

The background of the slide is a dark blue, semi-transparent image of a shipping yard. It shows stacks of blue and brown shipping containers. In the center, a white container is being lifted by a crane. The overall scene is dimly lit, suggesting an industrial or nighttime setting.

GOING GREEN: **SUSTAINABILITY** IN SUPPLY  
CHAINS

# MOVING TOWARDS SUSTAINABILITY

Companies of all sorts are adopting green initiatives to make their supply chain more sustainable. There are a number of reasons they're doing so. For one it helps them avoid running afoul of regulations and suffering fines or other penalties as a result. Additionally, however, companies are also pursuing sustainability to boost their reputations and happier customers.



# MOVING TOWARDS SUSTAINABILITY

A recent Supply Chain Digital article touches upon this:



**“COMPANIES BIG AND SMALL ARE MAKING MORE SERIOUS COMMITMENTS TO SUSTAINABILITY, QUALITY AND THE ENVIRONMENT. THESE COMPANIES ARE NOT IMPLEMENTING SUSTAINABLE PRACTICES BECAUSE OF LEGAL REGULATIONS. MOST COMPANIES ARE IMPLEMENTING THOSE PRACTICES BECAUSE THEY UNDERSTAND THAT WITH BETTER CARE FOR SOCIAL AND ENVIRONMENTAL RESOURCES COMES AN IMPROVED REPUTATION AND INCREASED SATISFACTION AMONG CUSTOMERS, CONTRACTORS, INVESTORS AND OTHER STAKEHOLDERS.”**



Given this new dynamic and the incentives that come with it, the move towards environmentally friendly operations within companies is hardly surprising. Nonetheless, the move isn't always an easy one. Not only that, but it can take considerable time to complete, making some of the benefits that come with it appear far off.

With that in mind, here are some of the most notable steps that companies are taking to make their supply chains green as well as some of the key considerations that correspond with them.

# SETTING GOALS

Like with any transition, one of the most important factors for ensuring its success involves setting new objectives. Companies going green do just that. Critical to their process of goal-setting is ensuring that the goals they decide upon are clearly measurable. The less abstraction the better.

This, in turn, means companies need to have a clear sense of the impacts such a transition will have on their supply chain and where within their supply chain there are opportunities for improvement. It's from there that they can then establish concrete, empirical goals as well as key performance indicators that show their degree of success at achieving those goals.



# SETTING GOALS

COMPANIES NEED TO HAVE A **CLEAR SENSE OF THE IMPACTS SUCH A TRANSITION WILL HAVE** ON THEIR SUPPLY CHAIN AND WHERE WITHIN THEIR SUPPLY CHAIN THERE ARE OPPORTUNITIES FOR IMPROVEMENT.

The earlier mentioned Supply Chain Digital article outlines this process :



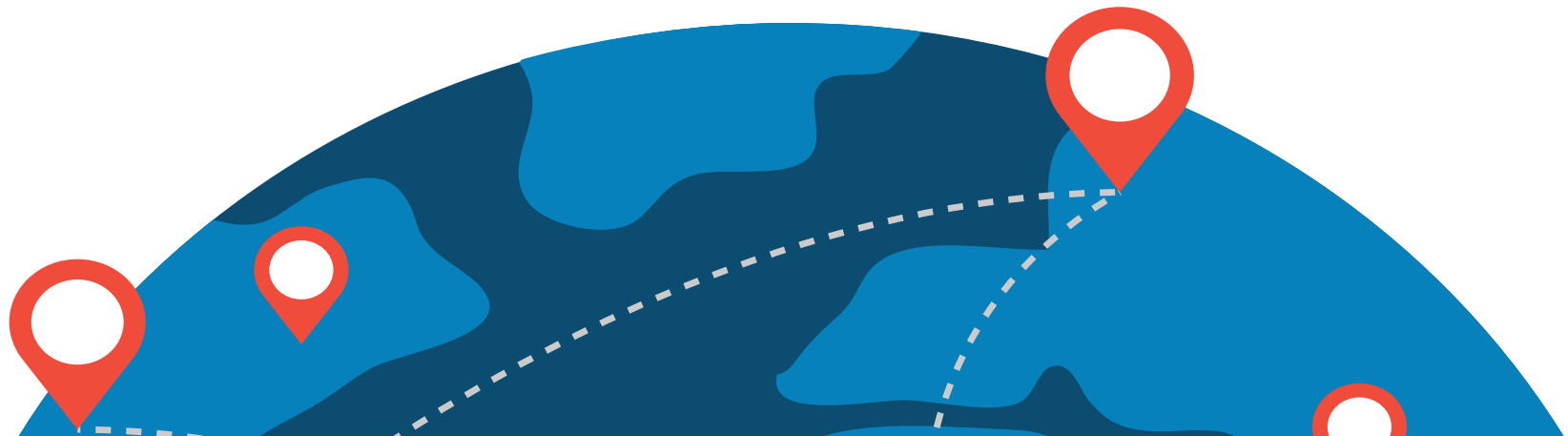
“CREATE A VALUE CHAIN MAP...TO DETERMINE THE ECONOMIC, ENVIRONMENTAL AND SOCIAL CONDITIONS ACROSS THE SUPPLY CHAIN AND DETERMINE WHAT EACH PART OF THE SUPPLY CHAIN CAN DO TO INFLUENCE OVERALL GOALS. SET SCIENCE-BASED GOALS. ESTABLISHING GOALS THAT MATCH SCIENTIFICALLY IMPORTANT NEEDS WILL HELP PRIORITIZE THOSE NEEDS AND ALSO POTENTIALLY GALVANIZE THE ENTIRE SUPPLY CHAIN TOWARD A BETTER CAUSE. DEVELOP CONTEXT-BASED INDICATORS IN AREAS SUCH AS CARBON, WATER, WASTE AND SOCIAL METRICS.”



# SETTING GOALS

## NOTABLE CONSIDERATIONS

- How will sustainability impact the supply chain - for better or for worse?
- Where can the supply chain be improved?
- Set specific, measurable goals
- Have indicators that show the progress (if there is any) towards the set goals



# COLLABORATION

Naturally, once a company sets its goals, the next thing it has to do is give them the best chance at being successful. An enormous part of this is collaborating with all the major players within its supply chain. They all have to be on board, aware of the amount they're contributing to the environmental impact on the chain, and ensuring that down the line they don't reduce their impact at the expense of another player increasing theirs.

Another significant part of collaboration involves data. Data is the key to a company knowing what exactly is taking place along their supply chain. It is through data that they can measure their sustainability performance. Thus, data has to be gathered along all points in the supply chain and, in addition, that data has to be integrated into a unified data platform.

# COLLABORATION

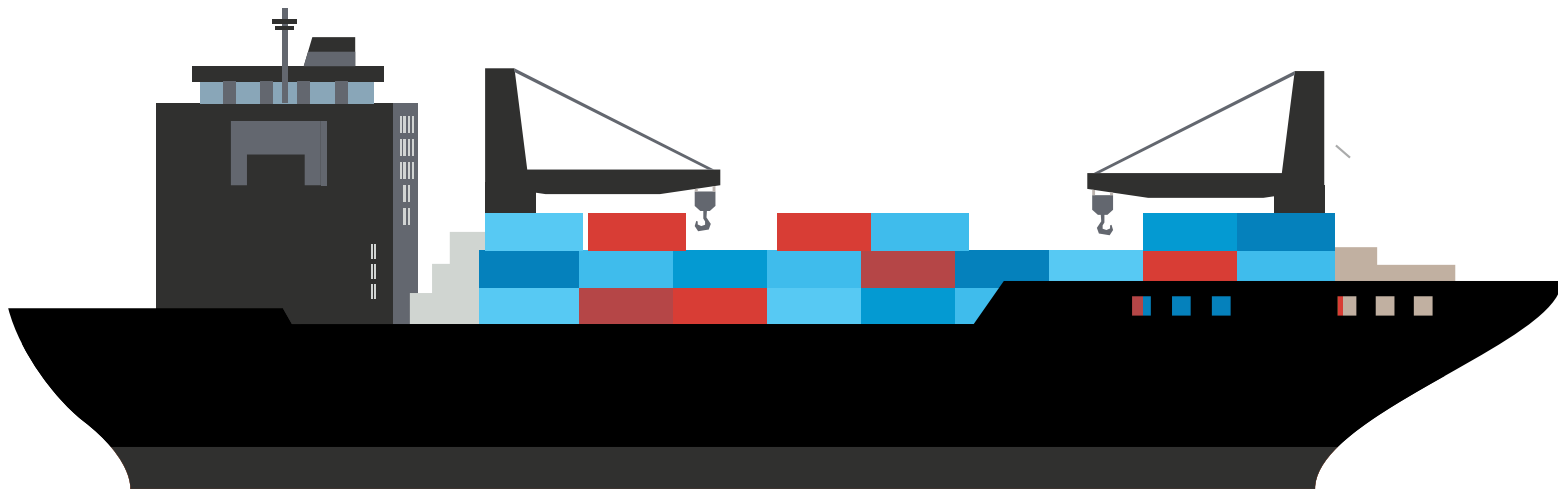
## NOTABLE CONSIDERATIONS

- Have key players in the supply chain involved in the process
- Make sure data is being gathered along all points in the supply chain
- Confirm that the data, rather than being silo'd, is being consolidated in single data platform



# COMMUNICATION

Finally, once a company has set its goals and got all the necessary players on board with them, it then needs to communicate them with its suppliers and customers. Companies that successfully and seamlessly go green tend to be extremely transparent with their new supply chain practices, making their data and reporting readily available.



# COMMUNICATION

As an MIT article on supply chain sustainability explains:



**“BE RADICALLY TRANSPARENT. REPORTING SHOULD ALLOW INTERESTED STAKEHOLDERS TO SEE WHERE MAJOR IMPACTS ARE OCCURRING IN THE SUPPLY CHAIN. WHEREVER PRACTICAL, MAKE THE DATA AND ANALYSIS UNDERPINNING THE MEASUREMENT AND REPORTING PUBLICLY AVAILABLE. MANY EXAMPLES OF HOW AND WHY UNILEVER EMBRACED RADICAL TRANSPARENCY IN ITS SUPPLY CHAIN ARE AVAILABLE.”**



# COMMUNICATION



## NOTABLE CONSIDERATIONS

- Make transparency central to communication
- Ensure data on supply chain operations is easily and widely available

# SOURCES

<https://www.supplychaindigital.com/supply-chain-management/sustainability-supply-chain>

<https://sloanreview.mit.edu/article/a-three-point-approach-to-measuring-supply-chain-sustainability/>

<https://www.greenbiz.com/blog/2014/01/24/6-steps-more-sustainable-supply-chain>

