

Sustainable sourcing: Where to start.



Sustainable sourcing may be increasingly on the agenda for organisations, but it in many ways remains an emerging area. The organisations of today are still – in the main – seeking to move on from a past into a future whereby they do things differently. The distance between that past and that future will be different for different organisations, as will their current progress along the way, but the fact remains that there is a journey to be undertaken. The journey may take some time – certainly organisations should not expect to arrive at their destination immediately – but it is one that is worthwhile.

However, it is important organisations don't try to do it all, especially at first.

For those starting out on their sustainable procurement journey, our recommendations are to:

- 1 Start small – don't try to fix everything at once,**
- 2 Choose areas that lend themselves to the ways in which you operate,**
- 3 Seek to mitigate risks in your supply chain**
- 4 Work with your supply chain partners, don't just ask them to change.**

It is important not to over-commit, so organisations need to think about what is actually feasible for them to achieve right now. It's easy to put your hand up and say you're going to be carbon neutral by 2030, but you need to understand what that means in reality and whether it can be achieved. If you don't have a certain level of maturity within your procurement function – full control of spend and complete visibility of your supply chain, for example – you'll be trying to run before you can walk.

A good starting point is to think about the kind of targets that best lend themselves to your sector and type of organisation. Science-based targets are often best for those starting out on their sustainable procurement journey, as they are the most easily quantifiable and measurable – which will be important when it comes to establishing a baseline, reporting on progress, and demonstrating tangible impacts.

These targets should be based around the areas of greatest risk in your supply chain. If you work in an industry such as cleaning or catering, where pay is at the lower end of the spectrum, then actions around eliminating modern slavery may be appropriate. If you are in manufacturing, then you may be looking to reduce emissions or become more circular.

The next step is to set a sustainable procurement strategy to determine how sustainability will be cascaded throughout the procurement process and the different touch points – from demand capture and writing specifications, through how suppliers are evaluated, contract management and supplier relationship management – that will enable improvements to be made against your baseline measurement.

Some interventions – such as requiring tenderers to quantify the sustainability benefits they will provide, a change in the sourcing of raw materials, or a code of conduct that suppliers must sign up to – may run across all areas of spend, while others will need to be category-specific. To aid decision-making, it will be useful to prepare a category or supplier management plan to help balance sustainability with quality and cost, and evaluate where trade-offs may be required.

There will also – inevitably – be a need to work in partnership with suppliers. Procurement must recognise that sustainability as a concept is still relatively new, and so it will be important to bring suppliers along on the journey.

They may need more lead and response time to research and develop new offerings which meet higher sustainability specifications. Forums for training and knowledge-sharing on sustainability best practice can also help upskill suppliers alongside your own teams.

To find out more about how eXceeding can help you with your strategic sourcing challenges, you can [contact us](#) or [book a free appointment](#).