

ESG MARK®
SELF-HELP
GUIDE
AUDITING YOUR
SUPPLY CHAIN



Introduction

This guide is intended to provide advice on how your business can audit its supply chain to ensure your products and partners uphold the same values as your organisation. It will set a framework for what you need to consider in your supply chain, what questions you need to ask, how to ask them and finally, what to do with these answers. Specifically, this guide will look at:

1. Why is monitoring your supply chain so important for SMEs and how does it relate to the UN Sustainable Development Goals?
2. Traceability: Mapping your supply chain
3. Collecting information
 - a. Supplier Questionnaire
 - b. Third Party Certifications
4. What to do with the data

If you have any questions, suggestions or feedback, we would love to hear from you. Please get in touch by visiting our website at www.esgmark.co.uk or emailing us at info@esgmark.co.uk

Additionally, if you feel your suppliers and business contacts would also benefit from being ESGmark® accredited, please click [here](#) to send them some introductory information.



Why is monitoring important?

An increasing consumer demand for responsibly sourced products alongside growing regulatory pressure to improve sourcing practices makes supply chain monitoring a vital tool for advancing your

Why is monitoring relevant?

Development Goals: *Work and economic growth, inclusive and sustainable growth, employment, decent work for all, reduced inequalities, responsible consumption and*

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It is crucial for your business to be proactive rather than reactive when it comes to monitoring your supply chain. A reactive approach that finds itself 'reacting' to issues within its supply chain can lead to greater disruption and a damaged brand image than if you are ahead of the curve.

Addressing traceability in your supply chain is also critical for meeting Sustainable Development

Issues such as health and safety, decent work are integral to your supply networks. Being able to monitor the goals that can help you to responsibly monitor

your supply chain is essential for ensuring and maintaining customer loyalty. SMEs also represent a significant volume of the global economy, with approximately 90% of all jobs in the world being held by SMEs, and they therefore play a vital role in advancing the Sustainable Development Goals by 2030.

SMEs also face unique challenges when it comes to monitoring their supply chain, such as a lack of resources, limited expertise, and competition with larger companies that may have access to the tools and services. These challenges are often exacerbated when SMEs lack collaborative support, so it is essential for them to address traceability issues by asking for more

information from their suppliers can be difficult to know what to ask for and what information is available.

This is why collective initiatives like ESGmark® are so important. They bring businesses together, provide collaborative support, encourage members and encourage them to use their advantages. Unlike large corporations, SMEs often lack the ability to be highly adaptable and strong relationships which can help establish transparent supply chain partnerships.

By utilising this guide, you can monitor and manage your organisation's supply chain.

- Stand behind the products you sell as responsible

Make sure that the human rights of your supply chain are

protected and that the environmental standards are upheld throughout your supply chain.

Ensure that the same standards and similar purpose driven practices are followed in your supply chain and that you are transparent and honest with your supply chain partners.

Remember to look out for when you partner with a new supplier. It is important to address the UN Development Goals in your supply chain by 2030.

ESGmark® is prepared to help you with regulatory requirements and to provide support to your organisation.



What's the data?

So, you have identified your suppliers and have collected information on their Environmental, Social and Governance practices, what next?

The answer to this is dependent on the type of organisation. For those that have very few suppliers, a questionnaire and audit compliance may be sufficient. For those members with many suppliers, it is recommended to create a database to store the data, to monitor progress and to store outstanding information.

Recording Information
Depending on the way you dispose of your data, you may want to store the answers from your questionnaire in a database. By consulting the database of each supplier in one place, you can easily identify who has fulfilled specific ESG criteria. It is also helpful to list the criteria requested and highlight which have been awarded. This will help you to identify and which suppliers to





Insured

Another factor you may want to consider is how any data should be time sensitive. Is there any information that you require? When do your requested third-party audits expire? As discussed, managing your supply chain is an ongoing process that you will need to keep going back to. As a result, if you are getting a lot of information from a number of suppliers, it will be important to ensure certain areas are flagged to maintain consistency and reliability.

Supplier performance

As a medical approach to managing supplier performance, you could consider colour-coding your suppliers in order to show how far they meet your requirements. If you have a company code of conduct it would be helpful to compare the suppliers against this. For example, suppliers who have exceeded your expectations may be marked green, those meeting your requirements amber, and those with outstanding concerns marked red.

When you decide to take this

approach it is important to ensure your suppliers do not feel they are being tested or pitted against each other. Particularly for long-term suppliers, if they do not comply in certain areas, or perhaps do not have a certification you deem necessary, this does not mean you should automatically cut business with them.

As previously mentioned, working with your suppliers is not about testing them, but to work together to meet a variety of different needs, establish a long-term relationship, and make improvements, rather than instances where your relationship is compromised or is a one-time company to move business to another supplier who is evidently involved in the same industry.

Once you have recorded your supply chain, areas you can focus on where you and your suppliers can then set longer term goals and new sourcing approaches.

We hope this paper has discussed it further with you.

Please feel free to share [here](#), to your suppliers, and gain the ESGmarket.

and honest relationships. Each should be not to test your suppliers under intense pressure to move and it is better to have a long-term relationship and ongoing improvements. There will be some instances where your relationship is compromised, cannot be repaired, and it is the judgement of the company to move business to a supplier who is evidently involved in the same industry.

Take a picture of your whole supply chain, areas you can focus on where you and your suppliers can then set longer term goals and new sourcing approaches.

It is the opportunity to

complete our, "Join Us" form, found [here](#), and help them and you by





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