

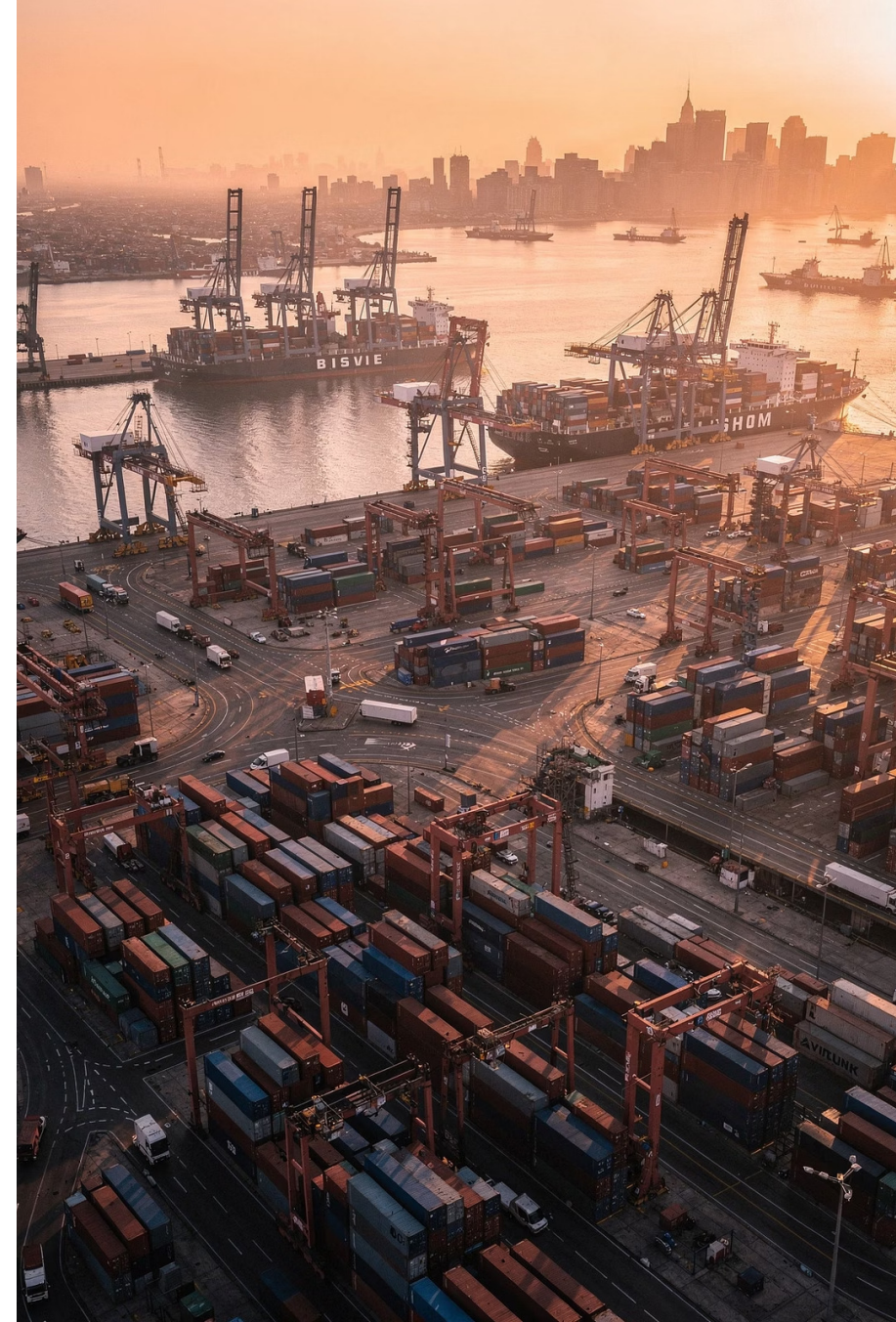
Ethical Supply Chains: A Catholic Approach to Business Responsibility

A principled framework for faith-informed leaders navigating the moral demands of global commerce in 2026.

Mark Coming

Monthly Business Leadership Series

Saint John Leadership Network





Every Supply Chain Is a Chain of Human Work

- Every product reflects human decisions, labor, and lives.
- Supply chains are moral relationships, not just logistics.
- Distance does not reduce responsibility or conscience.

 "Out of sight" is geographic. "Out of conscience" is moral.

- The Catholic tradition holds businesses morally accountable.
- We remain responsible for conditions we shape, influence, or tolerate.

Why This Topic in 2026

The global landscape has shifted dramatically. Leaders who once managed supply chains at arm's length are now confronting a new reality: stakeholders, regulators, and consumers are asking hard questions — and expecting credible answers.

Global Instability & Reshoring

Geopolitical disruption has forced companies to reconsider where and how goods are made, bringing ethical questions into sharper focus.

Transparency Expectations

Regulatory frameworks and investor demands now require meaningful disclosure of supply chain practices beyond Tier 1.

"Do You Know Who Made This?"

Leaders are being asked this question by employees, boards, and the public. The answer — or the inability to answer — is itself a moral statement.



The Limits of Secular Ethics Frameworks

What Secular Frameworks Offer

- ESG scoring and ratings
- Compliance checklists and audits
- Reputational risk management
- Stakeholder mapping tools

What They Often Miss

- **Metrics without meaning** — numbers that satisfy reporting without changing lives
- **Compliance vs. conscience** — meeting the legal floor while ignoring the moral ceiling
- **Optics vs. responsibility** — managing perception rather than owning consequences
- **No account of the person** — workers as variables, not as ends in themselves

Secular frameworks are useful tools. But tools without a moral foundation can be wielded to justify almost anything. Catholic Social Teaching offers something deeper: a vision of the human person that no spreadsheet can replace.

A Distinctly Catholic Vision

This is not ideology. This is not politics. It is a moral anthropology — a deeply reasoned account of who the human person is, what work means, and what business leaders owe to those whose lives they shape.



Moral Anthropology of Work

Every worker bears the image of God. Business decisions that treat persons as inputs violate something foundational — not merely contractual.



Business as Vocation

Leadership is not merely a career. It is a calling with moral weight — an opportunity to serve the common good through enterprise.



Responsibility Without Borders

Catholic thought has always insisted that our obligations do not stop at the edge of what we legally own or directly control.





What Is Catholic Social Teaching?

Catholic Social Teaching is the Church's enduring moral framework for economic life.

- 130+ years of moral principles — from Rerum Novarum (1891) to Laudate Deum (2023)
- Rooted in Scripture, natural law, and Church wisdom
- Not a policy platform — a principled moral framework
- Not Policy Prescriptions — leaves prudential judgments to leaders
- Developed Over Time — speaks to every era of economic life
- Directly Applicable to Business — written for real leadership decisions

Human Dignity: The Non-Negotiable Starting Point

"The human person is the foundation, the cause and the end of every social institution." — *Mater et Magistra*, John XXIII

Every worker in your supply chain — regardless of nationality, tier, or contract status — is a person made in the image and likeness of God. This is not a sentiment. It is the bedrock of Catholic moral reasoning. Profit can never justify conditions that degrade, endanger, or dehumanize the people who produce what we sell.

📌 **Dignity precedes efficiency.** When these values conflict, there is no ambiguity about which must yield.





Work Has Inherent Meaning

Work & Creation

Human labor participates in the ongoing ordering of the world

Conditions Matter

Safety, rest, and dignity are moral requirements, not optional benefits

Exploitation Violates Vocation

Treating persons as means to profit denies their God-given purpose

"Through work, the human person expresses their dignity, builds community, and shares in the creative act of Providence." — *Laborem Exercens*, John Paul II (1981)

Solidarity: Responsibility Beyond Borders

Solidarity is one of the pillars of Catholic Social Teaching — and one of the most challenging for modern supply chain leaders. The Church teaches that interdependence creates obligation. When our economic choices shape the lives of workers we will never meet, we are in relationship with them — and relationship carries responsibility.

⚠️ **"Not my employee"** is not a moral shield. It is a description of a legal structure, not an account of moral reality. Influence and leverage create obligation, even without direct employment.





Subsidiarity: Ethics at the Right Level

Subsidiarity teaches that decisions should be made at the most local level capable of handling them well. For supply chain ethics, this principle cuts both ways.

Empower Local Decision-Makers

Suppliers and regional managers closest to labor conditions are often best positioned to identify and address problems.

Avoid Unnecessary Central Control

Overly rigid top-down mandates can undermine trust and local ownership of ethical standards.

Respect Local Culture, Insist on Dignity

Cultural sensitivity is a virtue — but it never justifies accepting practices that violate the dignity of persons. Some standards are universal.

The Common Good: Supply Chains Shape Communities

Business decisions that serve only shareholders, while leaving communities and workers worse off, fall short of the common good.

- The common good is the sum total of social conditions which allow people to reach their fulfillment more fully and more easily
- Supply chain decisions affect employment stability in entire regions
- Sudden shifts — even legal ones — can devastate communities
- Fairness and predictability are moral goods, not just contractual obligations
- Short-term margin gains must be weighed against long-term human flourishing

i Long-term thinking is not just good strategy — it is a moral act.





Stewardship of Creation

Creation is a gift entrusted to human stewardship — not a warehouse to be emptied for profit. *Laudato Si'* and *Laudate Deum* make clear that environmental destruction is a justice issue: ecological harm disproportionately falls on the poor and on future generations who bear no responsibility for the damage.

Creation Is a Gift

Resources are not infinite raw material. They carry moral weight as part of God's entrusted gift.

The Poor Bear the Cost

Environmental harm hits vulnerable communities first and hardest. Supply chain pollution is a justice issue.

Long-Term Thinking Is Moral

Decisions made for quarterly returns that exhaust creation are decisions that harm future generations — persons who deserve our moral consideration.

"The earth is the Lord's, and everything in it." — Psalm 24:1

What Makes a Supply Chain "Ethical"?

The word "ethical" is used loosely in corporate settings. From a Catholic Social Teaching perspective, an ethical supply chain meets a more demanding standard than compliance or reputational safety. It is not a destination — it is an ongoing commitment.



Respects Human Dignity at Every Tier

Not just Tier 1 suppliers — but the full depth of the chain, as far as knowledge and leverage reach.



Accepts Responsibility Proportional to Influence

Moral weight is calibrated to what you know, what you can do, and what you choose not to investigate.



Improves Conditions Over Time

Ethical supply chains are not static. The direction of travel — toward dignity, fairness, and sustainability — is itself a moral metric.



Moral Responsibility vs. Total Control

A Common Objection

Many leaders argue: "I can't control what every supplier does. I'm not responsible for the entire chain." This objection has genuine force — no one is omnipotent. CST does not demand the impossible.

But it does insist that **limited control is not the same as zero responsibility**. The standard is not perfection. It is proportionality.

The CST Standard

- You are not omnipotent — but you are not morally neutral either
- Responsibility increases with knowledge
- Responsibility increases with leverage
- Willful ignorance is a moral choice
- The question is not "Can I fix everything?" but "Am I doing what I reasonably can?"

Five Practical Decision Areas

CST principles translate directly into the everyday decisions that define your supply chain's moral character. These are not abstract categories — they are the choices your team makes in meetings, contracts, and negotiations every week.



Vendor Selection

Who you choose to work with is a moral act. Selection criteria should include human dignity indicators, not only cost and capacity.



Pricing Pressure

Aggressive cost demands push suffering downstream. The "cheapest" price is almost never truly cheap.



Lead Times

Unrealistic timelines create pressure for shortcuts — on safety, rest, and quality of conditions.



Labor Standards

Beyond legal minimums: are workers safe, fairly compensated, free from coercion, and treated with dignity?



Environmental Impact

What does production cost the land, water, and communities around each facility? Who bears that cost?



Vendor Selection Through a CST Lens - Labor Standards & Working Conditions

Vendor selection is one of the most powerful levers a company has for expressing its values. The criteria you use — consciously or not — reflect your moral priorities. Catholic Social Teaching asks you to expand those criteria beyond price, quality, and delivery.

Do They Respect Workers?

What are actual conditions on the factory floor? Are workers free from coercion, excessive hours, and unsafe environments?

Are Wages and Conditions Humane?

Legal minimums are a floor, not a standard. Are workers able to support their families with dignity on what they earn?

Are Violations Ignored or Addressed?

No supplier is perfect. What matters is whether problems are acknowledged, investigated, and corrected — or concealed.

The Ethics of Cost and Lead Time Pressure

Every margin improvement has a cost. The moral question is: *who absorbs it?*

When a buyer demands a 15% price reduction, that demand travels down the supply chain like a wave. At some point, something gives. Often what gives is a worker's wage, a safety standard, or an environmental protection. The buying organization may never see that outcome — but it authored it.

Price Demands Are Moral Acts

Negotiating strategy carries ethical weight. The implicit question in every cost demand: who will bear this burden?

The Hidden Victims of Margin Pressure

Factory workers, local communities, and the environment absorb what the supply chain cannot — invisibly and at distance.

The "Cheapest" Price Is a Fiction

Someone always pays. The moral question is whether the cost is being paid by those with the resources to bear it — or by those who are not at the table.





Due Diligence is Mandatory - Ignorance Is Not Acceptable

Catholic moral tradition has always distinguished between culpable and inculpable ignorance. You are not morally responsible for what you genuinely could not have known. But you *are* responsible for what you chose not to investigate, for questions you could have asked and didn't, and for warning signs you observed but ignored.

Reasonable Knowledge

What a diligent leader in your position should know about Tier 1 and Tier 2 conditions

Due Diligence

Active inquiry — asking vendors the right questions, reviewing audits, and following up on concerns

Culpable Ignorance

The point at which "I didn't know" becomes a moral failure — when knowledge was available and the choice was made not to seek it

Better Questions

The goal is not omniscience — it is asking better questions than you asked last year, and acting on what you learn

Gradual Improvement vs. Moral Purity

A Dangerous Perfectionism

Some leaders, confronted with the complexity of global supply chains, conclude that since perfection is impossible, the whole effort is futile. This is a counsel of despair — and a convenient rationalization for doing nothing.

CST does not demand moral purity before action. It demands **direction**: the persistent, good-faith movement toward greater dignity and justice.

What Faithful Progress Requires

- Ethical growth is incremental — not instant
- Direction matters more than immediacy
- Small, consistent changes compound over time
- Honest assessment is more virtuous than defensive optimism
- Engagement with imperfect suppliers — with accountability — is better than disengagement

- ✓ The moral question is not "Are we perfect?" but "Are we improving, intentionally, with integrity?"



Case Study: A Practical Dilemma

 **Scenario:** Your largest vendor offers a 12% cost reduction to keep you from switching — but a recent audit reveals credible concerns about excessive overtime and withheld wages. Switching vendors would take 18 months and jeopardize a key product launch. Margins are tight. Leadership is watching.

What Does CST Require Here?

- You cannot claim inculpable ignorance — the concern is known.
- CST does not demand immediate disengagement — but it demands **active remediation, accountability, and a clear timeline.**
- Accepting the savings without engaging the violation would be a moral choice — not a neutral business decision.
- Leaders who surface these tensions — and work through them honestly — are acting with integrity. Leaders who bury them are not.



Supply Chains Reflect Leadership

Systems do not shape themselves. They are shaped by the values, priorities, and silences of the people who lead them.

Systems Mirror Values

The ethical character of your supply chain is a downstream consequence of the culture and priorities you set at the top.

Silence Is a Decision

Leaders who do not ask ethical questions are making a choice — not to prioritize what they do not wish to see.

Culture Flows Downstream

What leaders reward, tolerate, and ignore cascades through procurement teams, vendor relationships, and ultimately to workers.

Examination of Conscience for Business Leaders

The Catholic tradition of examination of conscience — regular, honest self-assessment before God — translates powerfully into the boardroom. These are not rhetorical questions. They are invitations to genuine reflection.

1

Do I Ask Where Products Come From?

Not in the abstract — but specifically, with enough depth to form a genuine view of conditions in my supply chain?

2

Do I Accept Unjust Practices for Convenience?

Have I rationalized known problems because the cost of addressing them felt too high — and whose cost was I actually protecting?

3

Do I Treat Cost as Morally Neutral?

Do my pricing and procurement strategies account for the human beings at the end of those decisions — or do I bracket them as someone else's concern?



What Faithful Progress Looks Like

The goal is not a perfect supply chain — it is a supply chain that is visibly, accountably, and intentionally moving in the right direction. Faithful progress is characterized not by achievement but by orientation: toward dignity, transparency, and the common good.



Better Questions

Moving from "Are we compliant?" to "Are the people in our supply chain treated with dignity?" — and building systems that produce honest answers.



Better Partners

Choosing and developing supplier relationships that prioritize human dignity — even when it costs more, takes longer, or requires difficult conversations.



Better Long-Term Outcomes

Organizations that embed moral seriousness into supply chain decisions build durable trust — with workers, partners, investors, and the broader public.

One Step You Can Take This Year

Transformation begins with a single decision made differently than it was made before. You do not need a new strategy. You need one honest act of leadership that signals a new priority.

01

Add Ethics Questions to Vendor Reviews

Incorporate specific questions about labor conditions, wages, and environmental impact into existing vendor assessment processes — this year, not next.

02

Adjust Timelines or Pricing Expectations

Identify one contract or negotiation where current expectations are creating downstream pressure on workers — and change the ask.

03

Increase Visibility One Tier Down

Commission a review of conditions at Tier 2 for your highest-volume supply relationships. You cannot act on what you cannot see.

✓ These steps are not revolutionary. They are the beginning of a moral habit — and moral habits, compounded, change institutions.



Business as a Moral Vocation

"The economy has need of ethics in order to function correctly — not any ethics whatsoever, but an ethics which is people-centered." — *Caritas in Veritate*, Benedict XVI

- Ethical supply chains are acts of love.
- They express solidarity with workers, communities, and creation.
- Faith belongs in boardrooms, contracts, pricing negotiations, and vendor reviews.
- The Catholic tradition provides the tools.
- The question before us is one of will.

THE CHOICE TO ACT JUSTLY IS ALWAYS, ALREADY, AVAILABLE TO YOU.