing a CSR policy. Allowing staff to record the time they contribute to community projects is one way they are investing in the community. The company also promotes projects such as YoungCare, has worked with the Cancer Council of NSW and participates in industry charity events throughout the year.

Recently Geyer has also assisted The Big Issue to establish their new offices, training and call centre in Melbourne.

The company also continues to work with its suppliers and industry to ensure they are
capturing the latest information about sustainable products. By measuring the success of their environmentally sustainable initiatives Geyer are able to communicate their achievements not only to Westpac but to their customers and clients.

Geyer conducts roundtables with suppliers and peer consultants to explore ways of working proactively to implement sustainable practices on projects. “

“We appreciate our leadership role in specifying sustainable products and helping suppliers to understand the importance of independent 3rd party certification of products and materials to avoid ‘green wash’,” Peter said.

This has allowed them to build a reputation for undertaking sustainable practices. This reputation has led to many of their suppliers and customers participating in sustainable practices also.

The company has launched a ‘Geyer Goes Green’ system to easily identify sustainable product literature and samples.

“I guess you could say we are committed to fostering partnerships with clients and industry champions to drive innovation and practical solutions in sustainability. We consider the direct and indirect environmental impacts of our decisions.”

Peter believes that the litmus test for measuring Geyer’s sustainable success is its relationships with its clients, suppliers, employees and community.

“Westpac has a profound and mature focus on CSR and our exposure to the SSCM process has enhanced our business focus and grown our relationship with our clients. We realise that CSR is not a PR exercise but something that translates into everyday activities,” he said.

Since completing the SSCM process, Geyer has conducted a climate survey within the business to gauge the impact of CSR changes within the organisation. This has enabled them to gauge the success of their approach in their CSR initiatives and also point to the areas that need further development in the sustainability process.

This has resulted in initiatives such as Geyer studio audits by GlobalScene, an independent Environmental and Climate Change adviser and Geyer studio refurbishments aligned to achieving minimum NABERS targets.

Not surprisingly, Peter said sustainability is integral to Geyer’s future. “I think in the past people often saw corporate social responsibility as an apology for the way big companies did business. But now it is an integral part of any company,” he said.

“We think sustainability is an essential element of designing environments in any sector – workplace, retail, education, hospitality, public spaces and building refurbishments. In everything we do we look to address issues related to social, economic and environmental sustainability.”

Geyer has a strong sense of responsibility to the people with whom it does business as well as the broader community in which it operates.

“In the future, we will continue to foster an environment where people want to work and a business with whom clients want to engage. We know that we can make a real commitment to sustainable practices and a positive contribution to the broader community in which we operate,” Peter said.

geyer
PROFITABILITY AND SUSTAINABILITY

Working in partnership with the Westpac Bank Group is something that full service commercial law firm Henry Davis York knows well. The firm has a long and trusted relationship with Westpac Bank which dates back to the 1890s when Westpac was the Bank of New South Wales.

When Westpac asked Henry Davis York to respond to its Sustainable Supply Chain Management survey in 2005, Chief Operating Officer, Kelvin O’Connor, initially found the request to be confronting. After all, with a successful and sustained partnership between the two businesses, it wasn’t obvious what would need to change.

“It was also difficult to see how some aspects of the detailed questionnaire such as child labour, human rights and environmental management systems applied to Henry Davis York’s business,” Kelvin O’Connor said.

As a private partnership, the firm had no public reporting requirements and its carbon footprint was minimal compared with mining and manufacturing companies. In any case, Henry Davis York was already undertaking a range of recycling initiatives. It also had a long tradition of pro bono work and community initiatives and an outstanding track record as an Employer of Choice for Women and for its flexible work practices.

Nonetheless, Henry Davis York’s management elected to whole-heartedly embrace the challenge as part of its commitment to understand Westpac’s business and to shed light on its own business.

“Participation in the SSCM survey changed our thinking on sustainability,” said Kelvin O’Connor. “We entered the process without too many concerns, but the reality check came when we saw how poorly we scored in the questionnaire. We also realised how seriously Westpac viewed our performance as one of its top 100 suppliers. Suddenly, it was time for a rethink.”

Rather than a tick-a-box approach, Henry Davis York worked closely with Westpac to gain a deep understanding of the SSCM process and to define the sustainability obligations in a meaningful and relevant context for a law firm. According to Kelvin O’Connor: “Through this process it became apparent we were performing better than we realised – we simply hadn’t articulated many existing initiatives that contributed to our sustainability. But there were also some useful issues we could address.”

Henry Davis York went about making the changes. “We didn’t make any single big change, but rather accumulated numerous relatively small changes,” Kelvin O’Connor said.

Together, these small changes had a significant impact and when the firm re-did the SSCM survey, it was rated in the top quartile.

“Most importantly we had gone from passengers on the sustainability journey to active and engaged partners with Westpac,” he said.

The change in view of the importance of sustainability motivated the firm to push beyond what was required and to look for new ways of becoming more sustainable.

In 2007 Westpac asked Henry Davis York to participate in a pilot program to validate the SSCM process. If the firm had concerns about an external auditor poring over its documents and processes, it need not have worried. The experience was overwhelmingly beneficial and reinforced existing practices.

We came away with great feedback but also with valuable new ideas such as more frequent staff engagement surveys, strategic alignment of our pro bono and community work, environmental management process and induction programs for staff.
Henry Davis York’s sustainable partnership with Westpac sparked a chain of events which has led the firm to become an advocate for sustainability. In 2008, the firm became the first Australian legal services provider to initiate a fully fledged sustainability program. It also produced a sustainability report the same year and has continued this practise since to enable year-on-year comparisons on its sustainability practices.

Kelvin added: “Having kicked off our own internal program and seeing the results, Henry Davis York encouraged its supply chain to follow suit. “It is essential that external groups which form part of the organisation’s broader business web be drawn into the program. It can’t be done effectively any other way. Consider, how could a sustainability program be successful if the organisation ignored the sustainable practices of its supply chain?”

The firm has inducted its own power suppliers, paper providers, travel consultants and others to the cause on the premise that it is up to those businesses to accept the challenge and to enact their own programs.

Henry Davis York has also helped bring other legal firms on board.

In 2010, Henry Davis York became a foundation member of the Australian Legal Sector Alliance (AusLSA) to assist legal firms in Australia to identify opportunities to improve business efficiencies and to provide the tools, resources and guidelines to improve the sustainability performance of the legal sector.

Kelvin is co-chair of the AusLSA which also produces an annual report on the environmental impact of Australian legal firms.

Perhaps the largest benefit of being a sustainable law firm is one that is intangible, and that is the boost that it has given to Henry Davis York’s reputation. Those businesses that put sustainability high on their own agenda are encouraged to know that the firm shares the same values. Internally, it is also helping the firm to focus more intently on its own corporate governance, particularly with regards to how it assesses risk. It has also improved board reporting mechanisms. For management, sustainability has become a critical component of strategy development and planning.

Clients are at the heart of Henry Davis York’s business strategy. The future shape and sustainable growth of the firm rests in its ability to build client relationships that yield mutual benefit.

“Sustainability is now a pre-requisite for doing business. Clients, like Westpac, seek to align themselves with services providers that understand the importance of sustainability to their businesses and to help them achieve their sustainability objectives.”

“We see the clear business and social advantages of a systemic approach to corporate social responsibility. Our experience with Westpac is that what initially seemed to be a minor distraction to a major relationship has taken our longstanding partnership with Westpac to a new level of trust and transparency. We know this has helped us market ourselves to other clients who share the same values and has also helped us in a very competitive market for the best employees. For us, profitability and sustainability are inextricably linked.”
When Peter Spasojevic established Proton Projects in 1996, he set about building a company which genuinely promoted work-life balance for its people, eradicated all unnecessary overheads, built the business organically through demonstrated performance and strong client relationships, and established modest growth targets to retain flexibility.

In 2001 Peter Obern came on board as Peter Spasojevic’s partner in the business and together the “two Peters” have built a unique organisation. “Some people still think we’re mad. For example, Proton Projects is, by comparison with our peers, over-insured. We fund our cash flow out of our capital. We are scrupulously debt free: if we closed down tomorrow we would walk away with no debts,” Peter Spasojevic says cheerfully.

“And while some might not endorse this as the most ambitious business strategy, the truth is it allowed us to navigate the Global Financial Crisis with relative ease. Our focus on balancing work and life has allowed the business to grow strongly while still allowing me to get to every single school play and sports carnival for each one of my five kids because I’ve been able to put them as a priority in my diary.”

For Proton Projects, engaging with Westpac on sustainability seemed like a natural step. Proton Projects certainly had sufficient respect for Westpac’s credentials to be receptive to its initiatives and methods.

“We want to make the culture of Proton self-sustaining in the long term. That means really articulating and embedding the values and ethics of the company so that they endure long after the company’s founding partners have gone. The sustainability dialogue with Westpac has become a trigger to get this achieved.”

As Peter said: “We know from our people working inside Westpac that the bank is serious about sustainability. Their commitment to work-life balance is real, with many staff taking advantage of flexible work arrangements. The commitment to the community is also real and we quietly partner with Westpac on several charitable activities. For us, the Westpac approach to sustainability fits entirely with our own outlook. For both companies it’s all about getting the balance right, operating ethically, removing risk and creating a successful and sustainable future.”

Equally, Proton Projects felt no discomfort about the SSCM questionnaire and the rigorous assessment process – on the contrary, it conformed to Proton Projects own business approach which is all about measuring progress, taking a real world view of what’s going on, and looking for real results.

From the outset, Proton Projects was able to demonstrate superior performance on sustainability in a whole range of areas. But the SSCM process also led to significant improvements.

“We’ve found the engagement with Westpac on sustainability to be very useful. One thing we have picked up is the need to translate a lot of
our informal approaches into formal policies – in areas such as our employment practices, for example, we now have a formal policy statement about discrimination and other labour hire practices. This is a natural and useful extension of our methodical approach to business,” Peter said.

For the owning partners, translating unwritten culture into formal policies is particularly important as they look to their own long term futures and consider the leadership transition of the company.

“We want to make the culture of Proton Projects self-sustaining in the long term. That means really articulating and embedding the values and ethics of the company so that they endure long after the company’s founding partners have gone. The sustainability dialogue with Westpac has become a trigger to get this achieved,” Peter said.

Another area that Proton Projects is focusing on is working with its own suppliers and considering how sustainability can be extended further along the supply chain. Proton Projects realises that the future is worth investing in, especially when the investments can also provide short term gains. Not only are they preparing for the changing environmental conditions and social environment, but they are also improving their current processes for right now.

Their view on sustainability has not changed dramatically, but the SSCM process has made Proton Projects more aware of the vital importance it has on future success.
Case Study Seven
Hudson

DOING THE RIGHT THING ADDS UP

SPECIALIST RECRUITMENT COMPANY HUDSON WAS QUICK TO RESPOND TO WESTPAC’S SUSTAINABLE SUPPLY CHAIN MANAGEMENT (SSCM) PROCESS.

Andrew Wills, Westpac National Client Relationship Manager for Hudson said given Westpac is a global leader in responsible business practices it made sense that they would want suppliers to partner with them in ‘doing the right thing’.

And for Hudson, ‘doing the right thing’ is an integral part of its business model - at the core of how it seeks to manage its people, its policies and practices, and its performance.

“As a global provider of specialist recruitment, talent management and recruitment process outsourcing solutions, people have always been a key focus of our corporate social responsibility (CSR) agenda. We are partnering with clients including Westpac to help make the workplaces more equitable, innovative and productive. As a result we must operate in a socially responsible manner that delivers benefits to our own people, our community and our environment,” Andrew said.

“Sustainability is on the agenda for many Australian companies. Most are aware that doing business in a way that meets the community’s expectations for socially and environmentally responsible behaviour is within their reach. We believe our role in supporting this agenda is an important one”

For Hudson, the inclusive and thorough nature of Westpac’s process around assessing commitment to CSR was right up there with the intensity of questioning Hudson had received from other similarly focused customers.

“When Westpac initially approached Hudson about wanting suppliers to partner with them in ‘doing the right thing’, Hudson rose to the challenge. The high level of support we received from Westpac was crucial in helping us drive ongoing improvement in the company and we have seen this ongoing support as a supplier to Westpac,” Andrew said.

Partnering with Westpac allowed Hudson to further strengthen its good relationship with Westpac, and Hudson understood that demonstrating its socially responsible decisions alongside Westpac made good business sense.

“As a global business delivering specialist recruitment services, talent management and recruitment process outsourcing solutions, we are absolutely reliant on our employees to drive our success so we are aware of the benefits of nurturing a great culture. Our focus has traditionally been on rewarding and developing staff and offering flexible work practices. Building an inclusive workplace where doing the right thing is recognised and is an important aspect of our employee’s engagement with Hudson,” Andrew said.

In practice, this means many offices have a Culture Club in place, where staff meet regularly to raise issues on behalf of their colleagues, organise social events and present change proposals to management. Hudson takes employee engagement seriously, regularly surveying the business and has a meaningful Code of Conduct and stringent employment relations strategies in place.

With the aid of Westpac we have now identified and put in place practical measures in to further assist in reducing the impact of our operations on the environment. These areas are to address supplier staff working on Westpac premises and tasks specifically for Westpac and Westpac staff working on Hudson sites as part of our Environment policy. We are also working to develop, document and endorse a supplier policy that sets out required social, ethical and environmental criteria for application in formal procurement process used by Hudson in Australia. For some time, Hudson has had in place recycling, travel, infrastructure and energy conservation measures. Each office works with the relevant building management, local service contractors and its own staff to maximise good environmental outcomes in all relevant areas.
Hudson recycles all recyclable materials such as paper, bottles, and printer toner cartridges. Elsewhere, Hudson requires details of energy and carbon emissions for our rental properties and energy contracts where possible.

We have moved our Head Office recently from 45 Clarence Street to 20 Bond Street and a key part of the attraction of was the commitment to sustainability shown by their new landlords. The owners of 20 Bond Street are currently targeting a 5-star NABERS Energy rating, the highest currently attainable. The sustainability features that have been put in place include a trigeneration plant - an on site base building electricity generation using natural gas and reuse of waste heat for air conditioning, low energy T5 lighting and reduced water consumption.

From a global perspective Hudson is a corporate participant in the UN Global Compact, a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. The Global Compact is a leadership platform endorsed by Chief Executive Officers and supported by the highest-level governance body of the organization (i.e., the Board).

Hudson’s CSR philosophy and focus is the theme of education and career enrichment.

“Our community efforts are directed towards a positive impact with our community investments and furthering our brand reputation as a leader in the Talent Management and Recruitment industries. The broad themes of education and career enrichment are a natural extension of our business mission and encompass many of the community programs we have already supported.” Andrew said.

The Global Compact incorporates a transparency and accountability policy known as the Communication on Progress (COP). Hudson’s annual posting of its COP is an important demonstration of its commitment to the UN Global Compact and its principles.

“Working with Westpac has certainly made us more disciplined in our approach to our business strategies and principles and increase our communication with our staff about how we want to be seen in the wider community,” Andrew said.

“We do recognise that it’s a journey that is continuously evolving. Our commitment is to continue to review and improve our culture and environmental performance in partnership with our employees, our customers, our suppliers and all the communities in which we work.”

“As a purchaser of goods and services to run our business, we will become more efficient in using resources, which helps us to reduce our impact on the environment and have actions which will assist us in achieving this.” Andrew said.

Hudson’s commitment to sustainability is a simple one. To Hudson, it means simply having a set of values and behaviours that underpin its everyday activities, its treatment of its people, its attitudes towards its customers and its links to the wider community.

Andrew believes that Australian businesses no longer ask if they should be responsible, only how best to do so.

“Sustainability is a clear agenda for many Australian companies. Most are aware that doing business in a way that meets the community’s expectations for socially and environmentally responsible behaviour is within their reach, although perhaps there is room for more guidance on how to put ideas into practice,” he said.

“As a truly responsible business, we continue to work to ensure we have management systems in place that embed corporate social responsibility as an integral part of the day-to-day running of our company. Our aim is to improve our performance, continue to initiate discussion and conduct our business in a transparent and ethical way that enhances value for all our stakeholders.”
LISTEN, LEARN AND IMPROVE

AS A SUSTAINABILITY ASSURANCE AND AUDITING FIRM, BANARRA IS WELL AWARE OF THE WAY BUSINESSES CAN IMPROVE THEIR PROCESSES AND PRACTICES TO BECOME MORE SUSTAINABLE.

Banarra work with large organisations to provide sustainability assurance to support their public statements. More importantly, they provide advice and assistance in adding value to organisations by identifying challenges, helping them to understand the implications of these challenges, and pointing to solutions available.

Banarra’s Accountability Principal and senior auditor, Paul Davies, said Banarra is focussed on being “authentic” when it comes to the sustainability process.

“Frankly, it’s not that hard for a large company to put a bit of ‘spin’ around the things they have to do to comply with the law, and call that ‘sustainability’. But that approach does a disservice to their employees, shareholders, and customers and wastes an important opportunity to ‘step up’,” Paul said.

Banarra have found that sustainability is becoming an increasingly important part of business and they aim to lead the way to a greater commitment to accountability for sustainable practices.

In 2008 when Westpac approached Banarra with the SSCM Questionnaire, they found it quite a challenge to complete. Due to the small size of the firm, with only six permanent staff (in 2012 they have grown to 15), Banarra had not previously thought about implementing many of the policies and processes that were listed in the SSCM Questionnaire. They felt the whole process was geared towards larger organisations.

Banarra’s score on the questionnaire was low, which was interesting considering that sustainability is their business. Their results prompted them to look into what the company needed to work on, and question whether they really could advise others on what sustainability practices and policies they should implement, when they themselves were lacking in that department. It was an interesting “wake up call” and ultimately a healthy questioning process to go through.

Banarra found that they had gaps in both processes and policies. They had to ask themselves whether they should just put some of the policies together for the purpose of completing the Questionnaire or whether they should change their view and fully implement the changes identified as needed. They made mapping out a response to the gaps in their policies a key priority, and identified opportunities for improvements in business continuity, disaster recovery and Human Resources management. While Banarra were already implementing many environmental initiatives, they didn’t have a policy or a process for reporting on this. Working through the Westpac SSCM Questionnaire was a process of discovery that triggered a number of significant changes in the company.

The SSCM Questionnaire requires suppliers to identify significant areas for improvement, and commit specific strategies to address the gaps in performance identified. “Westpac would then chase us up on our deadlines and commitments,” Paul said.

This initiated a change process within Banarra that has had a big impact on their employees.

By focussing on the assessment of risks that may threaten the business and identifying mitigating recovery strategies, Banarra has increased the confidence of their employees who now know the company is well positioned to be around for the long term.

Banarra as an organisation have also become more confident in approaching other customers knowing they are managing to ensure their own sustainability.
Paul Davies believes that this may be due to their small size, but expects that in the future more customers will assess small companies on their sustainability practices.

“In one form or another, sustainability is here to stay,” he said.

And while companies need to change to embrace it, sustainability raises great challenges.

“With credit to the Westpac SSCM process, Banarra now enjoys the benefits of formalised human resource policies and procedures that articulate the intent and method for managing our obligations to and aspirations for our people. This is a particularly important aspect of our business, as people are our main asset,” said Paul.

For Banarra, Westpac remains still the only business that requires minimum sustainability requirements of Banarra but other businesses can now read about Banarra’s sustainability commitments and performance in their annual Sustainability Report, published online.

“Looking back, I can see how our business has grown and developed since we first completed the Westpac SSCM questionnaire. Overall the experience of being a Westpac supplier and part of their sustainable supply chain management, has been and continues to be highly beneficial to Banarra and its stakeholders.”
WHEN MAIL MARKETING WORKS (MMW) OPENED AS A DIRECT MARKETING COMMUNICATIONS COMPANY IN 1995, WESTPAC WAS ONE OF THEIR FIRST CLIENTS TO COME ON BOARD. MMW PROVIDES WESTPAC WITH A RANGE OF DIRECT MARKETING SERVICES INCLUDING DIRECT MAIL PIECES, DIGITAL COLOUR LASER PRINTING AND MULTI-CHANNEL MARKETING COMMUNICATIONS INCLUDING EDM, WEB AND MOBILE. OVER THE PAST 16 YEARS THE TWO COMPANIES HAVE FORGED A STRONG PARTNERSHIP, WHICH THEY INTEND TO CONTINUE FOR MANY YEARS TO COME.

When Westpac first approached MMW in 2004 with the pilot concept for a Sustainable Supply Chain Management assessment, MMW welcomed the invitation. MMW were already on their own sustainability journey and were pleased that Westpac also took environmental responsibility as seriously as they did. MMW saw the SSCM Questionnaire as an opportunity to undertake an honest self-analysis of their fundamental business structure that would pave the way for progressive, sustainable development within the company, and strengthen their relationship with Westpac.

‘We always felt strongly about our community, OH&S and environmental obligations and were determined not to be another box ticker. When Westpac asked us to assist in pioneering their sustainability project, we volunteered to participate without hesitation. We wanted to do it, and do it well. It was not only important for us to ensure our sustainability as a business, but also as a long-term partner to Westpac. We firmly believed that any feedback would be good feedback and this was a great opportunity to look inwards and acquire some insight as to what we could do better.’ Mandi Robinson, CEO of MMW.

After thoroughly digesting the extent of the SSCM assessment, Mandi remembers feeling slightly daunted by the scale of the task ahead. Her team knew it would put a strain on resources, however they determined that the end benefits would far outweigh the temporary implications, and were therefore inspired to persevere.

‘We knew it would be time consuming. The first SSCM assessment required a lot of thought and we reviewed all of our procedures and documentation. There were areas that we identified that were not as watertight as we thought, but our greatest surprise was how well we did the first time.’ Mandi said.

The original SSCM Questionnaire was externally validated by sustainability assurance advisers, Banarra. The first stage was to identify material sustainability performance areas and issues, within the public domain of Direct Marketing, that were most relevant to MMW. The second stage then tested the areas and issues that arose by analysing the management systems and processes that MMW had in place.

Although MMW had a number of environmental targets in place, the results highlighted other opportunities that could improve their overall environmental position. Banarra found that the company followed comprehensive recycling procedures that included the tracking of actual volumes of client supplied paper wastage, however monitoring internal paper usage was identified as equally important.

‘For a business reliant on printing, we understand that monitoring our environmental impact is crucial for sustainability reasons. Since the identification of the issue we have changed our processes and procedures dramatically. We have eliminated most paper-based procedures with a move to online internal communications and minimised the use of hard copy documentation. We have implemented new printers that use organic inks, and
have signed all of our company vehicles up to Greenfleet to offset carbon emissions - just to name a few. Juliet McGuinness, Westpac Account Director.

The initial areas that were identified weren’t the only hurdles and challenges MMW faced throughout the process. Juliet and Mandi agreed that the administration and the revision of paperwork that it entailed was the biggest challenge. Realising these challenges has allowed MMW to concentrate on identifying flaws and developing strategies to remove or reduce them. These positive strategies are reason enough for MMW to continue with the SSCM Questionnaires and enjoy the results.

‘We have participated in the SSCM questionnaire for 8 years now, and it offers a real sense of achievement for both MMW and Westpac to watch our progress on an annual basis. Our score last year exceeded the benchmark for our industry.’ Juliet said.

Recent accolades have only encouraged MMW to continue to review, refine and improve their social, ethical and environmental processes. In fact, the SSCM process has now highlighted a need for improvement in their public reporting, which is on the agenda for 2012.

‘We don’t assume that what was right last year will be right for this year.’ Juliet acknowledged.

Another area that MMW considers important to highlight in the next SSCM report is their continual charity work.

‘We are a very conscientious, community minded privately owned company who supports many charities including the Royal Flying Doctors, UNICEF, Guide Dogs, RSPCA, the Cancer Council and Youth off the Streets. We hope to raise greater awareness of our contributions amongst clients and the community this year.’

Overall, the SSCM process has become a great asset for MMW and their business procedures. Staff can walk and work with their heads held high knowing that they are involved with companies that strive to meet the highest work place standards. The MMW management team encourages suppliers who have been invited to partake in the SSCM Questionnaire, as it is a worthwhile project.

‘We love being part of it. We highlight our involvement in the SSCM Questionnaire to our other major clients as it gives them confidence to know that our sustainability is audited by a number of our major clients. We are personally proud to be part of it, to be transparent about the sustainability of our business. We have solid, sustainable procedures and processes that satisfy our clients. To anyone participating in SSCM, we say - embrace it and allow enough time to complete it honestly and accurately. We believe it’s a win-win not only for Westpac and MMW, but also for the environment.’
WESTPAC IS ONE OF GADENS’ STRATEGIC CLIENTS AND A WORLD LEADER IN THE AREA OF SUSTAINABLE SUPPLY CHAIN MANAGEMENT (“SSCM”). GADENS’ RELATIONSHIP WITH WESTPAC IS HIGHLY VALUED AND LONG-STANDING. THE STRENGTH OF OUR RELATIONSHIP AND THE SYNERGY BETWEEN THE VALUES OF BOTH ORGANISATIONS ESPECIALLY IN THE SSCM SPACE MADE IT VERY EASY FOR GADENS TO GIVE AN ENTHUSIASTIC AND AFFIRMATIVE RESPONSE TO WESTPAC’S INVITATION TO PARTICIPATE IN THE WESTPAC SSCM QUESTIONNAIRE.

SHARED PRINCIPLES
The principles and goals behind SSCM were not new to Gadens. We established an environmental program almost a decade ago and previous to that, had developed social responsibility strategies which were implemented within our workplace and the community. Similar to Westpac, Gadens has made a commitment to sustainability so we welcomed the opportunity provided by the Westpac SSCM Questionnaire to document our credentials. Westpac was one of our first major clients (and we act for a number of ASX 100 companies) to comprehensively hold us to account on our SSCM responsibilities and they continue to raise the benchmark in this area.

The Westpac SSCM Questionnaire caused us to embark on a big learning and awareness curve. As Harry Cormack our NSW Westpac Relationship Partner said:

“As a professional services firm we thought that we did a lot, particularly given the relatively small (as we thought) environmental impacts that we make (mostly in respect to electricity use and paper consumption) compared with other businesses, and our extensive community and employee programs. So it was initially a bit of a surprise to have been asked to improve what we were doing.”

EYE OPENER
The comparative information that emerged from the results of the Questionnaire was sobering and eye opening. We resisted the easy option of implementing a quick fix, and we used the opportunity to develop a detailed sustainability framework that would provide a clear direction for the future. We expended both time and money and we developed a Sustainability Action Plan (SAP) which allowed us to focus our sustainability program. Two particularly rewarding initiatives were:

1. our commitment to public disclosure of our efforts and results by agreeing to publish a Public Sustainability Report (“PSR”) and
2. our decision to join the Australian Legal Sector Alliance (“AusLSA”), an industry-led association that works collaboratively to promote sustainable practices across the legal sector.

SUSTAINABILITY ACTION PLAN (“SAP”)
These two commitments were made to Westpac as part of Gadens’ SAP.

We have now released our first independently assured PSR which focuses on four key areas of our operations that impact on sustainability including:

- workplace,
- marketplace,
- community and
- environment.

Vanessa Priestley, Head of Gadens’ Sustainability Program said when asked about the new direction:
“We reframed our sustainability program to align with the four key areas of our operations that impacted upon our sustainability. This reframing and new direction is reflected in our PSR. The catalyst for this repositioning and refocussing was Westpac’s SSCM program and the Sustainability Action Plan.”

SPECIFIC GADENS’ INITIATIVES
The workplace framework centres on issues such as culture, diversity, health and well-being, flexibility and learning and development and provides staff with benefits such as flexible work arrangements, purchased leave, an employee assistance program and in-house fitness classes.

Our marketplace initiatives focus on helping our clients and especially Westpac to deliver value to their clients. For example Gadens has

- built relationships through secondments;
- started a cross-industry mentoring program between Westpac and Gadens to help develop people and improve the way the two organisations engage with each other;
- worked with Westpac to employ technology solutions that streamline process and create cost efficiencies;
- been involved in a broad range of pro bono legal work for various community organisations and charities;
- a long tradition of supporting emerging talent such as our partnerships with the Arts; and
- a commitment to engaging directly with Aboriginal and Torres Strait Islander communities and to working alongside these communities to help them achieve improved living standards and social and educational outcomes.

We were very pleased to be able to announce that in 2012 we developed a Reconciliation Action Plan (“RAP”) as a roadmap for our endeavours in this area. Our RAP is one aspect of our broader program of sustainability initiatives that address the way we engage with our people directly and the broader community.
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WESTPAC STAKEHOLDER IMPACT REPORTS
For the latest information and access to previous Westpac reports visit

SSCM SUPPLIERS WEBSITE
For SSCM policy documents, process information and visit