



## **Journal of Internet Banking and Commerce**

*An open access Internet journal (<http://www.icommercecentral.com>)*

*Journal of Internet Banking and Commerce, January 2024, Vol. 29, No. 1*

# **Supply Chain Sustainability: Ethical Sourcing and Environmental Responsibility**

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**Received date:** 20-12-2023, Manuscript No. JIBC-24-130324;

**Editor assigned date:** 22-12-2023, Pre QC No. JIBC-24-130324 (PQ);

**Reviewed date:** 05-01-2024, QC No. JIBC-24-130324;

**Revision date:** 12-01-2024, Manuscript No: JIBC-24-130324 (Q);

**Published date:** 19-01-2024

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## **Description**

In today's interconnected global economy, supply chains play an important role in delivering goods and services to consumers around the world. However, as awareness of environmental and social issues grows, there is increasing pressure on companies to ensure that their supply chains are sustainable and ethical.

## **Ethical sourcing**

Ethical sourcing refers to the procurement of goods and services in a manner that respects human rights, promotes fair labor practices, and upholds social responsibility standards. This includes ensuring that workers are treated fairly, paid a living wage, and provided with safe working conditions throughout the supply chain.

One of the primary challenges in achieving ethical sourcing is the complexity and opacity of modern supply chains. Many companies operate in global markets where goods are produced and assembled in multiple countries, often by subcontractors and suppliers who may not adhere to the same labor standards or regulations.

To address these challenges, companies must adopt robust supply chain transparency measures, such as conducting thorough audits and assessments of suppliers, monitoring labor conditions and practices, and establishing clear codes of conduct and supplier standards.

By working closely with suppliers and stakeholders, companies can identify and address potential risks and violations, implement corrective actions, and promote continuous improvement in labor standards and working conditions.

Moreover, ethical sourcing is not just about compliance with regulations; it's also about fostering positive relationships with suppliers and communities, empowering workers, and creating shared value throughout the supply chain. Companies that prioritize ethical sourcing not only mitigate risks and enhance their reputation but also contribute to sustainable development and social progress.

### **Environmental responsibility**

In addition to ethical sourcing, supply chain sustainability encompasses environmental responsibility and stewardship. As concerns about climate change and resource depletion escalate, companies are under increasing pressure to minimize their environmental impact and adopt sustainable practices throughout the supply chain.

One of the key environmental challenges facing supply chains is the carbon footprint associated with manufacturing, transportation, and distribution activities. By optimizing transportation routes, reducing energy consumption, and investing in renewable energy sources, companies can significantly reduce their greenhouse gas emissions and mitigate climate change.

Furthermore, companies can promote resource efficiency and circularity by minimizing waste generation, recycling materials, and adopting sustainable

packaging solutions. This not only reduces environmental pollution but also conserves natural resources and lowers production costs in the long run.

Another critical aspect of environmental responsibility is water stewardship, particularly in industries that rely heavily on water resources, such as agriculture and textile manufacturing. By implementing water-saving technologies, reducing water pollution, and engaging with local communities and stakeholders, companies can mitigate water-related risks and promote sustainable water management practices.

Moreover, supply chain sustainability extends beyond individual companies to encompass collaboration and collective action across industry sectors and value chains. Collaborative initiatives, such as industry-wide sustainability standards, certification programs, and multi-stakeholder partnerships, can drive systemic change and accelerate progress towards a more sustainable and resilient supply chain ecosystem.

Supply chain sustainability is a multifaceted challenge that requires companies to integrate ethical sourcing practices and environmental responsibility into their operations and business strategies. By prioritizing fair labour practices, human rights, and environmental stewardship, companies can build resilient and responsible supply chains that deliver value to stakeholders, promote sustainable development, and safeguard the planet for future generations. Through collaboration, innovation, and collective action, we can create a more sustainable and equitable global economy that balances the needs of people, the planet, and profit.