

Sustainable procurement

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www.actionsustainability.com



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Why?



Reasons to be sustainable

- One size does not fit all
- Each organisation has a unique set of reasons
- These will drive your priorities



Mission led

- In the business of sustainability
- Social enterprises
- Charities



"For Anita it was morally repugnant to think that you had to have a business case to behave ethically."

Jonathan Porritt, environmental writer and activist talking about Anita Roddick, founder of Body Shop

Personality led

- Passionate leader
- High profile
- Highly personalised approach



“Plan A is not just the right thing to do morally but also makes strong commercial sense.”
Sir Stuart Rose – former Chairman and CEO, Marks & Spencer

Market led

- Leading the customer
- Innovative
- Pioneering
- Risk taking



“If I had asked my customers what they wanted they would have asked for more horses”

Henry Ford

Client led

- Client demanding high standards of sustainability
- Suppliers need to compete on sustainability and deliver it



"We set ourselves ambitious and challenging sustainability targets across a range of criteria which we have been striving to deliver against every day on the site".

John Armitt, Chairman, Olympic Delivery Authority

Competition led

- Competitive market
- Sustainability an element of competition



"We at Siemens don't just talk about sustainability. We've made the three areas of sustainable development – environment, business and society – the cornerstone of all our activities".

Barbara Kux, Chief Sustainability Officer, Siemens AG

People led

- Recognises the growing trend for young people to make more sustainable choices
- Heavily reliant on talented people



“To remain world market leaders in safety critical subsea systems we need the best talent. Tomorrow’s talent cares about sustainability”.
David Currie, Managing Director, FMC Technologies

greenshoots fund
inspiring greener communities

inspiring sustainable business

Public duty

- Organisations providing essential services to the general public
- May be companies or private bodies



“I am honored that the breadth of our company’s environmental and social commitment has been given such significant recognition.”

Philip Green, former CEO, United Utilities, BITC Company of the Year 2009

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Risk led

- Significant implications related to reputation risk
- Often companies procuring from the developing world (but not always)



"Primark faces losing up to 42% of its customers in the aftermath of child labour allegations"
ICM Research poll 2008

Legislation led

- Highly regulated environment
- Specific legislation or policy
- Often applies to local authorities, government bodies, regulated companies



"No one has the right to use America's rivers and America's waterways, that belong to all the people, as a sewer. The banks of a river may belong to one man or one industry or one state, but the waters which flow between the banks should belong to all the people."

President Lyndon B. Johnson, upon signing the Clean Water Act of 1965

Mis - led

"I think the environmental impact of this disaster is likely to have been very, very modest."

Tony Hayward, interview with Sky News television, May 18, 2010



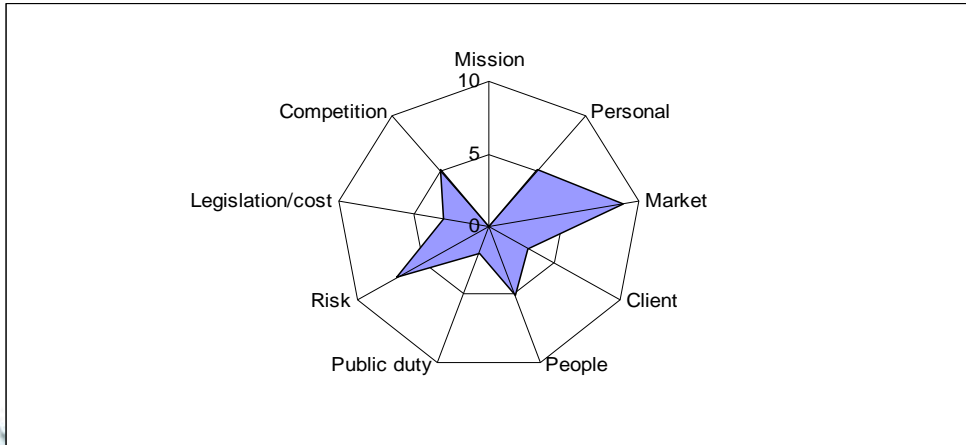
Cash - led



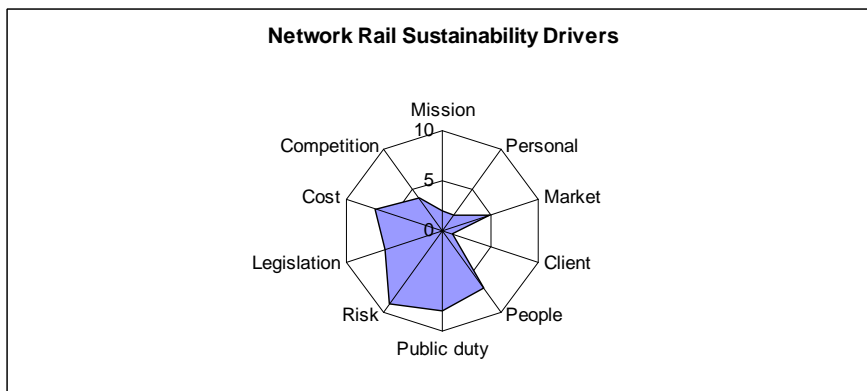
"We want to annoy the f***ers whenever we can. The best thing we can do with environmentalists is shoot them. These headbangers want to make air travel the preserve of the rich. They are Luddites marching us back to the 18th century".
Michael O'Leary



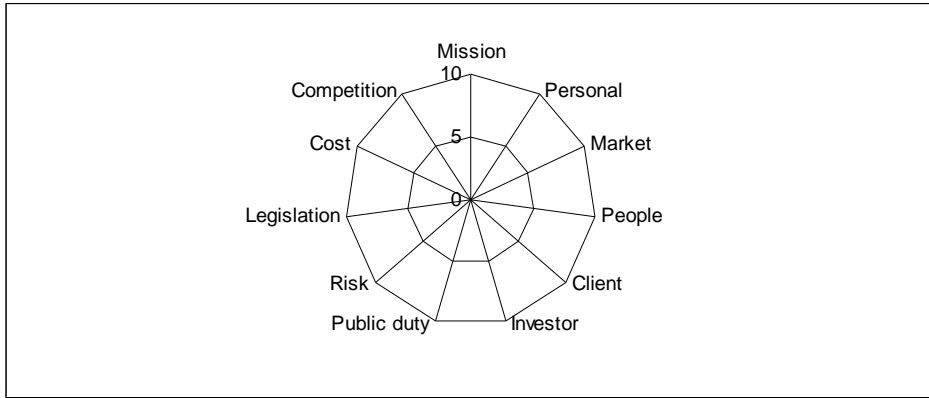
There is no single reason – M&S may look like this



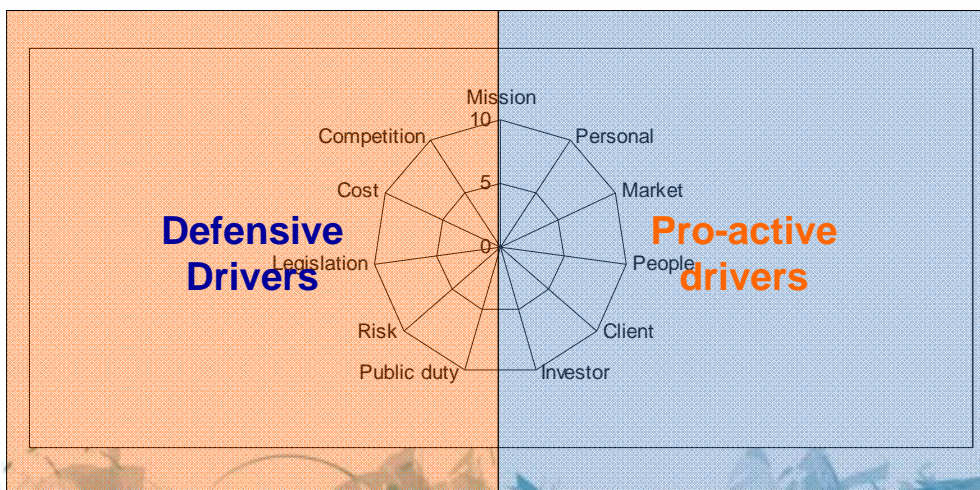
Network Rail looks like this



What do you look like...?



What do you look like...?



How?

Can procurement help?

“One of the most effective ways we found to deliver a sustainable Games is to embed sustainability upfront in the procurement process. Our Sustainable Sourcing Code is inspiring change amongst our suppliers, sponsors and licensees, who see the business advantages of sourcing sustainably”

Paul Deighton – CEO London Organising Committee of the Olympic Games – April 2011



A strategic approach

actionsustainability

BSI
British Standards



A first step

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Your sustainable supply chain journey

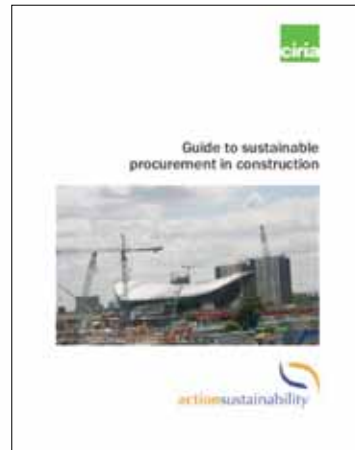
The Action Sustainability diagnostic tool

Our supply chain tool will help you to understand how well positioned your organisation is to embed sustainable procurement best practice

<http://www.actionsustainability.com/evaluation/sustainable-supply-chain-diagnostic/>

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Help is at hand



Eco-innovation

How procurement helps and hinders

Appetite for risk

- Purchasers often ask for:
 - Proven track record
 - 3 years accounts
 - Client references
 - Guarantees
 - Bonds



Conservatism

- Specifying “how” not “what”
- Technical requirements
- Short term budgets and objectives



“If I had asked my customers what they wanted they would have asked for more horses”

Henry Ford

Knowledge

- Lack of understanding in the purchasing profession
- Shortage of resources to research new markets and products
- Innovative suppliers do not know how to market to big buyers



Overcoming the barriers



Green dragons programme

- Part of Suscin programme
- ERDF/SEEDA funded
- Deep understanding of buyer requirements
- Research innovative suppliers
- Bringing it together
- Follow up



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Green dragons successes

- New type of plastic ducting with massive carbon benefits in transport, installation and use to be installed in new Heathrow East terminal
- New material made from mixed plastic waste now in use with Sainsbury's
- New dimmable low energy bulb about to hit the market



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See for yourself

- See the video
- <http://www.actionsustainability.com/green-dragons/>



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Thanks for your attention

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