A Cynic’s Guide to Sustainable Procurement
Introduction

• This document is not a presentation. It is intended to provide a compendium of facts, figures and perspectives to help people explore the realities of sustainability in business.

• In particular it is intended to provide a resource that people involved in assessing or implementing Sustainable Procurement initiatives can use to respond to challenges from “cynics” in their organisations.

• The facts and figures presented are based on articles and research reported on internet news sites representing established media sources and independent organisations. They represent a point in time and will not be continually updated.
How cynical are you?

Tick:
1: Disagree
2: Unsure
3: Agree

- Sustainability is a concept invented by tree-huggers.
- It’s all about the numbers – our CFO won’t buy into this hype.
- I can’t see the link between sustainability and procurement for my business.
- I’m prepared to follow the rules but won’t be going out of my way.
- It’s the big guns that need to do something about it, not a small firm like mine.
- What’s the big deal anyway? Surely this is all just media hype.
- Lots of firms in other countries produce through unsustainable operations – we can’t compete with that if we don’t do the same.

Mostly 1s:
You’re out to save the planet and make some money while you’re at it. This is old hat to you. Why is everyone still lagging behind – isn’t this just good procurement practice?

Mostly 2s:
You reckon there might be something in this, but you’re busy, and there are other priorities

Mostly 3s:
You’ve never heard of such a load of old tosh. It’s irrelevant to business, let alone to procurement. Now where’s that Jeremy Clarkson DVD?
**A cynic might say…**

1. “Sustainability is just a passing fad – the media hype will blow over soon.”
2. “Shareholders and financiers aren’t interested – so it will never be a board priority.”
3. So what do we mean by Sustainable Procurement?
4. “OK, so what’s the business case for Sustainable Procurement?”
5. “What has it got to do with Procurement, anyway?”
6. “We’ve already done Sustainable Procurement. Next!”
7. “We’ll comply with legislation but no more than that.”
8. “Our firm is too small to make a difference.”
9. “Why should I be concerned with child labour and other unethical practices? Others aren’t.”
10. “OK, I’m convinced. What do I do now?”
"Sustainability is just a passing fad – the media hype will blow over soon"

- A survey of purchasers undertaken by Supply Management magazine in late 2008 found that 66 per cent believed sustainability issues had not fallen in importance, in spite of the economic conditions. The respondents suggested that adopting long-term sustainable strategies could deliver greater savings and more security of supply.

- 56% of UK consumers would value details concerning a product’s carbon footprint when making a buying decision. With this data, 44% would switch to a product or service with a lower carbon footprint, even if it was not their first preference. 43% would be willing to pay more for a lower carbon product or service.

- Over half of Britain’s consumers think ethical production of the clothes they buy is important according to a survey of 7,000 people. 45% are doubtful about ethical claims made by high street stores.

- 89% of people said they would rather purchase a television that was energy efficient than one that wasn't, according to the Consumer Electronics Association.

- A survey of Americans has found that >84% are in favour of phasing out carbon-based energy and phasing in new technologies.

- Two-thirds of Americans say they take a company’s business practices into account when they consider their purchases.

- Two BBC surveys of 22,000 people in 21 countries found that 79% agreed that human activity is a significant cause of climate change. 90% said action was necessary. 83% say they are prepared to make lifestyle changes to address climate change.

- 77% of 500 businesses surveyed anticipate spending more on their environmental programmes next year. 75% believe these programmes will contribute to profitability.

- In April 07, online “buzz” on environmental issues was up 110% on the same time in 2006. By August 07, it was up 169% on August 06.

- More than 90% of CEOs are doing more than they did 5 years ago to incorporate environmental, social and governance issues into strategy and operations.
Organisations are responding to a steady rise in public awareness of green issues

- Greenpeace battle with Shell over Brent Spa oil rig
- UN IPCC report on CC: "There is discernable human influence"
- Kyoto Protocol negotiated
- Dow Jones Sustainability Index established
- UN IPCC Report: "Most of the observed warming of the last 50 years is due to human activities"
- RCEP recommends 60% CO2 reduction by 2050
- Earth Summit Johannesburg
- Prestige oil tanker spill, Galicia, Spain
- EU issues pollution trading map
- Kyoto becomes law
- Hurricanes Katrina, Rita & Wilma
- An Inconvenient Truth
- Chinese Toxic chemical spill drifts into Russia
- UK Stern Review costs the impact of action & inaction
- UN IPCC report on CC: Global warming is "Unequivocal"

Increasingly complex, international supply networks hold increasing sustainability risk
Media coverage on environmental incidents, developments and legislation has grown since the 1960’s, this is not a new phenomenon.
“Shareholders, and financiers aren’t interested – so it will never be a board priority”

- A recent Goldman Sachs report found that sustainability is a critical factor in the long term performance of shares. “Unless you understand that sustainability is a key driver of long term stock market performance, it is difficult, if not impossible, to outperform on a sustainable basis,” (Anthony Ling, co-head of European equity research, Goldman Sachs). Shares in companies considered as leaders in environmental, social and governance policies outperformed the market by a 25% average. [5]

- Over 400 leading financial institutions, representing more than $15 trillion in assets under management, have signed up to the UN’s Principles for Responsible Investment. Many subscribe to other organisations such as the Carbon Disclosure Project, the Investor Network on Climate Risk, and the Institutional Investors Group on Climate Change.

- The global carbon trading market is already worth $118 billion a year and analysts expect this to increase significantly.

- A group of US pension and investment funds, including CalPERS, the largest public sector pension fund, has submitted a petition to the Securities and Exchange Commission requesting that the regulator make it obligatory for companies to disclose risks relating to climate change.[1]

- In a private equity deal worth $45 billion to buy the utility company TXU Corp, Goldman Sachs persuaded the investors to scrap plans for all but three of 11 coal-fired plants TXU intended to build, and to invest $400 million in energy-saving initiatives. [2]

- In February 2008, 40 of the world’s largest institutional investors called on the US Congress to introduce a mandatory national policy to reduce greenhouse gas emissions by up to 90% below 1990 levels by 2050. They also requested the the US Securities and Exchange Commission (SEC) insist that companies listed in New York and elsewhere disclose their exposure to climate change risk.
Citi, JPMorgan Chase and Morgan Stanley have pledged their commitment to The Carbon Principles, climate change guidelines for advisors and lenders to power companies in the United States, to create a consistent approach among major lenders and advisors in evaluating climate change risks and opportunities in the US electric power industry.

Citi has earmarked $50 billion over the next 10 years to address global climate change through investments, financings and its own operations;

Bank of America plans to invest $20 billion to support environmentally sustainable business activity over the same period.

HSBC has pledged approx. $90 million over 5 years to addressing climate change, and has appointed Nicholas Stern – an ex-World Bank economist who authored the 2006 Stern Report for the UK government on the costs of tackling climate change – as an advisor to the chairman. They have also launched an index that tracks 300 companies worldwide that make money from fighting climate change.

Rating agency Standard and Poor’s (S&P) has proposed the adoption of standardised terminology for the disclosure of environmental provisions and decommissioning costs for mining, chemicals and oil and gas companies, which it says represent “sizable future obligations” for companies in these sectors.
Subscriptions to the UN Principles for Responsible Investment are increasing in spite of – or perhaps because of – the credit crunch.
Subscriptions to the UN Principles for Responsible Investment are increasing in spite of – or perhaps because of – the credit crunch

“The tough environment for investors has increased interest in responsible investment as a driver of long term value.

For many investors, and particularly institutional investors such as the BT Pension Scheme, our duty is to endeavour to ensure stable long-term returns whether markets go up or down.

We believe that proper consideration of environment, social and governance issues is the way to deliver those returns.”

- Donald MacDonald, chairman of the BT Pension Scheme
Global trading of carbon credits is growing rapidly and is expected to take off in the next few years.

Source: data: FT, BBC, Point Carbon, New Energy Finance
Additional research shows that carbon ‘performance’ is impacting share prices

Results from a study by an investment research firm of 1500 businesses found that over the last 3 years, has reached the following conclusion:

“Since there is now growing and incontrovertible evidence that superior overall environmental performance can in fact improve the risk level, profitability, and stock performance of publicly-traded companies, and given the emergence of climate change as arguably the pre-eminent environmental issue of our time, fiduciaries can now be seen to be derelict in their duties if they do not consider climate-driven risks and opportunities where they may be material.”

Companies positioned as top “carbon performers” have a higher expected financial return in comparison with the broad market benchmark, as well as in relation to competitors in the same sector, judged to be “carbon laggards”.


NB: “Total Return” = share price performance with dividends reinvested

Source: Carbon Beta™ and Equity Performance, Innovest, Oct 2007
What do we mean by Sustainable Procurement?

- Sustainable Procurement is a robust, risk-based, commercial approach to integrating environmental and social criteria into decisions throughout the procurement lifecycle.

- It's about looking at what your products are made of, where they come from and who has made them.

- The objective is to reduce negative environmental and social impacts of procurement decisions, while maintaining or improving business value.
The business-led Sustainable Procurement Taskforce established the definition for the UK public sector in 2006

Their definition of S-Procurement:

- “Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”

Sustainable Procurement should consider the environmental, social and economic consequences of:

- design,
- non-renewable material use,
- manufacture and production methods,
- logistics, service delivery,
- use, operation, maintenance, reuse,
- recycling options,
- disposal,

…and suppliers' capabilities to address these consequences throughout the supply chain.
“OK, so what’s the business case for sustainable procurement?

“My job is to deliver cost savings to the business”

“Isn’t this just going to drive up my costs?”

“I haven’t got the budget for this”

“What about my savings targets?”

“We’re in a competitive industry and margins are tight.”

“We run a tight ship here – there’s no room for fluffy feel good stuff”

• Sustainable Procurement doesn’t have to increase costs, and can help with cost savings.

• Numerous organisations are on record as having saved millions through implementing sustainability.

• One police force is on record as claiming that the whole life costing encouraged by the sustainability agenda led efforts to close their funding gap.

• The key is looking for opportunities to reduce the amount of ‘inputs’ your business consumes – with internal stakeholders and with suppliers, by:
  ─ simplifying specifications;
  ─ managing internal demand;
  ─ improving processes;
  ─ minimising waste.

• Prices for materials are under pressure as resources become more scarce, and supply becomes less secure.
The business case is built on a number of strategic drivers, broadly grouped into four key areas

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<tr>
<th></th>
<th>Access to Resources</th>
<th>Operational Efficiency &amp; Lean</th>
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<tr>
<td>1</td>
<td><strong>Financial</strong> - scrutiny of banks and investors</td>
<td><strong>Resource Efficiency</strong></td>
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<td><strong>Human</strong> – attraction &amp; retention of key talent</td>
<td>- Increasing productivity</td>
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<tr>
<td></td>
<td><strong>Materials</strong> – e.g. energy, water, metals</td>
<td>- Reducing waste</td>
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<td>2</td>
<td><strong>Access to Markets</strong></td>
<td><strong>Cost management</strong> – whole life costing</td>
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<td></td>
<td><strong>Customers</strong></td>
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<td></td>
<td>– protecting &amp; growing existing business; “license to operate</td>
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<td>– developing new business</td>
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<td></td>
<td><strong>Suppliers</strong> – innovation / new products</td>
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<td><strong>Voluntary</strong> – Industry / trade body standards</td>
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Typical benefits of Sustainable Procurement

• Operational delivery of the business’ public commitments on sustainability.

• Opportunity to raise the profile of Procurement and to demonstrate leadership in a key strategic area to the business.

• Reducing costs and increasing productivity from more efficient use of resources and reduction of waste and in existing products and processes.

• A mechanism to drive closer collaboration with specific key suppliers.

• Identification of strategic supply risks, in terms of continuity and cost

• Access to supplier market innovation and exploiting a rapidly expanding market for alternative materials, and lower cost technologies and products

• Identification and avoidance of risks to reputation and media exposure

• Implementation of good practice procurement techniques reducing potential exposure to financial, regulatory and reputation risks
Green goods and services are often assumed to automatically cost more than less sustainable products. This perception comes from considering only the up-front purchase price of a product and not considering the costs associated with the running, maintenance, replacement and eventual disposal of products. However, incorporating sustainability principles into procurement decisions makes sound economic sense and is not just a 'feel-good' factor. Sustainable products represent value for money in real dollar terms when life-cycle costs are considered, such as:

- Using less energy and water (running costs)
- Generating less waste during operation (disposal cost)
- Capacity to upgrade, reuse, resell or recycle at end-of-life (replacement and disposal costs)
- More durable and requiring less maintenance
- Being safer to use, e.g. less toxic chemicals (OHS costs and productivity)
Sustainability does not have to cost more; it can often be a driver for cost savings – taking a ‘lean’ approach

<table>
<thead>
<tr>
<th>Company</th>
<th>Example</th>
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<tr>
<td>Wal-Mart</td>
<td>By reducing the packaging on fewer than 300 toys, Wal-Mart saved 3,425 tons of corrugated materials, 1,358 barrels of oil, 5,190 trees, 727 shipping containers and $3.5 million in transportation costs, in just one year. A global packaging initiative is due to yield $10.98 billion in savings, $3.4 billion accruing to Wal-Mart alone, and will also save 667,000 tonnes of CO2.</td>
</tr>
<tr>
<td>BT</td>
<td>£410M savings were achieved in 2005 from &quot;environmental productivity gains&quot;, of which procurement and management of transport and energy were a major proportion</td>
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<td>Interface</td>
<td>Savings of £150M over past 10 years from Sustainability programme</td>
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| Environment Agency | Savings of £3.8M through environmental initiatives, and includes in its benefits the following:  
- Better use of resources  
- Reduced material use and waste  
- Market differentiator  
- Minimisation of future environmental liabilities  
- Reduction in corporate risk  
- Enhanced business reputation |
| North Bristol NHS Trust | Saved >£500 K annualised, increased reliability up to 97% (from 82%), and reduced waiting times to 98% of target, through optimisation of non-emergency transport services network. |
| SC Johnson    | SC Johnson completed a transportation-logistics project that eliminated 1,882 tons of greenhouse gases over a 12 month period, used 2,098 fewer trucks, cut fuel usage by 168,000 gallons and saved approximately $1.6 million. |
| Xerox         | With an 18% reduction in greenhouse gas emissions since 2002, Xerox topped its 10% reduction target, preventing the emission of 87,000 metric tons of carbon dioxide in 2006. Xerox says that its energy expenses last year would have been 21% higher had it not been for its conservation measures. (Environmentalleader.com) |
“What has it got to do with Procurement anyway?”

- Procurement is critical to delivering public corporate commitments on sustainability
- Most businesses spend high proportions of their total cost of operations with external suppliers, 65-85% in some estimates
- Approximately 85% of sustainable development issues attracting media interest arise from supplier activity¹
- Resources are becoming more scarce, particularly in traditional ‘low cost’ countries, impacting the cost and security of supply
- Regardless of what a company does within the confines of its own operations, any organisation is only as “sustainable” as the products and services it brings in from the supply base (whether these products are for re-sale to customers, assets for running operations or indeed operational consumables.)
- Some organisations are locating their Sustainability capabilities within the Procurement organisation

¹Strategic Supply Chain Forum
## Procurement’s contribution to the strategic business case for sustainability

### Strategic Drivers

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### Procurement’s Remit

- ★ Security and cost of supply
- ★ Customer requirements
- ★ Product / process innovation
- ★ Demand management
- ★ Supplier development
- ★ Specifications management
- ★ Total cost analysis
- ★ Benefits tracking
- ★ Due diligence
- ★ Risk management
- ★ Reputation management
A number of surveys released in 2007-8 point to an increasing level of awareness and activity by the profession

- Although 60% of CEOs participating in the UN Global Compact said in 2007 that Corporate Responsibility should be embedded in their global supply chains, only 27% believe that they are doing so. [1]

- Another survey of procurement professionals in the US, Europe and Asia found that over 50% of their companies have policies on greening their supply chains, while 98% believed the trend of sustainable procurement will continue to grow. [2]
  - Only 13% of participants however were sourcing half or more of their products and services in a sustainable manner.

- Another survey of 250 North American supply chain executives revealed that 94% were working on greening their practices, and 69% felt that green issues will become increasingly important to their logistics and transportation processes. [3]

- A recent study of 20,000 global outsource users found that, this year alone, more than 21% of public companies have added green policies into their outsource contracts. while more than 94% intend to add green clauses when they renegotiate. Only 7% anticipated an increase in pass-along costs from their vendors in adopting greener policies. [4]

- Only 35% of purchasers agree that their organisation communicates its environmental commitment effectively to suppliers. Buyers are the custodians but are not passing the message on to other departments [5]
Our demand for natural resources exceeds the earth’s capacity to regenerate by approx 30%.

If this trend continues, by 2030 we will need two planets to sustain current levels of natural resource consumption.

Source: Global Footprint Network, *WWF Living Planet Report 2008*
Critical elements and metals that only the earth itself can provide, are being consumed at unprecedented rates. This represents a supply risk.

<table>
<thead>
<tr>
<th>Primary usage</th>
<th>Years remaining consuming at today’s rates</th>
<th>Years remaining consuming at 50% US rates</th>
<th>% Consumption met by recycled materials</th>
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<tbody>
<tr>
<td>Antimony</td>
<td>30</td>
<td>13</td>
<td>n/a</td>
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<tr>
<td>Copper</td>
<td>61</td>
<td>38</td>
<td>31%</td>
</tr>
<tr>
<td>Gold</td>
<td>45</td>
<td>36</td>
<td>43%</td>
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<tr>
<td>Hafnium</td>
<td>10</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Indium</td>
<td>13</td>
<td>4</td>
<td>0%</td>
</tr>
<tr>
<td>Lead</td>
<td>42</td>
<td>8</td>
<td>72%</td>
</tr>
<tr>
<td>Nickel</td>
<td>90</td>
<td>57</td>
<td>35%</td>
</tr>
<tr>
<td>Silver</td>
<td>29</td>
<td>9</td>
<td>16%</td>
</tr>
<tr>
<td>Tantalum</td>
<td>116</td>
<td>20</td>
<td>20%</td>
</tr>
<tr>
<td>Tin</td>
<td>40</td>
<td>17</td>
<td>26%</td>
</tr>
<tr>
<td>Uranium</td>
<td>59</td>
<td>19</td>
<td>0%</td>
</tr>
<tr>
<td>Zinc</td>
<td>46</td>
<td>34</td>
<td>26%</td>
</tr>
</tbody>
</table>

“Virgin stocks of several metals appear inadequate to sustain the modern 'developed world' quality of life for all of Earth's people under contemporary technology.”

Source: 1 Earth's natural wealth: an audit, New Scientist, 23 May 2007
2 Graedel, Proceedings of the National Academy of Sciences, vol 103, p 1209
And according to many sources, supplies of oil will peak soon

"In terms of non-Opec we are expecting that in three, four years' time the production of conventional oil will come to a plateau, and start to decline. In terms of the global picture, assuming that Opec will invest in a timely manner, global conventional oil can still continue, but we still expect that it will come around 2020 to a plateau as well, which is, of course, not good news from a global-oil-supply point of view."

“We’ve already done Sustainable Procurement. Next!”

- Sustainable Procurement is about integrating environmental, social and economic criteria into decisions throughout the procurement lifecycle – at each stage of the process, from specification to supplier management.

- It does not apply to just a couple of categories, nor is it restricted to asking a token question in your RFX documentation.

- Sustainability is an approach to reducing risk and to improving performance of the business and of the supply base – there is no fixed end target. Organisations rarely become “Sustainable”. They become “more Sustainable”.

- An approach which is grounded in risk management will help prioritise key areas to focus on. But the process could be applied to all categories. It is a process of continuous improvement, which will yield new challenges and opportunities as you work through the process.

- Leading lights in Sustainable Procurement have on-going programmes, working with suppliers, engaging key business stakeholders, seeking new opportunities, and consolidating lessons learned.

- If you’ve made a start, congratulations. If you can demonstrate cost savings as a result, even better.
Sustainable Procurement requires procurement functions to do the basic procurement essentials well – the tools don’t change

- **Profiling Spend**
  - Need to understand what we’re buying, from whom, and how much
  - Understanding sustainability priorities, key priority categories, risks and target suppliers

- **Managing Demand**
  - Optimising product specifications
  - Reducing demand - buying one less of something is 100% reduction in raw materials consumed AND a 100% cash saving

- **Whole Life Costing**
  - Purchase decisions on Total Cost (including cost in use and disposal)
  - Bringing together different budget holders and perspectives (e.g. IT hardware and Facilities on energy use and disposal costs)

- **Contract Compliance**
  - If the business is not buying from approved suppliers, who are they buying from…
    and what behaviour is that cash funding?

- **Supplier Management**
  - Taking different approaches to managing supplier performance, based on strategic priority / risk / opportunity
  - Joint initiatives vs cascading requirements via questionnaires and audits.
“We’ll comply with legislation but no more than that”

“We’ll do what we need to comply with legislation – what else do you want?”

“It’s all driven by government targets – the nanny state!”

“We have other priorities – we’ll wait until we have to”

• Fine, but recognise that you are unlikely to identify benefits simply by complying. More likely to incur costs of compliance
  – No process / continuous improvement / lean related improvements

• Legislation tends to be reactive and to address lowest common denominator. It doesn’t drive innovation or continuous improvement

• Investors are building costs of carbon and other exposures into pricing models now

• With dwindling resources, the proactive organisations will secure supplies of critical materials and innovative supplier relationships
Legislation is catching up

**UK Climate Change Bill**: Legal obligation for the UK to reduce CO\textsuperscript{2} levels by 80%, including aviation and shipping. Key feature is the Carbon Reduction Commitment which obliges organisations with energy bills over £500,000 to enter into carbon trading based on cap and trade.

**EU Emissions Trading Scheme** (EU ETS) is the largest multi-national, emissions trading scheme in the world, and is a major pillar of EU climate policy. The ETS currently covers more than 10,000 installations in the energy and industrial sectors which are collectively responsible for close to half of the EU’s emissions of CO\textsuperscript{2} and 40% of its total greenhouse gas emissions. Under the EU ETS, large emitters of carbon dioxide within the EU must monitor and annually report their CO\textsuperscript{2} emissions, and they are obliged every year to surrender (give back) an amount of emission allowances to the government that is equivalent to their CO\textsuperscript{2} emissions in that year.


**ROHS** - The RoHS Directive related to "the restriction of the use of certain hazardous substances in electrical and electronic equipment". This Directive bans the placing on the EU market of new electrical and electronic equipment containing more than agreed levels of lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyl (PBB) and polybrominated diphenyl ether (PBDE) flame retardants. [http://www.rohs.gov.uk/](http://www.rohs.gov.uk/)

**REACH** - a new European Community Regulation on chemicals and their safe use. It deals with the Registration, Evaluation, Authorisation and Restriction of Chemical substances. The new law entered into force on 1 June 2007.
“We’re too small to make any difference”

“Big companies are biggest polluters, and they can afford to act”

“Only big wealthy companies can afford to do it”

“Big companies cause the issues, so they’re the ones who should be doing this”

“Our impact is tiny compared with China’s”

• Regardless of company size, customers demand they demonstrate sustainability

• Legislation is now driving all organisations toward sustainable procurement and principles

• The carbon footprint of any country is the aggregation of the business and individual footprint. Everyone has an impact

• Due to increasing energy costs and constrained resources, organisations should work towards it now and reap the benefits while the price of carbon is low
An example from Atlas Copco of what supplier management can achieve...

Social: A small supplier in India.
Before.........

1) Risk to Reputation and Brand Value.
2) Risk of non-compliance to laws and standards.
3) Risk that our profit comes a too high ethical and moral cost

Source: "Tailoring your choice of global suppliers to match your business model", by Rune Magnusson at the Strategic Purchasing & Procurement Forum 2007, Stockholm
... a significant improvement in risk – and cost – with associated safety, quality, compliance and reputation issues

Source: "Tailoring your choice of global suppliers to match your business model", by Rune Magnusson at the Strategic Purchasing & Procurement Forum 2007, Stockholm

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China shocked by footage of child slaves being beaten and whipped

By Clifford Coonan

It has made for horrifying viewing on Chinese state television – hundreds of child slaves beaten with sticks, whipped by their bosses in front of their parents.

A factory in China’s southern Guangdong province has been shut down after a news crew entered the building and saw hundreds of children in filthy conditions. The workers were forced to run to escape as the camera crews followed them.

The footage shows hundreds of children, many of them as young as 16, working inside a factory that makes toys for well-known retailers. The children are seen working in cramped conditions, some of them standing on their heads as they were forced to perform dangerous tasks.

The news crew is joined by a group of security guards who try to stop them from filming the workers. The footage shows the workers being beaten with sticks and whipped by their bosses in front of their parents.

The factory has been in operation since 1998 and has produced toys for well-known retailers such as Toys “R” Us, Walmart, Target, and Mattel.

A high-level investigation has been launched by the Chinese government to find out how the workers were able to work in such conditions for so long.

Topshop accused over ‘slave labour’ factories

By Susie Mesure, Retail Correspondent

Published: 23 April 2007

Topshop, the British retailer, has been accused of employing child labor in factories in Bangladesh. The company has been involved in a number of controversies in recent years over its labor practices.

Apple may be sued over chemicals in iPhones

By Graham Tibbetts

Last Updated: 7:01pm BST 16/10/2007

Apple is facing a legal challenge over the chemicals found in its iPhones. The company has been forced to recall the popular device after it was found to contain harmful substances.

Congo’s child miner shame

By Orla Guerin

BBC News, Katanga

The Democratic Republic of Congo is one of the world’s biggest producers of tin, but the industry is notorious for its use of child labor.

The mining of tin has been linked to forced labor, violence, and child abuse. Children as young as 5 have been seen working in the mines, often in dangerous conditions.

Apple admits excessive iPod hours

Apple Computer has said it will investigate a report that its iPod plant in China employed workers more than 60 hours a week, a third of the time.

An 80-hour week for 5p an hour: the real price of high-street fashion

Factories in Bangladesh are breaking pledges to workers made by big UK retailers

Randeep Ramesh in Dhaka

Friday December 8, 2006

The Guardian

Bangladeshi factory workers take part in a protest to demand better pay

Photograph: Pavel Rahman/AP

Made in Britain, dumped in China

By Clifford Coonan in Beijing

Published: 26 January 2007

Apple is investigating a newspaper report that staff

Made in Britain, dumped in China

How our waste causes death and disease 6,000 miles from home

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“OK, I’m convinced. What do I do now?”

“Where do I start”

“Am I good enough?”

“Where do I go for help?”

- Understand the corporate business and sustainability objectives, policies and priorities
- Analyse spend and develop spend profile
- Identify risks
- Identify priority categories and suppliers
- Analyse current practices, contracts and commercial position
- Consult key stakeholders
- Develop a methodology and strategy and validate with key stakeholders
- Implement strategy across categories of spend, and build into standard processes
  - Compliance management
  - Supplier management
  - Training
  - Performance reporting

“Where do I start”

“Am I good enough?”

“Where do I go for help?”
Getting started: to deliver benefit, Sustainable Procurement needs to be embedded into operational procurement activity

**Prioritisation & Strategy Development**

1. Identify priority categories
2. Profile current state & opportunities
3. Develop supplier approach

**Planning & Implementation**

- Category-specific initiatives
- Category & compliance management
- Supplier relationship management
- Communications & Training
- Process & methods development

**Management Information & Reporting**
Look for opportunities in new projects, contracts for renewal and the rest of the existing supply base

How can sustainability be introduced to your supply base?

- Build sustainability into new contracts
- Identify joint improvement programmes with existing suppliers
- Build into evaluation for supplier selection

Manage demand in order to reduce, re-use, recycle.

- Think about the most sustainable specification
- Challenge demand and propose alternatives
- Share and re-use across departments

Look at the whole life cost of a product

- Work with suppliers to identify their own supply chain opportunities
- Consider operating and disposal costs
- Streamline processes
## Leverage existing references

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