

**Abstract** In a world of limited resources, it could be argued that companies that aspire to be good corporate citizens need to focus on making best use of resources. User value and environmental harm are created in supply chains and it could therefore be argued that company business ethics should be extended from the company to the entire value chain from the first supplier to the last customer. Starting with a delineation of the linkages between business ethics, corporate sustainability, and the stakeholder concept, this article argues that supply chains generally have a great innovation potential for sustainable development. This potential could be highlighted with system thinking and the use of change management knowledge, promoting not only innovations within technology but also within organizational improvement. We propose process models and performance indicators as means of highlighting improvement potential and thus breaking down normative business ethics' requirements to an operationalizable corporate level: Good business ethics should focus on maximizing stakeholder value in relation to harm done. Our results indicate that focusing on supply chains reveals previously unknown innovation potential that seems to be related to limited system understanding. The assumption is that increased visibility of opportunities will act as a driver for change. Results also highlight the importance of focusing on sustainability effects of the core business and clearly relating value created to harm done.

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