Chapter 13
Sustainable Supply Chain as a Part of CSR Strategy: The Example of Polpharma, Poland

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ABSTRACT

Corporate social responsibility policies have become an important management strategy in companies. This sector tries to respond to stakeholders’ needs while developing socially responsible business activities and sustainable values. A sustainable supply chain is an integral part of CSR strategy in a pharmaceutical industry. Purchased goods and services have to present high standards and quality. As international companies have many suppliers and contractors, it is important to conduct and promote worked out values among all business partners. The aim of this chapter is to investigate the corporate social responsibility values of Polpharma Group. The chapter describes the long-term strategy of sustainability in Polpharma and the responsibilities of Polpharma in all business sectors. The most essential part will be the description of the process of sustainable supply chain formation. The chapter will describe the implementation of a code of conduct among suppliers. The case study in this chapter will be based on Polpharma, one of the largest Polish pharmaceutical companies.

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INTRODUCTION

Recent years have brought a higher interest in terms of protection of the environment. As a derivative, the interest in the international standards of Sustainable Development (SD) and Corporate Social Responsibility (CSR) is growing and rules of sustainability are becoming operational standards in many enterprises. The popularity of sustainability principles has a positive impact on companies, which, asides from their size or field of activity, are implementing policies that take into account not only the economic aspects of companies activity but social and environmental as well.

Porter and Kramer (2006) prove that for modern companies sustainable management is a broad term, used in all areas of company’s activity. One of the integral elements of the sustainable production process is a sustainable supply chain (SSC), which meets the requirements of producers, suppliers, and clients at the same time. When comparing the traditional and sustainable supply chain, one will easily notice, that the proper functioning of SSC is more likely to depend on the preferences and behavior of the customer. It is directly connected to the products flowing through the SSC and the fact that they are usually made in the recycling process. It may happen, that recycled products are characterized by non-plain features, this means that they may differ from their original counterparts. As a result, clients may occur disaffected (Nowakowska-Grunt, 2005). Following consumer needs and keeping them close to the company is one of the main targets of modern sells strategies. This is why many companies started to analyze their supply chains widely – taking into consideration the flow of goods into and outside the company. The result of the analyzes was a Sustainable Supply Chain which integrates economic, social and environmental values as a part of CSR policy (Olejnica & Koch, 2015).

The paper is going to introduce the topic of Sustainable Supply Chain and show the main values of SSC management. In the second part, the paper will focus on the case of Polpharma Group, a polish pharmacy company. The paper will give a little place for Polpharma’s CSR strategy, and then highlight the main areas of SSC. The aim of this chapter is to prove that sustainable actions taken in a supply chain may contribute positively to the company’s reputation as well as social and economical operations.

BACKGROUND: SUSTAINABLE SUPPLY CHAIN IN THEORY

A supply chain is an essential part of every modern enterprise. A supply chain should be integrated with the strategy of a company, as it has an impact on a number of actions taken by the company, among which one can mention: level of costs, quality of production, a flow of information, materials and finances between a company
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