

Simplified ESG checklist for Micro and SME businesses

By incorporating these considerations into your supplier management processes, Micro and SME businesses in the UK can contribute to positive social and environmental impact while promoting responsible business practices across their supply chains.

Environmental Considerations
1. Assess suppliers' environmental policies, practices, and certifications. 2. Ensure suppliers comply with relevant environmental regulations. 3. Evaluate suppliers' energy efficiency and waste management practices. 4. Consider suppliers' carbon footprint and efforts to reduce it. 5. Encourage suppliers to adopt eco-friendly packaging and shipping practices. 6. Prioritise suppliers with sustainable sourcing and production processes.
Social Factors
1. Evaluate suppliers' labour practices, including fair wages, safe working conditions, and diversity policies. 2. Encourage suppliers to adhere to human rights standards and regulations. 3. Assess suppliers' community involvement and corporate social responsibility initiatives. 4. Consider suppliers' relationships with local communities and stakeholders. 5. Ensure suppliers comply with relevant labour laws and regulations, such as minimum wage laws and working hour limits. 6. Monitor suppliers' efforts to promote diversity, equity, and inclusion within their workforce.
Governance Practices
1. Evaluate suppliers' corporate governance structures and transparency. 2. Assess suppliers' adherence to ethical business practices and anti-corruption policies. 3. Review suppliers' financial stability and risk management procedures. 4. Ensure suppliers have effective mechanisms for internal controls and accountability. 5. Consider suppliers' track record of regulatory compliance and legal issues. 6. Encourage suppliers to disclose relevant information regarding their governance practices and performance.
Supply Chain Management
1. Map out your supply chain to identify potential ESG risks and opportunities. 2. Engage with suppliers to understand their own supply chain and ESG considerations. 3. Collaborate with suppliers to address shared ESG goals and challenges. 4. Establish clear communication channels with suppliers to address ESG concerns and initiatives. 5. Consider suppliers' efforts to improve transparency and traceability within their supply chains. 6. Monitor and evaluate the ESG performance of key suppliers on an ongoing basis.
Continuous Improvement
1. Implement mechanisms for ongoing monitoring and evaluation of suppliers' ESG performance. 2. Provide feedback to suppliers on areas for improvement and encourage dialogue on ESG issues. 3. Collaborate with industry peers and stakeholders to share best practices and lessons learned in ESG supplier management. 4. Regularly review and update your ESG policies and practices to reflect evolving standards and priorities. 5. Celebrate successes and recognize suppliers that demonstrate exemplary ESG performance.