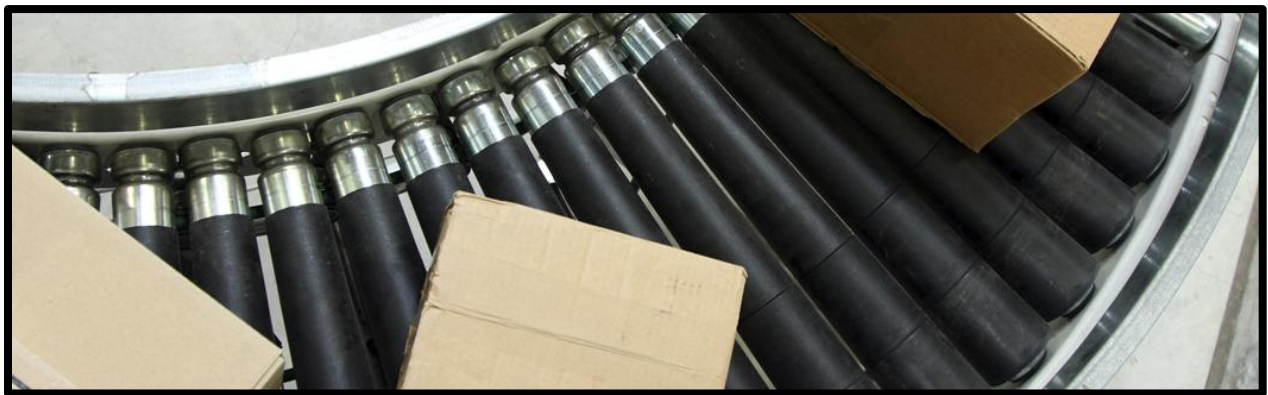


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2degrees Sustainability Essentials

The 2degrees Sustainability Essentials Series provides the necessary guidance to a range of topics, for companies at the start of their sustainability journeys, or for 2degrees members who are new in their roles. Think of it as a short course or a "beginner's guide to" sustainability issues. This document highlights what you need to know about supply chain sustainability.



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Supply Chain Management

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Definitions

Supply Chain

A system of organizations, people, technology, activities, information and resources involved in moving a product or service from supplier to customer. Supply chain activities transform natural resources, raw materials and components into a finished product that is delivered to the end customer.

Supply Chain Sustainability

The management of environmental, social and economic impacts, and the encouragement of good governance practices, throughout the lifecycles of goods and services. The objective of supply chain sustainability is to create, protect, and grow long-term environmental, social and economic value for all stakeholders involved in bringing products and services to market.

Supply Chain Carbon Footprint

The total set of greenhouse gas (GHG) emissions across the supply chain of a product or service.

Sustainable Procurement

A process of purchasing goods and services that takes into account the social, economic and environmental impacts that such purchasing has on people and communities. This requires considerations of what products are made of, where they have come from, who has made them, how they are transported and how they are eventually disposed of. This can extend to considerations as to whether the purchase needs to be made at all.

Supplier Sustainability Assessment

An assessment of supplier sustainability, usually at the request of a buyer, which provides the opportunity to highlight important steps suppliers are taking toward sustainability. Assessments usually relate to factors including: energy and climate, material efficiency, nature and resources and people and community.

Stakeholder

A person, group, organization, or system that affects or can be affected by an organization's actions.

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Supply Chain Transparency

This captures the extent to which information about the companies, suppliers and sourcing locations is readily available to end-users and other companies in the supply chain. Transparency has become increasingly important for supply chains, as consumers want to know the origin of products and services. Organic foods and “conflict-free” diamonds are some of the items that require all supply chain partners to ensure traceability of goods.

Life Cycle Assessment

A technique to assess environmental impacts associated with all the stages of a product's life from-cradle-to-grave (i.e., from raw material extraction through materials processing, manufacture, distribution, use, repair and maintenance, and disposal or recycling).

Sustainability: It's all about the supply chain

There are numerous reasons why companies begin to examine the sustainability of their supply chain. Primary among them is to ensure compliance with laws and regulations and to adhere to and support international principles for sustainable business conduct. In addition, companies are increasingly taking actions that result in better social, economic and environmental impacts because society expects this and because there are business benefits to doing so. By seeking to improve environmental, social and economic performance along with good governance throughout supply chains, companies act in their own interests, the interests of their stakeholders and the interests of society at large.



Adapted from: [Supply Chain Sustainability: A Practical Guide to Continuous Improvement](#), UN Global Compact & BSR, 2010.

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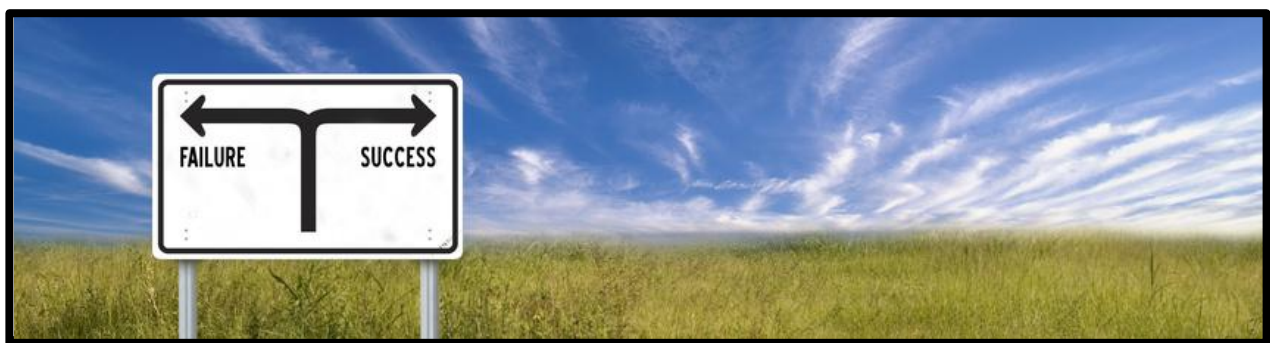
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Major supply chain challenges

In [the 2degrees Supply Chain Survey 2010](#), the following challenges emerged as the most pressing to organizations:

- **Supplier engagement**
How can companies balance the carrot and the stick? If your company represents just a small portion of a supplier's business, how do you get them on board your sustainability agenda?
- **Data and information management**
Data overload, problems with consolidation, and multiple emissions factors are a few of the issues that complicate the data management process.
- **Assurance & reporting**
Within complex global supply chains, how can companies effectively monitor sustainability at sub-supplier level, or those providing various materials to manufacturers who then actually make the goods on shelves?
- **Consumer engagement around supply chain sustainability**
How can companies effectively communicate with their customers about supply chain sustainability?
- **Global standards**
It is difficult to understand the proliferation of standards, protocols and certifications. Which one is right for you?
- **Labor standards**
Organizations must ensure their suppliers do not just agree on paper; how can you get them to understand and live up to the standards expected?

For more information on the results of the 2010 2degrees Supply Chain Survey, access the webinar recording: [Overcoming challenges in supply chain sustainability - trends and opportunities](#).



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You have come to the end of the 2degrees Sustainability Essentials Preview of;

[‘Sustainable Supply Chain Management’](#)

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About 2degrees

2degrees is the world's largest community for sustainability. We offer networking, content and bespoke intelligence to over 16,000 public and private sector members, from 6,000+ organizations and 100+ countries around the world. As a managed community, we actively bring together our qualified business leaders, policy experts and academics in support of a shared goal: to accelerate the delivery of solutions to sustainability's most pressing challenges.