

# UW-W Sustainability Conclusion



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Fall 2008

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## **UW-Whitewater Road to Sustainability**

Sustainability may seem to be a daunting task, considering the vast array of initiatives that could be pursued. We suggest selecting the 'low hanging fruits' for their ease to understand and implement.

Doing so will build momentum and support as the more difficult tasks are undertaken through an approach of continuous quality improvement. A basic list of the implementation process follows:

- State the Selected Initiative,
- Build the business case,
- Plan, Implement, and Track Measures, and
- Evaluate & Adjust.

Appendix 1 contains ISM's Principles of Sustainability and Social Responsibility: Guide to Adoption and Implementation. As each initiative is undertaken, it may be helpful to keep in mind the concepts of continuous quality improvement to evaluate the project scope for manageability.

## **Continuous Quality Improvement (CQI)**

CQI is primarily based on the philosophies of Dr. W. Edwards Deming (1900-1993). Deming advocated a never-ending cycle of product/service design, delivery, test, and sales; followed by market surveys and then redesign and improvement. He claimed that higher quality leads to higher productivity, which in turn leads to long-term competitive strength. The theory is "that improvements in quality lead to lower costs because they result in less rework, fewer mistakes, fewer delays and snags, and better use of time and materials. Lower costs, in turn, lead to productivity improvements. With better quality and lower prices, an organization can achieve a higher market share and stay in business, providing more and more jobs." (Evans/Lindsay pg.94) Deming stressed that top management must assume the overriding responsibility for quality improvement. The University of Wisconsin – Whitewater administrators are key factors in the ultimate quality of sustainability and each initiative's success.

As the University of Wisconsin - Whitewater continues to build on the cornerstone of the Climate Change Commitment, each new initiative implemented and maintained will prove to be the building blocks of a sustainable future. The University will realize many continued benefits as well as the local and global communities served by the school's graduates.

## **Bibliography**

Evans/Lindsay. (2008). *The Management and Control of Quality*. Mason, OH: Thomson Higher Education.

ISM - Institute for Supply Management. (2008, August 1). *Ethics and Social Responsibility*. Retrieved September 8, 2008, from ISM: <http://www.ism.ws/>

**Appendix 1. ISM Principles of Sustainability and Social Responsibility:  
Guide to Adoption and Implementation.**

# **ISM Principles of Sustainability and Social Responsibility With a Guide to Adoption and Implementation**

Published by:

Institute for Supply Management, Inc.™  
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© 2008

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June 1, 2008

Dear Supply Professional,

Commitment to sustainable and socially responsible behavior is good business — in both the public and private sectors, domestically and internationally. Whether a business decision-maker, scholar, customer or consumer, each has a primary role to play in the success or failure of sustainability and social responsibility initiatives.

We recognize the principles apply differently depending on the responsibility and industry in which the individual supply professional works. Consequently, we will continue to make timely and relevant content available on our Web site at [www.ism.ws/sr](http://www.ism.ws/sr), including research, articles, training, audits and assessments, business case materials, indices and more.

This document provides direction to supply professionals on how their companies and suppliers can develop and integrate sustainability and social responsibility practices and strategies into the business and the supply chain. Additionally, it addresses establishing policies and procedures to incorporate monitoring, verification and publication of results to ensure management of risk, protection of the environment and business continuity.

ISM welcomes examples of policies, procedures, measurements, contract language, best practices and research to share with the worldwide supply management community. We are committed to ensuring that all within the supply chain have the information they need to make effective and informed decisions. Please submit your content and comments to the ISM Committee on Sustainability and Social Responsibility at [socialresponsibility@ism.ws](mailto:socialresponsibility@ism.ws).

ISM remains committed to its leadership role with regard to sustainability and social responsibility. We also believe every supply professional has a key role in the successful implementation of these principles across the supply chain.

Sincerely,

Paul Novak, C.P.M., A.P.P.  
Chief Executive Officer  
Institute for Supply Management™

Member of  
**Leading Supply Management**  
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## ISM Principles of Sustainability and Social Responsibility

With a Guide to Adoption and Implementation

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## Principles

**Community.** Community initiatives provide resources to support the community in which the company or organization operates.

**Diversity and Inclusiveness — Supply Base.** Supply base diversity and inclusiveness refers to efforts to engage different categories of suppliers in sourcing processes and decisions.

**Diversity and Inclusiveness — Workforce.** Workforce diversity and inclusiveness refers to efforts to attract and retain a workforce that represents the varied backgrounds of the customer and community in which the organization operates.

**Environment.** Supply management actions and decisions that promote protection and preservation of the health and vitality of the environment within which the organization operates.

**Ethics and Business Conduct.** Ethical behavior and business conduct is a critical element impacting personal, business (public and private), supplier and governmental relationships and governance.

**Financial Responsibility.** Financial responsibility refers to understanding and applying financial concepts to supply management decisions to address allocation of funds, accurate reporting and management of risk.

**Human Rights.** Human rights refer to the concept of human beings having universal natural rights, or status, regardless of legal jurisdiction or other localizing factors.

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

**Sustainability.** Sustainability refers to 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.

## Principles and Guidelines

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

### Definitions

*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 corporate policies and procedures and resulting behavior designed to benefit the workplace and, by extension, the individual, the organization and the community in the following areas: Community, diversity and inclusiveness-supply base, diversity and inclusiveness-workforce, environment, ethics, financial responsibility, human rights, health and safety, and sustainability.

### **ISM Objectives**

1. Reinforce that supply professionals fulfill a front-line role to drive sustainability and social responsibility initiatives within the organization and the supply chain.
2. Increase supply management professionals' awareness of sustainability and social responsibility.
3. Raise the strategic value of supply management through the promotion of sustainability and social responsibility.
4. Champion the business case for sustainability and social responsibility.
5. Encourage the discussion that not all sustainability and social responsibility initiatives are about short-term financial considerations.
6. Educate the supply chain community and others on sustainability and social responsibility.
7. Encourage supply professionals to embed relevant sustainability and social responsibility language into supplier agreements to foster commitment.
8. Reinforce personal commitment and contributions and how they positively impact sustainability and social responsibility initiatives and outcomes.
9. Provide references, measurements, tools, information and best practices for the development of a proactive sustainability and social responsibility program for supply management professionals and their companies.

### **The Business Case**

ISM has created a set of business case documents designed to work through the process for developing or enhancing a social responsibility program. As with any initiative, executive support is key. ISM business case materials will assist you in the process of building a compelling business case. The "Call To Action" document outlines:

1. Why Principles are Important
2. Reasons for Change
3. Problem to Be Solved
4. Expected Outcomes
5. Key Steps to Implementation
6. Costs, Benefits and Risks
7. Resources

For the complete document, please visit the ISM Web site at [www.ism.ws/sr](http://www.ism.ws/sr).

### **Organization's Role**

1. Support sustainability and social responsibility principles applicable to the business environment within which they work and live.
2. Commit resources to support communication of sustainability and social responsibility principles and practices.

3. Share strategies, policies, procedures, best practices and other relevant material to assist organizations working to improve sustainability and social responsibility behavior internally and with suppliers.
4. Encourage building and integrating a program throughout their organization and the supply chain.

#### **Preamble**

ISM 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. Supply management professionals are encouraged to promote sustainability and social responsibility through 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 daunting. Additionally, laws, regulations, trade agreements, customs and practices pertinent to sustainability and social responsibility must be considered in the development and implementation of business strategies, policies and procedures.

These principles have been updated to reinforce the critical importance of sustainability and social responsibility in its many forms and applications. They may complement existing principles or they may be used as a starting point from which to develop a set of principles to meet the needs of the organization.

#### **Principles**

##### **1. Community**

Community initiatives provide resources to support the community in which the company or organization operates.

In this context:

- a. Provide support and add value to communities and those of the supply chain.
- b. Encourage members of the supply chain to support and add value in their communities.
- c. Evaluate business decisions in the context of community impact.
- d. Encourage supply professionals to participate in community initiatives, as appropriate.

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

Supply base diversity and inclusiveness arise from efforts to engage different categories of suppliers in sourcing processes and decisions.

In this context:

- a. Provide socially 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 sustainability through application of forward-thinking concepts beyond price.

##### **3. Diversity and Inclusiveness — Workforce**

Workforce diversity and inclusiveness arise from efforts to attract and retain a workforce that represents the varied backgrounds of the customer and community in which the organization operates.

In this context:

- a. Drive employee diversity within the organization.
- b. Proactively promote diverse employment practices throughout the supply chain.

#### 4. Environment

Supply management actions and decisions that promote protection and preservation of the health and vitality of the environment within which the organization operates.

In this context:

- a. Encourage the organization to be proactive in examining and implementing opportunities to be environmentally responsible throughout the supply chain.
- b. Encourage environmental responsibility across the supply base.
- c. Promote development and diffusion of environmentally friendly (“green”) practices and products throughout the organization and supply chain.
- d. Champion consumption of environmentally responsible products and services within the organization.
- e. Design and redesign products and services to effect positive environmental improvement.
- f. Develop a complete understanding of the organization’s environmental footprint and its impact on sustainability. Implement strategies to reduce and eliminate negative footprint impact.
- g. Implement market intelligence capabilities to address changes in domestic and international legislation.

#### 5. Ethics and Business Conduct

Ethical behavior and business conduct is a critical element impacting personal, business (public and private), supplier and governmental relationships and governance.

In this context:

- a. Become knowledgeable of, and comply with, code of conduct policies and procedures in the context of the business, industry, profession and country in which business is transacted.
- b. Actively promote ethical conduct throughout the supply chain by incorporating ethical conduct language in agreement documents of suppliers.
- c. Prevent the intent and appearance of unethical or compromising conduct in relationships, actions and communications.
- d. Subscribe to a set of ethical principles and standards to guide decisions and behavior.
- e. Please visit the ISM Web site at [www.ism.ws/sr](http://www.ism.ws/sr) for a link to the *Principles and Standards of Ethical Supply Management Conduct with Guidelines*.

#### 6. Financial Responsibility

Financial responsibility refers to understanding and applying financial concepts to supply management decisions to address allocation of funds, accurate reporting and management of risk.

In this context:

- a. Become knowledgeable of, and comply with, applicable standards 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. Actively promote and practice responsible financial behavior throughout the supply chain by making financial and sustainable guidelines explicit in supplier agreements.

#### 7. Human Rights

Human rights refers to the concept of human beings having universal natural rights, or status, regardless of legal jurisdiction or other localizing factors.

In this context:

- a. Treat people with dignity and respect.

- b. Support and respect the protection of international human rights within the organization's sphere of influence.
- c. Lead the organization and its supply chain to ensure application of human and employment rights.

### **8. Health and Safety**

Health and safety refers to the condition of being protected or free from the occurrence of risk of injury, danger, failure, error, accident, harm or loss.

In this context:

- a. Provide a safe and healthy environment for all employees in the a. organization.
- b. Support the continuous development and diffusion of safety and health practices throughout the organization and the supply chain.
- c. Design and redesign products to ensure product safety.

### **9. Sustainability**

Sustainability refers to 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 provide additional perspective and context.*

In this context:

- a. Develop knowledge and processes to ensure understanding of sourcing decisions and their impact on sustainability.
- b. Determine information required from suppliers to manage sustainability initiatives.
- c. Participate in organizational strategic goal-setting for sustainability.
- d. Develop strategies, policies and procedures to support organizational sustainability goals and objectives that improve management of risk and business continuity initiatives.
- e. Ensure these concepts support the use of socially and sustainability aware suppliers within the source-selection process
- f. Conduct and participate in supplier compliance sustainability reviews and visits. Develop and implement improvement plans as appropriate.
- g. Encourage the publication and distribution of the organization's sustainability reports.
- h. Actively identify and utilize suppliers that are committed to sustainability and social responsibility.
- i. Publish sustainability results and accomplishments.

### **Acknowledgements**

ISM acknowledges the *United Nations Global Compact* and United Nations' *The Universal Declaration of Human Rights* for concepts adopted and integrated into ISM definitions, policies and documents.

The categories for the original *ISM Principles of Social Responsibility*, adopted in 2004, were developed from the CAPS Research publication, *Purchasing's Contribution to the Socially Responsible Management of the Supply Chain*, by Craig R. Carter, Ph.D., and Marianne M. Jennings, J.D. The ISM Commission on Social Responsibility that developed the principles was also guided by the United Nations' *Global Compact*.

## Sustainability and Social Responsibility Metrics and Performance Criteria

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 Web site at [www.ism.ws/sr](http://www.ism.ws/sr).

### Sustainability and Social Responsibility for Supply Management Assessment Elements and Criteria

#### Introduction

Integrating sustainability and social responsibility concepts and decision points 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 your organization's current status, both in a general sense, and then across the individual principles.

#### 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, and 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 practice in program planning includes:

- Developing clear definitions of organizational values
- Defining who should have input into the program
- Securing adequate funding and staffing
- Establishing program components, for example:
  - Policy and/or code of conduct

- Internal and external communications

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- Training
- Rewards and sanctions
- Whistle-blowing
- Hotline or help line
- Assessment and evaluation programs
- Reporting and tracking mechanisms

### **Processes/Procedures**

The organization has clearly defined and documented processes that implement policy and achieve specified goals. Some of the key best-practice process elements 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 that 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.

### **Dedicated Resources**

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

### **Guiding Questions to Application Decisions (for all principles)**

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.

1. Are you and your organization aware of sustainability and social responsibility standards and trends within 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?
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 process owner accountable for these standards?

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 to Application Decisions (for the individual principles)**

#### **1. Community**

- a. What specific programs and activities are in place to demonstrate your organization’s commitment to the community? Locally? Regionally? Nationally? Globally?
- b. Are community activities acknowledged and recognized by your organization?
- c. Does the organization allow time for people to be away from the job to work in the community?
- d. Are charitable donations and support of economic development programs a part of your organization’s community efforts?
- e. Has your organization set goals and objectives for its philanthropic practices, if any?

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

- a. Is there buy-in on the part of leadership concerning the value and business proposition regarding diversity? Does the organization have a formal diversity program? How is the plan communicated?
- b. Does the organization have a formal tracking system to assess the impact of diversity efforts within the organization and the supply chain?
- c. Are copies of supplier policies and programs obtained? Are they reviewed and approved by the supply organization?

### **3. Diversity and Inclusiveness — Workforce**

- a. Is there buy-in on the part of leadership concerning the value of employing a diverse 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?

### **4. Environment**

- a. Is your organization environmentally responsible? What specific programs and procedures are in place?
- b. Does your organization recycle? What percent of disposable waste is recycled? What does your organization do to reduce the volume of waste created that must then be recycled?
- c. How does your organization comply with laws and regulations in the handling of hazardous waste?
- d. How does your organization report its environmental results?
- e. How does your organization continue to learn what it needs to know about environmental and waste issues?
- f. Does your organization collect copies of suppliers' environmental plans? Are the plans of suppliers assessed and approved by your supply organization?
- g. Does your organization work with engineering in the design of products for disassembly, reuse and recycling?

### **5. Ethics and Business Conduct**

- a. Does your organization have a formal code of ethics in place? How is the code communicated to employees and suppliers? How does your 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 your supplier tiers?

### **6. Financial Responsibility**

- a. Does your 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. Does your organization have your supplier's implemented fiscal policies, financial management systems, and accounting controls that help ensure fiscal responsibility and long-term viability?

### **7. Human Rights**

- a. Does your organization assess human rights conditions internally, and those of your 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 your 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?

### **8. Health and Safety**

- a. Does your organization have a formal health and safety program? How is the plan communicated internally and externally?

- b. Does your organization have a formal tracking system? What does it measure?
- c. How does your 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?

**9. Sustainability**

- a. Has your organization developed a position on sustainability? If so, how is this position communicated to the world at large?
- b. How is it integrated within the organization down through individual job responsibilities?

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FS SC526 08/08 2M