

# 80% of Companies Committed to Supply Chain Sustainability, Despite Pandemic



The MIT Center for Transportation & Logistics Council of Supply Chain Management's new *State of Supply Chain Sustainability 2021* report proves just how committed organizations are to supply chain sustainability right now.

Sustainability is alive and well in the modern supply chain, where some organizations are stepping up to the plate and doing their part to help preserve the environment, reduce the size of their carbon footprints and whittle down the amount of greenhouse gases (GHGs) that their facilities are emitting.

Even a global pandemic couldn't thwart their efforts on this front, and the MIT Center for Transportation & Logistics Council of Supply Chain Management (MIT CTL) sees this as a good thing. Last year, when the impact of the COVID-19 pandemic was still escalating, it expected the crisis to dampen companies' enthusiasm for investing in supply chain sustainability. The prevailing thought was the companies would divert all of their available resources to combating the pandemic.

As MIT CTL's new survey reveals, the pandemic did not significantly slow the push to make supply chains more sustainable. In fact, more than 80% of the *State of Supply Chain Sustainability 2021* respondents say the crisis had no impact or increased their firm's commitments to supply chain sustainability. And, 83% of the executives interviewed said that COVID-19 has either accelerated this activity or, at the very least, increased awareness and brought urgency to this growing field.

## Sustainability is Not a Fad

MIT CTL says the strong momentum in favor of improved supply chain sustainability is coming primarily from large

(1,000–10,000 employees) and very large (10,000-plus employees) companies. "Small- and medium-sized companies were more likely to pull back," it points out, "with more enterprises in this category indicating they were not engaged before the pandemic and even less so during the crisis likely due to strained financial resources."

Even with this caveat, MIT CTL says the number and range of stakeholders that are compelling companies to pursue supply chain sustainability has not diminished. It also says that individual executives were among the most significant sources of pressure behind corporate commitments to supply chain sustainability across all issue areas.

"Given executives' central role in setting and steering strategies for growth," MIT CTL points out, "this finding suggests that the drive toward supply chain sustainability is not a fad but rather a business trend to watch."

## Key Report Findings

MIT's new report also sheds light on exactly how companies put their supply chain sustainability promises into practice. It says three common approaches emerged: supplier development, supply chain visibility and environmental impact reduction. "Supplier development was the most common across all industries," the Council notes, "however, visibility proved equally attractive in manufacturing and transportation."

Other key findings from this year's survey:

- With the increased momentum for major commitments to supply chain sustainability in 2020, the future will likely bring greater investments in sustainability—and scrutiny of the degree to which enterprises deliver on their promises.
- With more scrutiny comes more responsibility. If the pressure from investors and regulators does indeed put companies' supply chain sustainability practices under a microscope, this will in turn require more enterprises to increase transparency and disclosure of practices and activities in their supply chains.
- As the pressure to pursue supply chain sustainability increases, so too will the importance of supply chain professionals as sustainability champions and practitioners. "To support and help drive progress," MIT CTL points out, "more supply chain professionals will be engaged in sustainability efforts and help companies to overcome the many formidable barriers to supply chain sustainability that lie ahead."
- Investors are wielding more influence as advocates of supply chain sustainability, and MIT CTL expects this to continue in the near term. "The connection between companies' track records in sustainability and their ability to win market share and turn a profit is likely to strengthen," it says.
- Finally, MIT CTL says social issues and climate change mitigation will likely feature prominently in the future of supply chain sustainability. "Both areas received much attention in 2020," it adds, "and both pose long-term challenges that are unlikely to abate in the foreseeable future."