## Vizibl



### SUSTAINABLE PROCUREMENT 2030 GUIDE

Foreword by **Mark Perera** 



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## Foreword from Mark Perera









### Sustainable procurement in the decade of our lives

FROM MARK PERERA, VIZIBL CEO

With every five weeks that pass, we edge 1% closer towards the end of the 2020s – the most decisive decade of our lives for the climate crisis and for the sustainability of our planet more broadly.

As of 2022, the situation could not be more grave. We now have a 50% chance of exceeding the 1.5°C warming limit set out in the Paris Agreement before we even reach 2030. This year has seen record heat waves rip across Europe and beyond, Pakistan ravaged by deadly floods as a result of glacial melt and extreme monsoon rains, and record wildfires have raged across Spain, Australia, and California. We are pulling more natural resources out of the ground than ever before, our aquifers are drying up, we waste one third of the food we produce globally, and at our current rates of deforestation, the planet may be left with just 10% of its forests by 2030.



As our natural environment suffers under the weight of unsustainable consumption patterns, so too do our communities. Climate change is exacerbating pre-existing social inequalities that persist across the globe, compounding the effects of poverty and marginalisation that increase in likelihood along lines of race, ethnicity, disability, geography, and gender. The result will be poorer health, safety, and socioeconomic outcomes, poorer food and water security, and ultimately poorer people.



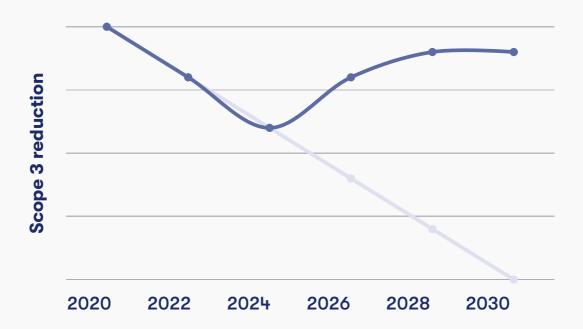
Though they do not threaten us equally, these challenges do threaten us all – and while they might like to think otherwise, businesses are no exception. Businesses – particularly global enterprises – produce almost everything we manufacture, use, and dispose of; they touch just about every community and every person on the planet. As a result, much of the responsibility for averting what awaits us sits with these organisations, but so too does most of the room for positive change and concrete improvement.

Yet despite their longevity and even their very existence being endangered by the grave sustainability situation we all face, the corporate world is not acting quickly enough. So far, 2022 has seen more than its fair share of greenwashing while many enterprise organisations have completely failed to make the necessary changes to the way they run their operations. Instead, they have doubled down on measurement to quantify where we're starting from when it comes to issues such as emissions, and put out endless reams of PR implying that this is the same as actually doing



something. In all but the most progressive and sophisticated of organisations, there has been startlingly little progress in actually pursuing more sustainable business practices.

It is imperative that we get started immediately; we are already behind. This will become all the more true as we see the results come in from 2022's frenzy of running the numbers – as measurement becomes more robust and disclosures more comprehensive, it is likely that the current state of play will be considerably worse than we anticipate. Let's take the example of scope 3 emissions:



With two years of the decade already behind us, and the last two years being too late to make meaningful difference, we now have just 6 years to reach net zero across value chain or "scope 3" emissions.

Yet it is extremely likely that as the data comes in and large organisations begin to fully disclose, we will discover these emissions were much higher than initially accounted for, and that we have no chance of reaching our targets.



Not only does failure to act now come with disastrous consequences for the planet and its people, it also signals true business risk. Some penalties already exist for flouting certain ESG issues; UK headquartered companies, for example, can face fines up to £20 million and their executives risk two year prison terms if found to be knowingly operating using modern slavery. Last year, we saw the Shell ruling in which the fossil fuel giant was taken to court by private citizens and ultimately deemed legally liable for the emissions of not just its own operations, but also of "the suppliers and customers of the group."

More recently, the <u>UN</u> has called for the end of greenwashing and corporate inaction as its High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities launched their <u>Integrity Matters Report</u> at COP27 in November. In it, they make "a call for governments to regulate net zero commitments, starting with large emitters" – a rallying cry which should signal to all enterprise businesses that more scrutiny is coming. This rising tide will not – and should not – slow.

"The decisions made by governments and non-state actors today, tomorrow, and each and every day after will determine whether we meet this goal, and whether we meet it in a way that enhances equity, justice, empowers women, and respects Indigenous rights."

#### CATHERINE MCKENNA

Chair of the UN's High-level Expert Group on the Net Zero Emissions Commitments of Non-State Entities

As businesses look to make improvements fast, it will be necessary to decide where it's most efficient to pool our time and resources. The key lies outside of our own four walls. With over 80% of large enterprises' emissions impact and 90% of their impact on land, sea, air, biodiversity, and natural resources sitting within their value chains, it is clear that large corporates simply cannot be sustainable without their suppliers.



To address this reality, sustainable procurement has emerged – both as a movement, and as a distinct business unit. Yet despite the huge growth in such departments and job titles over 2022, the maturity level is still low across the board.

That's where the Sustainable Procurement 2030 Guide comes in.

My colleagues at <u>Vizibl</u> and I have written this guide as an overview of some key sustainable procurement issues that should be top of the priority list, along with the benefits that sustainable procurement initiatives will bring to the organisations who launch them successfully. We have also signalled some key barriers to look out for along the way, and provided an overview of how to build a successful post-contract sustainable procurement programme through Supplier Collaboration and Innovation.

Sustainable procurement is broad-ranging and complex, touching on topics such as technology, data architecture, finance, and more. As such, we have provided many other materials along the way to support you in areas such as selecting the right procurement platforms, harnessing supplier innovation, and constructing a robust business case for sustainable procurement. These resources and more are also aggregated for your convenience at the end of this document.

We hope that this guide proves helpful to you and your wider team as your organisation embarks upon – or continues on – your sustainable procurement journey.

MARK PERERA CEO, VIZIBL NOV 2022





#### **PART ONE**

## What is sustainable procurement?



#### What is sustainable procurement?

In the context of mounting environmental and social challenges affecting our entire globe, many enterprise organisations are embedding sustainability at the heart of their strategic goals.

And as the funnel through which most of a large business's spend will travel, procurement has an enormous role to play in embedding sustainability into its day to day practices and across its supply chain.

Indeed, with most of our impact on both the environment and communities sitting in our value chains, it is clear that we cannot become sustainable without our suppliers.





In recognition of this fact, sustainable procurement is an approach to the procurement process that embeds ESG (environmental, social, & governance) issues and corporate social responsibility (CSR) practices at the heart of its specifications and its process.

This approach to procurement factors in the effect that our business practices have on the planet and its people alongside procurement's usual concerns around compliance, cost, and quality, seeking to embed sustainability across the entire life cycle of a business's products and services from raw material extraction through to transportation, distribution, and eventual recycling or disposal.



#### **PART TWO**

# Key sustainable procurement priorities





#### **Scope 3 emissions**

According to <u>CDP</u>, reporting companies' scope 3 emissions are 11 times greater, on average, than emissions resulting from their own operations. So when it comes to climate and carbon, the vast majority of corporate impact sits not within a business's own "four walls" but in their value chains both up- and downstream.

Without reducing these emissions, very few organisations will stand any chance of achieving the goals of the IPCC Sixth Assessment Report or the Paris Agreement. It's imperative that we do. Failure to keep global warming to below 2°C will expose billions of people to extreme heat waves, drought, storms, and increasing flood risk, with recent Climate Central research calculating that some 150 million people currently inhabit land that will be permanently below the waterline by the 2050s due to rising sea levels.

As most of our impact sits in our value chains, procurement has an enormous role to play in reducing climate-changing greenhouse gas emissions from its place at the interface between the business and its supply chain. Beyond making smart choices in the sourcing phase, working closely with existing supplier stakeholders is the only way procurement functions can meaningfully reduce scope 3 emissions.

#### **LEARN MORE:**

Article: <u>Decoding GHGs, carbon, CO2 & CO2e</u>

Webinar: <u>Purpose-led procurement: Heineken's journey to a net-zero</u>

<u>impact</u>





#### Child labour & modern slavery

In the world's least developed countries, around <u>one in four children</u> (aged 5-17) are subject to child labour – defined as doing work that deprives children of their childhood, the chance at schooling, their development, their well-being, or their dignity. Around <u>70%</u> of these children are coerced into dangerous agricultural work, and it is estimated that as a result of growing poverty in the wake of the initial waves of the COVID-19 pandemic, an additional 8.9 million children are at risk of being pushed into child labour by the end of 2022.

Additionally, it's estimated that <u>over 49 million people worldwide</u> are victims of modern slavery – around half of them exploited for forced labour. The pervasiveness of these issues means that the likelihood of businesses and governments across the world purchasing goods and services derived in some part from modern slavery or from child labour is very high. Few can forget the BooHoo scandal from 2020, when it emerged that a company in the fast fashion giant's supply chain was paying its Leicester garment workers as little as £3.50 per hour, well below even the UK's minimum wage.

In the UK, despite the introduction of the Modern Slavery Act in 2015, around 40% of expected respondents still don't comply by producing a statement outlining their commitment to eliminating forced labour from their business practices. It's crucial that businesses work closely with their suppliers to eliminate both child labour and modern slavery in their supply chains, so that the practice can be eliminated everywhere over time.





#### Fair living wage

A fair living wage is defined as the pay required to cover the true cost of living of a worker and their family. This includes necessities such as shelter, food, healthcare, clothing, transportation, and education, in addition to buffer money for emergencies and the preservation of dignity.

It is important to note that a supplier meeting minimum wage requirements in its given country is not a marker of fair living wage progress. Even in the UK, for example, the Centre for Research in Social Policy at Loughborough University found that in 2022 the very minimum acceptable salary for a single person to secure an 'acceptable' standard of living would be £25,500, commonly referred to as the 'Real Living Wage'. The government's National Living Wage for this year, by contrast, is £9.18 an hour, or around £18,500 per annum for full time workers over 23.

Understandably, this situation is worse in developing nations where factors such as the fiscal and cultural legacy of European colonialism, non-existent wage legislation, and limited employment options frequently leave workers with no choice but to accept poverty wages, trapping them in a cycle of employment that cannot support them, their families, or their livelihoods.

Large global enterprises have a huge role to play in the shift towards true living wages by using their buying power to incentivise companies to pay their workforce enough to meet the regional cost of living.





#### Gender & race pay gap

In 2020, full-time working women in the USA made 82 cents for every dollar earned by men, according to the <u>US Bureau of Labor Statistics</u>, with Black men earning 87 cents on the dollar compared to white men. The picture is even bleaker where race and gender intersect, with Black women being paid just 64% and Hispanic women 57% of what white non-Hispanic men earned that year.

Though adjusting for factors such as education, location, or even industry paints a slightly more complex picture – and it is important to note that some historical gender and race pay gap shrinkages can be accounted for in the stagnation in (white) men's wages – no adjusted methodology returns pay parity.

68% of the gender pay gap in American college graduates, for example, would be closed if gaps between women and their male counterparts within the same occupation were closed (i.e. if women software developers were paid the same as men software developers, etc.).

Over the past twenty years wages have grown faster for white and Hispanic workers than for Black workers, with the Economic Policy Institute finding that the Black-white wage gap has grown from 10.2% at the turn of the century to 14.9% in 2019.

Wage gaps mean that women and people of colour lose out on hundreds of thousands of dollars in earned wages over their lifetimes. By committing to stamping out gender and race gaps in



remuneration within both their own operations and across their supply chains, large enterprises have the power to make a considerable difference in marginalised communities across the globe, and to increase the buying power of those whose compensation has been historically capped.



#### Reducing raw material extraction

In 2017, global primary materials usage hit 89 gigatonnes – 89 billion metric tonnes, or the equivalent of 890,000 fully-loaded US aircraft carriers.

The <u>Organisation for Economic Co-operation and Development</u> estimates that this figure will almost double by 2060 in the absence of new policies, to 167 gigatonnes, with the impact on our planet and its people increasing disproportionately quickly due to the impact of extraction methods, processing, and disposal on our environment and our health outcomes.

Though the 'materials intensity' of the global economy is anticipated to decline more quickly than in recent years, the projected 1.3% annual decline in this figure is not enough to offset the accelerating removal of natural resources from our planet.

The OECD counsels a move towards resource efficiency and a circular economy in order to 'address the wide range of environmental consequences linked to materials use, as well as



policy objectives related to security of resource supply and creating jobs.'

Procurement & colleague functions in R&D and product design have an enormous role to play here in ensuring that their organisation's dependence on raw materials in a linear supply chain system is replaced, where possible, with the more efficient circular principles of reducing, reusing, recycling, and remanufacturing.



#### **Supplier diversity**

A 'diverse' supplier is an organisation that is majority owned and operated by an individual or individuals who are part of a marginalised or minority group – including but not limited to women, people of colour, LGBTQIA+ people, and people from ethnic minorities.

Large enterprises pursuing a supplier diversity programme uplift communities that have been historically underrepresented in the business world.

In addition to supporting CSR goals and allowing organisations to better serve minority communities in their consumer base, a commitment to supplier diversity can ensure more agile and resilient supply chains.

What's more, more diverse spend in the supply base is associated with <u>higher market share.</u>



#### **PART THREE**

## Benefits of sustainable procurement





#### Reduce risk & pre-empt issues

Proactively pursuing supplier sustainability allows organisations to increase their awareness of possible risks – be that to their brand, to stakeholders in the upstream supply chain, to customers, or to their bottom line.

A more sustainable supply chain is also associated with improved continuity of supply as a more diversified supplier base reduces the need to depend disproportionately on individual suppliers.

At Vizibl we associate effective sustainable procurement with "customer of choice" status, which we will cover in more detail later on. Customer of choice status is a marker of effective supplier collaboration on issues including sustainability.

This close relationship between buyer and supplier forms the basis for increased transparency and visibility, in addition to more effective communication – all of which can help pre-empt and mitigate any risks to the business originating in the supply base.

#### LEARN MORE:

Article: Why "customer of choice" has never been more imperative

Article: Marc Engel of Unilever on how to become customer of choice





#### **Future-proof the business**

As we covered in the wake of the <u>Shell ruling in 2021</u>, large organisations are increasingly being held to account by courts and governments for the sustainability credentials of their supply chains.

The Shell ruling saw the energy giant compelled to step up its emissions commitments dramatically from its previous pledges — not only was an absolute (rather than relative to a previous financial year) reduction demanded of Shell, the Dutch court system made this reduction applicable not only to its own operations but also to "the customers and suppliers of the group."

Outside of emissions, both companies and business leaders face significant consequences if they're found to have instances of forced labour anywhere in their operations, including the supply chain. The <u>UK Modern Slavery Act of 2015</u> states that two-year prison terms for responsible parties, and/or a fine to the business equal to up to 4% of turnover, with a maximum of GBP £20 million, could be imposed if an investigation finds that a business knowingly operates using modern slavery.

What's more, as of September 2022 the EU Commission has proposed "to prohibit products made with forced labour on the EU market." This will cover all products made in the EU for either domestic consumption or exports, and also extend to goods imported into the EU from nations outside of the bloc.

While this legislation is currently only a proposal that, if passed,



would come into force from 2025 onwards, its discussion is critical. Cases of modern slavery have <u>risen significantly in recent years</u>, and of those found, <u>86% take place in private sector supply chains</u>.

In principle, national authorities will be empowered to withdraw products from the EU market that are shown to have forced labour anywhere in their chain. EU customs authorities will also be empowered to identify and stop products made with forced labour at national borders.

As pressure increases on governments and regulatory bodies to come down harder on organisations that do not act sufficiently to protect our planet and our communities, the likelihood of such incidents as the Shell ruling increases. Businesses who take preemptive action now to expand their sustainability efforts will, therefore, be future-proofing their business against the rising tide of fines, regulatory changes, and legal rulings.

#### **READ MORE:**

Whitepaper: <u>Sustainability, scope 3, and the 2021 Shell ruling: what this means for procurement & business leaders</u>



#### Satisfy investors

In addition to the Shell ruling, May 2021 also saw Chevron shareholders vote majority in favour of a proposal to <u>cut scope 3</u> <u>emissions</u> at its AGM, signalling frustration with the company's dilatory approach to climate change; Chevron has thus far failed to



match its competitors' net zero targets with any of its own.

The energy industry has seen further strife in recent times as an activist investor staged a coup in Exxon Mobil's board over the strategic direction the company was taking in regards to sustainability. Hedge fund Engine No. 1, arguing that the climate crisis poses "an existential threat to the [Exxon] business" that the board had been reluctant to confront, began to oust sitting board members, accusing them of "obfuscating rather than addressing long-term business risk."

Exxon lost three board seats to Engine No. 1, garnering the support of BlackRock, Vanguard, and State Street against Exxon's leadership. The market responded in kind, with Exxon's share price rising 1.2% on the day after trailing petroleum peers for the previous five years, and seeing overall growth of 45% over the six months following December 2020 when Engine No. 1 began its campaign.

The top of this year also saw asset manager <u>Aviva Investors promise</u> <u>further scrutiny</u>, incentives, and sanctions for the companies it invests in around their social and environmental impact, giving yet another sign of growing investor expectations.

As the climate crisis worsens, this pressure will grow, and meaningful action on sustainability will become increasingly key to satisfying investor demands.

#### **READ MORE:**

Article: Aviva Investors get serious on sustainability





## Brand differentiation & revenue growth

Very simply, consumer brands that demonstrate a commitment to sustainability outperform those who don't, per <u>Nielsen</u>.

Sustainable brands enjoy more rapid sales growth, and the majority of consumers are willing to pay a premium for sustainable products and solutions, allowing organisations to offset any increased costs of development.

Young millennials and Gen Z are ageing up into considerable buying power. As they do so, they in particular are voting with their cash in favour of brands that make a commitment to protecting the environment and advancing social causes.

Organisations who fail to respond to this wave will risk considerable damage to their brand amongst their fastest-growing subset of consumers.

Per Nielsen: "social responsibility is a critical part of proactive reputation management". They also note that "Commitment to social and environmental responsibility is surpassing some of the more traditional influences for many consumers. Brands that fail to take this into account will likely fall behind."





#### Find time & cost efficiencies

Though increased sustainability is frequently assumed to mean higher costs, McKinsey have put forward that "ESG can also reduce costs substantially." Executing effectively on environmental programmes can "help combat rising operating expenses (such as raw-material costs and the true cost of water or carbon)," which McKinsey research has found can affect operating profits by as much as 60 percent.

What's more, Oxford University research shows that in the vast majority of cases, solid ESG practices also boost efficiencies and result in better operational performance. When factoring in the possibility for revenue growth from new markets, new products, and new consumers, combined with new process efficiencies and reducing drains on operating profits, the return on investment of sustainable business practices begins to look much more appealing.

#### Secure business longevity

The combination of the above five benefits adds up to one thing: increased competitiveness. The lifespan of an S&P 500 company is dwindling fast as enterprise organisations attempt to meet increased challenges posed by new business models, rampant technological development, changing consumer demand, and increased pressure around ESG issues. The climate crisis in particular is not going away. Securing new customers, revenue growth, cost reductions, and investor satisfaction – whilst preempting risks to the business posed by new regulation – will support those large businesses in outperforming their peers.



#### **PART FOUR**

# Common barriers to sustainable procurement



#### **Securing sponsorship**

In order for any programme to take off and scale – including a sustainable procurement initiative – it must have the sponsorship of executive and senior leadership.

Making the case for how sustainable procurement practices impact the organisation's strategic goals around ESG, starting with the benefits above, is key for securing this mandate, along with effectively explaining to senior stakeholders how this will enable them to deliver on their own goals.

Without the buy-in of C-suite, procurement leadership, and supply chain leaders, individual practitioners will not be able to effect change at the scale required to deliver on the organisation's goals.





#### **Building the business case**

One way to secure sponsorship formally is through constructing a sound business case for expanding sustainable procurement practices.

A common method to do this that we've seen amongst Vizibl clients is to ensure that the true cost of existing ways of working is accounted for in the business case – such as attaching a carbon cost to these incumbent practices.

Clearly delineating the risks to the overall business that the programme will pre-emptively avoid (in monetary terms, if possible) can also be helpful in demonstrating the strategic value of this sustainable procurement initiative in the absence of strong metrics traditionally favoured by the function that tend to measure primarily operational efficiencies.

#### **READ MORE:**

Article: Building a robust business case for sustainable procurement

### Transforming procurement processes & mindset

This traditional focus on operational excellence and efficiencies can also pose a barrier beyond the business case.

Unless key performance indicators which value success in supplier collaboration and supplier sustainability are incorporated into procurement's processes and its incentivisation systems, any sustainability objectives will inevitably be considered secondary to procurement's 'real goals' around cost, quality, and compliance.



#### Data & overcoming uncertainty

Not only are there multiple themes when it comes to ESG issues – from supplier diversity, to scope 3, to raw material extraction and beyond – there are myriad metrics to select, measure, and track over time.

Knowing what to measure and how to standardise this across suppliers is difficult enough, before procurement organisations can even grapple with data collection, aggregation, and normalisation.

This "analysis paralysis" is a key factor in why many organisations are slow to get started on their sustainable procurement efforts, feeling incapable of taking action until they "know enough."





At Vizibl we counsel an approach of controlling the controllables and focusing on what you do know. Let's take the example of supply chain emissions. Most organisations, for example, will know where most of their scope 3 falls — usually under purchased goods and services. They also know which categories within that cohort tend to be emissions intensive, how much they spend on those categories, and which suppliers they work with within them.

Though this cannot replace a full, robust dataset detailing the current state of play, it provides a reliable place to start making improvements whilst waiting for the data to come in.



#### **Technology & infrastructure**

Though many solutions exist which support sustainable choices at the sourcing stage, managing supplier sustainability post-contract can be difficult. But given that it is almost impossible that any business – let alone some of the world's largest enterprise companies – can entirely re-source in order to find more sustainable products and services, this post-contract work with suppliers is absolutely imperative.

Most existing solutions for managing suppliers also reflect an operational procurement mindset – using one-sided management of the relationship and of performance in order to judge whether a supplier is making the grade according to cost, quality, and compliance KPIs.

#### **READ MORE:**

Article: The true cost of one-way Supplier Relationship Management

For sustainability, this will not suffice, but procurement frequently lacks the tools required for truly collaborative management of its relationships according to a broader set of metrics. What's more, it can be difficult to integrate sustainability data into existing procurement tools.

As procurement lacks the technology to get an accurate view of supply chain sustainability credentials, or to work alongside incumbent suppliers on improvements, attempts at truly sustainable procurement beyond the sourcing stage get stalled.

#### **READ MORE:**

Article: <u>A guide to choosing (and making the most of) digital</u> procurement technology



#### **PART FIVE**

# Successful sustainable procurement & "customer of choice"

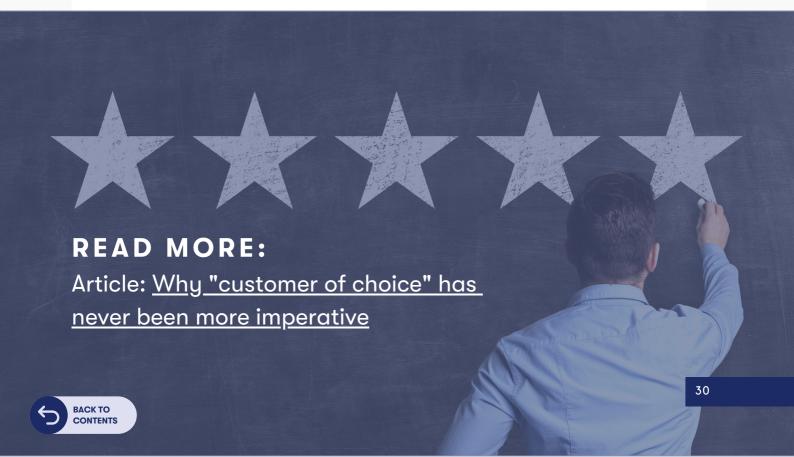


#### What is "customer of choice?"

For post-contract sustainable procurement to truly flourish, organisations need to forge true "customer of choice" relationships with the suppliers who are most critical to delivering on their sustainability pledges — supported by the right team capabilities, robust processes, and enabling technology.

"Customer of choice" refers to a buyer-supplier relationship founded on trust, transparency, and robust communication, in addition to the ethos of mutual benefit. By forging this relationship, both buyers and suppliers gain priority access to one another, and can more effectively deliver on both the goals of the relationship, and on the goals of their individual organisations.

Obtaining "customer of choice" status helps the organisation deliver improved supplier sustainability through Supplier Collaboration and Innovation (SC&I) in a few key ways, as seen overleaf:



#### Three key ways:



#### 1. Alignment

Positive relationships with strategic sustainability supplier stakeholders make it easier to drive alignment over shared goals, the vision for the partnership, and how success will be measured. This alignment enables both parties to be clear on what their objectives are and to stay on track delivering against them, in addition to making it easier to flag any issues or areas for improvement as the partnership progresses.

#### **READ MORE:**

Article: What is Supplier Relationship Management?



#### 2. Collaboration

Close "customer of choice" relationships with suppliers lay the foundations for further collaborative work that enables both parties to take action and deliver on the goals for the partnership. This happens through shared projects, initiatives, and opportunities which allow both parties to do the work required to reach the goals of the relationship – side by side.

#### **READ MORE:**

Article: What is Supplier Collaboration?

VIZIBL WEBINARS

ALIGNING SUPPLIERS TO SUSTAINABILITY GOALS

WATCH ON DEMAND

with & Tetra Pak



#### Three key ways:



#### 3. Innovation

To address the sustainability challenges facing large enterprises, existing solutions will not suffice. In a market high on ESG hurdles and low on green products and solutions, innovation will be key to satisfying the demand for fresh new ideas.

Given that suppliers come armed with a wealth of subject matter expertise, knowledge of competitors and even whole verticals, their own talent pool, and an intimate understanding of local markets, the supply base will be a key source of this innovation.

As a result, "customer of choice" relationships will be crucial; this dynamic grants priority access to existing IP and ideation from suppliers, in addition to opportunities to tap their future innovation potential.

Supplier innovation really comes into its own in truly unsustainable categories, such as those that carry prohibitively high emissions intensity. By leveraging supplier innovation in these areas, smart enterprises with mature procurement functions are able to transform unsustainable categories into brand new opportunities.

#### **LEARN MORE:**

Article: What is Supplier Innovation?

VIZIBL WEBINARS

### UNILEVER: PURPOSE-LED PARTNERSHIPS





Unilever



#### **PART SIX**

# Supplier Collaboration & Innovation for sustainability



## Supplier Collaboration & Innovation for sustainability

To enable enterprise businesses to build "customer of choice" relationships and deliver on their strategic goals through active, collaborative relationships, we built Vizibl.

Our best-of-breed Supplier Collaboration and Innovation platform provides a unique and powerful combination of Supplier Sustainability Management, Supplier Relationship Management, a Supplier Collaboration Workspace, and Supplier Innovation Hub.

Together, this functionality enables large organisations to align on sustainability targets, collaboratively problem solve with their supplier ecosystems, open source innovation for sustainable transformation & business growth, and gain priority access to scarce green goods & services. This combination unlocks the ability to collaborate with suppliers on sustainability goals – systematically, and at scale.

Because we cannot hope to operate sustainably without our suppliers, it's the Vizibl view that all procurement professionals will be sustainable procurement professionals by 2030. The faster we can make that transition the better; time is running out to deliver on ambitious enterprise ESG pledges.

The organisations who successfully get started and make meaningful action against their goals will not only play an instrumental role in securing the safety of our planet and its people, they will secure competitive advantage in an increasingly disrupted business landscape.

To find out more about how Vizibl is helping large enterprise organisations pursue sustainable procurement to deliver on their strategic goals, visit <u>Vizibl Supplier Sustainability Management</u>.





#### **APPENDICES**

## Sources & further resources



35

#### **Further resources from Vizibl**

#### **Articles**

A guide to choosing (and making the most of) digital procurement technology

Aviva Investors get serious on sustainability

Building a robust business case for sustainable procurement

<u>Climate change, Carbon Majors, science-based targets, and the role of supplier sustainability</u>

Decoding GHGs, carbon, CO2 & CO2e

From RFx to supplier innovation & outcome-based buying

The hottest job titles in procurement right now

The true cost of one-way Supplier Relationship Management

What are scope 3 emissions?

What is Supplier Relationship Management?

What is Supplier Collaboration?

What is Supplier Innovation?

Why "customer of choice" has never been more imperative

#### Whitepapers

<u>Peter Smith's Procurement with Purpose: eight actions that will pass the</u> business case test

Reducing scope 3 emissions through Supplier Collaboration: 8 steps to get started

<u>Supply Management becomes Supplier Collaboration</u>

<u>Sustainability, scope 3, and the 2021 Shell ruling: what this means for procurement & business leaders</u>

#### Webinar recordings (approx duration 1 hour)

<u>Aligning suppliers to sustainability goals: how TetraPak built its engagement strategy</u>

<u>Purpose-led procurement: Heineken's journey to a net-zero impact</u>

<u>Purpose-led partnerships with Unilever</u>

<u>Setting up a responsible supplier programme with Avantor Sciences</u>

Turning climate objectives into action with Bayer, Clariant, and Supplier Day



#### **Sources**

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<u>CDP (2022)</u>: "Engaging the Chain: Driving Speed and Scale" – CDP Global Supply Chain Report 2021

Clark et al (2015): "From the Stockholder to the Stakeholder: How Sustainability Can Drive Financial Outperformance", Oxford University, Arabesque Asset Management & the European Centre for Corporate Engagement

Climate Central (2019): "New study triples global estimates of population threatened by sea level rise"

<u>CNBC (2017)</u>: "Technology killing off corporate America: Average life span of companies under 20 years"

<u>Economic Policy Institute (2016)</u>: "What is the gender pay gap and is it real?"

<u>European Coalition for Corporate Justice (2022)</u>: "European Commission announces new tool banning forced labour goods"

<u>Hackett Group (2017)</u>: "Top Supplier Diversity Programs Broaden Value Proposition To Drive Increased Market Share, Other Revenue Opportunities"

International Labor Organization & Walk Free (2022): "Global Estimates of Modern Slavery: Forced Labour and Forced Marriage"

<u>International Labor Organization (2022)</u>: "50 million people worldwide in modern slavery"

<u>IPCC (2022)</u>: "Climate Change 2022: Impacts, Adaptation and Vulnerability" – IPCC Sixth Assessment Report



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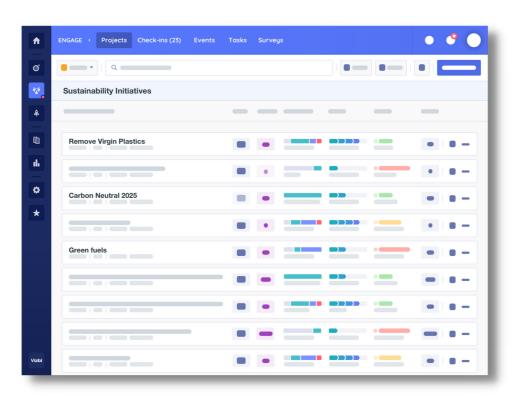
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