



Sustainable supply chains

Proposed measures for designing and optimising a sustainable supply chain

Note: The following list provides an **overview of pragmatic measures for designing and optimising a sustainable supply chain**. The list is by no means exhaustive and does not cover all possible measures. Companies can also develop (additional) measures in cooperation with other companies, at industry level and in collaboration with civic organisations.

Experience has shown that companies tend to choose between **several basic fields of action** when implementing sustainable supply chain management measures. The list of measures below is based on this assumption. It is incorporated in the **process logic of the [starter kits](#)**.

1. Ensuring oversight, coordination and operational implementation within the company: The company checks which existing measures and processes can already be internally applied as part of sustainable supply chain management, or which need to be modified or reimplemented. This step is key when it comes to laying the internal groundwork for sustainable supply chain management. → ***This field of action particularly relates to process stages 1 to 3 in the starter kit.***

2. Reviewing and providing support to suppliers: The company communicates its requirements to its suppliers. Requirements for suppliers are made binding. The company then checks whether the requirements are implemented by the suppliers. Building on this, the company provides suppliers with training and implements other measures to raise their awareness of sustainability issues and improve their sustainability performance. → ***This field of action relates to process stage 3 in the starter kit.***

3. Measuring the impact of measures and communicating corporate action: Successful sustainable supply chain management depends on the effectiveness of the implemented measures. A systematic approach needs to be adopted to measure the impact of measures, clarify which type of measures need to be reviewed, which sources of information are available, and how the effectiveness of the measures will be measured. The company reports on its sustainable supply chain management to facilitate an internal and external dialogue with stakeholders and promote transparency. → ***This field of action relates to process stage 4 in the starter kit.***

4. Recording grievances and improving processes: Sustainable supply chain management aims to help improve the situation of affected parties along the supply chain in addition to the environmental performance of suppliers. In order to accomplish this, (potentially) affected parties along the supply chain must be given the opportunity to submit grievances. Smaller companies, in particular, can often find it challenging to record grievances along the supply chain. Adopting a systematic approach is therefore key. → ***This field of action relates to process stage 5 in the starter kit.***

Field of action: Ensuring oversight, coordination and operational implementation within the company			
Measure	Goal(s)	Responsible party	Success factors
Analysing existing processes and structures in the company with regard to sustainable supply chain management.	<ul style="list-style-type: none"> Identifying ways in which sustainable supply chain management can be established in the company with regard to organisation and processes Fully utilising established processes and existing knowledge 	<ul style="list-style-type: none"> Sustainability officer 	<ul style="list-style-type: none"> Involving the relevant departments at an early stage to avoid any obstacles
Querying the level of knowledge/existing expertise with regard to sustainable supply chain management in different company departments	<ul style="list-style-type: none"> Fully utilising existing knowledge Identifying areas that show potential for improvement with regard to sustainable supply chain management in the departments 	<ul style="list-style-type: none"> Sustainability officer 	<ul style="list-style-type: none"> Justifying why it is relevant to the company to give it more thought
Conducting an inventory/risk analysis with regard to sustainability along the supply chain	<ul style="list-style-type: none"> Obtaining a better understanding of risks (and opportunities) that currently exist (without sustainable supply chain management) Identifying key areas 	<ul style="list-style-type: none"> Sustainability officer Involvement of all relevant employees 	<ul style="list-style-type: none"> Utilising existing knowledge (publications, industry knowledge, etc.) See also: Bavarian Environment Agency Starter Kit tool
Specifying the parties responsible for the issue at management level	<ul style="list-style-type: none"> Ensuring and highlighting the importance of the issue within the company Establishing an oversight role 	<ul style="list-style-type: none"> Management Sustainability officer 	<ul style="list-style-type: none"> Direct involvement of management
Including aspects related to sustainability in the risk management information process	<ul style="list-style-type: none"> Implementing sustainability issues as part of the risk analysis 	<ul style="list-style-type: none"> Sustainability officer Purchasing 	<ul style="list-style-type: none"> Treating sustainability issues with the same importance as other issues
Establishing team for sustainable supply chain management	<ul style="list-style-type: none"> Encouraging collaboration between individual departments on the topic of sustainable supply chain management Pooling expertise from different areas of the company 	<ul style="list-style-type: none"> Management Corporate/product development Purchasing Logistics Sustainability officer 	<ul style="list-style-type: none"> Assigning roles to stakeholders and identifying their importance in designing the sustainable supply chain

Field of action: Ensuring oversight, coordination and operational implementation within the company			
Training departments and commodity group buyers on sustainable supply chain management issues	<ul style="list-style-type: none"> Raising awareness on the topic among employees Assigning roles 	<ul style="list-style-type: none"> Sustainability officer HR department External coaches 	<ul style="list-style-type: none"> Communicating in a way that clearly references the work going on in the departments

Field of action: Ensuring oversight, coordination and operational implementation within the company (continued)			
Measure	Goal(s)	Responsible party	Success factors
Developing and writing a mission statement for sustainable supply chain management	<ul style="list-style-type: none"> Providing guidance to management, employees and suppliers on the importance of sustainable supply chain management 	<ul style="list-style-type: none"> Management Sustainability officer 	<ul style="list-style-type: none"> Integrating the new mission statement into the existing corporate mission statement (if available) Communicating the mission statement to employees and other stakeholders
Integrating sustainability criteria into the product development processes	<ul style="list-style-type: none"> Taking sustainability criteria into account during product development Using more sustainable product components (avoiding certain raw materials, using complementary products and recycled materials, etc.) 	<ul style="list-style-type: none"> Product development Purchasing Sustainability officer Production department 	<ul style="list-style-type: none"> The availability of alternatives for product components/materials must Involvement of the Development department
Linking sustainability targets to existing remuneration and incentive schemes	<ul style="list-style-type: none"> Improving the sustainable conduct of employees 	<ul style="list-style-type: none"> Sustainability officer HR department Controlling 	<ul style="list-style-type: none"> Establishing measurable and verifiable indicators
Participating in supply chain-specific sustainability competitions	<ul style="list-style-type: none"> Promoting workforce motivation by recognising achievements 	<ul style="list-style-type: none"> Sustainability officer Marketing 	<ul style="list-style-type: none"> Checking which competitions are relevant/expedient
Reviewing corporate principles	<ul style="list-style-type: none"> Integrating sustainability issues (including human rights issues) into corporate principles 	<ul style="list-style-type: none"> Sustainability officer Communications department 	<ul style="list-style-type: none"> Clarifying whether using a stand-alone document or integrating the new corporate principles into existing documentation is more logical

Field of action: Reviewing and providing support to suppliers			
Measure	Goal(s)	Responsible party	Success factors
Developing a Code of Conduct for suppliers	<ul style="list-style-type: none"> • Providing guidance to management, employees and, above all, suppliers on the importance of sustainable supply chain management • Making the company's sustainability requirements clear to suppliers 	<ul style="list-style-type: none"> • Management • Sustainability officer • Purchasing department 	<ul style="list-style-type: none"> • Creating an ambitious yet achievable Code of Conduct • The requirements should be binding and there should be consequences for failure to adhere to them
Integrating sustainability criteria into the procurement process	<ul style="list-style-type: none"> • Creating greater transparency with regard to the origin of materials and existing environmental standards, which consequently enables the implementation of targeted measures to improve environmental performance on site • Conflict-free procurement with lower risk 	<ul style="list-style-type: none"> • Management • Purchasing • Sustainability officer • Production department 	<ul style="list-style-type: none"> • Presenting conflicting goals (price "vs." sustainability) to management and discussing the approach to take • See also: "Supplier evaluation – recommended guidelines" tool
Including sustainability topics in the supply contract	<ul style="list-style-type: none"> • Making sustainability binding 	<ul style="list-style-type: none"> • Contract management 	<ul style="list-style-type: none"> • Using the Code of Conduct (as an annex to the contract or by adopting key elements). • See also: "Supplier Code of Conduct – Template" tool

Field of action: Reviewing and providing support to suppliers (continued)			
Measure	Goal(s)	Responsible party	Success factors
Obtaining self-assessment from suppliers	<ul style="list-style-type: none"> Gathering information on the sustainability of suppliers and how they handle risks (and whether steps need to be taken to improve their performance or additional assessment processes are required) Self-assessment of the supplier's situation, with the introduction of improvement measures, if applicable 	<ul style="list-style-type: none"> Sustainability officer Purchasing department 	<ul style="list-style-type: none"> Establishing internal processes to facilitate an analysis of the available information Compare with the results of company's assessment of the situation See also: Starter kit tool
Conducting supplier sustainability audits	<ul style="list-style-type: none"> Obtaining an informative overview of supplier sustainability performance Identifying precise starting points for potential improvements 	<ul style="list-style-type: none"> Sustainability officer Purchasing department Auditors (external, if necessary) 	<ul style="list-style-type: none"> Accounting for the results of the assessment when deciding which suppliers need to be audited (focusing on "at risk" suppliers, if applicable) See also: Starter kit tool
Collaborating in/utilising industry initiatives	<ul style="list-style-type: none"> Centralising/pooling supplier evaluations through an industry initiative 	<ul style="list-style-type: none"> Sustainability officer Purchasing department Company representative for industry initiatives 	<ul style="list-style-type: none"> Using an available industry initiative that covers this service

Field of action: Reviewing and providing support to suppliers (continued)			
Measure	Goal(s)	Responsible party	Success factors
Organising informational events on sustainability for suppliers	<ul style="list-style-type: none"> Familiarising suppliers with the topic 	<ul style="list-style-type: none"> Management Sustainability officer External coaches 	<ul style="list-style-type: none"> Support from management
Developing a corrective action plan for/with suppliers	<ul style="list-style-type: none"> Improving the sustainability performance of suppliers based on the potential identified in the assessment system 	<ul style="list-style-type: none"> Sustainability officer Purchasing External coaches 	<ul style="list-style-type: none"> Ability to influence suppliers (e.g. due to procurement volume)
Conducting risk analyses in collaboration with suppliers	<ul style="list-style-type: none"> Identifying risks in the supply chain beyond the level of direct suppliers 	<ul style="list-style-type: none"> Sustainability officer External coaches 	<ul style="list-style-type: none"> Pragmatic approach Using existing publications and databases Maintaining a close dialogue with suppliers
Providing technical support for process optimisation (e.g. processes to reduce emissions; implement product-related standards, e.g. in the paper or wood sector)	<ul style="list-style-type: none"> Recording tangible successes in pilot projects 	<ul style="list-style-type: none"> Sustainability officer External coaches 	<ul style="list-style-type: none"> Initiatives should result in measurable successes (e.g. improved energy efficiency).
Supplier training (e.g. on sustainability standards)	<ul style="list-style-type: none"> Improving supplier capacities to help them independently improve their sustainability performance 	<ul style="list-style-type: none"> Sustainability officer External coaches 	<ul style="list-style-type: none"> Developing engaging formats Partnership-based cooperation with suppliers

Field of action: Measuring the effectiveness of measures and communicating corporate action			
Measure	Goal(s)	Responsible party	Success factors
Developing a set of KPIs	<ul style="list-style-type: none"> Assessing the implementation status of sustainable supply chain management measures 	<ul style="list-style-type: none"> Sustainability officer Purchasing 	<ul style="list-style-type: none"> Selecting both company and supplier-specific KPIs Consistently analysing all sustainability topics
Implementing internal communication measures (e.g. in the newsletter or on the Intranet)	<ul style="list-style-type: none"> Raising awareness of the issue within the company Highlighting milestones achieved to date 	<ul style="list-style-type: none"> Sustainability officer HR department Communications department 	<ul style="list-style-type: none"> Involvement of management Communicating concrete successes
Including KPIs in product declarations/descriptions	<ul style="list-style-type: none"> Increasingly public transparency on the sustainability of products 	<ul style="list-style-type: none"> Sustainability officer Sales 	<ul style="list-style-type: none"> Using valid data
Publishing sustainability reports including information on: <ul style="list-style-type: none"> Sustainability impacts/risks along the supply chain. Risk analysis processes Supplier evaluation Implementation measures 	<ul style="list-style-type: none"> Increasingly transparency on the company's commitment to sustainability along the supply chain Identifying additional approaches for measures Positioning the firm as a sustainable company that tackles the issue as a whole 	<ul style="list-style-type: none"> Sustainability officer Purchasing in cooperation with marketing 	<ul style="list-style-type: none"> Precisely determining the target audience Using established reporting systems
Developing a traceability system for products (e.g. via QR code)	<ul style="list-style-type: none"> Increasingly transparency on the supply chain (origin, product composition) for customers 	<ul style="list-style-type: none"> Purchasing Sales Marketing 	<ul style="list-style-type: none"> Use valid data

Field of action: Recording grievances and improving processes			
Measure	Goal(s)	Responsible party	Success factors
Evaluating the outcome of risk analyses to identify groups of people to be covered by grievance system	<ul style="list-style-type: none"> Setting up the grievance mechanism suitable for the target audience 	<ul style="list-style-type: none"> Sustainability officer Personnel Compliance Customer relations and service departments 	<ul style="list-style-type: none"> Checking whether there are any particularly vulnerable groups among the (potentially) affected persons
Recording and documenting grievances	<ul style="list-style-type: none"> Gaining an overview of the various (possible) grievances in order to establish suitable channels 	<ul style="list-style-type: none"> Sustainability officer Personnel Compliance Customer relations and service departments 	<ul style="list-style-type: none"> Anticipating potential grievances Findings need be documented in a way that successfully categorises grievances, groups, and channels
Reviewing existing grievance mechanisms	<ul style="list-style-type: none"> Developing grievance management on the basis of existing processes 	<ul style="list-style-type: none"> Sustainability officer Personnel Compliance Customer relations and service departments 	<ul style="list-style-type: none"> Checking whether mechanisms that can be used have been established at association or multi-stakeholder
Reviewing the effectiveness of existing grievance mechanisms	<ul style="list-style-type: none"> Improving the effectiveness of grievance mechanisms 	<ul style="list-style-type: none"> Sustainability officer Personnel Compliance Customer relations and service departments 	<ul style="list-style-type: none"> Applying effectiveness criteria for systematic reviews See also: NAP Helpdesk on Business & Human Rights toolkit Effective Grievance Management



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