

Sustainable Supply Chain Management: Supporting Sustainability in Consumer Goods Companies

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ABSTRACT

Sustainability is a key focus in modern business strategies, especially in the consumer goods sector which often faces pressure to reduce environmental impact and increase social responsibility. This research aims to identify and analyze sustainable supply chain management strategies in the context of the consumer goods industry. This research uses a qualitative approach with descriptive methods. The research results show that the implementation of Sustainable Supply Chain Management (SSCM) in consumer goods companies has had a positive impact in creating a more sustainable supply chain. Selection of environmentally friendly raw materials, efficient production practices and close collaboration with sustainable suppliers are key aspects that improve a company's sustainability performance. Transparent reporting regarding environmental and social impacts also helps build stakeholder trust and improve the company's reputation. These results underscore that SSCM is not only an ethical principle, but also an effective strategy in meeting the demands of a market that increasingly values social and environmental responsibility.

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INTRODUCTION

Consumer Goods companies play a central role in shaping the disposable economy model, which in turn has become a major driver of the plastic waste crisis (Sahban, 2018). Through massive consumption and intensive production processes in the supply chain, these companies create a dominant trend towards the use of plastic-based products that have a short lifespan. This economic model, which emphasizes single use, contributes significantly to the increase in plastic waste worldwide (Rizal, 2020).

The plastic waste crisis not only covers the end of the product cycle, but also extends into the supply chain itself. The consumer goods production process often produces industrial waste that is detrimental to the environment, creating serious challenges related to sustainability (Gusty et al, 2023). Therefore, approaching a paradigm shift in supply chain management is a necessity. Innovative steps and social responsibility need to be implemented at every stage of the supply chain, starting from product design, raw materials, production, distribution, to waste management (Syamil et al, 2023).

There needs to be a fundamental transformation in the practices of the Consumer Goods industry to deal with environmental impacts and minimize its carbon footprint (Djanjar, 2022). Encouraging the adoption of sustainable economic models, development of environmentally friendly products, and more effective waste management can help improve the negative impacts produced by supply chains in this industry (Widyastuti, 2019). With these innovative steps,

consumer goods companies can play a constructive role in addressing the plastic waste crisis and pave the way towards sustainability in the global economy.

Responding to industrial waste is an urgent necessity to avoid further detrimental impacts on the environment and society (Huda, 2011). Industrial waste, if not handled properly, can produce further effects that damage ecosystems, pollute water sources, and cause damage to soil (Puryono & Sudiati, 2019). Therefore, a holistic and sustainable approach is needed in managing industrial waste, known as the Sustainable Supply Chain Management (SSCM) concept.

The SSCM concept brings significant changes in the way companies manage their supply chains. This involves strategic thinking to integrate sustainability practices at every stage of the process, from planning and procurement to production, distribution and ultimately waste management (Solehudin et al, 2023). By implementing SSCM, companies can reduce their environmental footprint while maintaining operational efficiency (Parung et al., 2021).

Practical steps in SSCM involve selecting environmentally friendly raw materials, designing products that can be recycled, and implementing technology that supports energy efficiency. Apart from that, collaboration with supply chain partners is also key, where waste management is integrated into the entire supply network (Yuniarti et al, 2018). By adopting the SSCM concept, companies can contribute positively to environmental sustainability, respond to increasing consumer demands for environmentally friendly products, and at the same time mitigate legal and reputation risks that may arise due to the negative impacts of industrial waste (Azari, 2018).

METHOD

This research adopts a qualitative approach, in line with the Bogdan and Biklen concept explained by Gerring (2017) that qualitative research is descriptive. In this framework, the data collected is in the form of words or images, avoiding emphasis on numbers. The qualitative approach, as explained by Seaman (2008), refers to the philosophy of postpositivism, and is used to examine the condition of natural objects. In contrast to experiments, qualitative methods use researchers as the main instrument, involve triangulation data collection techniques, and analyze data inductively and qualitatively. In the context of descriptive research, the data collected will be analyzed using qualitative methods, by describing research findings in the form of words or sentences. In this way, the author will explain in depth the research results according to the reality that occurs in the field. This approach allows researchers to absorb the underlying meaning of findings rather than simply producing generalizations.

RESULTS AND DISCUSSION

Sustainable supply chain reflects companies' efforts to consider the environmental and social impacts of their products' journey through the entire supply chain, from the source of raw materials to production, storage, delivery and each phase of transportation (Hertina et al., 2023). The main focus is to reduce the negative impact on the environment caused by factors such as energy use, water use and waste production. Apart from that, sustainable supply chains also aim to have a positive impact on the surrounding community and environment (Rohdayatin, 2018).

Traditionally, the company's main concern in the supply chain is related to revenue and profit aspects. However, with growing awareness of environmental and social issues , companies are now increasingly paying attention to sustainability in their supply chains. Sustainable supply chain management (SSCM) has become key in facing this challenge, providing companies with a set of skills and capabilities to differentiate themselves from competitors while addressing concerns related to sustainability (Alwani, 2021).

By implementing SSCM, companies not only focus on operational efficiency, but also pay attention to the overall impact generated by their activities. This includes reducing carbon

emissions, better waste management, and ensuring that their business activities provide positive benefits to society and the surrounding environment (Anwar, 2013). Thus, a sustainable supply chain is not only about ecological sustainability, but also about establishing a positive reputation, gaining consumer support, and building better relationships with related parties (Suharto, 2013)

Sustainable Supply Chain Management (SSCM) has a crucial role in supporting sustainability in consumer goods companies. Here are some ways SSCM can make a positive contribution:

Selection of Sustainable Raw Materials:

Sustainable Supply Chain Management (SSCM) is key in encouraging consumer goods companies to take proactive steps in choosing raw materials that support sustainability. One key aspect is the emphasis on using recycled materials as part of efforts to reduce the environmental impact of production. By prioritizing recycled materials, companies can reduce dependence on new natural resources, save the energy required for the extraction and production of materials, and reduce waste entering the environment.

In addition, SSCM encourages companies to manage natural resources wisely in their selection of raw materials. This includes the sustainable use of renewable resources, ensuring that resource extraction does not exceed nature's regenerative capacity. Selecting materials that have a lower environmental impact over their life cycle is also a key focus. This includes evaluation from the extraction stage to final disposal, ensuring that the entire life cycle of the raw material minimizes negative impacts on the environment.

By applying these principles, consumer goods companies not only play a role in supporting the sustainability of the earth's resources, but also create products with a lower carbon footprint, in line with consumer demands for environmentally friendly products. As a result, companies can build a better reputation, increase competitiveness, and at the same time play an active role in maintaining environmental balance.

Environmentally Friendly Production Practices

Sustainable Supply Chain Management (SSCM) is a catalyst for consumer goods companies to implement production practices that are not only efficient but also sustainable. One of the central aspects of implementing SSCM is efforts to reduce waste in the production process. By identifying and reducing the waste generated, companies can not only improve operational efficiency, but also reduce negative impacts on the environment. Steps such as recycling scrap materials and optimizing waste management can help create a cleaner and more sustainable production environment.

The implementation of SSCM also emphasizes energy efficiency as an integral component in production practices. Companies are empowered to adopt technologies and strategies that reduce energy consumption, from the power source to the production stage. Energy efficiency not only provides environmental benefits by reducing carbon emissions, but can also result in long-term cost efficiencies for companies. The use of green technology is also in the spotlight in SSCM, by encouraging environmentally friendly technological innovation to replace traditional production methods that are more detrimental to the environment.

By implementing efficient and sustainable production practices through SSCM, consumer goods companies can build a solid foundation for the sustainability of their operations. Not only does this create environmental benefits, but it can also improve operational efficiency, reduce production costs, and respond to increasing consumer demands for responsibly produced products.

Responsible Waste Management

By adopting Sustainable Supply Chain Management (SSCM), consumer goods companies have the opportunity to design waste management strategies that are not only effective but also

environmentally friendly. One of the main approaches is the promotion of recycling as an integral part of the waste management process. Through this, companies can identify recyclable materials and integrate more sustainable product life cycles. This recycling approach not only reduces the amount of waste reaching landfills, but also minimizes the need for new resources.

Waste reduction is an important focus in sustainable waste management strategies. Companies can implement measures to reduce waste, optimize production processes, and use materials that produce minimal waste. In addition, SSCM encourages the exploration of more environmentally friendly disposal method options, such as waste processing with innovative technology or selecting final disposal sites that meet sustainability standards.

By implementing a holistic waste management strategy through SSCM, consumer goods companies can achieve sustainability throughout the supply chain. These steps not only support environmental protection efforts, but also create opportunities for innovation, financial sustainability, and improve a company's reputation in the eyes of consumers who are increasingly concerned about sustainability. Thus, waste management becomes a central point in responding to global demands for environmental responsibility

Sustainable Transportation and Distribution

Through a Sustainable Supply Chain Management (SSCM) approach, companies can play a key role in designing sustainable transportation and distribution strategies. One of the main aspects is choosing a more efficient and environmentally friendly mode of transportation. By evaluating different transportation options, companies can prioritize the use of transportation modes that produce lower carbon emissions, such as the use of electric vehicles or efficient mass transit options.

Optimal delivery routes are also a focus in the SSCM strategy. By utilizing mapping technology and data analysis, companies can identify the most efficient delivery routes in reducing travel time and carbon emissions. In addition, implementing SSCM encourages companies to evaluate and optimize their distribution networks, so as to create supply chains that are more efficient and responsive to customer demand.

The use of environmentally friendly packaging is also an important component in a sustainable transportation and distribution strategy. By adopting packaging materials that can be recycled or easily decomposed, companies can reduce the environmental impact of packaging waste. Additionally, SSCM drives innovation in packaging design that reduces weight and volume, optimizes transportation capacity, and ultimately reduces the carbon footprint generated during a product's journey through the supply chain.

Collaboration with Sustainable Suppliers

The Sustainable Supply Chain Management (SSCM) approach encourages companies to collaborate closely with suppliers who adopt sustainable practices. This creates synergy between companies and suppliers, by placing special emphasis on monitoring and evaluating supplier performance against established sustainability standards. Through these steps, companies can ensure that their suppliers operate in accordance with sustainability principles, from work ethics to environmental impact.

The supplier performance monitoring process involves collecting data and evaluating the sustainability practices implemented by the supplier. In this way, companies can assess the extent to which suppliers comply with established sustainability standards. This includes evaluation of production practices, working conditions, environmental policies and other aspects of sustainability relevant to the supply chain.

In addition to monitoring, SSCM also provides support to suppliers to improve their sustainability practices. Companies can provide resources, training, or guidance to assist suppliers in identifying and implementing necessary changes. This close collaboration not only creates a

more sustainable supply chain, but also strengthens relationships between companies and suppliers, creating a mutually supportive work environment and driving sustainability innovation throughout the supply network.

Sustainable Product Innovation

The Sustainable Supply Chain Management (SSCM) approach encourages consumer goods companies to prioritize product development that not only meets market needs, but is also environmentally friendly and sustainable. One of the main aspects involves the design of products that can be recycled. By designing products to be easily recycled, companies can reduce the amount of waste entering landfills and reduce the need for new raw materials.

The implementation of SSCM also encourages companies to choose environmentally friendly materials in the product development process. This involves selecting materials that can be broken down more easily, have a lower environmental impact over their life cycle, and minimize risks to human health and the environment. The choice of sustainable materials also provides the opportunity to create products with equivalent or even better performance than conventional products.

In addition, SSCM encourages companies to consider extending product life. This can be achieved through the design of products that are durable, repairable, or upgradeable. By extending the lifespan of products, companies can reduce the need for consumers to purchase new products regularly, reduce e-waste, and increase the efficiency of resource use.

By combining environmentally friendly product design, selecting sustainable materials, and extending shelf life, consumer goods companies can create products that support sustainability, answer consumer demands for more responsible products, and make a positive contribution to the environment. Additionally, innovation in product development can open new opportunities, enhance a company's reputation, and ensure relevance in an increasingly environmentally conscious market.

Transparency and Sustainability Reporting

Sustainable Supply Chain Management (SSCM) bridges consumer goods companies towards greater transparency throughout their supply chains. One of the main pillars of SSCM is encouraging sustainability reporting, which involves conveying detailed information about the environmental and social impacts resulting from a company's operational activities. Through this transparency, companies can open the door to stakeholders, including consumers, investors and other interested parties, to better understand how sustainability is integrated into every stage of the supply chain.

SSCM provides companies with the ability to monitor and evaluate their sustainable performance on an ongoing basis. By collecting relevant data and carrying out detailed analysis, companies can measure the positive and negative impacts of their operations on the environment and society. This information not only provides a comprehensive picture of a company's sustainability practices, but also opens up opportunities for continuous improvement and innovation.

Openly communicating about environmental and social impacts allows companies to build trust with consumers and other stakeholders. Consumers who are increasingly conscious of sustainability tend to choose products from companies that can clearly explain and manage their impact. Therefore, sustainability reporting is not only a tool to demonstrate a company's commitment to sustainability, but also a smart business strategy to build and maintain a positive reputation in a market that is increasingly sensitive to social and environmental issues.

CONCLUSION

Sustainable Supply Chain Management (SSCM) is an integral approach for consumer goods companies in developing more sustainable operations. From raw material selection to transportation strategies, SSCM encourages companies to prioritize environmentally friendly and sustainable practices. Close collaboration with suppliers, responsible product development and transparent sustainability reporting are key components in SSCM implementation. By adopting SSCM principles, companies can not only reduce their negative impact on the environment, but also meet the demands of consumers who are increasingly concerned about sustainability issues. Transparency in sustainability reporting strengthens relationships with stakeholders and supports a company's reputation in the long term. Thus, SSCM is not only an ethical step, but also a smart business strategy to create added value, financial sustainability and a positive impact on the environment.

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