
Global Certificate in Social Impact in Hospitality

Sustainable Sourcing and Supply Chain Management

Sustainable sourcing and supply chain management are critical components of social impact in hospitality. This explanation will cover key terms and vocabulary related to these concepts.

Sustainable Sourcing: Sustainable sourcing refers to the procurement of goods and services in a way that minimizes negative environmental and social impacts. This approach prioritizes long-term sustainability and ethical considerations, rather than just cost and convenience. Sustainable sourcing involves evaluating the entire supply chain, from raw materials to end use, and making informed decisions about which suppliers and products to work with.

Supply Chain Management: Supply chain management is the coordination and management of activities involved in the production and delivery of a product or service. This includes sourcing raw materials, manufacturing, distribution, and customer service. Effective supply chain management involves optimizing these activities to improve efficiency, reduce costs, and enhance customer value.

Triple Bottom Line: The triple bottom line is a framework for measuring the social, environmental, and economic impacts of an organization's activities. It goes beyond traditional financial metrics to consider the broader impact of business decisions on people and the planet. The triple bottom line is often used as a framework for sustainability initiatives, including sustainable sourcing and supply chain management.

Carbon Footprint: A carbon footprint is the total amount of greenhouse gas emissions associated with a product, service, or organization. This includes direct emissions, such as those from manufacturing processes, as well as indirect emissions, such as those from transportation and energy use. Reducing carbon footprints is a key component of sustainable sourcing and supply chain management.

Fair Trade: Fair trade is a movement that aims to ensure fair wages and working conditions for producers in developing countries. This involves setting minimum price floors, providing technical assistance and training, and promoting transparency and accountability throughout the supply chain. Fair trade certified products are available in a variety of industries, including agriculture, crafts, and textiles.

Life Cycle Assessment: A life cycle assessment (LCA) is a comprehensive analysis of the environmental impacts of a product or service throughout its entire life cycle. This includes raw material extraction, manufacturing, use, and disposal. LCAs are used to identify hotspots of environmental impact and inform decisions about sustainable sourcing and supply chain management.

Circular Economy: A circular economy is an economic system that is restorative and regenerative by design. This approach prioritizes the reuse, repair, and recycling of materials, rather than the traditional linear model of "take, make, dispose." A circular economy can help reduce waste, conserve resources, and promote sustainability throughout the supply chain.

Stakeholder Engagement: Stakeholder engagement refers to the process of involving relevant stakeholders,

such as suppliers, customers, and communities, in decision-making processes related to sustainable sourcing and supply chain management. This can help ensure that diverse perspectives are considered, build trust and credibility, and promote long-term sustainability.

Risk Management: Risk management involves identifying, assessing, and mitigating potential risks throughout the supply chain. This can include risks related to environmental sustainability, social responsibility, and financial stability. Effective risk management can help organizations prepare for potential disruptions, reduce costs, and enhance long-term sustainability.

Supplier Code of Conduct: A supplier code of conduct is a set of standards and expectations for suppliers related to ethical and sustainable practices. This can include standards related to labor practices, environmental sustainability, and business ethics. A supplier code of conduct can help ensure that all suppliers are aligned with the organization's values and sustainability goals.

Continuous Improvement: Continuous improvement is a philosophy of ongoing improvement and optimization throughout the supply chain. This involves regularly evaluating and refining processes, practices, and systems to promote sustainability, efficiency, and customer value. Continuous improvement can help organizations stay competitive, reduce costs, and enhance long-term sustainability.

Transparency: Transparency refers to the open and honest communication of information throughout the supply chain. This can include information related to environmental sustainability, social responsibility, and business practices. Transparency can help build trust and credibility with stakeholders, promote sustainability, and enhance long-term success.

Sustainability Reporting: Sustainability reporting involves the communication of an organization's sustainability performance to stakeholders. This can include information related to environmental sustainability, social responsibility, and governance practices. Sustainability reporting can help organizations demonstrate their commitment to sustainability, build trust with stakeholders, and promote long-term success.

Greenwashing: Greenwashing refers to the practice of making false or misleading claims about an organization's environmental sustainability. This can involve exaggerating the environmental benefits of products or services, or failing to disclose important information related to environmental impact. Greenwashing can undermine trust and credibility with stakeholders and damage an organization's reputation.

Supply Chain Traceability: Supply chain traceability refers to the ability to track and monitor products and materials throughout the supply chain. This can include information related to sourcing, manufacturing, transportation, and distribution. Supply chain traceability can help promote sustainability, ensure compliance with regulations, and build trust with stakeholders.

Social Impact: Social impact refers to the positive or negative effects of an organization's activities on society and the environment. This can include impacts related to labor practices, environmental sustainability, and community engagement. Social impact is an important consideration in sustainable sourcing and supply chain management, as it can help promote long-term sustainability and enhance the

organization's reputation and success.

Sustainable Development Goals: The Sustainable Development Goals (SDGs) are a set of 17 global goals established by the United Nations in 2015. These goals aim to address pressing global challenges, such as poverty, inequality, and climate change, by 2030. Sustainable sourcing and supply chain management can help organizations contribute to the achievement of these goals and promote long-term sustainability.

In conclusion, sustainable sourcing and supply chain management are critical components of social impact in hospitality. Understanding key terms and vocabulary, such as those outlined above, can help organizations make informed decisions about sustainable practices and promote long-term sustainability and success. By prioritizing sustainability, promoting transparency and stakeholder engagement, and continuously improving processes and practices, organizations can build trust and credibility, reduce costs, and enhance customer value.