

Information on CSM 2000 Compliance Supply Chain Management

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CSM 2000 Compliance Supply Chain Management -An Overview-

Description:

CSM 2000 is an organizational tool that is characterized by the following aspects:

- **Management System**
- **Practicability**
- **Supporting continuous improvements**
- **Sustainability**
- **Flexibility**
- **Modularity**
- **Integrated System**

CSM is a **Management System**, it gives a structure to optimize and adjust business structures, subject to clearly defined requirements. By adjusting the level of management structure to the needs of the manufacturer, a high degree of **Practicability** is reached by using the very basic approach of “People, Paper, Practice”, meaning that for each important activity within the company, a responsible person is defined (People), a simple means of documentation is installed (Paper) and a process is defined, which should be followed (Practice). This very basic approach can be extended, according to the normal way of working in the company.

By implementing this management structure in the company, a big improvement can be realized:

The company has defined goals (requirements) that have to be reached.
The process is controlled and enforced by the person responsible.
The performance of the company can be shown to interested parties (customers, government bodies, stakeholders etc.).

This management system is the essential condition for a sustainable approach, which is always followed by eco-tex Institute, the owner of the CSM 2000 standard. Furthermore it can evolve, because new improvements can be developed by the people working with it day by day. This approach **supports continuous improvements** in order to stay ahead of the competition leading to a sustainable development of the company. **Sustainability** here is understood as a steadily evolving process, which can rely on its own, with no constant external control.

An important step in implementing CSM 2000 with the help of detailed and extensive tools provided by eco-tex to every applicant is to define the requirements, which should be met.

These requirements come from the following sources:

- National and regional laws and regulations as far as the company is concerned (all governmental rules applicable to the company)
- Defined CSM 2000 minimum requirements (general and specific minimum requirements as stated in the CSM 2000 Tools)
- National laws and regulations of the importing countries (such as trade regulations, forbidden substances etc.)
- Customer requirements (a collection of all regular customer demands, stated in Code of Conducts)
- Company own requirements (all additional requirements on top of the other requirements, e.g. minimum working age 18 instead of 15)

After these requirements are collected, CSM working tools give support how to put these requirements into practice. Following this approach, the manufacturer is able to show to external parties that he complies with all their requirements and can distinguish himself from his competitors.

CSM 2000 does not overload the manufacturer with a vast number of fixed requirements, which might be contradictory to local law. Instead it gives the **flexibility**, aside from mandatory minimum requirements, to include additional requirements.

CSM 2000 is the abbreviation for Compliance Supply-Chain Management. The integration of the supply chain is the most crucial point in understanding the approach eco-tex is following:

In industrial production, each and every company is interlinked with a number of other external companies or internal divisions, which supply raw and auxiliary materials needed for production. The traditional way to make sure that the supplied goods or components comply with the own (quality) requirements is to make checks of the incoming material. These checks have to be re-done again and again and also might cause a rejection of the goods, jeopardising delivery schedules.

Therefore CSM 2000 is not restricted to the own production scope, but takes into consideration the preliminary productive steps:

After all requirements are defined, suppliers and subcontractors are informed about these requirements, and are asked (for example as part of the order contract) to follow the mentioned requirements. This normally leads to positive effects, as consolidation of the supplier base, reduced need of testing and a lower percentage of NPO's (non productive outputs or rejects).

CSM 2000 is an Integrated Management System, which sets it apart from all other schemes existing. "Integrated" means, those requirements from the areas of

- Social and Health & Safety (SSR)
- Environmental (ENV)
- and Quality (QUA)

can be covered by one system-based management approach. So there is no need to take different schemes with different structure to meet all these compliance area, but the CSM 2000 system requirements can be used for that.

CSM 2000 is a **modular** concept, because in order not to overload the company, a step-by-step approach can be taken by starting with one compliance area only. In a later phase, other compliance areas can be added. This gives the manufacturer the freedom to select the most pressing compliance issue first, at the same time leaving open the chance to extend to an **integrated system** later.

Short- and Long-term Benefits

- Customer's and organization's tailored criteria
- Assurance and improvement in chosen compliance areas
- Flexibility in adjusting new and updated legal, customer and community requirements
- Cost reduction
- Ability to show positive performance to customers and interested parties
- Risk management and risk minimization

Risk minimisation provides a range of performance benefits such as averting major cost risks, reduction in real margin eaters by reducing Non Product Outputs (NPOs).

Organizational Benefits

- Criteria and requirements defined by the organization for other interested parties
- Affordable & pragmatic logistics

General Benefits

Significant impacts on financial performance, growth and global market share for the organisation and other interested parties