

Sustainable Procurement

SBC Quick Guide

November 2018



The Sustainable Business Council asks members to commit to having a sustainable procurement process in place within three years of being a member.

Sustainable procurement is part of your value chain. Understanding your value chain, mapping risks and opportunities, and incorporating sustainability into your purchasing decisions and relationships with suppliers can:

- Improve relationships and resilience through greater security of supply.
 - Improve access to finance and lower-cost insurance.
 - Lower operational, reputational and regulatory risks to your business.
 - Provide a point of difference and competitive advantage.
 - Realise opportunities for innovation.
 - Fuel top-line growth and enhance productivity through efficiencies.
 - Create new markets for products or services.
 - Reduce resource consumption and waste.
 - Enhance stakeholder relationships through better understanding.
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Tools, services, guides and certifications

Tools, services, certification processes and guides used by SBC member organisations include:

Getting started

The **Sustainable Business Council's Value Chain Guide** provides clear steps to help you identify your value chain and advice on how to manage it effectively. It is suitable for both businesses that have already taken the first steps to creating a sustainable business and those who want to get started, with a special section on sustainable procurement.

www.sbcvaluechain.org.nz/upstream-value-chain/procurement

Principles that help with development of criteria, policies and codes

ISO 20400:2017 provides guidance to organizations, independent of their activity or size, on integrating sustainability within procurement, as described in ISO 26000. It is intended for stakeholders involved in, or impacted by, procurement decisions and processes.

www.iso.org/standard/63026.html

The UN Global Compact - a voluntary initiative based on CEO commitments to implement universal sustainability principles and take steps to support UN goals. You can see guides on sustainable supply chain and sourcing in their library. Choose "supply chain" in the topic menu.

www.unglobalcompact.org/library

The **UN Sustainable Development Goals** includes SDG12 on sustainable consumption and production. Businesses who align their work with the SDGs can see benefits in reducing risk and meeting consumer expectations. The framework for SDG 12 will help reduce resource use, degradation and pollution along the whole life cycle, while increasing quality of life.

www.un.org/sustainabledevelopment/sustainable-consumption-production/

Supply chain mapping, management and data collection

Ecovadis provides CSR ratings and scorecards covering 21 CSR Indicators, 150 commodities, and 110 countries, built on three pillars: People, Process, and Platform.

www.ecovadis.com/us/

The **ELEVATE** Responsible Sourcing Standard and associated protocol offers facilities, retailers and brands a suite of resources to proactively manage social compliance.

www.elevatelimited.com/responsible-sourcing-standard/

Proxima (an SBC member) helps organisations improve supply chain performance, through mapping social and environmental impacts, setting up systems that protect brand and reputation, and enabling real engagement with suppliers. They also advise on supply chain transparency, including investor-led e.g. CDP, and regulatory e.g. Australia's Modern Slavery Act.

<http://www.proxima.global/>

Sedex is a global collaborative platform for sharing responsible sourcing data on supply chains, used by more than 47,000 members in over 150 countries. Companies use Sedex to manage their performance around labour rights, health & safety, the environment and business ethics.

www.sedexglobal.com



The **Sustainable Purchasing Leadership Council** have published a rating of third-party tools that evaluate sustainability across an entire supply base.

www.sustainablepurchasing.org/splc-insight-guide-to-supplier-sustainability-raters/

thinkstep Australasia (an SBC member) offer software and services. They undertake LCA studies, develop Environmental Product Declarations, report and manage GHG emissions, support sustainable supply chain development and set up sustainability scorecards and dashboards for KPIs. They are the local partner to support Cradle to Cradle ® certification.

www.thinkstep.com/Australasia

Product verification

The **Cradle to Cradle Certified™ Product Standard** guides designers and manufacturers through a continual improvement process that looks at a product through five quality categories — material health, material reutilization, renewable energy and carbon management, water stewardship, and social fairness.

www.c2ccertified.org/get-certified/product-certification

Environmental Product Declarations

An Environmental Product Declaration (EPD) is a document that communicates verified, transparent and comparable information about the life-cycle environmental impact of products.

www.environdec.com

Online platforms

fwd: is an online platform for social procurement, developed by Ākina and New Zealand Post. Social procurement can help you achieve positive impact through your procurement spending.

www.fwd.org.nz

Example SBC member supplier codes and criteria

4Sight Consulting sustainable procurement policy

www.4sight.consulting/blog/2015/6/29/our-commitments

Air New Zealand supplier code of conduct

<https://www.airnewzealand.co.nz/sustainability-sourcing-supplier-code-conduct>

Downer supplier requirements (particularly page 5 re Corporate Social Responsibility issues)

www.downergroup.com/Content/cms/Documents/supplier-requirements/Procurement---Supplier-Requirements.pdf

Heineken (parent company of DB Breweries) policies, including supplier code

www.theheinekencompany.com/Sustainability/Governance-and-Approach/Our-Policies

Lion procurement policy

www.lionco.com/content/u12/Capability%20-%20LION%20-%20Procurement%20Policy%20Externally%20Facing%20Signed%20-%2020913%20-%20SI.pdf



NAB (Parent company of BNZ) group supplier sustainability principles
http://nabitat.com.au/docs/150306_group-sustainability-principles.pdf

New Zealand Post Supplier Code of Conduct
<https://www.nzpost.co.nz/about-us/who-we-are/terms-of-business/supplier-code-of-conduct>

SKYCITY ethical sourcing code:
www.skycityentertainmentgroup.com/media/1364/ethical_sourcing_code_internal_use_final_1_.pdf

Spark supplier code of conduct
www.sparknz.co.nz/content/dam/SparkNZ/pdf-documents/suppliers/Supplier_Code_of%20Conduct.pdf

The Warehouse Group list of codes and criteria
www.thewarehouse.co.nz/c/suppliers/ethical-sourcing

Westpac responsible sourcing code of conduct
www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/Responsible-Sourcing-Code-of-Conduct.pdf

Z Energy supplier code of conduct
<http://z.co.nz/about-z/what-matters/sustainability/sustainability-code-of-conduct-for-suppliers/>

Approaches to sustainable procurement

SBC can broker conversations between members to talk through specific challenges and approaches to sustainable procurement.

The SBC's Sustainable Procurement Guidelines for Freight has tips on how to approach sustainability with current and future providers
www.sbc.org.nz/_data/assets/pdf_file/0011/119783/Sustainable-procurement-guidelines-for-freight.pdf





Thanks!

FOR ENQUIRIES

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