

# How Can Internal Auditors Drive Change Towards **Sustainable** Supply Chain?

# Procurement & Audit

**Friend** or Foe

# GIA at Beeah are Best Practice Consultants

Help, Guide & Advise



# Sustainable Supply Chain

BEEAH



“

A sustainable supply chain is a system of **interconnected businesses** that work together to ensure that the **production, transportation, and distribution** of goods and services are done in a way that **minimizes negative environmental and social impacts** while promoting economic growth and development.

”

**Increasingly important** for businesses and consumers alike.

**Consumers** are now more aware of the negative environmental and social impacts of the products they purchase and are increasingly demanding products that are produced sustainably.

This has led **businesses** to focus on sustainable supply chain management as a means of meeting consumer demand and minimizing negative impacts.

# Sustainable Supply Chain | Benefits

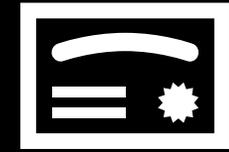
Sustainable supply chain management offers several benefits to businesses.



Reduce **costs** by promoting more efficient use of resources.



Enhance **brand reputation** by demonstrating a commitment to sustainability.



Reduce supply chain risks by promoting greater **transparency and accountability.**

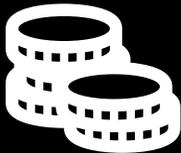
# Sustainable Supply Chain | Key Elements



**Environmental Sustainability:** This involves reducing the environmental impact of the supply chain by reducing greenhouse gas emissions, minimizing waste, and promoting the use of renewable energy.



**Social Sustainability:** This involves promoting fair labor practices, promoting diversity and inclusion, and ensuring the health and safety of workers.



**Economic Sustainability:** This involves promoting economic growth and development while ensuring that the benefits of economic activity are shared broadly throughout society.

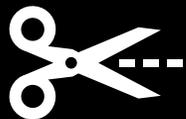
Businesses can use several strategies to promote sustainable supply chain management.



**Supplier Engagement:** This involves working closely with suppliers to promote sustainable practices throughout the supply chain.



**Life Cycle Assessment:** This involves assessing the environmental impact of products throughout their entire life cycle, from production to disposal.



**Lean Manufacturing:** This involves minimizing waste and maximizing efficiency throughout the manufacturing process.



**Collaboration:** This involves working collaboratively with other businesses, governments, and civil society organizations to promote sustainable supply chain management.

# Sustainable Supply Chain | Impact of Change



1

Costs, these will increase.

2

Impact on the bottom line.

3

Will we lose our competitive edge?

4

Who should be first ?

# Sustainable Supply Chain | How to Start



1

Identify one project and focus on it.

2

The first step is the hardest.

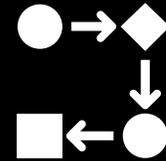
3

See it through no matter what.

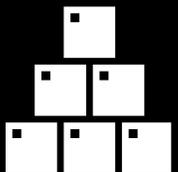
# Sustainable Supply Chain | Best Practices



Create sustainable supply chain **goals**



Map out your supply chain to **identify waste**



Implement an **inventory management system**



Analyze supply chain **data**

# Sustainable Supply Chain | Best Practices



Create a sustainable supply chain **policy**



**Communicate** expectations to suppliers



Evaluate **eco-friendly delivery options**



**Train** your employees in sustainability

**If you try to cover everything you will fail !**

Plan, Review, Review Again, Execute,  
& Analyse



**Internal Audit's Role**

# Internal Audit's Role | Education & Training



Gain a deep understanding of the organization's supply chain structure, processes, and practices.



Staying up to date with emerging sustainability trends, regulations, and best practices in supply chain management.



Providing training and workshops to procurement staff, leadership and other members on sustainable procurement practices.



Acting as a catalyst for change by advocating for integration of sustainable supply chain practices into organization's strategic goals.

# Internal Audit's Role | Assurance Roles



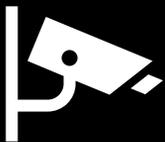
**Auditing supplier performance** against sustainability criteria, such as environmental impact, labor practices, and ethical sourcing.



**Assessing** environmental, social & governance **supply chain risks** and auditing procurement practices to **identify areas for sustainability integration**.



**Providing recommendations** on improving supply chain sustainability, such as adopting eco-friendly packaging, reducing waste etc.



**Monitoring and reporting** on the organization's sustainable procurement progress / KPIs to leadership and stakeholders.



Supporting the procurement team in developing sustainable procurement **policies and guidelines.**



Assisting management in **establishing key performance indicators (KPIs)** to monitor the organization's progress towards sustainable supply chain goals.



**Suggesting collaboration opportunities** with suppliers to improve sustainability practices, such as sharing best practices or engaging in joint initiatives.

# Questions?



**Thank You**

