

British Telecom - Pace - Flextronics

Towards a socially responsible partnership

This case study specifically examines how British Telecom (BT) and Pace worked collaboratively with Flextronics as their supply chain partner in further enhancing their Corporate Social and Environmental Responsibility (CSER) performance at its 210-acre, vertically-integrated Flextronics Zhuhai industrial park that provides design, build, ship and service solutions for customers in the Computing, Mobile & Consumer, Infrastructure industries.

This case study also provides an insight on how investment in sustainability-based management meets the companies' business objectives in terms of higher productivity, increased quality and decreased attrition rate.



“The productive outcome is a testament to BT’s and Pace’s consultative approach and relentless support to their suppliers. Their constructive feedback and regular communications with us played a major part in helping Flextronics Zhuhai become an employer of choice and industry leader in the CSER realm.”

Richard Wong
VP of Global CSR & Employee Relations, Flextronics

“Major improvements and transformation to infrastructure and CSR related processes were made over a record-breaking 15 month period... A clear commitment to good “Sourcing with Human Dignity” practices... Flextronics is a potential industry role-model.”

Dr. Glenn Edwards
Head of Supplier Excellence, British Telecom



Flextronics Zhuhai Industrial Park

Background

Pace is a supplier to BT and a customer of Flextronics. In 2009, BT and Pace visited Flextronics Zhuhai to review its CSER practices. The visit engendered further discussions for the three corporations to share best practices and find opportunities to further augment Flextronics' CSER program, called FLEXpledge. The program's cornerstones – People, Environment, Ethics and Governance and Community Partnership - for delivering the company's corporate citizenship objectives. Through FLEXpledge, Flextronics enables itself to deliver sustainable impact on the global communities in which we live and work to become a trusted investment, employer and partner of choice.

Complimenting FLEXpledge is a robust management system that ensures CSER policies and directions are effectively integrated into its global sites' operation.

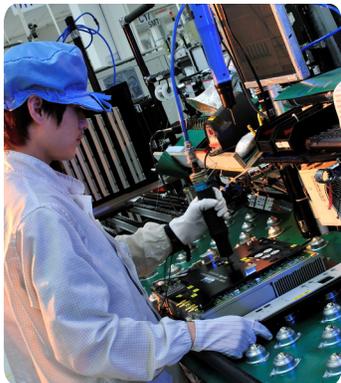
Approach

The first step taken was to convene a 'CSR Master Class' for the leadership team, a two-day program that was facilitated jointly by BT and Pace. The forum addressed both the challenges and opportunities that arise from building a sustainable business system, where environmental and social performance is managed alongside with ethos of respect and dignity for employees. A confluence of initiatives for Flextronics Zhuhai was then agreed, including but not limited to:

- Upgrading of working, dining, living and health facilities.

“This is a great example of how corporate commitment can deliver real business benefits for the organisations concerned, their employees, the wider supply chain and the environment in which they operate. This approach embraces the principles of CSER that has permeated the organisation - not just the site - and as such should be considered by others as 'best in class'.”

Jonathan Davies
 Director of Quality &
 Operational Excellence, Pace



- Retraining Environmental Health and Safety (EHS) team to develop a more robust, closed-loop process for identifying, correcting and preventing health and safety risks.
- Implementing an automated overtime tracking system to generate alerts when an employee's overtime hours approaches the maximum level [with a view to preventing excessive work hours albeit voluntary].
- Introducing more rest breaks, expanding rest areas and adding more recreational facilities.
- Architecting more rigorous training programs to further entrench the principles of empowerment, dignity and respect.
- Expanding employee communication channels and platforms.
- Developing a wall-to-wall learning and development curriculum to help employees fulfill their career aspirations.
- Partnering with community resources to provide employee assistance programs and other support services.
- Forming a management council to regularly monitor and evaluate CSR performance.

Results

The enhancements yielded exemplary results, providing both business and social benefits that include higher efficiency, productivity and cost savings associated with:

- Lower attrition rate, as exemplified by the high percentage of employees returning after Chinese New Year break. The 98% return in 2011 is a stark contrast to the industry rate of 50 to 60%.
- Zero accident rate, which has decrease to 0.29, well below the electronics industry average of 2.0 [as published by the US OSHA]. In addition, the site's Safety 900 (Flextronics' internal safety measurement program) score improved by 8%.
- Increased employee satisfaction, as shown in the site's 2010 employee survey.

These achievements reflect Flextronics' global and local teams' commitment to leveraging FLEXpledge to drive employee engagement and customer satisfaction, as positively acknowledged by BT and Pace. As a world-class organization, Flextronics is unwaveringly committed to collaborate with its customers and supply chain partners in establishing an inclusive working environment and culture where employees are treated with courtesy, dignity and respect.

For more information, please visit
www.flextronics.com

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