



SOURCING PIT STOP: SUPPLIER ESG PREPAREDNESS ASSESSMENT



The push for a green, fair, and inclusive economy continues to gain popularity and momentum.

Companies are calling on Procurement and Sourcing teams to maximize the impact of Environmental, Social, and Governance (ESG) programs. From diversity and inclusion to green business practices and more, companies must partner with suppliers to deliver on their commitments and maximize positive impact.

In a sourcing event, how prepared are you to ensure that your suppliers—and their suppliers—have the right processes in place to demonstrate that their business practices are environmentally friendly, maximize positive social impact, and drive effective governance practices? Fill out our assessment below to determine your Supplier ESG Preparedness.

How Prepared Are You to Meet Your Environmental Objectives?

Do your suppliers have appropriate processes, documentation, measurement systems (or metrics), and controls in place at their companies and through their supply chains to ensure environmentally-friendly practices in the following areas:

	Not at All	Slightly	Moderately	Very	Completely
Reduction of Carbon/ Greenhouse Gas (GHG) Emissions					
Prevention of Deforestation and Habitat Destruction					
Reducing Waste and Maximizing Reuse and Recycling					
Avoidance (or Proper Management) of Hazardous Materials					
Maximizing Use of Clean Energy and Renewables					
Water Efficiency and Reduced Water Use					

Energy Reduction and Efficiency					
Documentation of Environmental Programs					

How Prepared Are You to Meet Your Social Impact Objectives?
 Do your suppliers have appropriate processes, documentation, measurement systems (or metrics), and controls in place at their companies and through their supply chains to mitigate social impact risk in the following areas:

	Not at All	Slightly	Moderately	Very	Completely
Protection of Human Rights / Ethical Treatment of Workers					
Elimination of Child Labor, Forced Labor, and Modern Slavery					
Avoidance of Conflict Minerals					
Documentation of Safety and Health Programs					

How Prepared Are You to Meet Your Diversity and Inclusion Objectives?
 Do your suppliers have appropriate processes, documentation, measurement systems (or metrics), and controls in place at their companies and through their supply chains to help encourage diversity and inclusion goals in the following areas:

	Not at All	Slightly	Moderately	Very	Completely
Minority-Owned Spending					
Women-Owned Spending					
Veteran-Owned Spending					
LGBTQ-Owned Spending					
Small Business Spending					
Compliance with Federal, State, and Local Mandates for Diversity Spending					

How Prepared Are You to Meet Your Governance Objectives?

Do your suppliers have appropriate processes, documentation, measurement systems (or metrics), and controls in place at their companies and through their supply chains to ensure effective governance practices in the following areas?

	Not at All	Slightly	Moderately	Very	Completely
Ensuring Effective Codes of Conduct for Suppliers (and Their Suppliers)					
Prevention of Unethical Conduct (e.g., Bribery, Corruption, Anti-Competitive Behavior)					
Ensuring Data Privacy and Security					

If you are unsure about the answers to the assessment above, or if you have identified gaps in your supplier ESG preparedness, consider how strategic sourcing can help.

To identify suppliers who can maximize the impact of your ESG objectives and avoid risking your company's reputation, you need powerful digital tools to seamlessly incorporate ESG considerations into your sourcing process.

Selecting the right suppliers is the first step. Including ESG goals (including 2nd-tier supplier commitments) in supplier contracts, channeling spend to those suppliers, and incorporating ESG commitments into ongoing risk and performance management are all critical to driving change and becoming a purpose-driven sourcing leader.

Learn more about how to drive value with strategic sourcing in our report:
Sourcing in the Fast Lane: [Driving Value with Strategic Sourcing](#)

