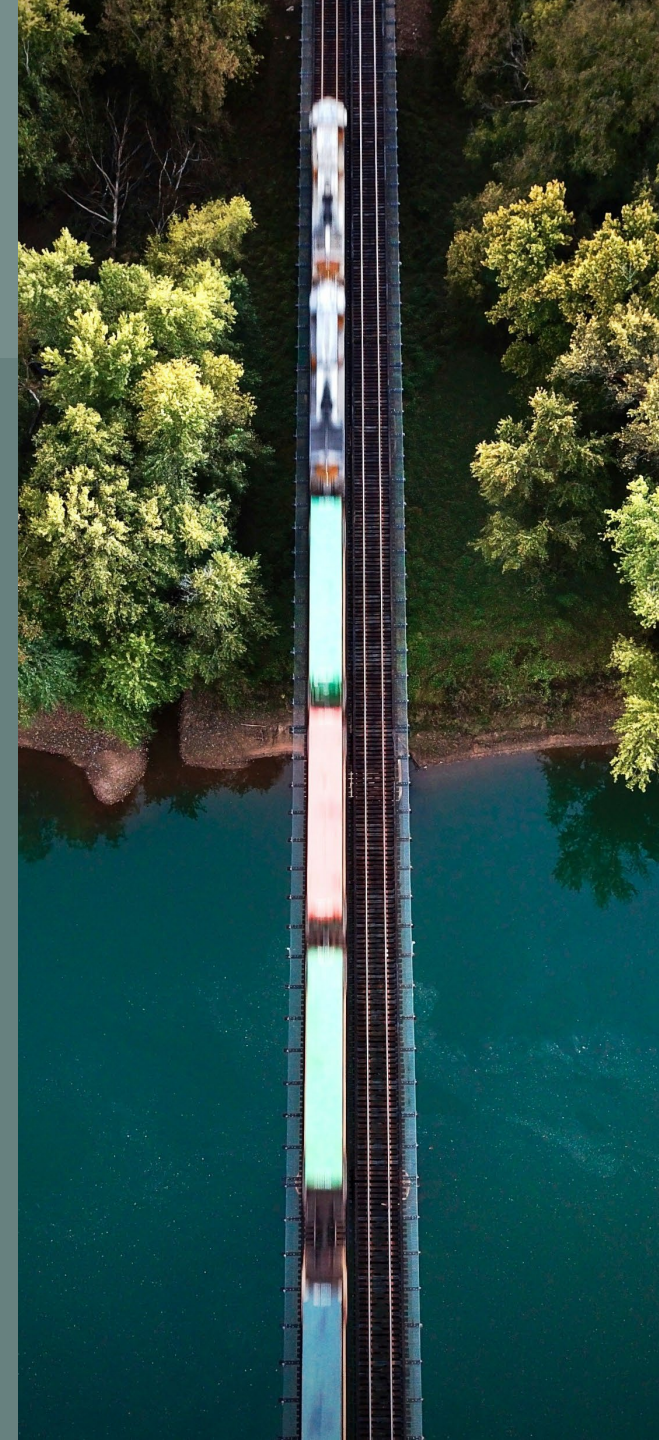


# Sustainable Supply Chains

An industry temperature check

February 2024



# Introduction to the Sustainable Supply Chains Survey



## **Purpose and goal with the survey**

Our primary objective with this survey is to gauge the maturity of environmental sustainability in supply chains, comprehend the challenges faced by organisations like yours, and identify opportunities in the sustainability transformation. The results will fuel knowledge-building and enrich conversations on supply chain sustainability, with industry-focused findings for deeper insights.

## *Key findings*

### **Current state and ambitions**

Over 50% of respondents consider supply chain sustainability as urgent, yet many struggle to implement practices across their value chain as current efforts focus on internal operations and energy. Driven by company values, customer expectations and regulatory compliance, many companies aim for net-zero emissions or excellence in sustainable supply chain practices.



### **Challenges and barriers**

Among the key challenges and barriers companies face in integrating sustainability into their supply chain include finding cost-effective solutions, addressing customer willingness to pay, ensuring supplier capabilities, enhancing supply chain visibility and building internal capabilities.



### **Opportunities**

The results show that many companies see integrating sustainability into their supply chains not only as a challenge but also as an opportunity for cost savings, improved collaboration, innovation, and market differentiation. They have the chance to focus their efforts where they perceive the greatest impact, particularly in sourcing, transportation, and manufacturing.



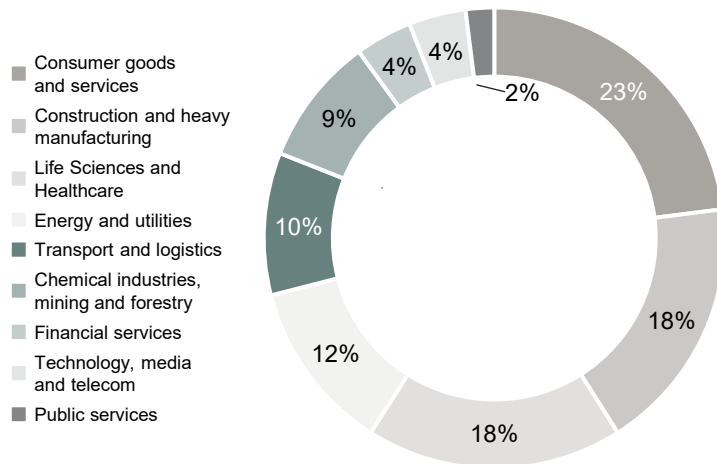
~100 supply chain professionals have assessed their supply chains from a sustainability perspective. And this is what they answered.

# Our survey respondents span various industries and hold diverse roles within their respective companies

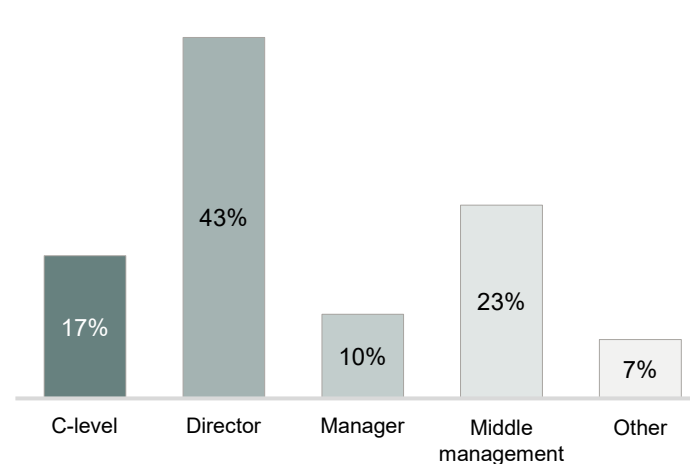
## Number of respondents

~ 1000

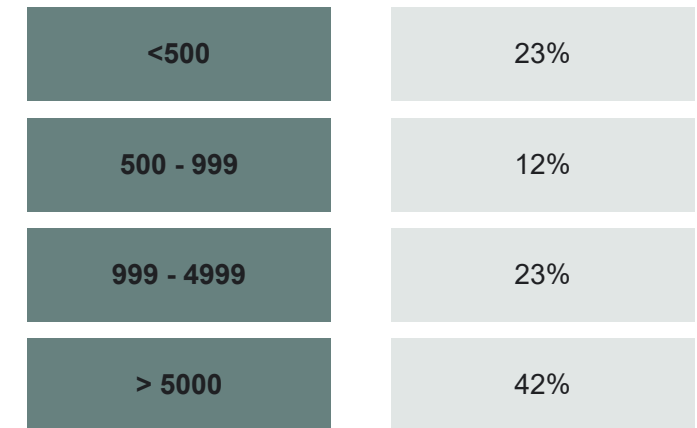
### Industry



### Role in company



### Company size (employees)



# Sustainability in supply chains

```
graph LR; A((Current state & Ambitions)) --- B((Challenges & Barriers)); B --- C((Opportunities)); C --- D((Industry deep-dives));
```

Current state  
& Ambitions

Challenges  
& Barriers

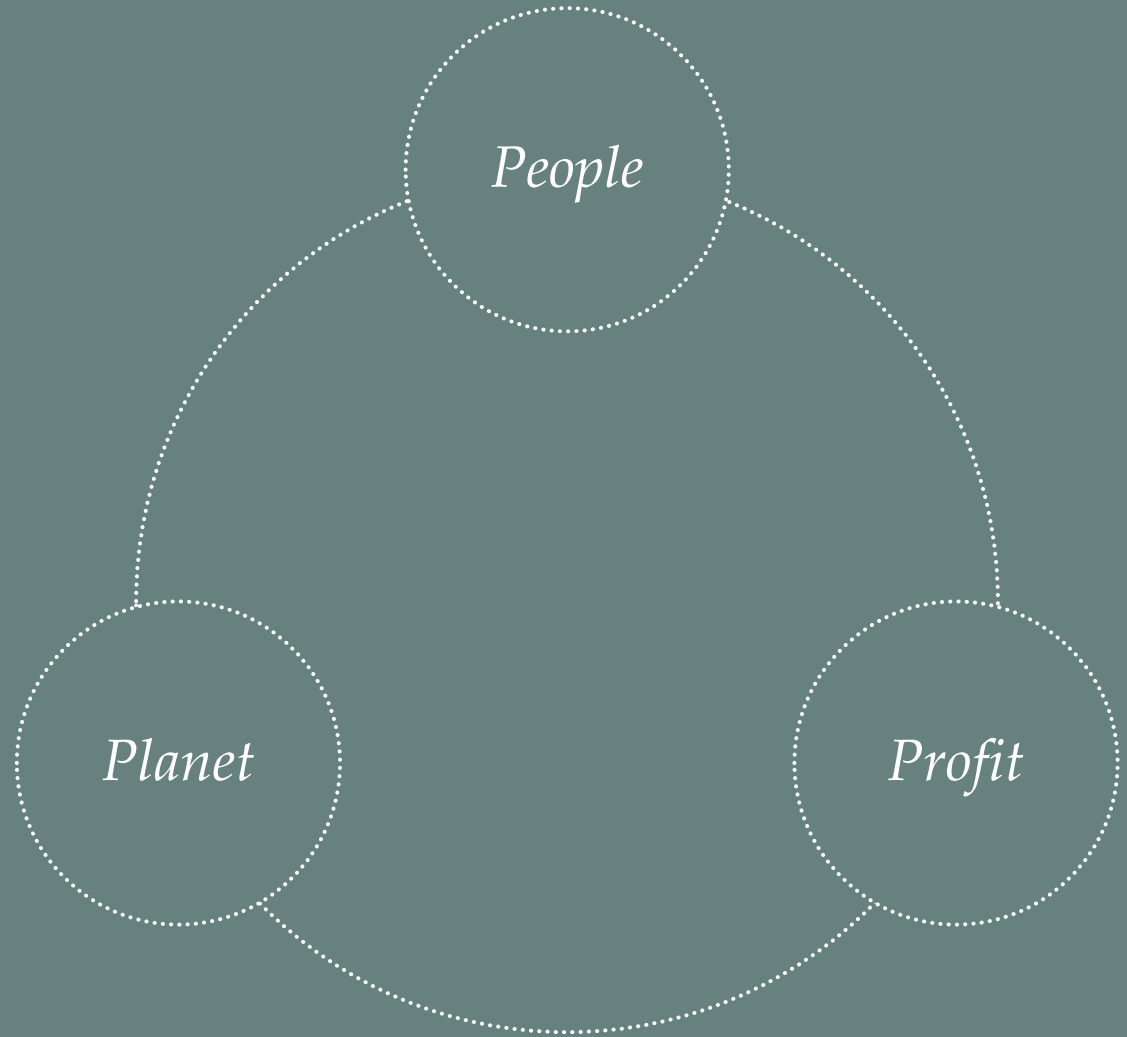
Opportunities

Industry  
deep-dives

More than

# 50%

Of the respondents say that supply chain **sustainability is business critical** to them now or that they are already falling behind

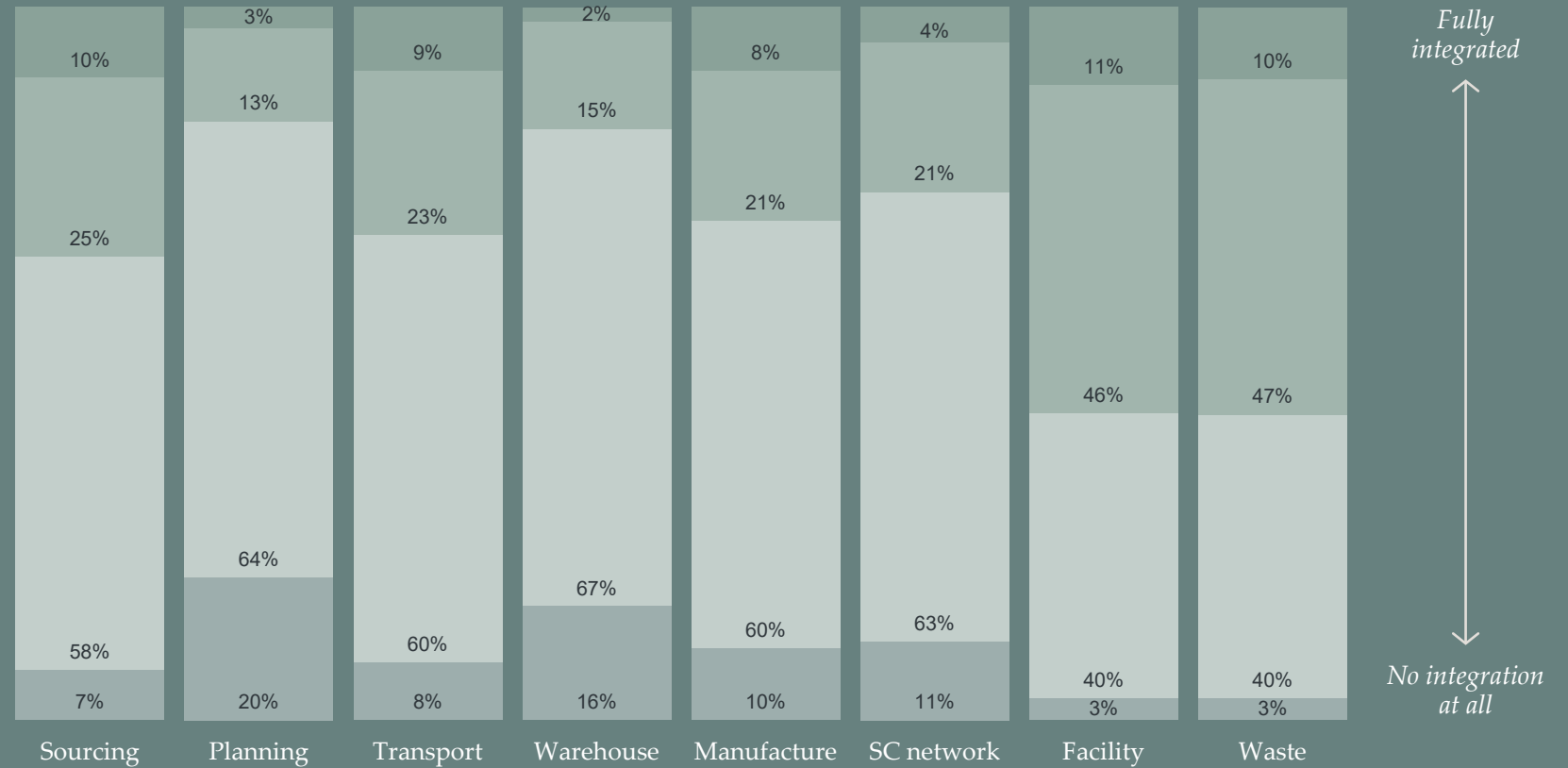




Some years ago, it was a competitive advantage but now it's a minimum requirement if we want to remain relevant in the market

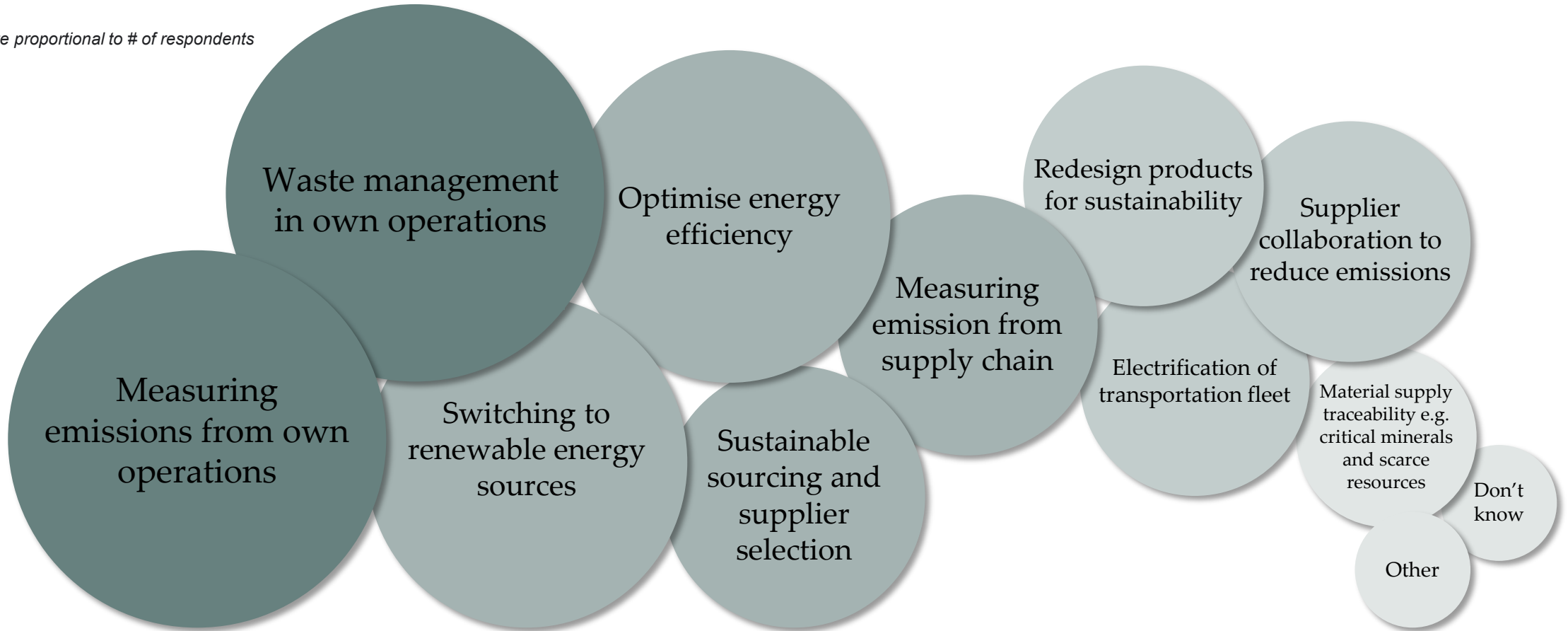
The extent that companies have integrated  
*environmental sustainability* into their supply chain

Many  
companies are  
still *struggling*  
to implement  
*sustainable*  
supply chain  
practices across  
their value  
chain

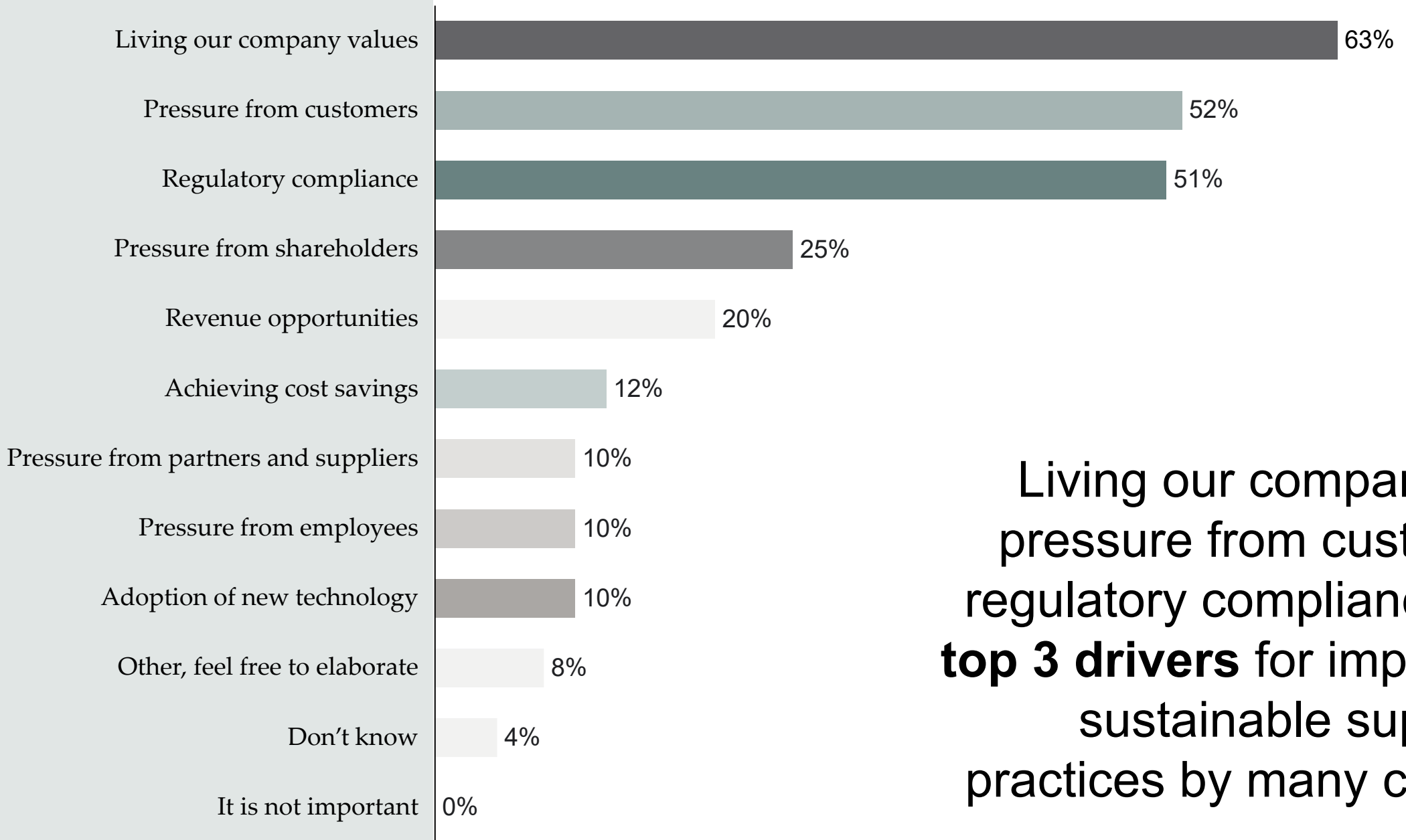
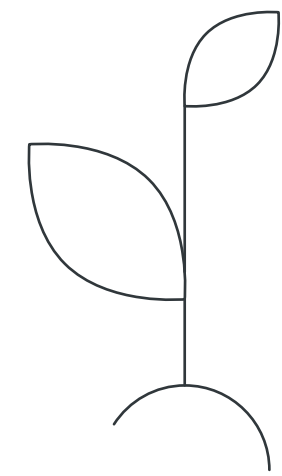


# Sustainable supply chain practices that companies are currently working with are predominantly actions within their own operations and with regards to energy

Circle size proportional to # of respondents



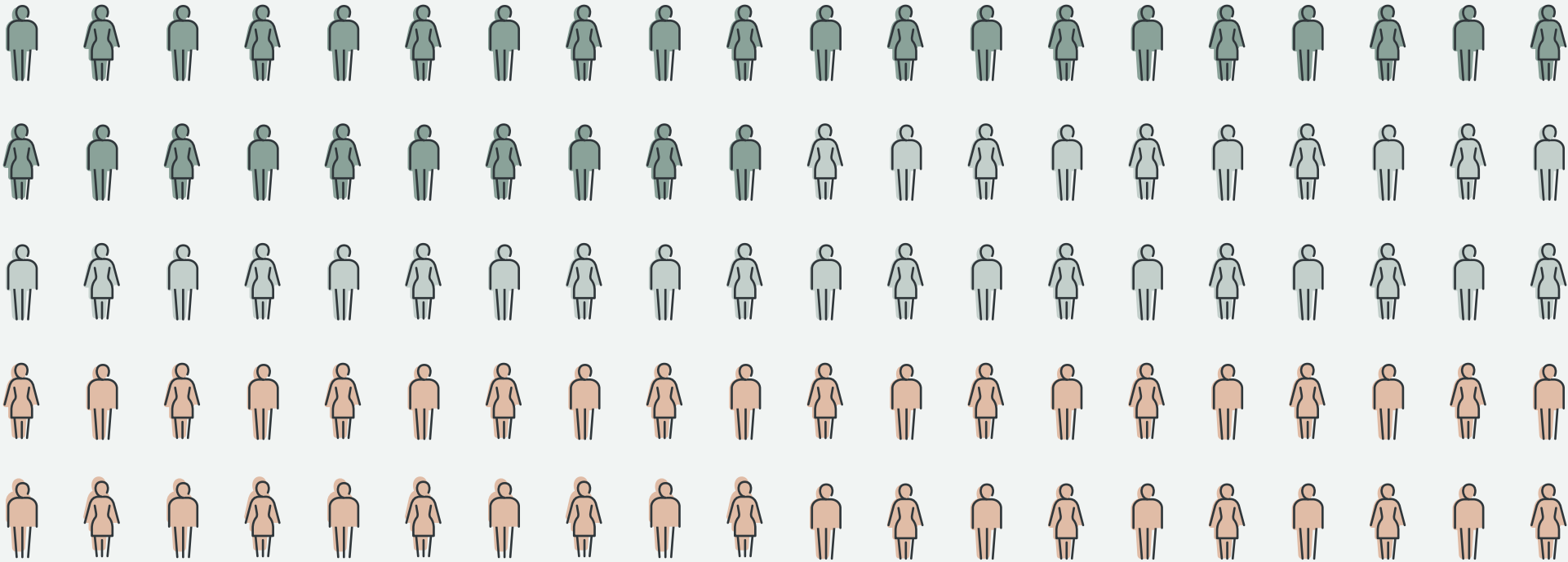




Living our company values, pressure from customer and regulatory compliance are the **top 3 drivers** for implementing sustainable supply chain practices by many companies

# 60%

Believe that the strategic environmental ambition of their company is to reach **net zero** or **be among the best** in their supply chain practices



Net zero

30%

Lead the industry

30%

Business risk mitigation

40%

# Sustainability in supply chains

```
graph LR; A((Current state & Ambitions)) --- B((Challenges & Barriers)); B --- C((Opportunities)); C --- D((Industry deep-dives));
```

Current state  
& Ambitions

Challenges  
& Barriers

Opportunities

Industry  
deep-dives

1

Cost effective  
solutions

2

Customer  
willingness to  
pay

3

Supplier  
capabilities

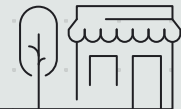
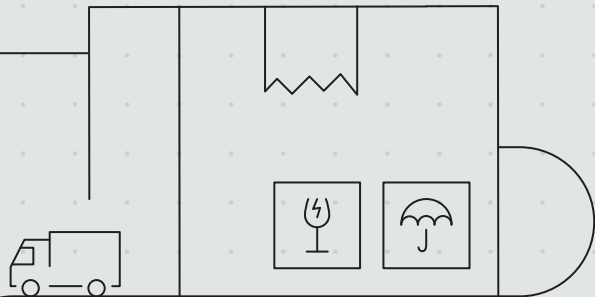
4

Supply chain  
visibility

5

Internal  
capabilities


... are the **top five challenges**  
companies experience working  
with integrating sustainability in  
their supply chain



We have asked our respondents:

---

What does the *pain points* mean to you?



1

Cost effective solutions

"The cost of being sustainable is often too high. We are focusing on balancing profits with the cost of pushing sustainability"

2

Customer willingness to pay

"Despite the yearbook saying 2024, we are still in competition with fossil fuel, it's a price game rather than an emission game"

3

Supplier capabilities

"Many suppliers have no knowledge or motivation for sustainability. We struggle with setting tangible and simple net-zero requirements for suppliers"

4

Supply chain visibility

"Addressing largest source of emissions which happens upstream and many tiers away. We need shared data flows and documentation across supply chain"

5

Internal capabilities

" We are too immature in many of our processes and business practices. We lack practical knowledge of what to do"



It's still "costly" to improve.  
We need to find a *win-win*.



Sustainability concepts should be easily understood by all stakeholders to enable right decision making that leads to decarbonization. It should not be too complex to be understood by everyone across the organisation.

# Sustainability in supply chains

```
graph LR; A((Current state & Ambitions)) --- B((Challenges & Barriers)); B --- C((Opportunities)); C --- D((Industry deep-dives));
```

Current state  
& Ambitions

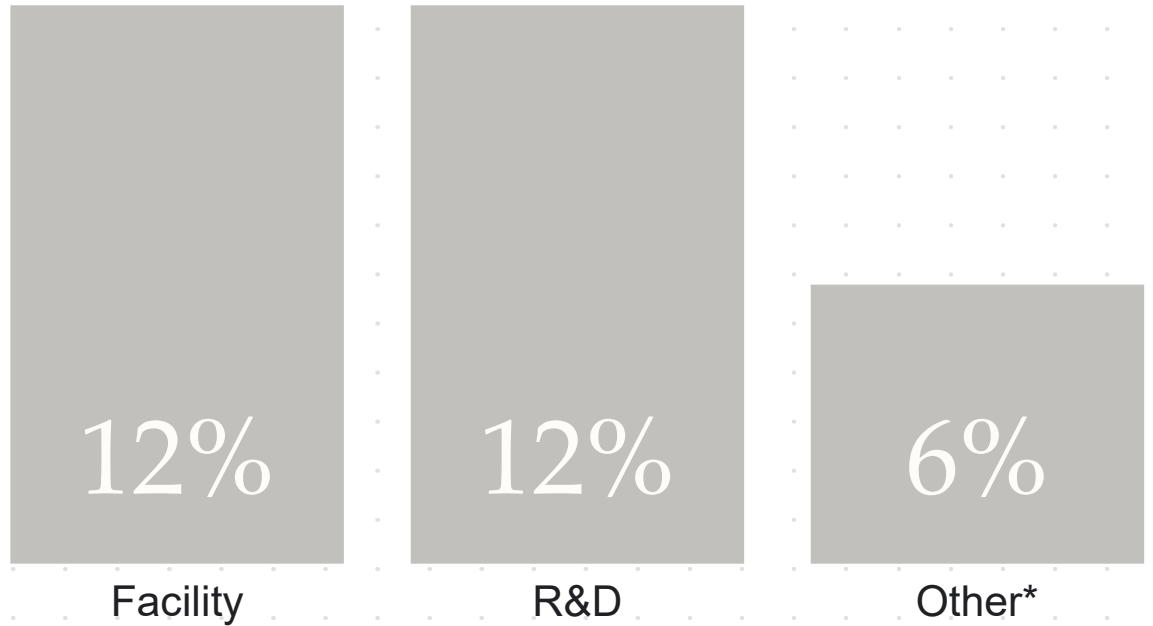
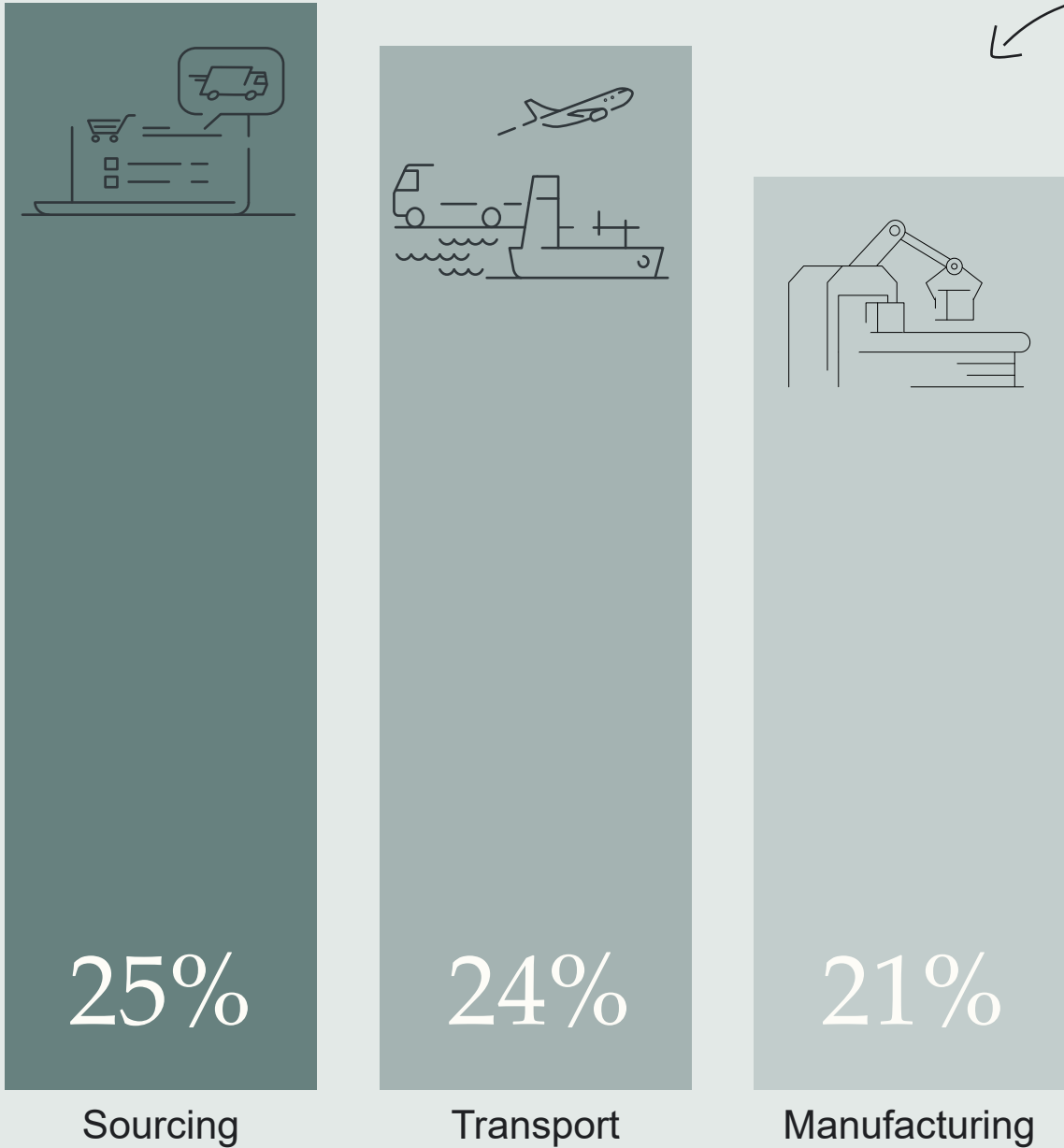
Challenges  
& Barriers

Opportunities

Industry  
deep-dives



Many companies have the chance to capitalize on focusing their efforts where they perceive the impact to be the greatest



Other business areas include warehousing, commercial/marketing and don't know responses



We are our customers' scope 3, and being on the forefront of sustainability transparency allows us to become partners of choice on our customers' sustainability journey

Although many companies are facing hurdles in integrating sustainability into their supply chains, they also recognize it as an opportunity for cost savings, enhanced collaboration, innovation, and market differentiation



### Efficiency gains and cost savings

---

A market shift towards new technologies driving higher volumes and reduced costs, viewing sustainable practices as key to achieving increased operational efficiency, cost savings and waste reduction.



### Partnerships and collaboration

---

Forming closer and better cooperation with suppliers, emphasizing the importance of strong supplier relationships for sustainability initiatives.



### Differentiation and customer trust

---

Implementing sustainable practices as a means to achieve increased operational efficiency, leading to cost savings and waste reduction.



### Innovation and new markets

---

Embracing sustainability is a way to differentiate businesses in the market, attract environmentally conscious consumers, and build trust.

# Sustainability in supply chains

```
graph LR; A((Current state & Ambitions)) --- B((Challenges & Barriers)); B --- C((Opportunities)); C --- D((Industry deep-dives));
```

Current state  
& Ambitions

Challenges &  
Barriers

Opportunities

Industry  
deep-dives

By delving deeply into the top three industries yielding the most survey responses, the industry deep-dives aims to provide a benchmark for assessing the sustainability efforts of companies within a specific sector



### Consumer goods

23% of the responses are from people working within consumer goods industry



### Construction & Manufacturing

18% of the responses are from people working within construction and manufacturing industry

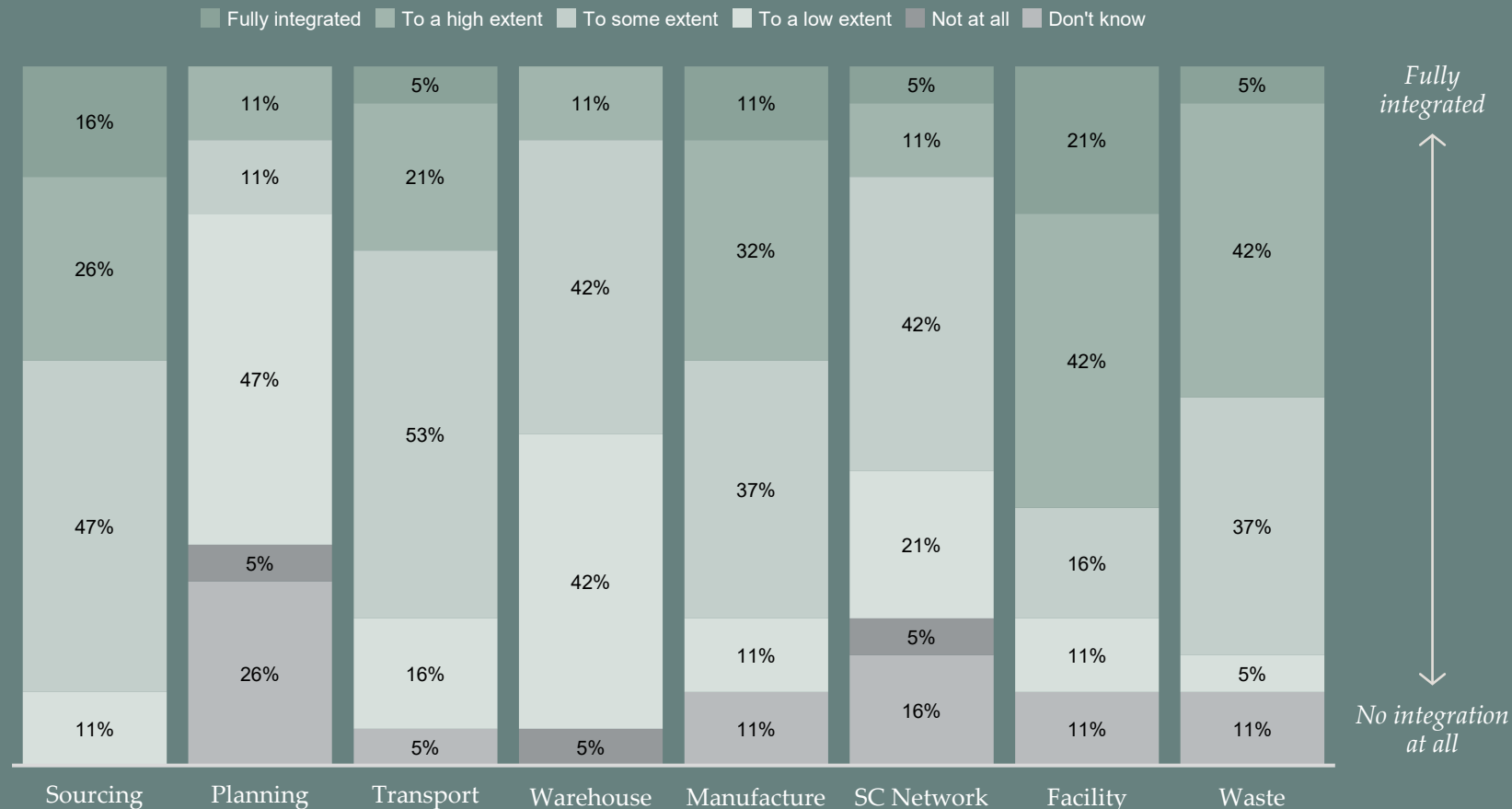


### Life science & Healthcare

18% of the responses are from people working within life science and healthcare industry

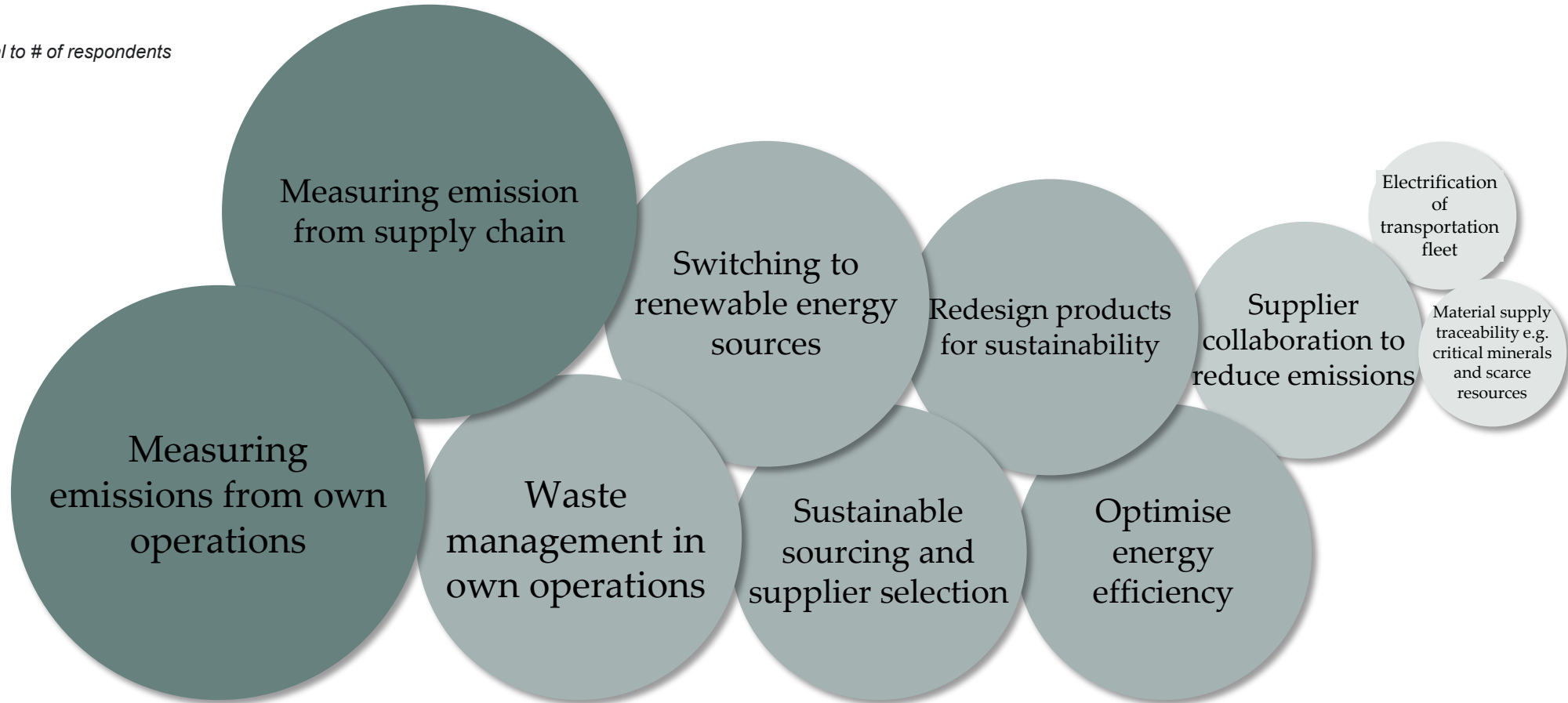
## The extent that companies within consumer goods have integrated *environmental sustainability* into their supply chain

Many companies are still *struggling to implement sustainable supply chain practices* across their value chain



# Sustainable supply chain practices that companies within **consumer goods** are currently working with are predominantly actions within their own operations and with regards to energy

Circle size proportional to # of respondents



1

Supplier capabilities

2

Customer willingness to pay

3

Cost effective solutions

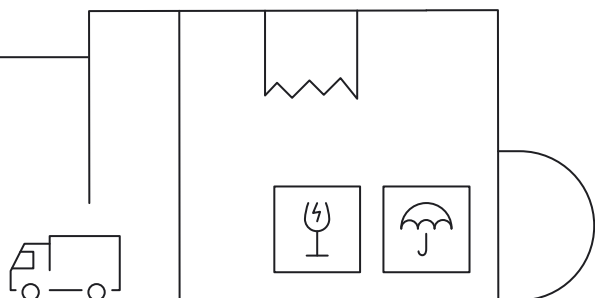
4

Internal capabilities

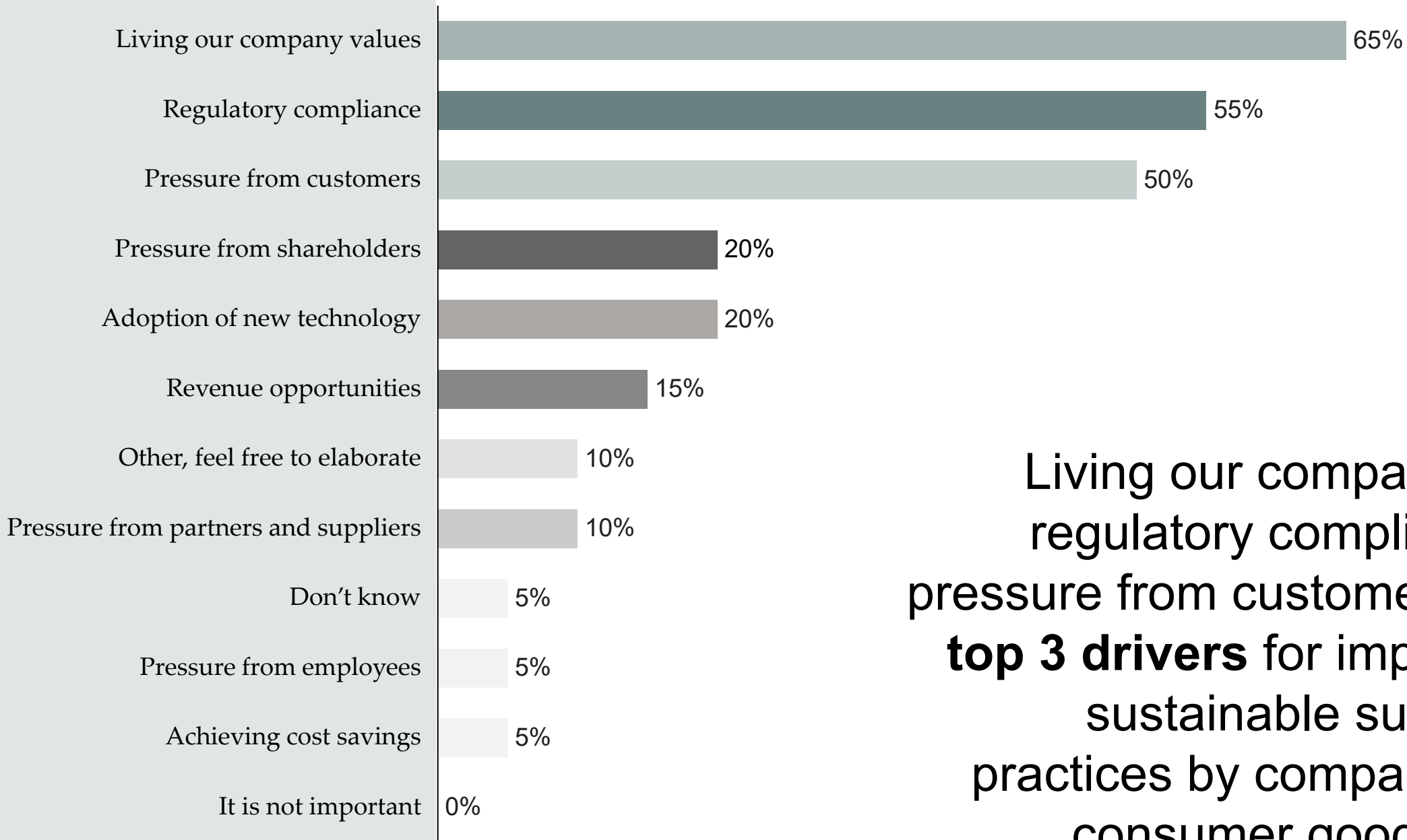
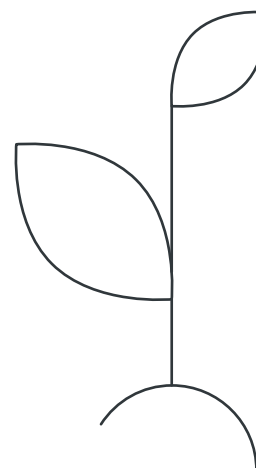
5

Supply chain visibility

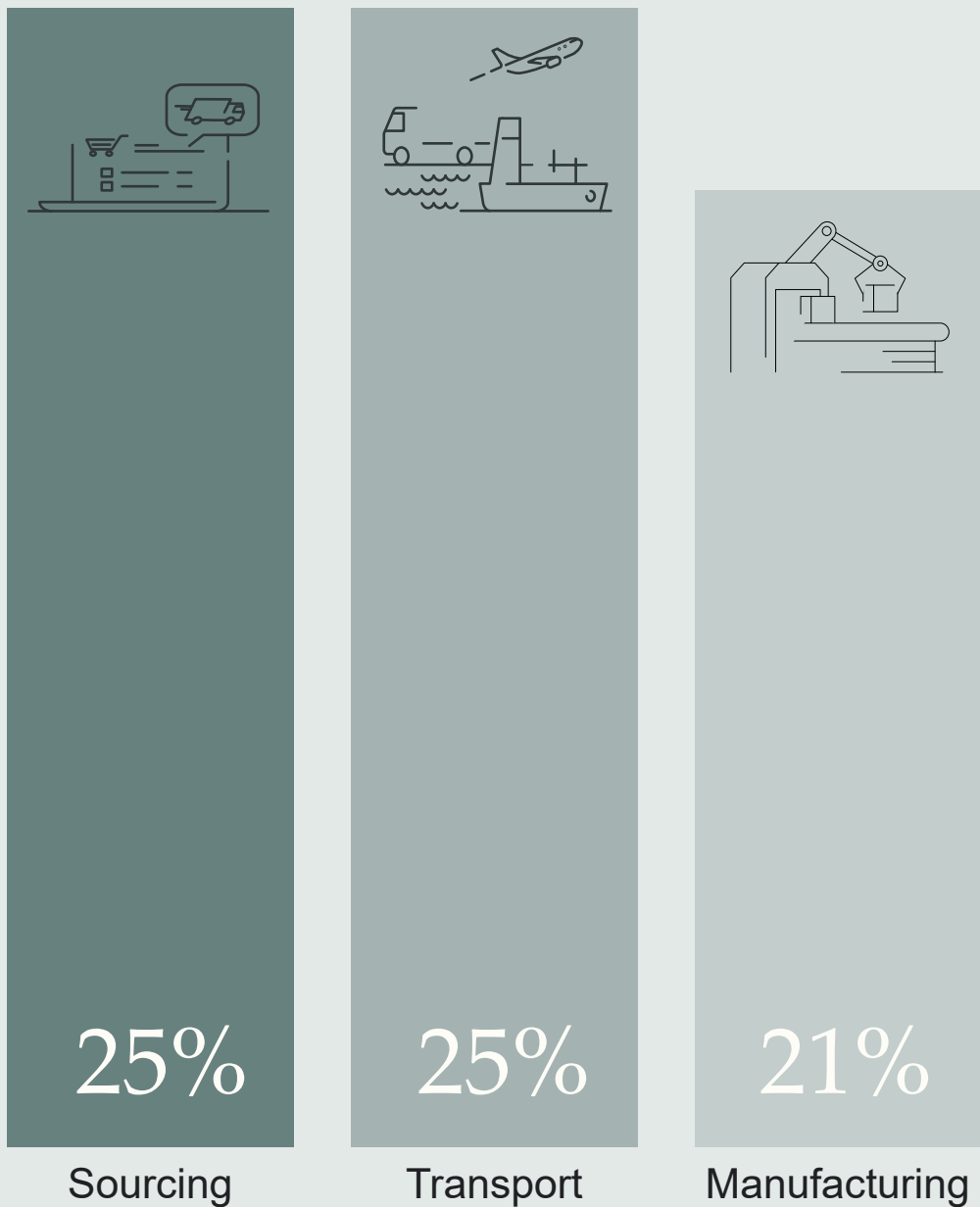
... are the **top five challenges** consumer goods companies experience working with integrating sustainability in their supply chain



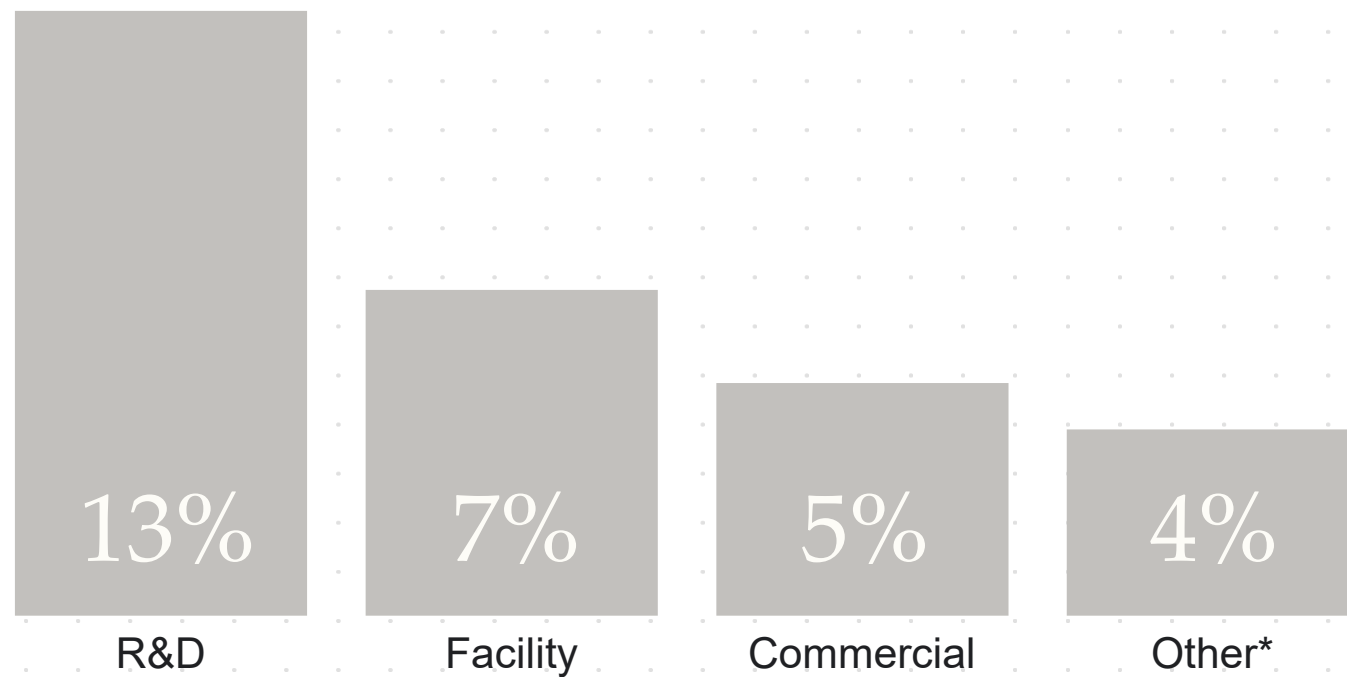




Living our company values, regulatory compliance, and pressure from customers are the **top 3 drivers** for implementing sustainable supply chain practices by companies in the consumer goods industry



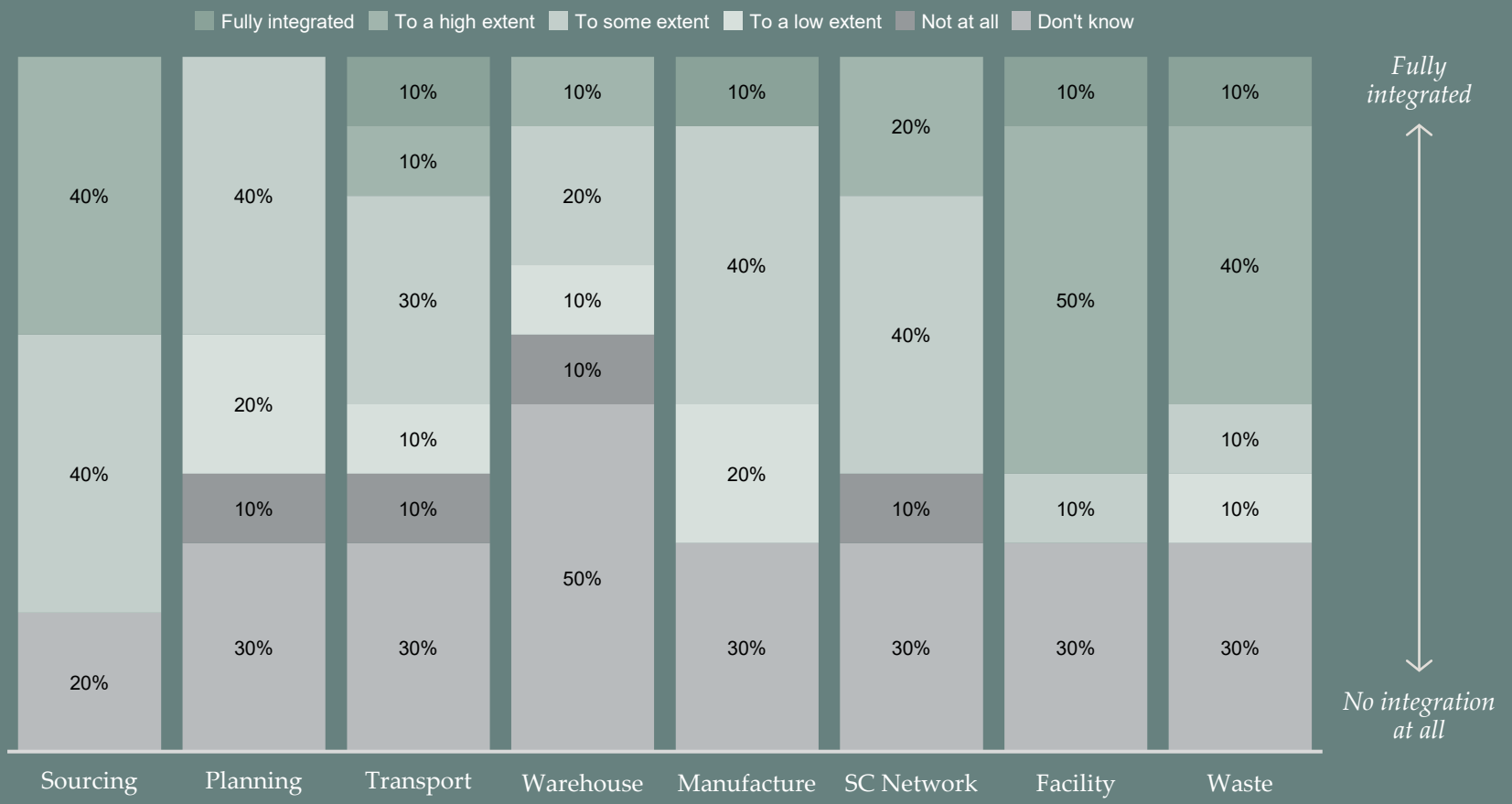
Consumer goods companies have the chance to capitalize on focusing their efforts where they perceive the impact to be the greatest





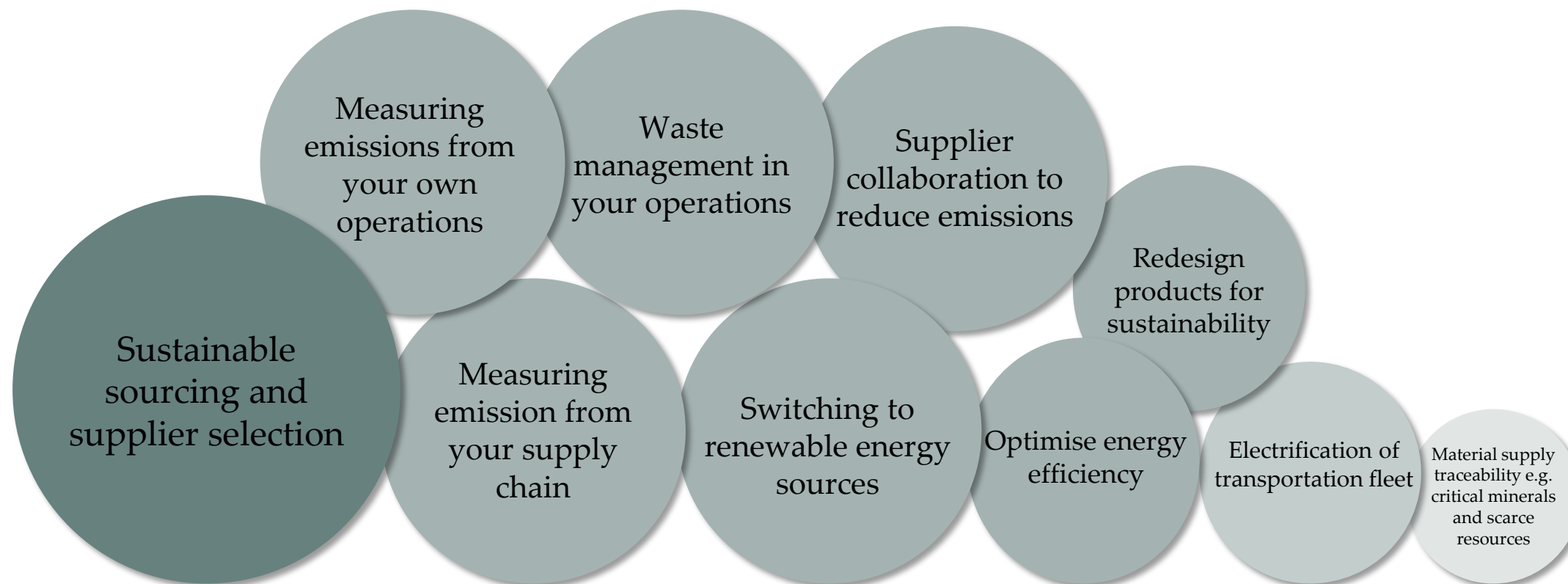
# The extent that companies within life science and healthcare have integrated *environmental sustainability* into their supply chain

Many companies are still *struggling to implement sustainable supply chain practices* across their value chain



# Sustainable supply chain practices that companies within **life science and healthcare** are currently working with are predominantly actions within optimizing the entire supply chain and efficient management of emissions and waste in-house

Circle size proportional to # of respondents





1

Supplier capabilities

2

Internal capabilities

3

Sufficient technology

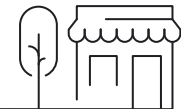
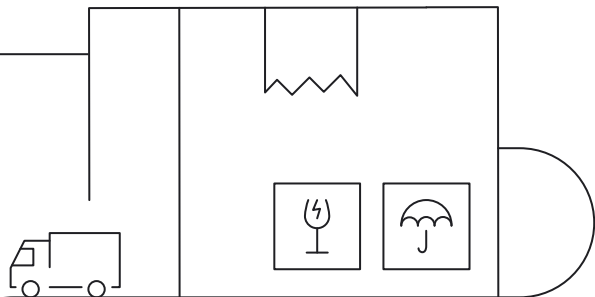
4

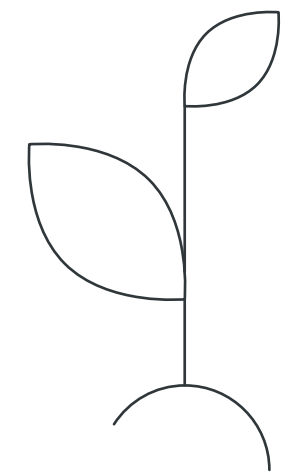
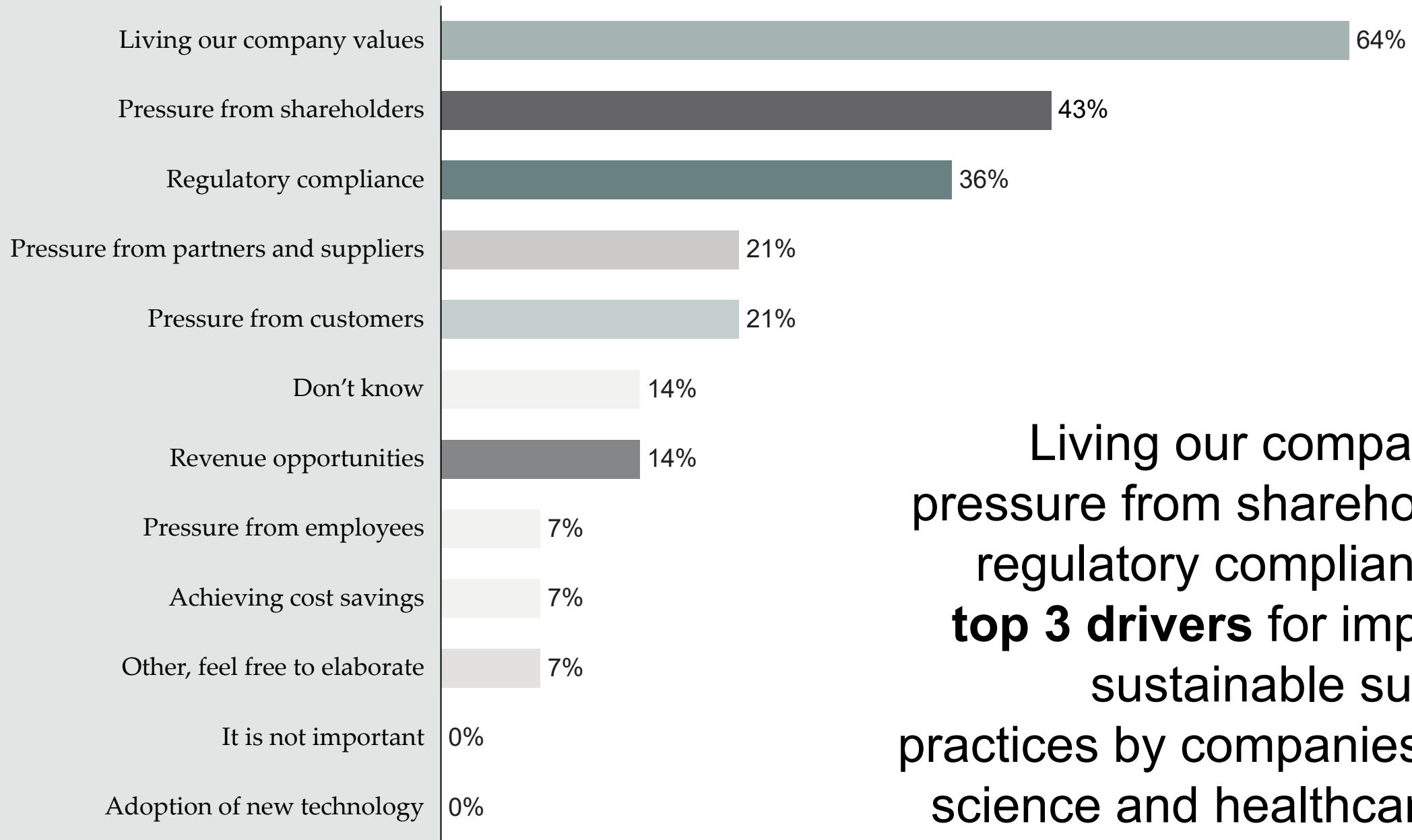
Supply chain visibility

5

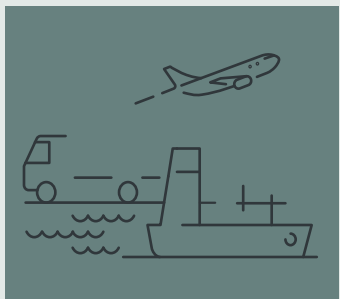
Cost effective solutions

... are the **top five challenges** life science and healthcare companies experience working with integrating sustainability in their supply chain





Living our company values, pressure from shareholders, and regulatory compliance are the **top 3 drivers** for implementing sustainable supply chain practices by companies in the life science and healthcare industry



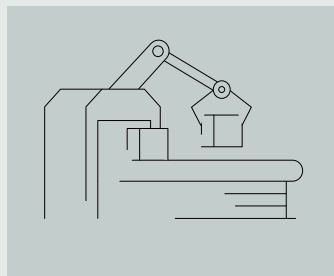
31%

Transport



23%

Sourcing



15%

Manufacturing



Life science and healthcare companies have the chance to capitalize on focusing their efforts where they perceive the impact to be the greatest



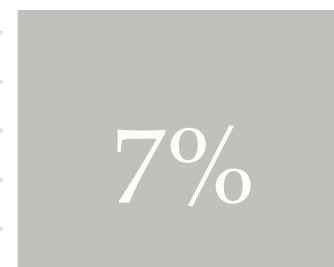
12%

Facility



12%

R&D

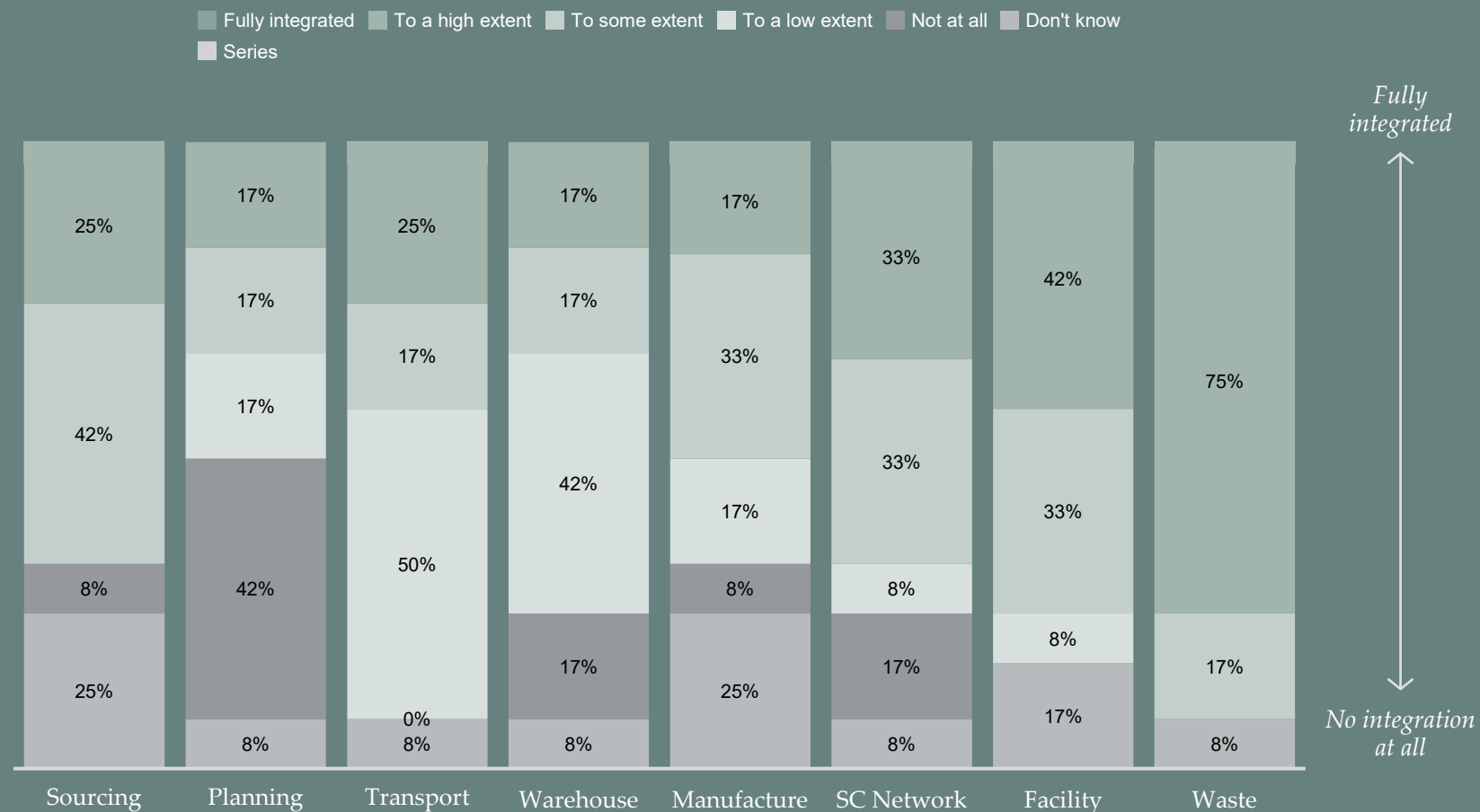


7%

Other

## The extent that companies within construction and heavy manufacturing have integrated *environmental sustainability* into their supply chain

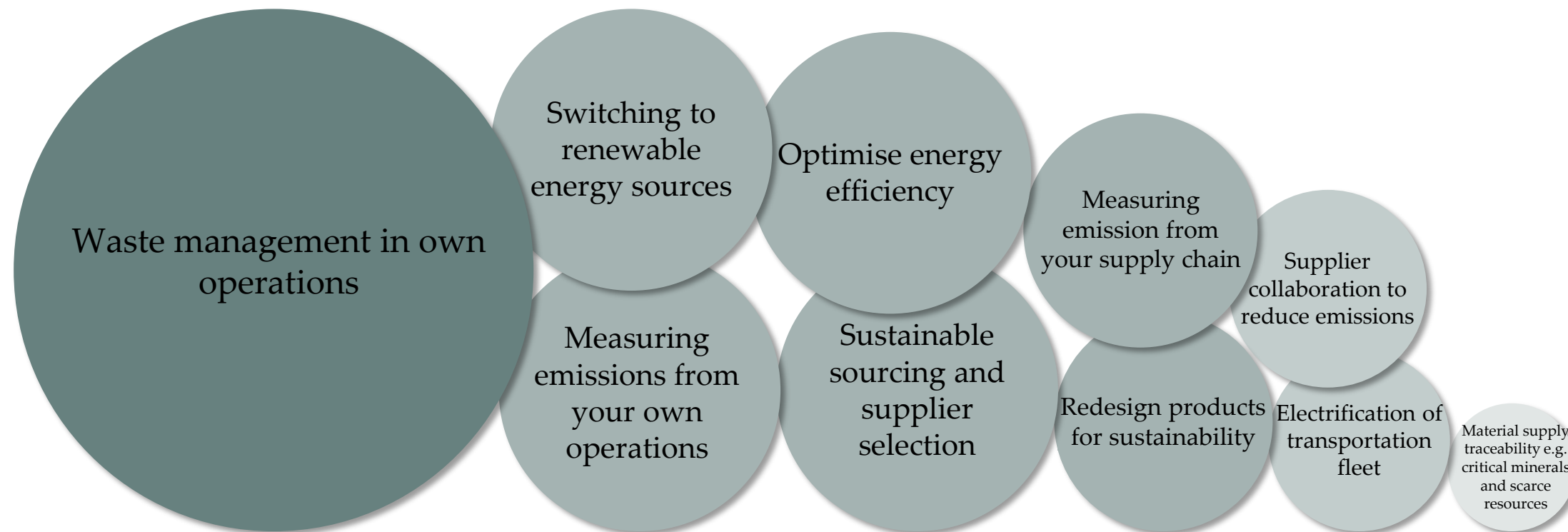
Many companies are still struggling to implement sustainable supply chain practices across their value chain





# Sustainable supply chain practices that companies within **construction and heavy manufacturing** are currently working with are predominantly actions within their waste management and with regards to energy

Circle size proportional to # of respondents



1

Cost effective solutions

2

Customer willingness to pay

3

Supplier capabilities

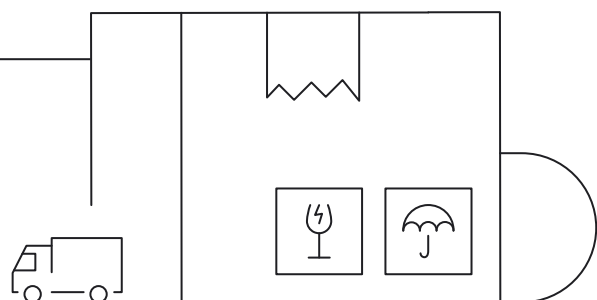
4

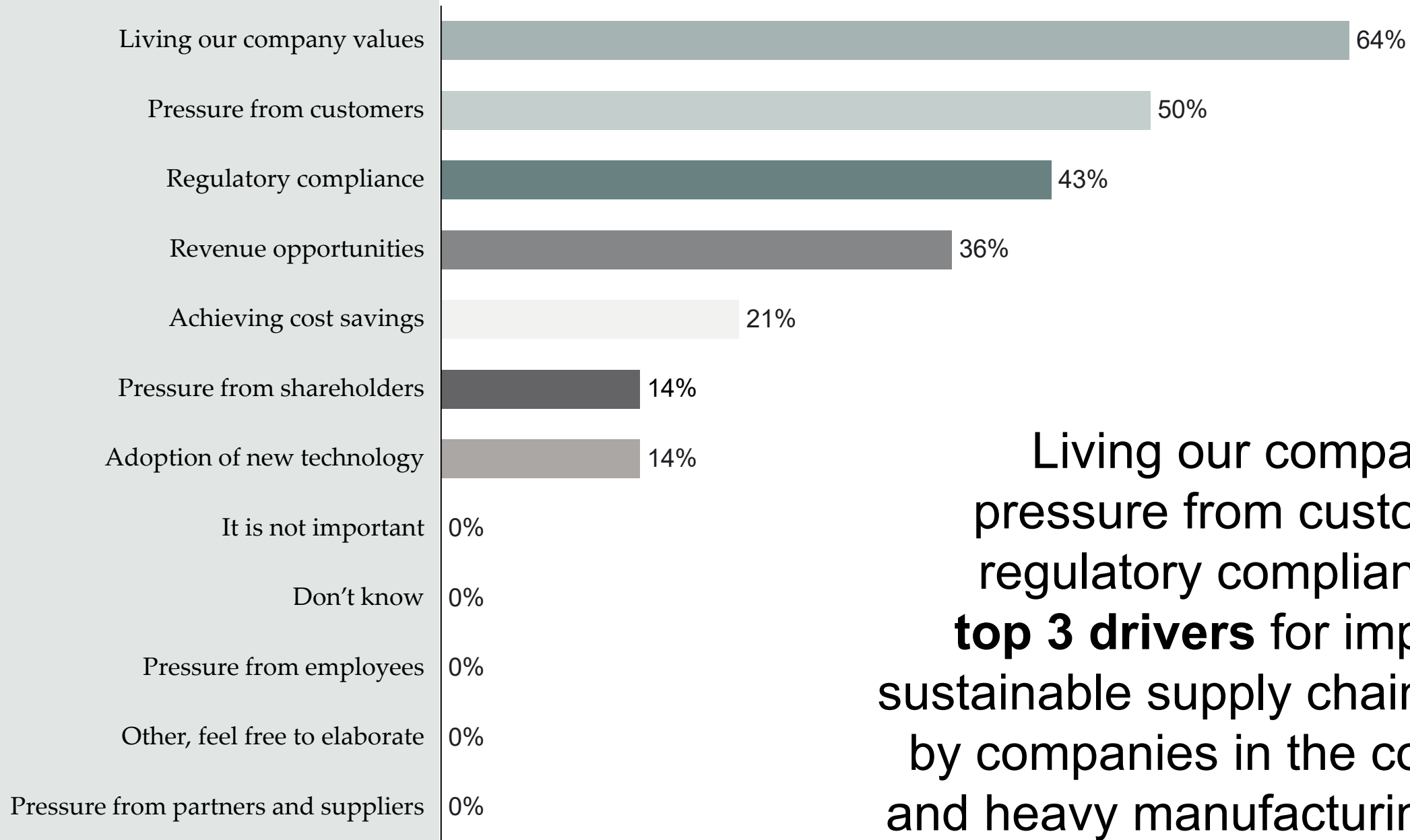
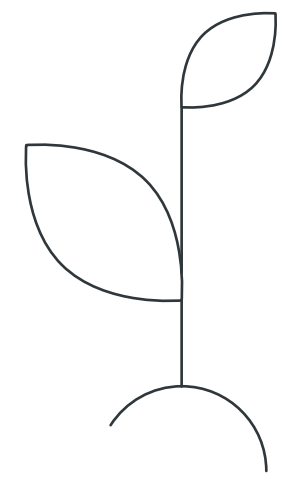
Internal resources

5

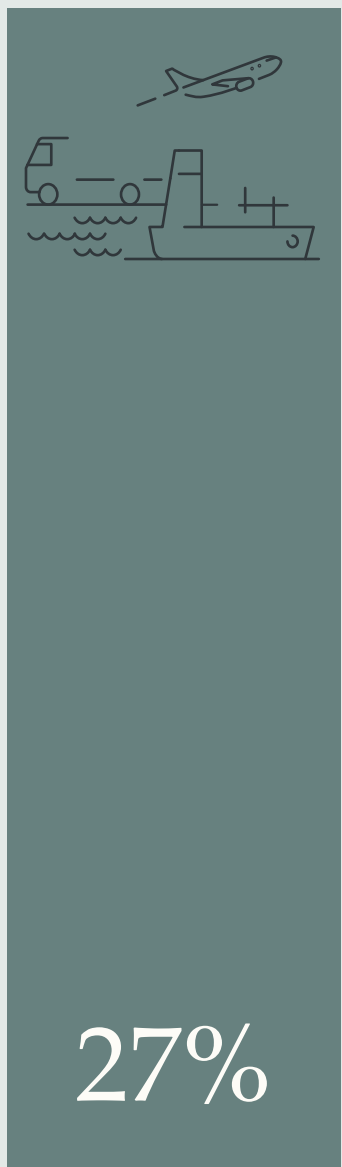
Supply chain visibility

... are the **top five challenges** construction and heavy manufacturing companies experience working with integrating sustainability in their supply chain

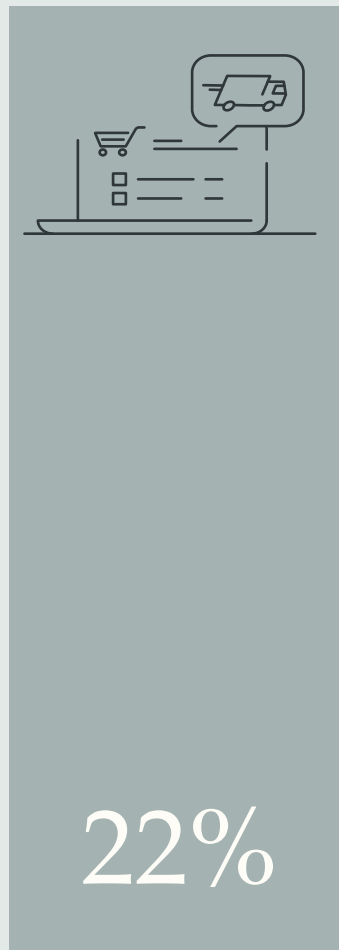




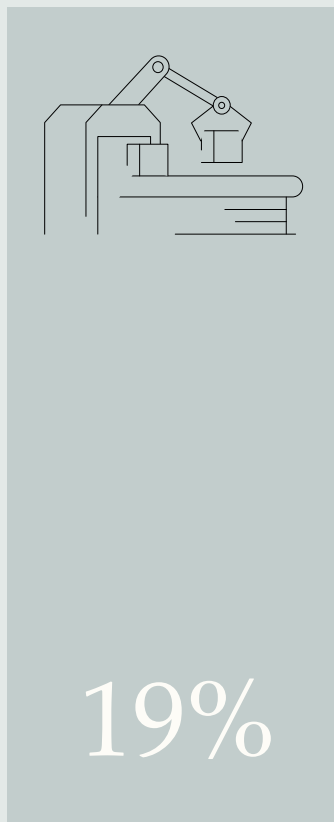
Living our company values, pressure from customers, and regulatory compliance are the **top 3 drivers** for implementing sustainable supply chain practices by companies in the construction and heavy manufacturing industry



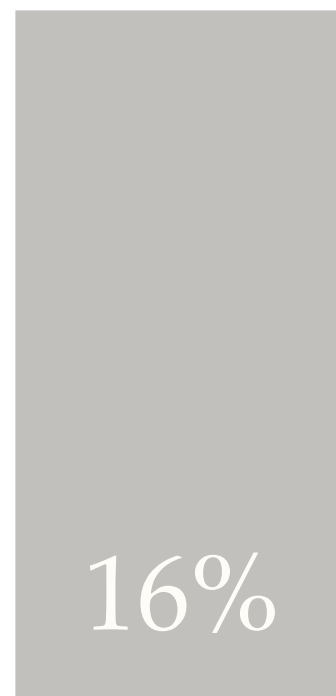
Transport



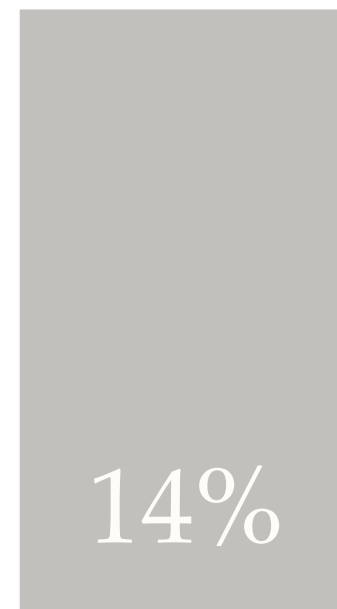
Sourcing



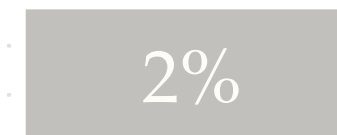
Manufacturing



Facility



R&D



Other\*

Construction and manufacturing companies have the chance to capitalize on focusing their efforts where they perceive the impact to be the greatest

# Thank you.

Implement Consulting Group