

How to Guide SUSTAINABLE PROCUREMENT



HOW TO IMPLEMENT A SUSTAINABLE PROCUREMENT PROGRAM

What is sustainable procurement?

Sustainable procurement involves purchasing goods and services that not only deliver value for money but also take into account their environmental, social, and economic impacts across the entire life cycle. Sustainable procurement aims to maximize social benefits while minimizing environmental impact.













Environment

Ethical

Diversity

Social

Community

Governance

Why does Sustainable Procurement matter?

Sustainable procurement is crucial for organizations of all sizes, across every sector and region. As stakeholder expectations and regulatory demands increase, focusing on sustainable procurement helps organizations meet sustainability objectives and build resilient and future-ready supply chains.

Additional benefits can include regulatory compliance, improved market access, enhanced competitive advantage, cost savings, stronger risk management, better brand reputation, innovation, and deeper supplier relationships. Sustainable procurement can also contribute to sustainable development by delivering broader social, environmental, and economic benefits.

When implementing a sustainable procurement program, it is important to also consider the potential impacts of your company's procurement and contracting practices on your supply chain and its workers. For example, is risk shared rather than transferred; is pricing fair with timely payment terms; is there responsible demand planning?

The <u>UNGC Decent Work Toolkit for Sustainable Procurement</u> and the Joint Ethical Trading Initiative (ETI) <u>Guide to buying responsibly</u> and <u>Responsible Purchasing Practices (RPP) Resource Hub</u> provide useful resources in relation to responsible purchasing practices.



Sustainable Procurement program implementation checklist

This checklist can help inform a workplan for setting up and implementing a Sustainable Procurement program. Sustainable Procurement is best seen as a program of continuous improvement. Leading organizations have often started small and then scaled up as they have evolved their program over time.



Foundations & Governance

- Secure leadership commitment and an executive level sponsor
- Define objectives align with organization's strategy and sustainability goals and prioritize sustainability risks and impacts most material to supply chain
- Identify relevant regulatory requirements and frameworks (e.g., ISO 20400)
- Establish governance structure



Policy & Processes

- Develop Sustainable Procurement Policy aligned with objectives and requirements
- · Set specific goals or targets
- Develop Supplier Code of Conduct
- Review purchasing and contracting practices to ensure they reflect responsible purchasing and contracting
- Embed sustainability into procurement e.g., roles & KPIs, RFPs, decisionmaking frameworks, risk assessment and due diligence processes, supplier contracts, monitoring & evaluation

Handy hints:

- 1. Cross-functional collaboration is a key enabler of a successful program. Consider which functions need to input into the policy to make sure it is fully aligned with the organization's requirements and goals.
- 2. The ISO 20400 Sustainable Procurement Standard and <u>UNGC Report</u>

 <u>Procurement: A Catalyst for Sustainable Growth and Resilience</u> provide useful guidance on integrating sustainability into procurement practices.
- 3. Consider how your Supplier Code of Conduct can drive sustainable procurement down the supply chain





Communication, Training & Tools

- Communicate and train relevant staff on Sustainable Procurement Policy, Supplier Code of Conduct and how to assess suppliers, including risk assessment and due diligence requirements
- Provide staff with tools to assess suppliers

Handy hint:

Sustainability credentials, such as certifications and eco-labels, provide a useful tool for assessing new and existing suppliers and can mitigate risks associated with self-reported data.



Supplier Engagement

- Communicate Sustainable Procurement Policy and Supplier Code of Conduct to suppliers
- Support suppliers to build capability and capacity and to adopt sustainable practices.

Handy hint:

This could include offering incentives for taking action (e.g., preferred supplier status, longer contracts, access to sustainable supply chain finance etc), providing training, resources, tools and technology, and sharing knowledge and best practices.



Monitoring & Tracking

- Evaluate and track supplier performance
- · Monitor progress against goals or targets
- Use data & insights to drive decision-making and continuous improvement

Handy hint:

Providing tools and technology solutions can deliver more accurate and reliable data, reduce the time and resource burden on teams, and enable organizations to achieve their sustainability goals faster.



Reporting & Knowledge Sharing

- Report internally and externally on sustainable procurement performance and progress against goals or targets
- Promote knowledge sharing across the organization through sharing lessons, successes and case studies



Continuous Improvement

 Periodically review and update Sustainable Procurement Policy, Supplier Code of Conduct, goals and targets and internal processes to drive continuous improvement



givvable's SUSTAINABLE PROCUREMENT SOLUTIONS

givvable is an award-winning intelligence platform automating complex supplier diligence and responsible procurement. Our unique and flexible proprietary solutions enable organizations to implement a successful Sustainable Procurement program.

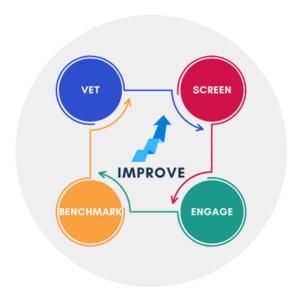
The givvable Toolkit

VET

VET is an easy-to-use, on-demand supplier look-up tool used for supplier discovery and vetting. Available via API or webapp.

SCREEN

SCREEN is a bulk supplier wash used by organizations to screen 100+ to 100,000+ suppliers at once. Available via API and interactive dashboard.



ENGAGE

ENGAGE is a supplier-friendly Supplier Engagement Portal available to your suppliers for free. Available via webapp and may be white-labelled and tailored for organizational content.

BENCHMARK

BENCHMARK enables organizations to undertake all types of benchmarking to track and improve performance.

To learn more about our tools, click <u>here</u>.

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