

How to Make Your Supply Chain Green

Organisations face growing scrutiny regarding their sustainability and supply chain transparency. This pressure does not just come from clients but also from larger corporations within their networks, whose sustainability metrics can be affected by the environmental performance of your organisation. Furthermore, your clients and their supply chains may also face scrutiny from those who want to understand more about their sustainability credentials before entering into business with them.

Undoubtedly, the suppliers we select to work with play a crucial role in ensuring an organisation meets its sustainability and net zero targets, especially in relation to the measurement of your organisation's emissions. These suppliers are not merely business partners; they are essential allies in reducing an organisation's emissions and serving as catalysts for the adoption of sustainable practices throughout the broader supply chain.

This checklist offers valuable insights to help you integrate net zero responsibility into your supply chain. It is critical that your organisation practices what it preaches and places the same expectation on yourself as you do with your suppliers.

1. Assess your supply chain

Assess your existing supply chain to pinpoint environmental impact sources, such as resource consumption and emissions. Then, establish precise and attainable sustainability objectives that align with overarching environmental goals. Once determined, transparently communicate your sustainability initiatives to stakeholders, considering frameworks like the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB) for progress reporting.

2. Supplier ethos

Does your supplier or prospective supplier have the same ambitions and policies as you in relation to climate action? When having initial conversations with prospective suppliers, it is important to understand what their ESG credentials are and their commitment to net zero. You can begin by asking them about their existing sustainability initiatives, emissions data and where they stand in their journey toward achieving net zero.

For longer term supplier relationships, start to incorporate sustainability and ESG questions into your annual review process. A yearly assessment will indicate whether your supplier's commitment and objectives continue to align with your own. If you start to see a disparity in ambition or a lack of action by your supplier, it would be wise to explore alternative supplier options.

3. Ask for evidence

Ask your supplies to present evidence of their ESG and climate commitment, this may include:

- A climate pledge taken
- Evidence of and data relating to emissions measurement
- Copy of emissions reduction plans, targets and commitments
- Introduction and adoption of climate aware policies
- Implementation of net zero strategies.

Demonstrating they are taking positive action, implementing non-oppositional climate policies and meeting sustainable goals ought to be embedded into your suppliers' strategy, pitch to you as client and not considered an afterthought.

4. Verification

Ask for further confirmation of the supplier's stated climate credentials where necessary. Ask for internal documents such as evidence of carbon reduction as well as any external or third- party validation (e.g., audit of carbon reduction, green labelling of products or services).

5. Take a whole-of-organisation approach

Speak to at least a couple of employees within the supplier's organisation to assess whether the commitment to sustainability is either skin deep or fully embedded. A supplier with a fully integrated approach should have demonstrable climate change policies and targets at board level as well as specific KPIs and behaviour change requirements at the employee level.

It is also important you educate your own employees on sustainability practices and involve them in your green supply chain initiatives. Engaged employees can help drive positive change.

6. Conditional supply agreements

Some of your suppliers will not be far advanced in their climate journey. Consider as an option granting them a 'conditional' contract that stipulates that the supplier will introduce specific, gradual changes over the term of the contract in relation to their net zero and sustainability practices and operations. Also consider using contracts that include sustainability clauses or incentives for green practices.

7. Quotation of products and services in carbon equivalents

At all times, suppliers may be required to quote the carbon equivalent data for their products or services. This information should be a relevant factor in supplier selection, alongside cost and other considerations. It should also serve as an ongoing performance indicator for suppliers. You may also want to consider setting carbon reduction goals for suppliers providing specific products or services over the contract's duration.

8. Paperless

Include within your supplier agreement that all dealings with the supplier will be paperless unless otherwise necessary. This should cover all communications, including the exchange of formal legal communications, issuing purchase orders, invoices and payment notifications. Contracts should also be required to be online/digital wherever possible.

9. Waste reduction

Encourage your suppliers to minimise waste and align with circular economy principles mirroring your own practices. Additionally, whenever feasible, prioritise the procurement of environmentally friendly products and services to further reduce unnecessary waste.

10. Sustainable transport

Advocate for suppliers to utilise eco-friendly transportation methods, including EV vehicles and exploring options like rail or public transport where possible.

11. Consider carbon offsetting

Consider investing in a carbon offsetting initiative to compensate for emissions that cannot be eliminated entirely from your supply chain. For more information on carbon offsetting, view our article on *'How offsetting can be part of your plan'* [here](#).

12. A final point...

Your organisation may also wish to consider integrating a similar vetting process for your clients and their supply chain. Assess whether taking on a client with poor sustainability practices could lead to a conflict of interest or ethical dilemma for your organisation. If representing such a client might oppose your organisation own values or professional ethics, it may be wise to decline the engagement.

It may be that requesting sustainability information from prospective clients becomes a standard part of your client intake process, however, remember that clients may have concerns about sharing sensitive sustainability information.

Remember that greening your supply chain is a long-term commitment that requires collaboration, ongoing monitoring, and a willingness to adapt to changing circumstances and technologies. It not only benefits the environment but can also lead to cost savings, improved brand reputation, and increased resilience in the face of environmental challenges.

About CAFA

Climate Action for Associations (CAFA) provides the information, guidance and certified solutions that membership organisations need internally and to support their members they represent. CAFA has a tailored service to help members of trade associations to measure, report and reduce their emissions in line with science-based targets. To find out more contact: alison@cafacollective.org or call 0424974737.