



Online-Appendix

„Analysing the Sustainability of Procurement in Family Businesses - A Study of Measurable Investments and Practices Based on ESG Principles“

Philipp Schmidt

WHU – Otto Beisheim School of Management

Junior Management Science 9(2) (2024) 1485-1510

Appendix

Appendix 1: Interview Questionnaire

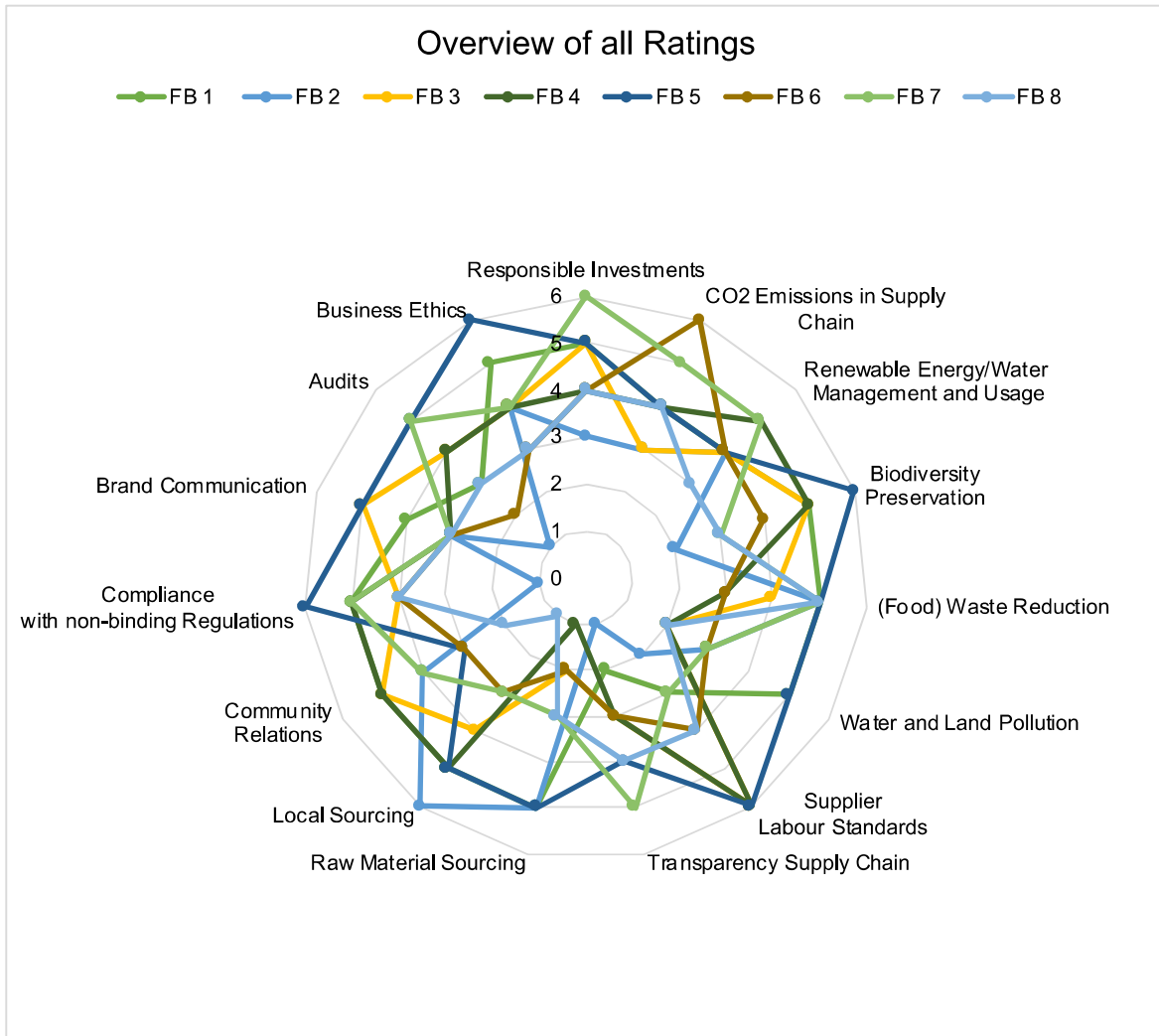
<p>1. Could you please introduce your position and "Business X" briefly?</p> <p>2. The consensus in Germany is often that sustainability in family-owned businesses is quite developed. Would this be confirmed, and in your own opinion, what makes the difference?</p> <p>3. To directly address the topic of procurement/purchasing, what focus does "Business X" have regarding national and international supply chains?</p>	<p>11. Does "Business X" conduct audits, have codes of conduct, and closely engage with its suppliers regarding sustainability practices? How would you describe the relationship with your suppliers?</p> <p>12. How important is the development and collaboration with your suppliers? What experiences and challenges has "Business X" encountered in this regard? Are there any lessons learned or advantages that you perceived because of being a family business?</p> <p>13. When choosing suppliers, how important are labor standards to your organization? Does "Business X" have specific guidelines, compliance requirements, and other criteria for suppliers?</p>
<p>4. How does "Business X" prioritize and address CO2 emissions in the procurement process? Please provide any specific examples or metrics used to measure and mitigate these emissions.</p> <p>5. Are sustainable investments in procurement taken? Why or why not? What specific sustainable investments did "Business X" make, and when?</p>	<p>14. How has the COVID-19 crisis impacted your operations, such as supply chain disruptions? Have you identified areas for improvement within your supply chain and made any sustainable changes to enhance resilience in the long-term?</p> <p>15. Do you perceive sustainability as an opportunity for "Business X" to establish a long-term competitive advantage, or do the associated costs outweigh the benefits in terms of financial performance?</p>
<p>6. Do you agree with the statement that 16% of products are lost in the supply chain due to overproduction and other factors? Is this an issue at "Business X"? Why or why not?</p> <p>7. What measures does "Business X" have in place to contribute to waste reduction? Have any measures and processes been implemented with suppliers to reduce waste and minimize wastewater production?</p> <p>8. Are issues in agriculture, such as wastewater pollution, pesticide use, deforestation, monocultures, ecosystem destruction, and more, a significant problem for "Business X"? Why or why not? What actions are taken with suppliers to address these issues?</p>	<p>16. How has the implementation of the Supply Chain Act in 2021 impacted "Business X," and how prepared is the company to comply with its requirements? Have the new legal regulations posed any challenges to the organization?</p> <p>17. Could you summarize the key points that distinguish your company's sustainable performance in procurement?</p> <p>18. What would you say sets "Business X" apart in terms of sustainability in procurement, even when it is not legally required? If applicable, why and since when have you been implementing these practices?</p>
<p>9. How does the supplier selection take place? How is the trade-off between lower prices and more sustainable/local suppliers handled?</p>	<p>19. How transparent is your supply chain, and to what extent do you control your suppliers? How would you describe the relationships with your suppliers?</p>
<p>10. To what extent do you consider environmental and social aspects when purchasing raw materials, packaging materials, and other items?</p>	<p>20. How does sustainable entrepreneurship in procurement help facilitate business-as-usual or potentially hinder it? Are there specific areas where you believe improvements can be made in terms of sustainability in procurement?</p>

Appendix 2: Definition of Rating Criteria

Responsible Investments	Renewable Energy/Water Management and Usage	(Food) Waste Reduction
Refers to investments taken that enhance the sustainability of the supply chain.	This criteria rates the family businesses' commitment towards renewable energy and water management practices within the supply chain.	This measures the family businesses' emphasis on the reduction of (food) waste through the adoption of recyclable packaging materials, the mitigation of food waste or other actions within the procurement process.
CO2 Emissions in Procurement	Biodiversity Preservation	Water and Land Pollution
Measures taken to decrease the CO2 footprint of sourced goods.	This criterion focuses on the degree to which family businesses are sourcing from suppliers or developing competencies with suppliers. Preserving biodiversity and minimizing the impact of their operations on ecosystems is being measured. Moreover, this criterion measures the family businesses' own efforts in this regard.	Practices that decrease water and land pollution caused by unsustainable business practices within the family businesses' supply chains.
Supplier Labour Standards	Local Sourcing	Community Relations
The focus family businesses pay towards supplier labour standards and the social welfare of its supplier's employees.	While on the one hand the criterion measures the extent of local sourcing practices, on the other hand, the commitment to supporting small businesses and promoting ecological practices within the supplier's countries is measured.	The efforts to engage with and support the local community, such as promoting economic development, investing in community programs, and supporting local charities or non-profit organizations.
Transparency of Supply Chain	Raw Material Sourcing	Audits
The degree to which every sourced product can be retraced to its source, as well as the transparency of the procurement process as a whole.	The attention that is paid to raw materials that are not the family businesses' main sourced products and their environmental and social impact.	This criterion focuses on sourcing from suppliers that undergo regular audits to ensure compliance with social and environmental standards. Moreover, the extent to which family businesses conduct self-assessments of their suppliers and put in resources to ensure compliance with their code of conduct.
Compliance with non-binding Regulations	Brand Communication	Business Ethics
Adherence to voluntary guidelines or standards which are not legally binding but serve as best practices for sustainable and socially responsible business operations.	How effective family businesses communicate their values and sustainability efforts to its stakeholders, including customers and the public.	Business ethics primarily refers to the moral principles and values that guide decision-making of the family businesses. It also measures the vision of the family businesses and own efforts taken to enhance their sustainability within the supply chain.

Source: Own Creation

Appendix 3: Overview of all Ratings



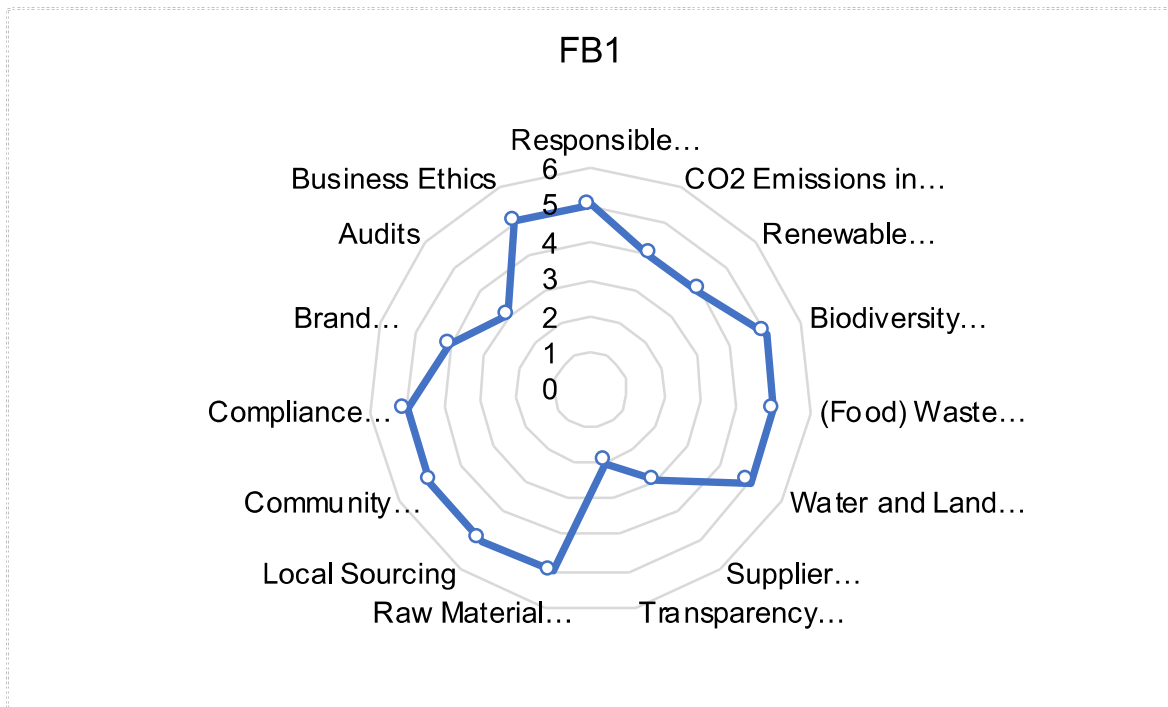
Source: Own Creation

Appendix 4: Evaluation and Point Distribution According to Criteria

	FB 1	FB 2	FB 3	FB 4	FB 5	FB 6	FB 7	FB 8
Responsible Investments	5	3	5	4	5	4	6	4
CO2 Emissions in Supply Chain	4	3	3	4	4	6	5	4
Renewable Energy/Water Management and Usage	4	4	4	5	4	4	5	3
Biodiversity Preservation	5	2	5	5	6	4	3	3
(Food) Waste Reduction	5	5	4	3	5	3	5	5
Water and Land Pollution	5	3	2	2	5	3	3	2
Supplier Labour Standards	3	2	6	6	6	4	3	4
Transparency Supply Chain	2	1	3	3	4	3	5	4
Raw Material Sourcing	5	5	2	1	5	2	3	3
Local Sourcing	5	6	4	5	5	3	3	1
Community Relations	5	4	5	5	3	3	4	2
Compliance with non-binding Regulations	5	1	4	5	6	4	5	4
Brand Communication	4	3	5	3	5	3	3	3
Audits	3	1	4	4	5	2	5	3
Business Ethics	5	4	4	4	6	3	4	3

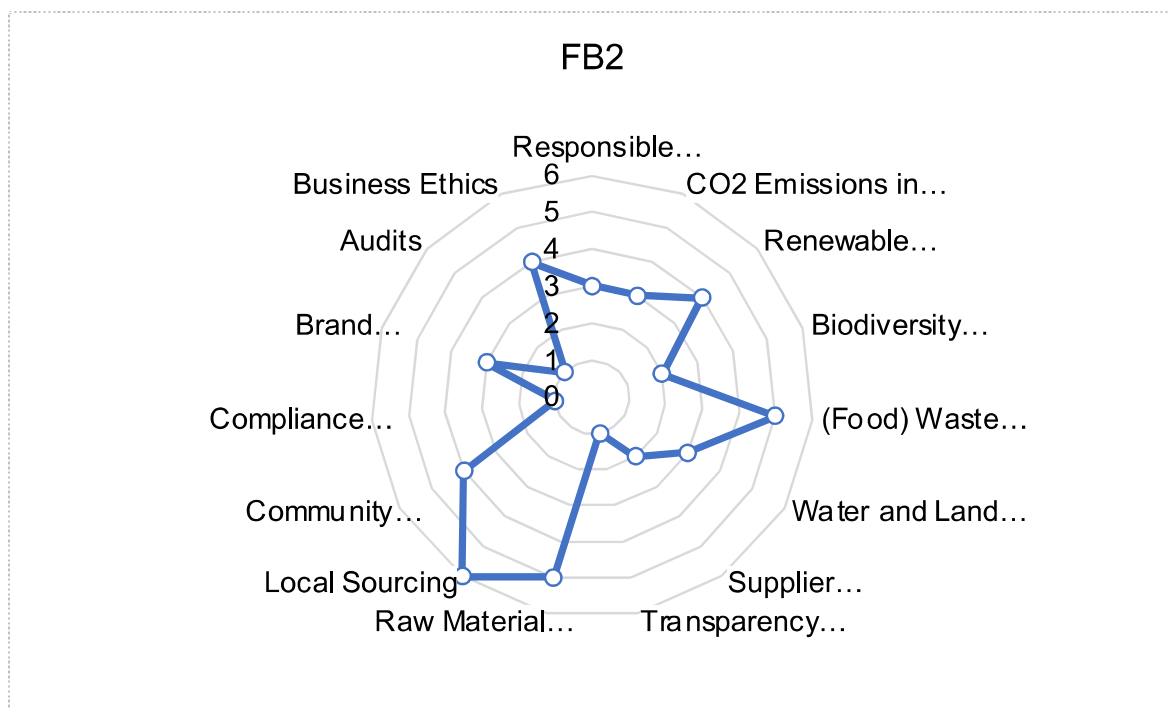
Source: Own Creation

Appendix 5: FB1



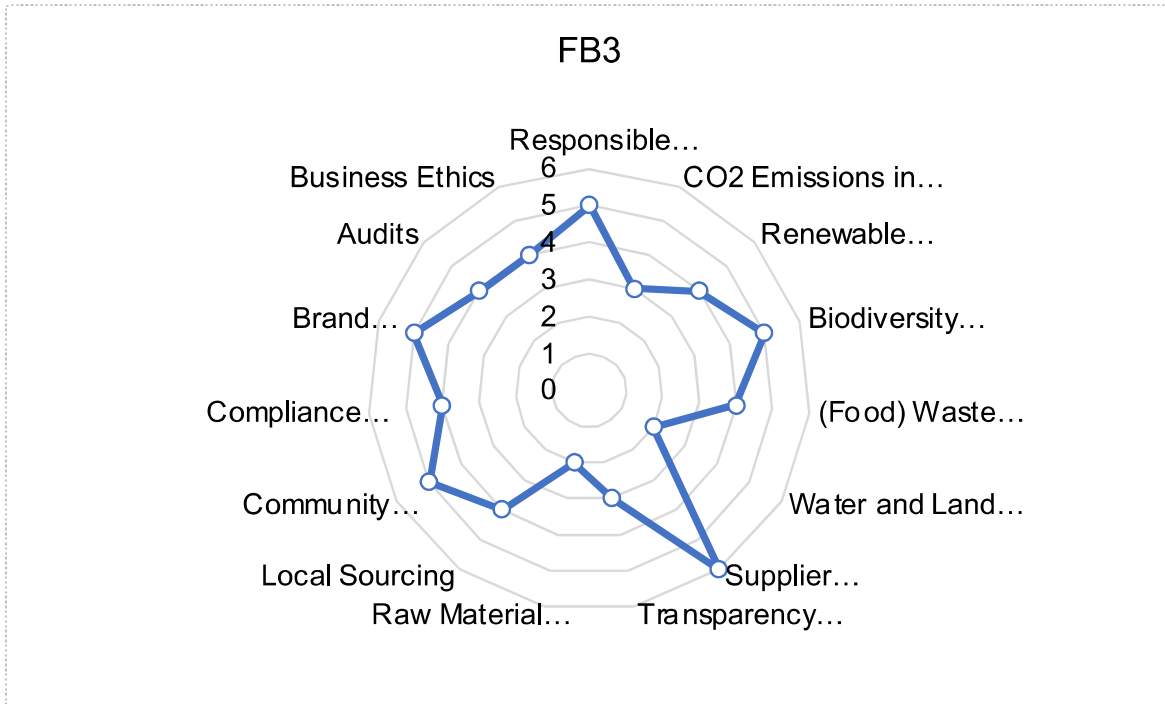
Source: Own Creation

Appendix 6: FB2



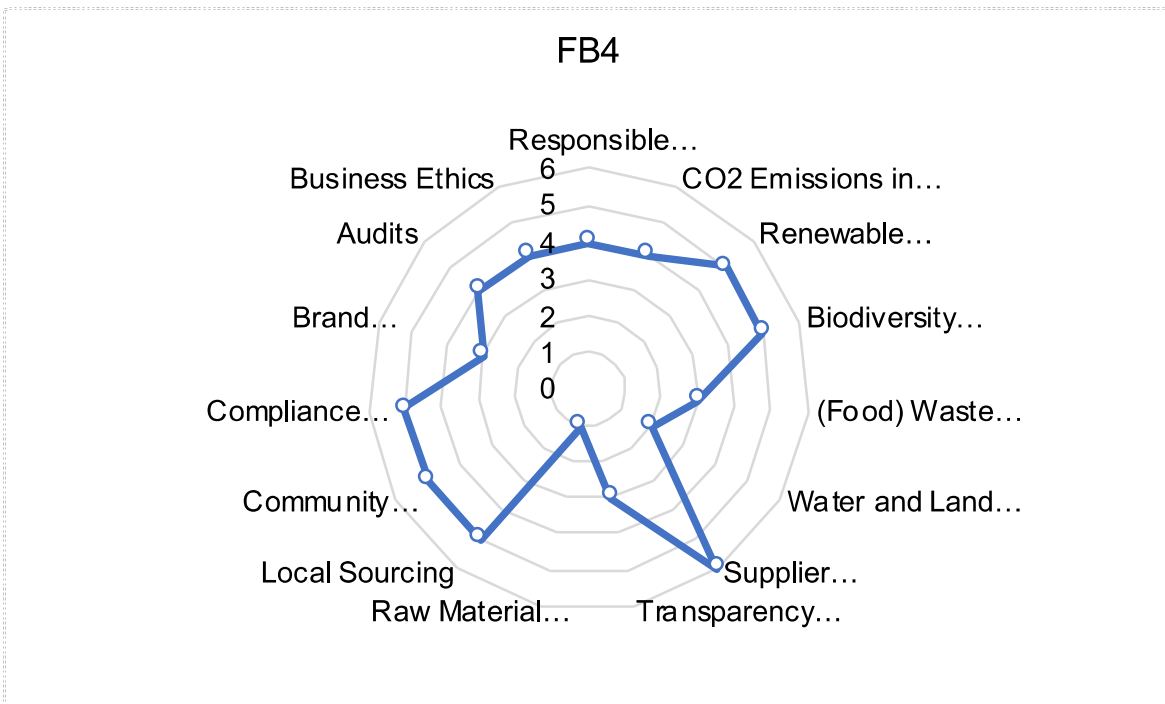
Source: Own Creation

Appendix 7: FB3



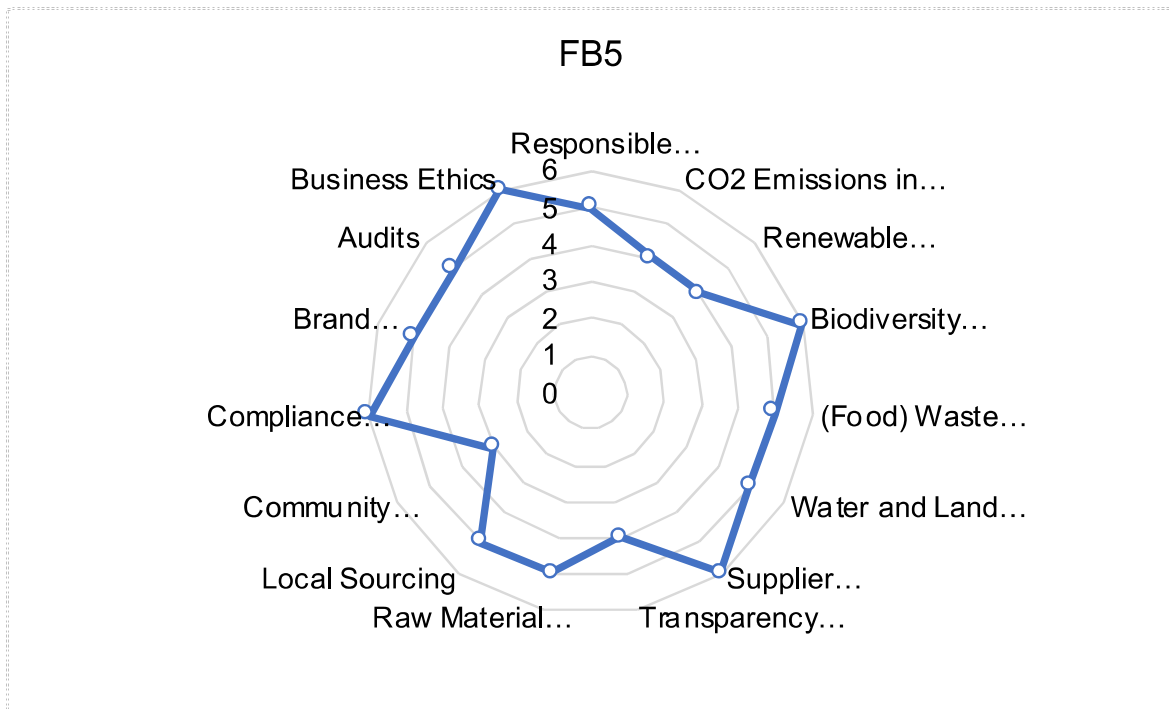
Source: Own Creation

Appendix 8: FB4



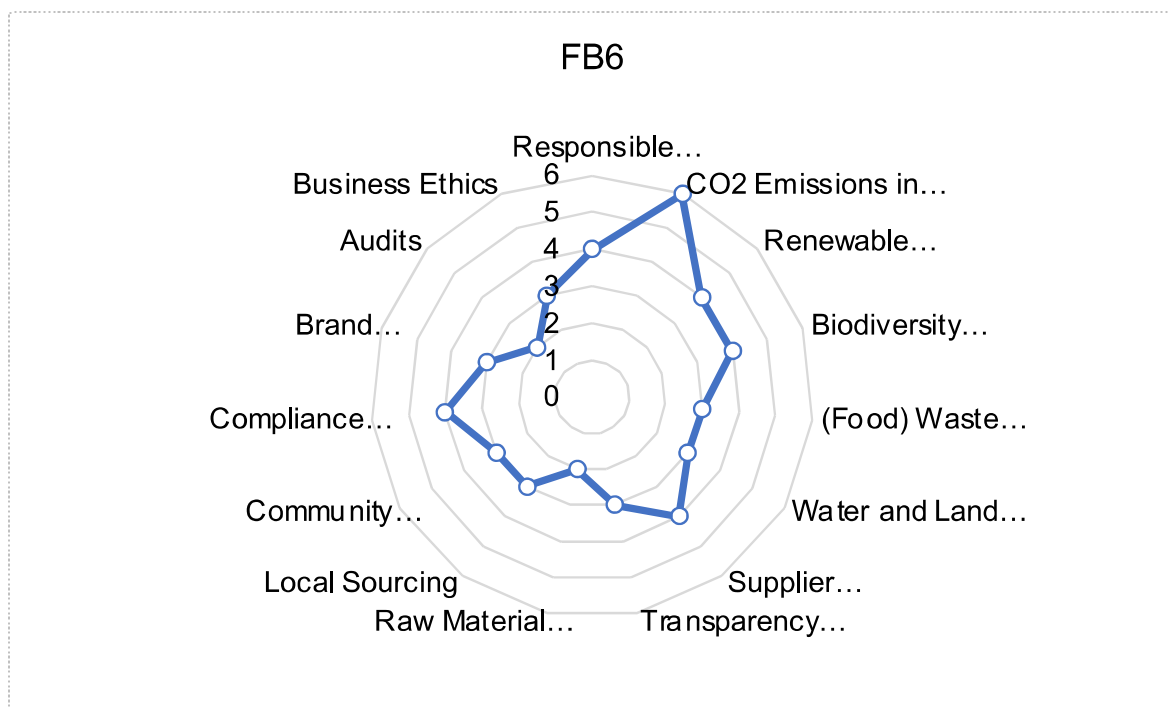
Source: Own Creation

Appendix 9: FB5



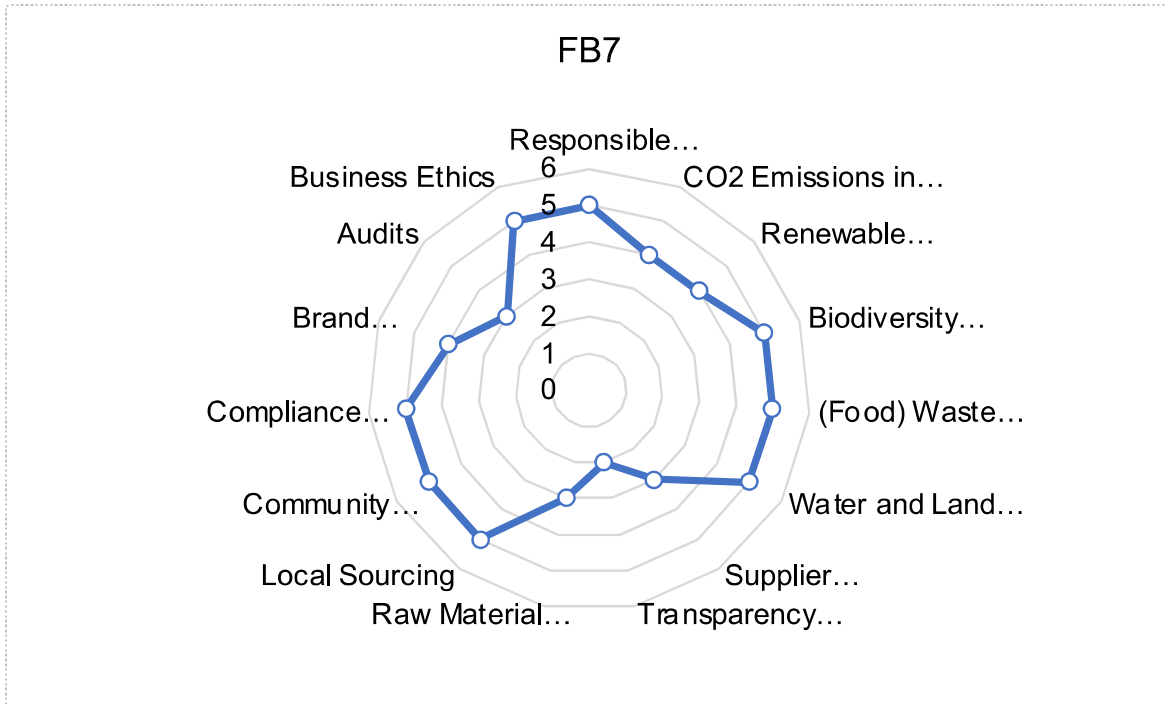
Source: Own Creation

Appendix 10: FB6



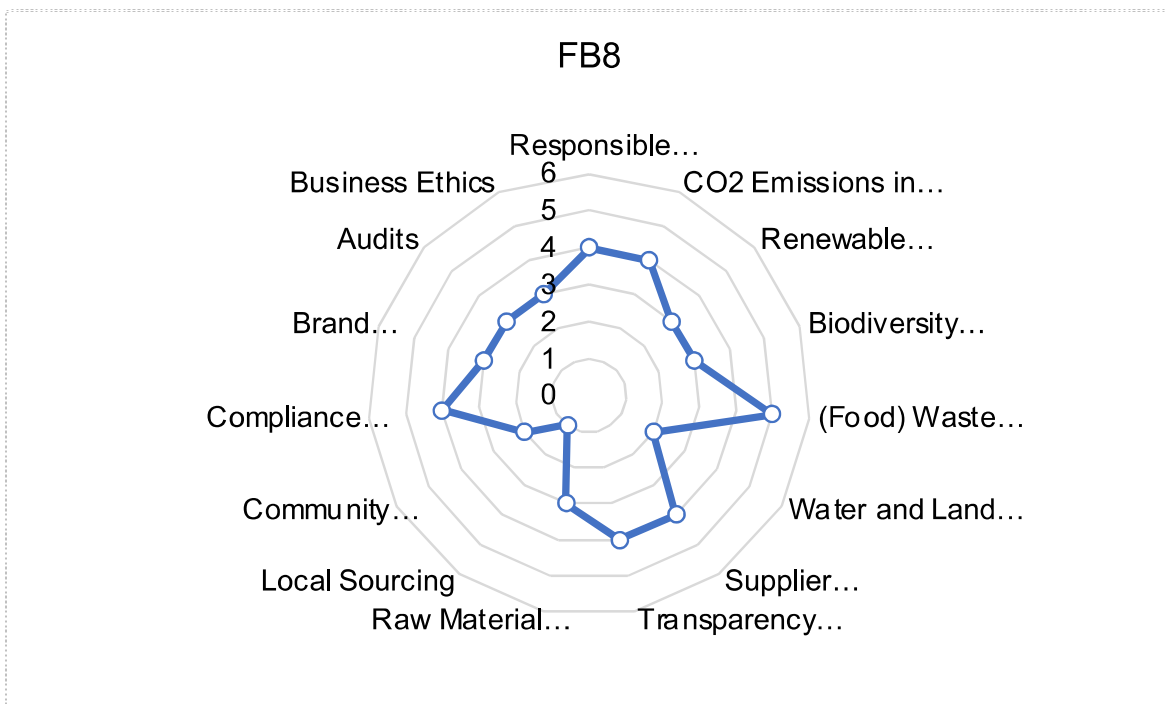
Source: Own Creation

Appendix 11: FB7



Source: Own Creation

Appendix 12: FB8



Source: Own Creation