

Institute for Supply Management™

Official Position Statement

Sustainability:

A Critical Part of Supply Management Responsibility

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ISM defines sustainability as “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.”

Supply management decisions have a direct impact on business results and sustainability. Therefore, supply management professionals have a responsibility to raise the issue of the development of a sustainability program within the organization with relevant stakeholders, including the establishment of a sustainability strategy and various enterprise initiatives embedded throughout the supply chain and a formal written policy between the organization and its supplier companies.

Supply management decisions should be based upon the organization’s written strategic plan as well as its sustainability and social responsibility policies. These written policies should contain, at a minimum, clear definitions of terms, specific organization goals, assessment elements and criteria, as well as specific measurement and performance criteria for monitoring and evaluating not only the organization’s performance relative to sustainability and social responsibility, but also that of its suppliers. Supply management professionals should embed relevant sustainability and social responsibility language into supplier agreements to foster commitment throughout the supply chain. Organizations should strive to partner with suppliers who also meet sustainable and socially responsible standards based upon the organization’s written supplier code of conduct (SCC).

All supply management employees of the organization should have a thorough understanding of the organization’s sustainability and social responsibility concepts and policies, as well as their role within those policies and work with suppliers to achieve certain goals while adding value to the business. For example, reducing transportation can support “green” objectives while simultaneously having positive effects on business performance and results.