

# GEMI Responsible Supply Chain Guiding Principles



These Principles are intended to outline foundational elements that business leaders across industries believe to be essential when engaging suppliers on sustainability.

Corporate sustainability leaders face challenges related to the wide variety of expectations for addressing supply chain sustainability. Many are seeking ways to better understand the sustainability performance of companies within their supply chain while responding to similar requests from their own customers. While the objectives of such efforts are often similar, the format and content are typically quite different. To address these concerns, GEMI has worked to build a cross-industry coalition – GEMI’s Supply Chain Sustainability (SCS) Work Group – to drive alignment on global supply chain sustainability solutions while meeting common cross-industry goals.

Through GEMI’s SCS Work Group, GEMI sought input from a group of large multi-national corporations and industry trade associations to develop the following Responsible Supply Chain Guiding Principles. GEMI evaluated principles established by various industry sectors and 3rd party organizations, and facilitated engagement with many such organizations to inform this process.

The principles are intended to outline foundational elements that business leaders across industries believe to be essential when engaging suppliers on sustainability. The principles may provide a framework to help companies and industry stakeholder groups to: guide the process for engaging suppliers regarding sustainability; advance strategic collaborations; and, promote increased alignment across industry-focused supply chain sustainability initiatives.

**Accountability** – The buyer/supplier relationship is a partnership and should be built on shared responsibility and commitment to exemplary/good practices.

**Collaboration** – Engagement with suppliers should focus on actionable outcomes, and be viewed as an opportunity to drive innovation and continuously improve the sustainability performance of both buyers and suppliers.

**Commitment to Shared Value** – It is important to clearly define the strategic purpose for engaging suppliers, while being mindful of culture and maturity, and seeking opportunities for mutual value creation throughout the process.

**Inform Decision-Making** – Information gathered through buyer/supplier engagements should inform business decision-making, and be utilized to reduce risk, differentiate, innovate and add value for all involved stakeholders.

**Relevance** – Customers and suppliers should identify those aspects of sustainability performance most relevant to both the buyer’s internal goals and objectives, and those most applicable to the supplier given its sector, size and location.

**Scalability** – For solutions to be scalable across global supply chains, it is important that they be aligned with existing systems/standards, and provide a usable framework that promotes sustainable outcomes. Opportunities to reduce duplication and increase shared value through mutual recognition of assessments and/or audits should be considered whenever possible.

**Transparency** – Buyer/Supplier relationships should be built on trust and require clear communication and education on sustainability expectations, including expectations around traceability of data, while maintaining confidential and proprietary business information.