

Environmental Supply Chain Sustainability: Tactics, Benefits and Barriers

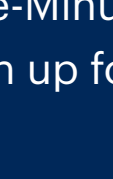


As sustainability moves from buzzword to brand requirement, how are leaders building more environmentally sustainable supply chains, and what barriers are they facing?

One-Minute Insights:



Leaders rely upon sustainability assessments to understand the environmental impact of their current supply chain practices and identify areas for improvement, but may not be performing them thoroughly enough



A lack of regulatory clarity, resistance to change and a lack of supply chain transparency remain key barriers in improving supply chain sustainability



Leaders remain split on the importance of sustainable supply chains, and many rate their organizations sustainability practices as fair to poor

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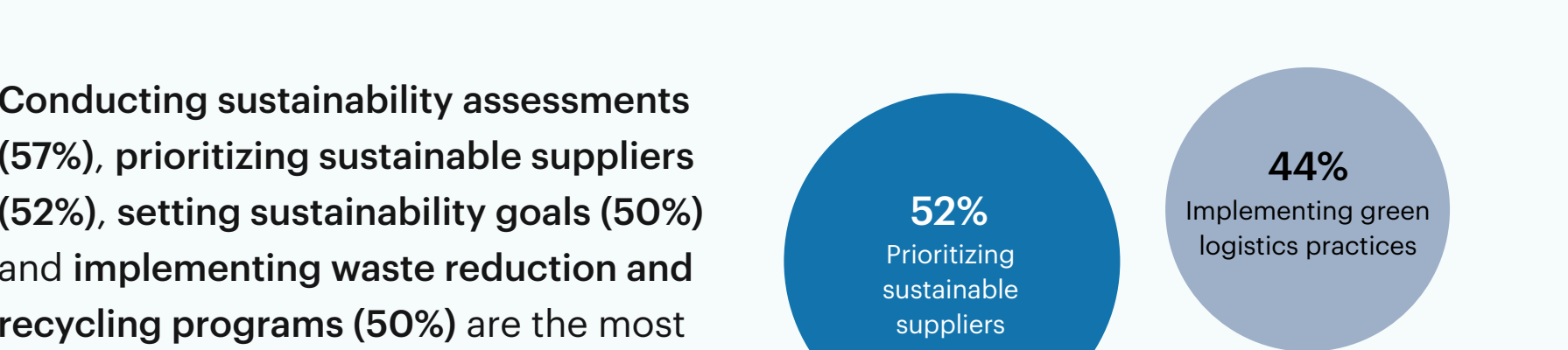
Data collection: February 11, 2023 - August 10, 2023

Respondents: 100 supply chain and operations leaders with an awareness of environmental supply chain sustainability

Supply chain sustainability is no longer in its infancy, but leaders are split on its importance

47% of respondents say their organization has been **implementing environmentally sustainable practices** across its supply chain for 1-3 years.

How long has your company been implementing environmentally sustainable practices across its supply chain?



Conducting sustainability assessments (57%), prioritizing sustainable suppliers (52%), setting sustainability goals (50%) and implementing waste reduction and recycling programs (50%) are the most commonly selected ways supply chain organizations are improving their environmental sustainability.

What steps has your company taken, or plan to take, to improve the environmental sustainability of its supply chain? Select all that apply.

Optimizing transportation **39%** | Encouraging the use of environmentally friendly packaging materials and design products **38%** | Regularly monitoring and reporting on our sustainability performance **21%** | None of these **0%** | Other text **0%**

n = 99

Note: May not add up to 100% due to rounding

Respondent pool excludes those who selected "Not applicable, we do not plan to implement social sustainability practices" to the question "How long has your company been implementing environmentally sustainable practices across its supply chain?"



Over three-quarters of respondents (**78%**) say that companies have a responsibility to **ensure their supply chain practices are environmentally responsible**.

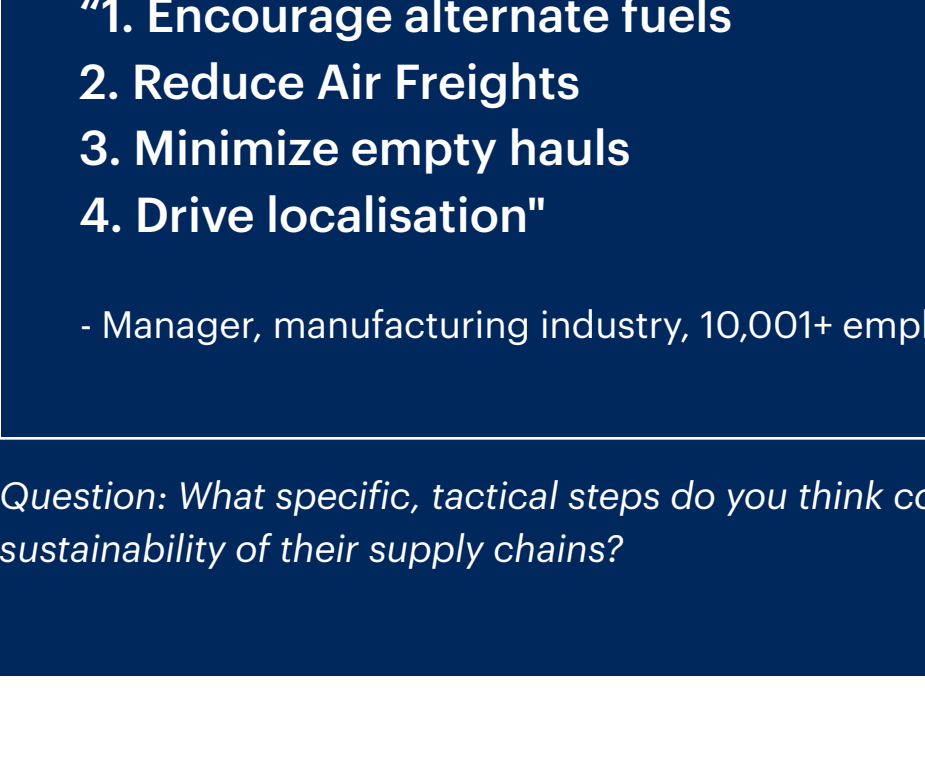
Do you believe that companies have a responsibility to ensure that their supply chain practices are environmentally sustainable?

n = 100



36%

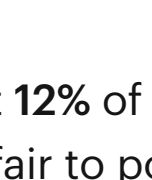
Somewhat important



However, fewer than two-thirds of respondents (**59%**) say it is very important for companies to **implement environmentally sustainable supply chain practices**.

In your opinion, how important is it for a company to implement environmentally sustainable supply chain practices?

n = 100



**"1. Encourage alternate fuels
2. Reduce Air Freight
3. Minimize empty hauls
4. Drive localisation"**

- Manager, manufacturing industry, 10,001+ employees

Question: What specific, tactical steps do you think companies can take to improve the environmental sustainability of their supply chains?

Many organizations still suffer from significant gaps in their sustainability verification processes

Just **12%** of respondents rate their company's supply chain as **excellent**, while 42% say it's fair to poor.

How would you rate the environmental sustainability of your company's supply chain?



Respondent pool excludes those who selected "We have not implemented socially sustainable practices yet, but we plan to" or "Not applicable, we do not plan to implement social sustainability practices" to the question "How long has your company been implementing environmentally sustainable practices across its supply chain?"

Just under half of respondents (**46%**) say they verify the environmental sustainability of their supply chain through both **external audits and internal assessments**, while 31% rely on internal assessments alone.

How does your company verify the environmental sustainability of its supply chain?

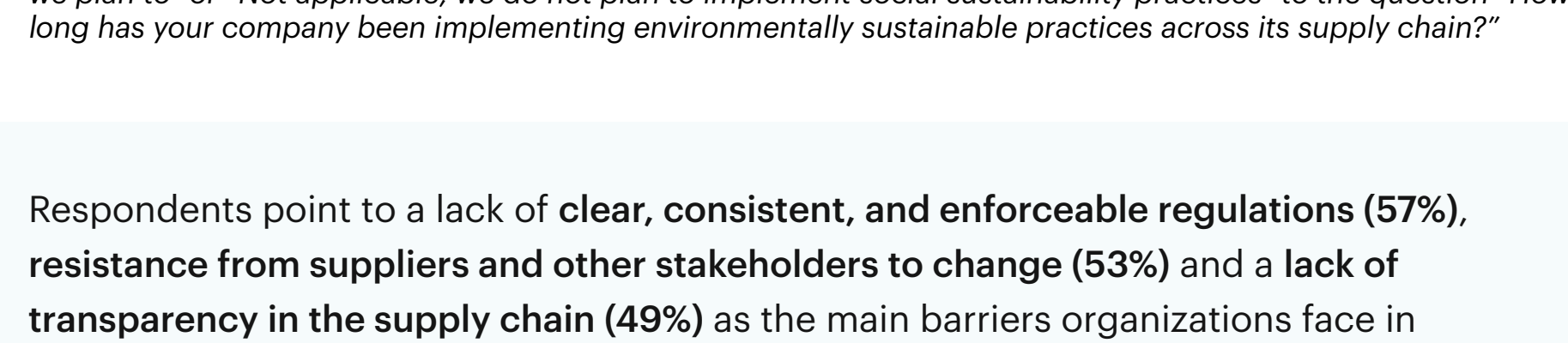


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While environmentally sustainable supply chain practices help decrease risk and improve brand images, lack of regulatory clarity and a resistance to change present major challenges

Reduced environmental and social risks (63%), positive impacts on local communities (54%) and improved reputation and brand image (52%) were the most commonly selected benefits of implementing environmentally sustainable supply chain practices.

What benefits have you seen as a result of implementing environmentally sustainable supply chain practices? Select all that apply.



Note: May not add up to 100% due to rounding

Respondent pool excludes those who selected "We have not implemented socially sustainable practices yet, but we plan to" or "Not applicable, we do not plan to implement social sustainability practices" to the question "How long has your company been implementing environmentally sustainable practices across its supply chain?"

Respondents point to a lack of **clear, consistent, and enforceable regulations (57%)**, resistance from suppliers and other stakeholders to change (**53%**) and a **lack of transparency in the supply chain (49%)** as the main barriers organizations face in ensuring an environmentally sustainable supply chain.

What are the main barriers organizations face in ensuring an environmentally sustainable supply chain? Select up to 3.



Different cultural and legal contexts across different countries and regions, make it challenging to implement a consistent approach to socially sustainable practices **39%** | Short-term focus on cost cutting **24%** | Lack of executive interest **19%** | Lack of awareness **17%** | Complexity **14%** | None of these **0%** | Other text **0%**

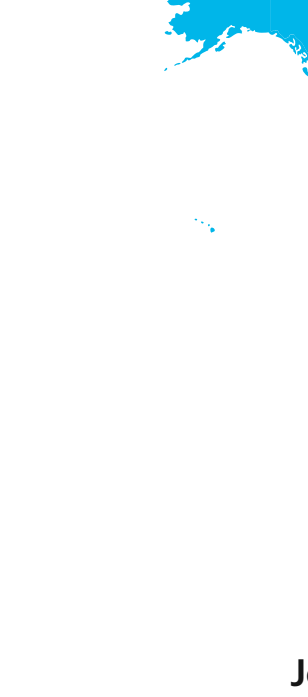
n = 100



"More and more regulations will be forced on shippers [to] improve environmental sustainability. Companies which act fast on this space will have competitive advantage"

- Manager, manufacturing industry, 10,001+ employees

Question: Do you have any final thoughts to share on environmental supply chain sustainability?

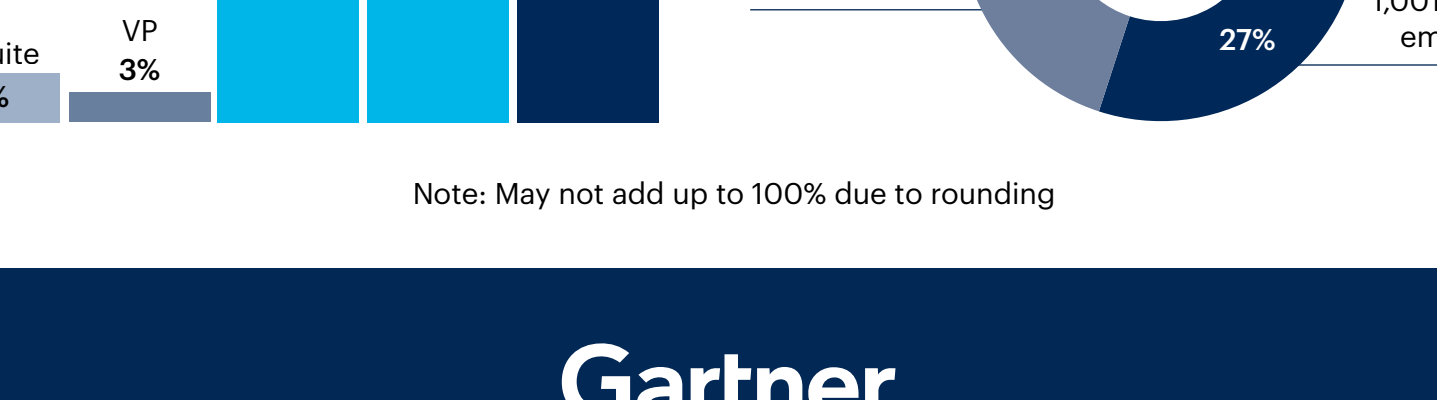


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Respondent Breakdown

Region



Job Level

Company Size

