

The Global Environmental Management Initiative (GEMI)

*“New Paths to
Business Value:
Strategic
Sourcing--
Environment,
Health & Safety”*



New Paths to
Business Value

STRATEGIC SOURCING —
ENVIRONMENT, HEALTH AND SAFETY

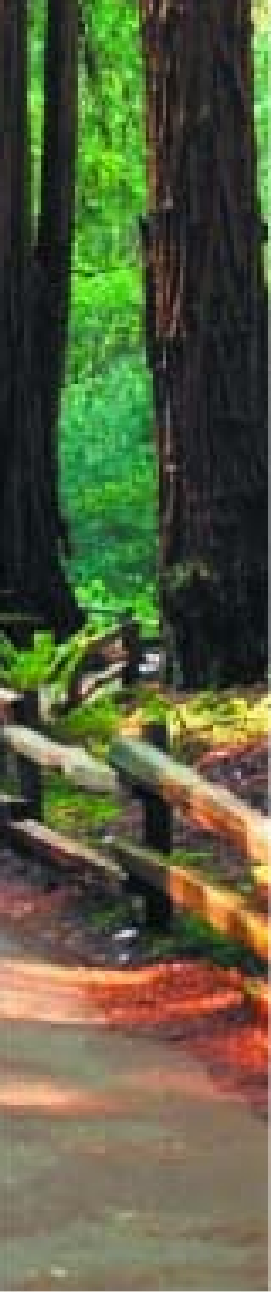


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What is the Purpose of This Document?

- Explore the importance of EHS issues to procurement decisions
- Show how companies that integrate EHS concerns in their strategic sourcing can create business value
- Show the importance of the creation and expansion of partnerships between EHS and Procurement professionals



Key Premises

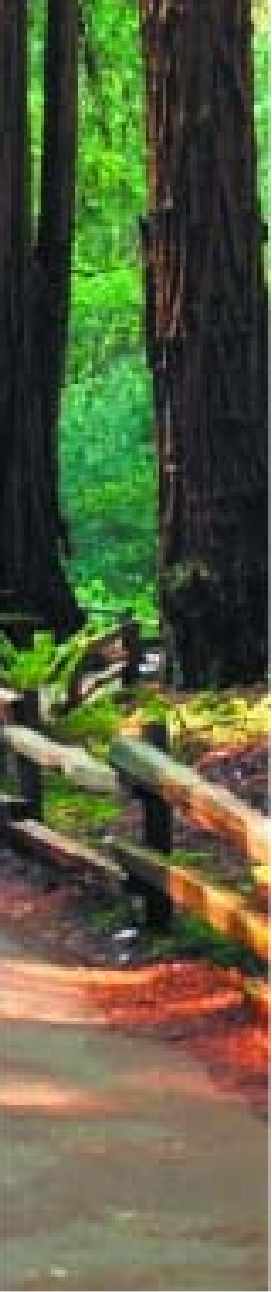
- Supply Chain management of EHS issues will be increasingly important for many companies
- The potential business value varies, one size does not fit all
- Procurement departments can easily integrate EHS criteria into their existing tools and procedures
- Companies should be careful not to impose unnecessary requirements on their suppliers

Addresses Five Topics

- Is EHS an important source of business value in my supply chain?
- How can I find untapped value in my supply chain?
- How can procurement add business value?
- How can I assess and improve supplier EHS performance?
- How can I improve EHS performance through subcontracting?

The Bottom Line

- Enhances business value in the supply chain
- Encourages a selective approach based on supplier-customer relationships
- Provides a practical resource for procurement staff
- Encourages dialogue and collaboration
- Steers companies toward practices that add value
- Integrates EHS professionals to become a part of the business process





Trends of EHS Performance on Procurement

- Growing pressure from customers, advocacy groups, investors and shareholders
- Changing regulatory landscape
- Expanding definitions of liabilities and risks
- Proactive, strategic procurement
- Outsourcing
- Supplier consolidation and strategic sourcing

Four Step Search for Value Opportunities Related to EHS Performance

- What are the significant environment, health and safety impacts of the product or service?
- Which have significant impacts on business value?
- What are the significant business risks and value opportunities at this time?
- What are the top priority initiatives to gain or protect business value?

Case Studies

- ***Ashland Inc.*** ~ Third Party Providers
- ***Halliburton Company*** ~ Safety Management for a Service Provider
- ***Eastman Kodak Co.*** ~ Kodak's Effectively Focused Supplier Surveys
- ***Motorola, Inc. & Ashland Inc.*** ~ Motorola's Collaboration with Ashland Specialty Chemical Company

Visit GEMI's website to view:

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