

# Emerging Trends and Practices in Supply Chain Environmental Management

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Business for Social Responsibility



# Business for Social Responsibility

- A U.S.-based global trade association with more than 1,400 member and affiliated companies, accounting for more than \$1.5 trillion in revenues and six million workers.
- Core competencies include: community involvement, environment, governance, human rights, and workplace practices.

# BSR's Work in Supply Chain Environmental Management

- Benchmarking study for GM
- Established Supply Chain Working Group of 12 companies (GM, Home Depot, Nike)
- Conducted supplier EMS training overseas
- Facilitated supplier meetings
- Consulting on SCEM policies and programs
- Supply Chain Environmental Network

# Examples of Companies Engaged in SCEM Activities

- Companies across diverse sectors engaged in environmental initiatives with suppliers:
  - ✧ Boeing
  - ✧ Hewlett-Packard
  - ✧ McDonald's
  - ✧ S.C. Johnson and Sons
  - ✧ Volvo
  - ✧ Xerox

# Supply Chain Trends Driving SCEM

- Cooperative partnership model superceding traditional adversarial model.
- Companies moving towards fewer suppliers engaged in longer-term partnerships.
- Companies looking for increasingly diverse value from suppliers beyond price (e.g., quality, service, innovation, social responsibility)

# Environmental Trends Driving SCEM

- Continued increasing environmental expectations worldwide
- Increasing focus on environmental impacts outside manufacturing facilities, to encompass entire product lifecycle
- Increasing interest among advocacy groups, public, and customers in suppliers' labor practices and environmental performance

# Selected Business Benefits of SCEM

- Cost savings
- Risk management
  - ✧ Supply chain interruptions
  - ✧ Brand image
  - ✧ Product regulations/market access
- Enhanced quality, productivity, and innovation
- New business opportunities

# Types of SCEM Activities

- Policies and communication materials
- Certification to external standards
- Questionnaires and audits
- Supplier meetings
- Training and technical assistance
- Restructuring relationships
- Reverse logistics and “closing the loop”



# Characteristics of Effective SCEM Programs

- Cross-functional
- Linked to existing processes for supply chain management (e.g., quality)
- Strong internal & external communication
- Collaborative
- Linked to key business objectives