ISM PRINCIPLES OF SUSTAINABILITY AND SOCIAL RESPONSIBILITY

WITH A GUIDE TO ADOPTION AND IMPLEMENTATION
Dear Supply and Business Leaders,

Business today is consumed with transformation, innovation and analytics. Consumer literature, marketing and advertising encourages consumption and promised convenience. However, decisions and behavior of both business and consumers is morphing due to heightened awareness of sustainability and enlightenment about what is “green.”

Supply management is a key contributor to bottom-line success and must lead the drive for global adoption of sustainability and social responsibility principles throughout the supply chain. Often this must be done while taking out cost, managing risk and ensuring compliance, all the while dealing with globalization and the shift from East to West.

Welcome to the latest publication of the ISM Principles of Sustainability and Social Responsibility With a Guide to Adoption and Implementation. A committed group of your peers gave substantial time and effort to support driving excellence across the supply chain. They understand the need to continue to engage business professionals and suppliers to further sustainability and social responsibility initiatives. They advocate each supply management professional has the responsibility to (1) share knowledge, (2) learn and collaborate and (3) make a difference. We must engage and earn support of business professionals and suppliers. We must integrate policies, procedures, goals and measures, and transparency into every corner of our businesses.

ISM welcomes your examples of policies and procedures, measurements and analytical tools, contract and statement of work language, and best practices and research. We will share what you provide with others. In the same vein, you have the permission of ISM to use any or all of the content of this document, with attribution. For a more extensive selection of content, please visit www.ism.ws/sr.

Finally, I want to reinforce the message that the sustainability and social responsibility journey must be borne by each of us professionally and personally. No action is too small. We cannot wait for others to lead the way.

Sincerely yours,

Paul Novak, CPSM, C.P.M., A.P.P., MCIPS
Chief Executive Officer
Institute for Supply Management™
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ISM PRINCIPLES OF SUSTAINABILITY AND SOCIAL RESPONSIBILITY

1. **Anti-Corruption**
   Corruption in all of its forms, including extortion and bribery, will not be tolerated.

2. **Diversity and Inclusiveness — Workforce and Supply Base**
   *Workforce*. Workforce diversity and inclusiveness is the attraction and retention of a workforce that reasonably represents the customer and communities in which the organization operates.

   *Supply Base*. Attraction and retention of a diverse supply base is the responsibility of each supply professional.

3. **Environment**
   Supply management promotes protection, preservation and vitality of the natural environment.

4. **Ethics and Business Conduct**
   Every supply management professional is responsible for behaving ethically and actively promoting ethical conduct throughout the supply chain.

5. **Financial Integrity and Transparency**
   Financially responsible supply management is characterized by integrity and transparency in all supply-related dealings and decisions.

6. **Global Citizenship**
   Global citizenship is the ethical and moral obligation to act for the benefit of society locally, globally and virtually.

7. **Health and Safety**
   Health and safety is the condition of being protected or free from the occurrence of risk of injury, danger, failure, error, accident, harm and loss of life.

8. **Human Rights**
   Human beings have universal and natural rights and status regardless of legal jurisdiction and local factors.

9. **Labor Rights**
   Supply management is committed to protecting and respecting labor rights globally.

10. **Sustainability**
    Sustainability is the ability to meet current needs without hindering the ability to meet the needs of future generations in terms of economic, environmental and social challenges.
ISM’s Sustainability and Social Responsibility Mission

It is part of the mission of ISM to foster and drive sustainability and social responsibility excellence across the supply chain through the development and communication of principles and the sharing of tools, information and best practices.

ISM Definitions of Sustainability, Social Responsibility and Related Principles

Sustainability: Sustainability is the ability to meet current needs without hindering the ability to meet the needs of future generations in terms of economic, environmental and social challenges.

Social Responsibility: Social responsibility is a framework of measurable organization policies and procedures and resulting behavior designed to benefit the workplace and, by extension, the individual, the organization and society.

ISM Principles of Sustainability and Social Responsibility: The ISM Principles of Sustainability and Social Responsibility include: anti-corruption; diversity and inclusiveness — workforce and supply base: environment; ethics and business conduct; financial integrity and transparency; global citizenship; health and safety; human rights; labor rights; and sustainability.

INTRODUCTION

ISM firmly believes the supply management profession is a strategic contributor in the development and implementation of sustainability and social responsibility programs and behavior. Supply professionals are in a unique, critical position to impact the global supply chain and therefore should supplement their organization’s work in sustainability and social responsibility by promoting sustainability and social responsibility through leadership and participation on appropriate committees, boards and panels of governmental and nongovernmental organizations.

Creating principles across social, industry, public and private, profit and nonprofit, political and country boundaries is both a challenge and an opportunity. This diversity presents a particular challenge in the area of sustainability and social responsibility, which does not have a lengthy history resulting in the development of well-known and universally acceptable best practices.

Laws, regulations, trade agreements, customs and practices pertinent to sustainability and social responsibility must also be considered in the development and implementation of business strategies, policies and procedures. In addition, the advent of new technologies that enable a “virtual” world influence the evolution of sustainability and social responsibility in a supply chain context.
ISM SUSTAINABILITY AND SOCIAL RESPONSIBILITY OBJECTIVES

For the organization to succeed, best-in-class organizations lead the organization’s sustainability and social responsibility initiative. In support of their efforts ISM will:

1. Reinforce that supply professionals fulfill a front-line role to lead, drive and influence sustainability and social responsibility initiatives within the organization and through the supply chain.

2. Commit resources to support sustainability and social responsibility practices and education.

3. Increase supply management professionals’ awareness of sustainability and social responsibility.

4. Champion the business case for sustainability and social responsibility.

5. Advocate that sustainability and social responsibility initiatives are about more than short-term financial decisions.

6. Educate the supply chain community and others on sustainability and social responsibility subjects.

7. Encourage supply professionals to embed relevant sustainability and social responsibility language in internal strategic sourcing policies and procedures and throughout supplier documents to foster commitment throughout the strategic sourcing process and into the supply base.

8. Reinforce the value of personal commitment and contributions including how they positively impact sustainability and social responsibility initiatives and outcomes.

9. Collaborate and share strategies, policies, procedures, best practices and other relevant material related to sustainability and social responsibility both internally and with suppliers.

10. Promote the adoption of these principles throughout the supply chain.

11. Raise the strategic value of supply management through the promotion of sustainability and social responsibility initiatives and results.

THE ORGANIZATION’S SUSTAINABILITY AND SOCIAL RESPONSIBILITY ROLES AND RESPONSIBILITIES

Best-in-class organizations in sustainability and social responsibility incorporate specific and measurable practices across the supply chain. They will:

1. Support sustainability and social responsibility principles and initiatives.

2. Commit resources to support of sustainability and social responsibility principles, practices and education.

3. Build and integrate programs throughout the organization and cascade them throughout the supply chain.
4. Engage and involve executive management to ensure sustainability and social responsibility initiatives are integral to the culture and decision-making of the organization.

5. Ensure the sharing of strategies, policies, procedures, best practices and other relevant material to assist organizations working to improve sustainability and social responsibility behavior internally and with suppliers.

6. Encourage building and integrating a program throughout the organization and the supply chain.

7. Make enlightened business decisions that often move beyond the “letter of the law.”

**PRINCIPLES**

These principles are designed to enable both supply management and the organization to customize a framework specific to industry and supplier needs in the following areas: Anti-corruption; diversity and inclusiveness — workforce and supply base; environment; ethics and business conduct; financial integrity and transparency; global citizenship; health and safety; human rights; labor rights; and sustainability. Statements and content are not all-encompassing but provide a solid foundation to express important characteristics of each principle. Often a statement for one principle is applicable to others.

1. **Anti-Corruption**

   Corruption in all of its forms, including extortion and bribery, will not be tolerated.

   a. Recognize that corruption has ethical and, in many cases, legal dimensions that impact decisions and behavior of supply professionals and the organizations for which they work.

   b. Understand, be diligent and defend against corrupt practices within the organization, with suppliers and through the supply chain.

   c. Understand the need to guard against extortion and bribery within the organization, with suppliers and throughout the supply chain.

   d. Embed appropriate internal controls and oversight into business practices.

2. **Diversity and Inclusiveness — Workforce and Supply Base**

   **Workforce**

   Workforce diversity and inclusiveness is the attraction and retention of a workforce that represents the customer and communities in which the organization operates.

   a. Drive employee diversity within the organization.

   b. Proactively promote diverse employment practices throughout the supply chain.
Supply Base
The attraction and retention of a diverse supply base, is the responsibility of each supply professional.

a. Provide diverse suppliers the opportunity to participate in sourcing opportunities.

b. Promote inclusion of diverse suppliers in the organization’s supplier development and mentoring programs.

c. Ensure long-term program viability through application of forward-thinking concepts, ideas and innovation.

d. Encourage and support diversity of thought, ideas and innovation.

3. Environment
Supply management promotes the protection, preservation and vitality of the natural environment.

a. Encourage the organization to be proactive in identifying and implementing environmentally responsible practices throughout the supply chain.

b. Hold suppliers accountable for being environmentally responsible.

c. Promote development and diffusion of environmentally friendly practices and products throughout the organization and supply chain.

d. Champion consumption of environmentally responsible products and services.

e. Support and influence the design of products to effect positive environmental improvements.

f. Implement strategies to reduce and eliminate negative impact on the environment at the organization, supply chain and product levels.

g. Develop a comprehensive understanding of environmental impacts across the supply chain.

4. Ethics and Business Conduct
Every supply management professional is responsible for behaving ethically and actively promoting ethical conduct throughout the supply chain.

Organizations are encouraged to develop, publish and enforce an ethics policy. Supply management ethical standards include:

1. Impropriety. Prevent the intent and appearance of unethical or compromising conduct in relationships, actions and communications.

2. Conflict of Interest. Ensure that any personal, business and other activities do not conflict with the lawful interests of your employer.

3. Issues of Influence. Avoid behaviors or actions that may negatively influence, or appear to influence, supply management decisions.

4. Responsibilities to Your Employer. Uphold fiduciary and other responsibilities using reasonable care and granted authority to deliver value to your employer.
5. **Supplier and Customer Relationships.** Promote positive supplier and customer relationships.

6. **Sustainability and Social Responsibility.** Champion social responsibility and sustainability practices in supply management.

7. **Confidential and Proprietary Information.** Protect confidential and proprietary information.

8. **Reciprocity.** Avoid improper reciprocal agreements.

9. **Applicable Laws, Regulations and Trade Agreements.** Know and obey the letter and spirit of laws, regulations and trade agreements applicable to supply management. Also see the Resources section.

10. **Professional Competence.** Develop skills, expand knowledge and conduct business that demonstrates competence and promotes the supply management profession.

Please visit the ISM website at www.ism.ws/sr for a link to the complete ISM Principles and Standards of Ethical Supply Management Conduct With Guidelines.

### 5. Financial Integrity and Transparency

Financially responsible supply management is characterized by integrity and transparency in all supply-related dealings and decisions.

- a. Become knowledgeable of, and comply with, applicable laws and requirements for all communities, locations and markets in which the organization conducts business. This includes safeguarding the privacy and security of customer data.

- b. Apply sound financial practices and ensure transparency in financial dealings by implementing appropriate internal controls over accountability and governance for accurate financial reporting and financial disclosures.

- c. Seek training in financial subjects that relate to the responsibilities of supply management professionals.

- d. Understand and follow laws, regulations and trade agreements specific to countries where business is transacted.

- e. Involve the finance department early in analysis, planning and business decisions to identify and avoid problematic financial issues.

- f. Seek legal and financial counsel and advice when conflicts may exist. Interpreting laws and accounting rules and regulations are the responsibility of legal and financial counsel.

- g. Actively promote and practice responsible financial behavior throughout the supply chain by making financial and sustainable guidelines explicit in supplier agreements.

### 6. Global Citizenship

Global citizenship is the ethical and moral obligation to act for the benefit of society locally, globally and virtually.

- a. Provide support and add value to society.
b. Encourage members of the supply chain to support and add value in local, global and virtual communities.

c. Evaluate business decisions in the context of societal impact.

d. Encourage supply professionals, and their organizations, to participate in community initiatives, as appropriate.

7. **Health and Safety**
Health and safety is the condition of being protected or free from the occurrence of risk of injury, danger, failure, error, accident, harm and loss of life.

   a. Provide a safe and healthy environment for all employees.
   
   b. Support the continuous development and diffusion of safety and health practices throughout the supply chain.
   
   c. Monitor the safety and design of products throughout life cycles.

8. **Human Rights**
Human beings have universal and natural rights and status regardless of legal jurisdiction and local factors.

   a. Ensure and uphold human rights internally and through the supply chain.
   
   b. Respect and support protections explicitly set forth in internationally proclaimed human rights principles, declarations and documents.
   
   c. Treat people with dignity and respect.

9. **Labor Rights**
Supply management is committed to protecting and respecting labor rights globally.

   a. Uphold the freedom of association and the effective recognition of the right to collective bargaining.
   
   b. Eliminate all forms of forced and compulsory labor.
   
   c. Abolish child labor.
   
   d. Eliminate discrimination with respect to employment and occupation.

10. **Sustainability**
Sustainability is the ability to meet current needs without hindering the ability to meet the needs of future generations in terms of economic, environmental and social challenges.

Note: *The concept of sustainability is embedded throughout this document. However, the concept is addressed as a stand-alone principle to highlight its significance to supply management.*

   a. Implement processes to ensure effective sourcing decisions and their impact on sustainability.
   
   b. Collect and analyze information from suppliers to manage sustainability initiatives.
   
   c. Develop strategies, policies and procedures to support organizational sustainability goals and objectives, and publish results and accomplishments.
d. Develop risk management and business continuity initiatives to protect business performance.

e. Identify and source from sustainable suppliers.

f. Conduct supplier compliance sustainability reviews. Develop and implement improvement plans, as appropriate.

g. Encourage suppliers to set sustainability goals, track progress and publish results.

**SUSTAINABILITY AND SOCIAL RESPONSIBILITY BUSINESS PLAN**

Integrating sustainability and social responsibility concepts throughout supply management, the business and the supply chain is critical. This business plan outline provides a starting point for organizations beginning this journey and a review for those with a program in place.

**Implementation Process**

Consider using this implementation process for establishing and managing sustainability and social responsibility initiatives across the enterprise.

**Policy**

Executive management defines and establishes the organization’s program policies, including goals, standards, acceptable actions, rewards for exemplary behavior and sanctions for improper behavior. Some of the key best-practice policy elements include:

- **Organizational Policy.** Executive management has established, documented and is maintaining a program policy as a means of ensuring behavior reflecting the organization’s values. The policy is aligned with the organization’s values and all applicable laws. It is updated as new challenges emerge.

- **Management Support.** Executive management subscribes to the program policy and acts accordingly. Further, it communicates, both internally and externally, its expectations for compliance with program standards.

- **Management Review.** Executive management reviews the organization’s policy and its impact at defined intervals to ensure continuing suitability and effectiveness. It maintains records of reviews.

- **Policy Considerations.** Executive management recognizes the need to accommodate different cultural and legal systems and changing technologies. It also appreciates the value of engaging others such as the board of directors or other social responsibility functions.

**Planning**

Best practices in program planning includes

1. Developing clear definitions of organizational values

2. Defining who should have input into the program

3. Securing adequate funding and staffing
4. Establishing program components; for example:
   a. Policy and/or code of conduct
   b. Internal and external communications
   c. Training
   d. Rewards and sanctions
   e. Whistle-blowing
   f. Hotline or help line
   g. Assessment and evaluation programs
   h. Reporting and tracking mechanisms

Processes/Procedures
The organization has a clearly defined and documented process to manage implementation of policy and practice, to achieve goals and influence supplier behavior. Some best-practice processes include:

• **Training.** The organization has developed a comprehensive training program that enables employees to become active participants in their own learning. Training is regularly updated and includes practice in preventing, eliminating and resolving problems. It is an ongoing, not one-time, occurrence. As applicable, the organization has developed a comprehensive training program to educate and develop suppliers and other members of the supply chain.

• **Internal communication.** The organization integrates program sensitivity into all aspects of communication to demonstrate that it is an integral part of all operations and decision-making. It has identified a person responsible for the program who monitors and implements the initiative internally and externally. It may have established a hotline or help line. The organization ensures that the program is a regular agenda item for the board of directors.

• **External communication.** The organization publishes its program policy and incorporates it into its communications with customers, suppliers and the public. It regularly publishes detailed reports on performance and responds openly to inquiries from stakeholders, investors and activist groups. The organization assesses practices of its suppliers to ensure that its trading partners are aligned with its values.

Measurement, Tracking and Reporting
The organization has established a system to monitor, document and report adherence to the program. Key elements include:

• **Performance.** The organization includes program elements as a dimension both in employee and supplier performance appraisals. It recognizes the value of having a program committee within its leadership core.

• **Evaluation.** The organization follows up on training with regular evaluations to ensure employees retain and act on what they have learned. It also demands compliant behavior from its suppliers and considers this in supplier selection.
• **Assessment.** The organization has established and maintains documented procedures for the assessment of both internal and external programs to determine the effectiveness of program policy, planning, processes and metrics. It tracks changes and enhancements as required due to assessment findings.

Assessments are used for learning and enhancing performance. The organization also has established mechanisms for investigating potential program lapses and holding management, employees and suppliers accountable for transgressions.

Note: See Resources section for more information on measurements or go to www.ism.ws/sr.

**Dedicated Resources**

The organization determines requirements for and then allocates sufficient staff and funding to coordinate, lead and promote its program.

**GUIDING QUESTIONS FOR ADOPTION AND IMPLEMENTATION — ALL PRINCIPLES**

Integrating sustainability and social responsibility concepts throughout supply management, the business and the supply chain is critical to success. The purpose of this self-evaluation guide is to provide a series of questions to help clarify the organization’s current status, both in a general sense and then across each principle.

These questions are designed to help the supply professional and organization determine if it is moving forward, aspiring to industry best practice and seeking information from others. Question sets are not all-encompassing but provide a starting point for adoption and implementation.

1. Are you and your organization aware of sustainability and social responsibility standards and trends in your industry?

2. Does your organization comply with applicable laws and regulations covering sustainability and social responsibility?

3. Does your organization have written policies in place that cover the principles?

4. Are goals in place for each principle? What are they? How are improvements incorporated?

5. How does your organization disperse and communicate information on its sustainability and social responsibility standards internally and to suppliers for adoption, understanding and compliance?

6. Is training provided covering each area? What is the frequency and to whom is training provided? Is training also provided for suppliers?

7. Has your organization set minimum standards that suppliers are required to meet? Are suppliers required to provide information and identify how they support each element?

8. Are sustainability and social responsibility contractual obligations in place with those with whom the organization does business?

9. Does your organization measure its performance against standards and report results? Are auditable processes in place?
10. Are managers and appropriate employees measured on meeting goals? What are the rewards for outstanding performance and sanctions for not meeting goals?

11. Are responsibilities for sustainability and social responsibility assigned to specific individuals or groups of individuals? What is the level of accountability for “making something happen” within the organization? Are those accountable made known within the organization?

12. Is there a champion or accountable process owner?

13. What is the highest level of oversight/accountability within the organization? Within each supplier organization?

14. Are financial and human resources committed in support of each standard? To whom do the human “resources” report?

15. How is each element measured within the organization? Within each supplier?

16. Is annual tracking in place? Does the organization communicate accomplishments within the organization, with stakeholders and with the community?

17. Are internal and/or external recognition programs in place?

18. How are sustainability and social responsibility standards and philosophies integrated into your organization’s code(s) of conduct?

19. Does the organization use external resources to help ensure standards are being met? Does the organization align itself with industry groups?

20. Are core values, specific to the organization/industry/business, incorporated into human resources policies, manuals and job descriptions?

21. Are business continuity contingency plans in place to manage natural disasters, terrorist actions and the like?

22. Does your organization seek out suppliers with sustainability and social responsibility practices embedded in their practices, products, services and business philosophies?

GUIDING QUESTIONS FOR ADOPTION AND IMPLEMENTATION — EACH PRINCIPLE

These principles are designed to enable both supply management and the organization to customize a framework specific to industry and supplier needs: anti-corruption; diversity and inclusiveness — workforce and supply base; environment’ ethics and business conduct; financial integrity and transparency; global citizenship; health and safety; human rights; labor rights; and sustainability. Statements and content are not all-encompassing but provide a solid foundation to express important characteristics of each principle

1. Anti-Corruption
   a. Are there clear guidelines and policies in place to address ethical and legal dimensions?
b. What practices are in place to defend against corrupt practices within the organization, with suppliers and through the supply chain?

c. What training does the organization have in place?

2. **Diversity and Inclusiveness — Workforce and Supply Base**

   **Workforce**
   a. Does the leadership of the organization support hiring a diverse internal workforce?
   b. Does the organization have a formal tracking system to assess the impact of diversity efforts within the organization? Within the supply base?
   c. Are supplier policies and programs reviewed?
   d. How does the organization ensure equal access to employment and promotion opportunities?

   **Supply Base**
   a. Does the leadership support having a diverse supply base?
   b. Does the organization have a formal supplier diversity program? How is the program communicated internally and to the supplier community?
   c. Does the organization have a formal tracking system to assess the impact of diversity efforts within the organization and across the supply chain?
   d. Are copies of supplier diversity policies and programs gathered from suppliers? Are they reviewed and approved by the supply management organization?

3. **Environment**
   a. Does the organization behave in environmentally responsible ways? What specific programs and procedures are in place?
   b. Does the organization have programs to reduce, reuse and recycle? What percent of disposable waste is recycled? What does the organization do to reduce the volume of waste created that must then be recycled? How does the organization reduce waste? Reuse equipment and supplies?
   c. How does the organization comply with laws and regulations in the handling of hazardous waste?
   d. How does the organization report its environmental results?
   e. How does the organization continue to learn what it needs to know about environmental and waste issues?
   f. Does the organization collect copies of suppliers’ environmental plans? Are the plans of suppliers assessed and approved by the supply management organization?
   g. Does the organization work with engineering in the design of products for disassembly, reuse and recycling?
4. **Ethics and Business Conduct**  
   a. Does the organization have a formal code of ethics in place? How is the code communicated to employees and suppliers? How does the organization’s code align with ISM’s *Principles and Standards of Ethical Supply Management Conduct*?  
   b. What corrective action and compliance processes exist?  
   c. Is ethics a part of each individual’s job responsibilities and objectives? How are results measured?  
   d. Are suppliers required to have a code of ethics in place to address unethical behavior and a methodology to support action and compliance? Does this flow through the supplier tiers?  

5. **Financial Integrity and Transparency**  
   a. Does the organization educate employees about appropriate financial responsibilities? Is there a process in place that promotes and acknowledges employees who, through their actions, demonstrate a strong commitment to financial responsibility?  
   b. What corrective action and compliance processes exist?  
   c. Has the organization, and have its suppliers, implemented fiscal policies, financial management systems and accounting controls that help ensure fiscal responsibility and long-term viability?  

6. **Global Citizenship**  
   a. What specific programs and activities are in place to demonstrate the organization’s commitment to society and the communities it serves? Locally? Regionally? Nationally? Globally? Virtually?  
   b. Are relevant actions and activities acknowledged and recognized by the organization?  
   c. Does the organization allow time for people to be away from the job to work and volunteer?  
   d. Are charitable donations and support of economic development programs a part of the organization’s efforts?  
   e. Has the organization set goals and objectives for philanthropic practices, if applicable?  

7. **Health and Safety**  
   a. Does the organization have a formal health and safety program? How is the plan communicated internally and externally?  
   b. Does the organization have a formal tracking system? What does it measure?  
   c. How does the organization assess and continually review supplier/subcontractor health and safety policies and procedures?  
   d. Are safety specifications embedded within statements of work documents and contracts?
8. Human Rights
   a. Does the organization assess human rights conditions internally, and those of the first-tier suppliers and suppliers beyond the first tier?
   b. How are policies being enforced internally? With suppliers?
   c. Are human rights laws understood and applied?
   d. What does the organization do to promote an environment in which everyone is treated with dignity and respect?
   e. What organizational and supplier policies and procedures are in place to assure protection of personal data?

9. Labor Rights
   a. Does the organization require freedom of association and recognition of the right to collective bargaining?
   b. Does the organization ensure no forms of forced and compulsory labor are allowed?
   c. Are child labor policies written and communicated internally and with suppliers?
   d. How are employment and occupation discrimination practices identified and eliminated?

10. Sustainability
    a. Has the organization developed a position on sustainability? If so, how is this position communicated to the world at large? To suppliers?
    b. How is sustainability integrated within the organization down through individual job responsibilities?
    c. Are policies and procedures embedded throughout the internal supply process? With suppliers?
    d. Does the organization periodically review and update its goals and objectives? Are the updates published?
    e. How does the organization work to support initiatives of suppliers and others in the communities it serves?
RESOURCES, REFERENCES AND METRICS

1. ISM’s *Sustainability and Social Responsibility Metrics and Performance Criteria for Initiatives*. The development and implementation of metrics and performance criteria is important to the success of sustainability and social responsibility programs. Integrating goals and objectives with relevant measurements will ensure the ability to track and report progress against various initiatives. Often an annual sustainability and social responsibility report, sometimes called a citizenship report, is issued or results are included in the organization’s annual report. For a sample listing of metrics, please visit the ISM website at www.ism.ws/sr.

2. CAPS Research Focus Studies and Benchmarking Reports: www.capsresearch.org

3. The ISM *Guide to Sustainability and Social Responsibility* (web-based self-study course #3974; FREE)

4. ISM *Principles and Standards of Ethical Supply Management Conduct With Guidelines* (web-based self-study course #3972; FREE)

5. ISM *Sustainability and Social Responsibility Handbook, 2011*

6. ISM Special Sustainability and Social Responsibility website: www.ism.ws/sr

7. Applicable Laws, Regulations and Trade Agreements Information
   - Agency laws
   - Contract and commercial laws
   - Electronic commerce laws
   - Antitrust laws
   - Trade agreements
   - Trade regulations
   - Industry-specific laws and regulations
   - Government procurement regulations
   - Patent, copyright, trade secret and trademark laws
   - Environmental laws
   - Employment laws and regulations
   - Worker health and safety laws
   - Transportation and logistics laws and regulations
   - Financial laws and regulations
   - Other laws as applicable

8. *The United Nations Framework Convention on Climate Change (UNFCCC)*

9. The following chart provides a hierarchy the supply professional can use to understand possible consequences or outcomes from behaviors and decisions.

### A Conceptual Framework of the Hierarchy of Societal “Rules” for Business and Individuals

<table>
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<tr>
<th>Element</th>
<th>Entity</th>
<th>Risk of ...</th>
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</thead>
<tbody>
<tr>
<td>Laws and Regulations</td>
<td>State</td>
<td>Jail and Fines</td>
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<tr>
<td>Policies and Procedures</td>
<td>Company</td>
<td>Loss of Employment</td>
</tr>
<tr>
<td>Standards, Guidelines, Requirements</td>
<td>Groups</td>
<td>Social Rejection</td>
</tr>
<tr>
<td>Norms, Morals</td>
<td>Society</td>
<td>Loss of Self-Respect</td>
</tr>
</tbody>
</table>
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- United Nations’ The Universal Declaration of Human Rights
- United Nations Global Compact
- The International Labour Organization’s “Declaration on Fundamental Principles and Rights to Work”
- The Rio Declaration on Environment and Development
- United Nations Convention Against Corruption
- United Nations Guiding Principles for the Implementation of the “United Nations Protect, Respect and Remedy Framework for Business and Human Rights” (a report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises)
ISh Committee on Sustainability and Social Responsibility 2011-2012

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