6 FACTORS SHOWING SUPPLY CHAIN SUSTAINABILITY

Studies show that up to 90% of a company's sustainability impact originates in their firm's supply chain.[1] As a result, corporations are looking closely at their supply chains through the lens of environmental, social, and corporate governance (ESG) issues.

To help identify the hidden ESG risks in supply chain management, this infographic breaks down six factors for identifying strong and weak sustainability traits in any organization.

SUPPLY CHAIN SUSTAINABILITY

	WEAK	STRONG
#1 Risk Management	Increased likelihood of unexpected financial and reputational risks	Greater ability to identify, avoid, and manage risks, including distributing risk through enhanced supplier collaboration
#2 Operations	Unstable access to raw materials and increased chance of disruption to supply chain	Reduced incidences and/or impact of supply chain disruptions
#3 Reputation	Increased reputational risks, including loss of brand value due to controversial events	Builds brand loyalty among customers and increases ability to operate without disruption or negative media attention
#4 Costs	Increased costs related to supply chain disruptions	Reduced costs due to increased efficiency and productivity
#5 Shareholder Value	Potential decrease in shareholder value due to higher costs and impacts of controversial events on share value	Potential increase in shareholder value due to lower costs and reduced reputational and financial risks
#6 Human Resources	Increased likelihood of workforce instability (e.g., strikes, low retention rates)	Decrease in employee turnover and greater stability in workforce

LEARN MORE about the hidden risks in your supply chain by reading our latest ebook, Future-Proofing Supply Chains: Supply Chain Sustainability and Key Trends in 2022.

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References

[1] Bové, A. and Swartz, S. (2016), 'Starting at the source: Sustainability in supply chains,' McKinsey & Company, accessed (12.01.21) at: https://www.mckinsey.com/business-functions/sustainability/our-insights/starting-at-the-source-sustainability-in-supply-chains

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