

Delivering sustainability through responsible procurement

30th November 2022 Ken Cole and Rowena Ward







Keynote welcome by Sally Guyer

Global CEO, World Commerce & Contracting www.worldcc.com



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- ➤ You can register for the Academic Symposium on 7th December at https://hopin.com/events/academic-symposium-2022/registration
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What is "sustainability"?



- > Response to big, mostly undeniable, challenges
- Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

 UN Our Common Future report, 1987
- ➤ Two broad "umbrellas" (ESG ≠ "sustainability"):
 - ➤ ESG: Environmental, Social, and corporate Governance (World Economic Forum, Big Four, etc):
 - ➤ Business focus: "stakeholder capitalism"
 - > Development focus: processes, measures, reporting
 - ➤ SDGs: Sustainable Development Goals (UN, SDG Impact, etc):
 - ➤ Outcomes focus: vision, targets
 - All-encompassing: "blueprint to achieve a better and more sustainable future for all" (2030) Take Action for the Sustainable Development Goals, un.org
- ➤ Big growth in scope... and there's more coming

Brundtland and the 1987 UN Goals



- ➤ Using Brundtland as a starting point:
 - **≻**Societal
 - **Environment**
 - **≻**Culture
 - **Economy**
- ➤ Understanding the 17 UN Goals



13 CLIMATE ACTION





























The state of play with "sustainability"



- ➤ Pressure growing on organisations to "be sustainable"
- "Competition" even friction between agendas...
- ➤...but accelerating moves to "mandating" progress:
 - ➤ Very detailed standards
 - ➤ Applicable in full to everyone one size fits all
 - ➤ Drive top-down
 - Assurance, certification, legislation and even penalties
- ➤ Little pragmatic middle ground between vision and detail
- ➤ Confusion as to how it all fits together and where to start
- > Fragmented approaches with "everyone doing their own thing"

Survey outcomes



Are you aware of the UN sustainability goals?

Yes..... 90%

No..... 10%

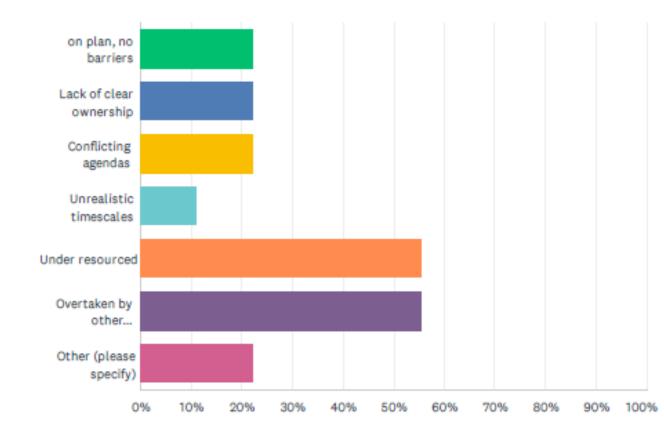
Do you have a sustainability plan/strategy in place that covers all the UN sustainability goals?

Yes...... 35%

No...... 40%

Not Sure.... 25%

If Yes - What are the barriers impacting your Council implementing a sustainability plan/strategy?

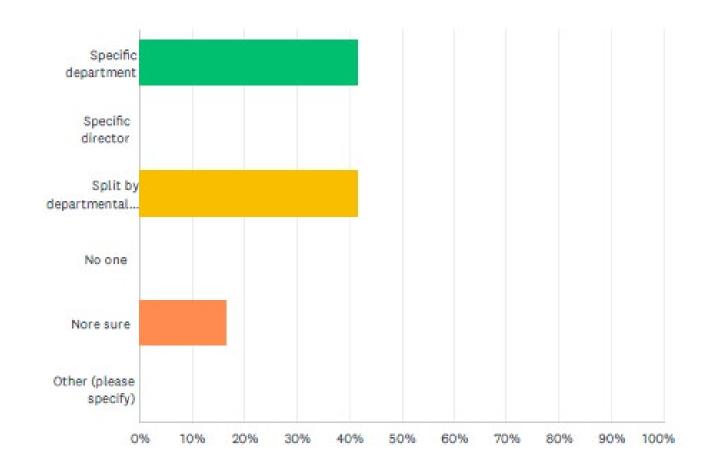


Survey outcomes



Who manages overall sustainability* policy in your Council?

* This includes all strands of sustainability such as social value, the local economy, recycling/upcycling, Net zero, health & wellbeing and environment



Complexity can lead to potential conflict





Drax accused of using wood from carbon-rich forest in Canada to QUEEN supply UK power plant













Where does this leave us?



- ➤ Business indispensable for "sustainability"... but progress is lagging
- ➤ Issues with "green-washing", box-ticking, supply chain visibility*
- ➤ Who's responsible for making it happen?
- ➤ Contract management a natural "home", but big challenges:
 - > Reaching common understanding and shared priorities
 - Resources and costs
 - **≻**Mindset
 - **≻** Motivation

Mandate or motivate?



Sustainability rationale: "why?"

otivated

ATTITUDE towards activity

Mandated

Consolidation

Things you have to do, but that also deliver significant benefits to you

A minority of sustainability activity at the moment, but benefits can expand it

Maximises the value of mandated activities, justifying more investment?

Baseline

Things you have to do, and that have limited benefit to you

Possibly the majority of current sustainability activity, especially ESG

Important, as mandated, but minimise resources used?

Opportunities

Things you only have to do if you want to but that deliver significant benefits to you

A small minority of sustainability activity at the moment, but big potential

With few players and high motivation, major impact/altruism possible: invest?

Potential Waste

Things you only have to do if you want to, and that have limited benefit to you

Significant activity here currently due to assuming things must be done

Scope for savings and efficiency improvements: cut back activity here?



Sustainability activity: "what?"

Mandated

BASIS for activity

Motivated

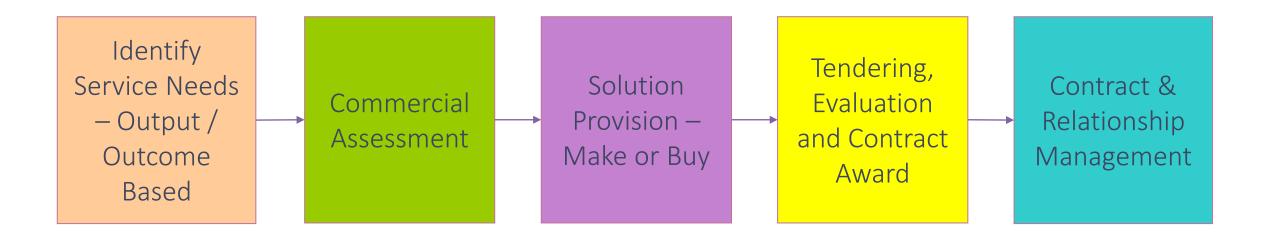
Responsible procurement: the key challenges



- > Procurement and sustainability are cross-cutting aspects of most organisations
- ➤ No common assessment or planning framework to ascertain the 'what', 'why' or 'how'
- ➤ What does "responsible procurement" mean
 - ➤ Variations in understanding of what constitutes "responsible"
 - ➤ Different definitions of the scope of "procurement"
- ➤ Prioritisation of what matters most and taking actions to deliver the commitments with diminishing resources

Integrated management of the commercial cycle

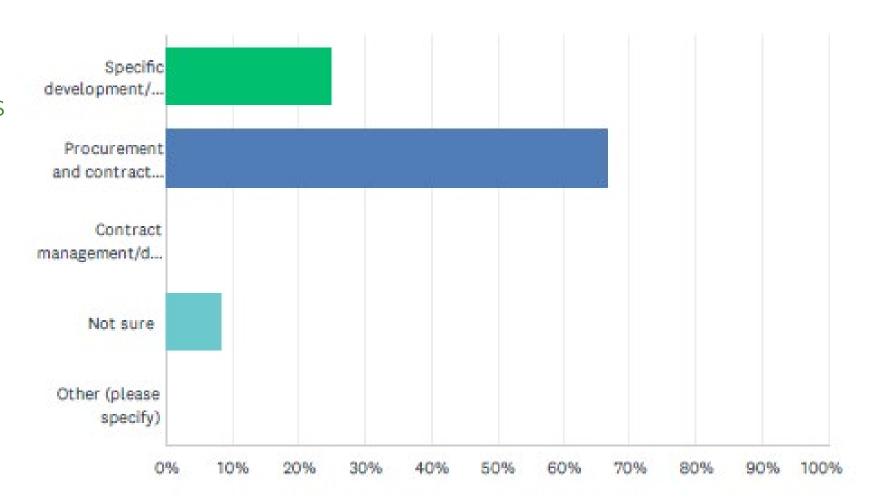




Survey outcomes



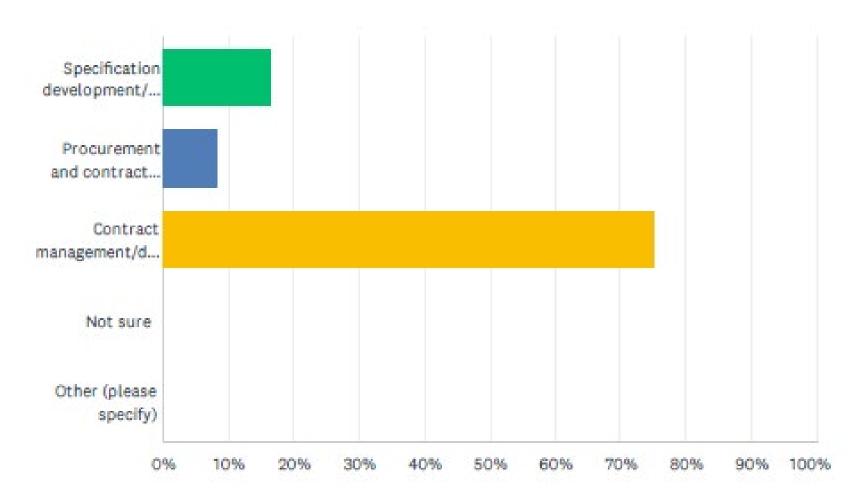
Which stage of the procurement/ commissioning cycle offers the best opportunities to influence/apply sustainability policies and principles?



Survey outcomes



Which stage of the procurement/ commissioning cycle offers the best opportunities to ensure agreed sustainability outcomes are fulfilled?



The three domains for achieving success



Contract & Relationship Management

- · Targets/goals
- · Roles responsibilities
- · Risk identification
- · Performance measurement

Contracts cover most relationships: alliances, partnerships, suppliers, etc.

Leadership

Collaborative Working

- · Mindset/behaviours
- Sharing resources & expertise
- Governance
- · ISO 4400x

Sustainability

- Long-term vision
- Environment, People, Prosperity
- · Disclosure/reporting
- · ESG & SDGs

Societal, legal and regulatory pressure reflected in commitments and obligations

80:20 Leadership

• Teams

- **Industry bodies**
- · Companies · Individuals

Collaboration needed for sustainability impact





Introducing..... The Responsible Procurement Diagnostic

.... bringing sustainability to life

Diagnostic background



- Ran on the same platform as the LGA National Procurement Strategy and the Commercial Contracting Challenging using Value Codes and defined outcomes as to what good looks like
- Designed to help councils organise, prioritise and turn their sustainability commitments into reality
- ➤ Built in collaboration with EELGA, World Commerce & Contracting (WCC) and subject experts
- Affordable, flexible, easy to use, capable of expansion and with in-built benchmarking capability

The value codes



Economic

- Engaging loca Cultural
- Engaging sma businesses
- Engaging the sector
- Promoting we

- External com •
- Integrated po
- Ethical behave
- Risk Assessm •
- Supply chain
- Sourcing
- Snhere of inf

Internal com **Environmental**

- Carbon emis: Social Zero)
- Air pollution
- Promoting a economy
- Protecting th environment

- Awareness and promotion of social value
- Promoting social standards in contracts
- Seeking social value in a

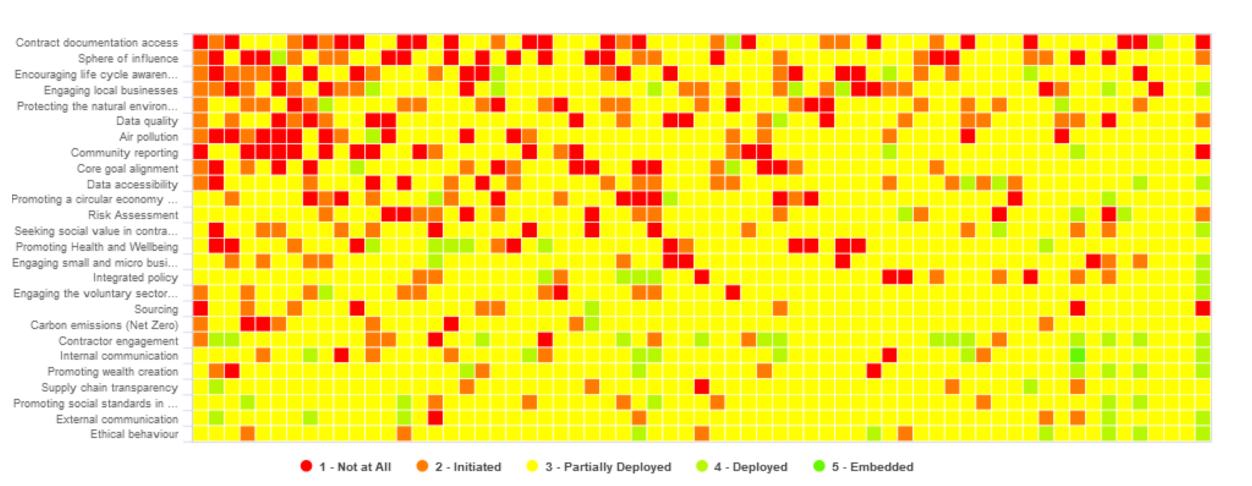
Example of a Value Code



decisions. Avg: 2.8		and not as part of a formal policy or procedure.	formal policy or procedure.	decisions. Market research is undertaken to check sustainable credentials, including on sources of raw materials and use of sub-contractors.	decisions with sustainable credentials visible on raw materials and use of sub- contractors. Outcomes are publicly available and independently audited.
Sphere of influence	1 - Not at All	2 - Initiated	3 - Partially Deployed	4 - Deployed	5 - Embedded
The extent to which the sphere of influence in responsible procurement is understood and managed. Avg: 2.4	Sphere of influence when carrying out commissioning, procurement and contract management is neither understood nor managed.	Some departments and individuals have started to consider their sphere of influence when carrying out commissioning, procurement and contract management.	The organisation is fully aware of its sphere of influence when carrying out commissioning, procurement and contract management. Actions to increase and/or leverage it are under consideration.	The organisation works to ensure that its sphere of influence is maximised to help achieve its desired outcomes. This will include shared contracts, and joint working with other like minded organisations to maximise leverage and ability to change policy and behaviours.	Increasing the sphere of influence for sustainability is an integral part of all commissioning, procurement and contract management decision making. The organisation works collaboratively with like minded organisations and sector partners to ensure maximum leverage is available together with sharing of information and knowledge.
Core goal alignment	1 - Not at All	2 - Initiated	3 - Partially Deployed	4 - Deployed	5 - Embedded
The extent to which responsible	Responsible procurement policies may	Some departments have started to align	The organisation has aligned its	Responsible procurement policies are	Responsible procurement policies are

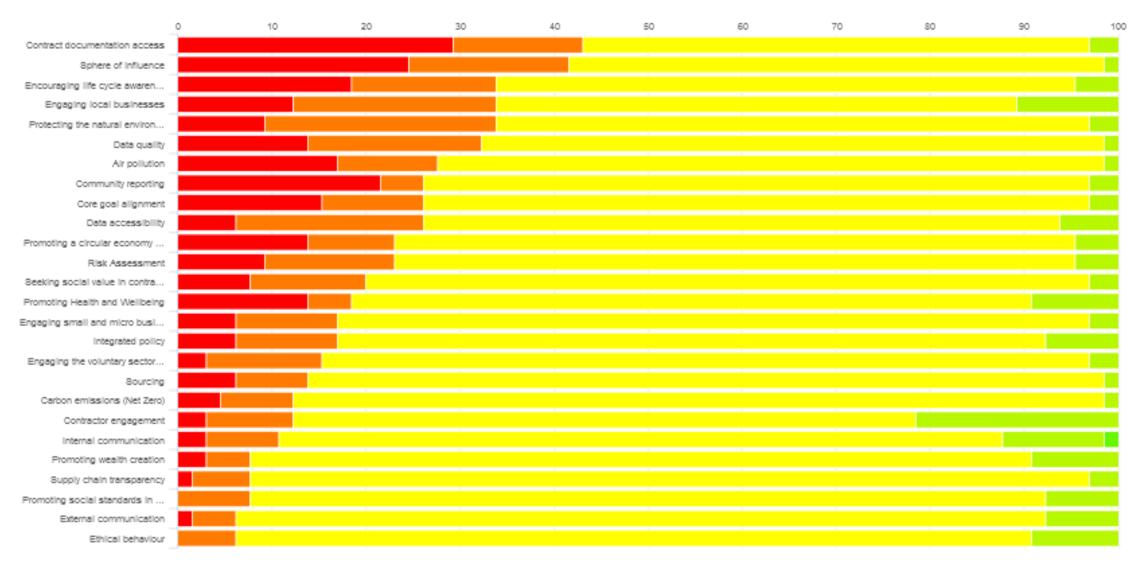
Finding good practice and targeting improvement

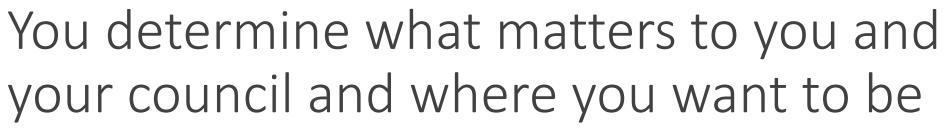




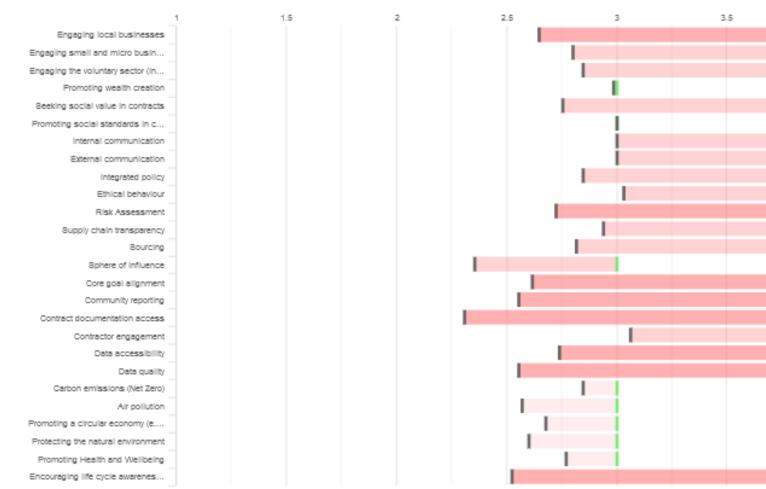
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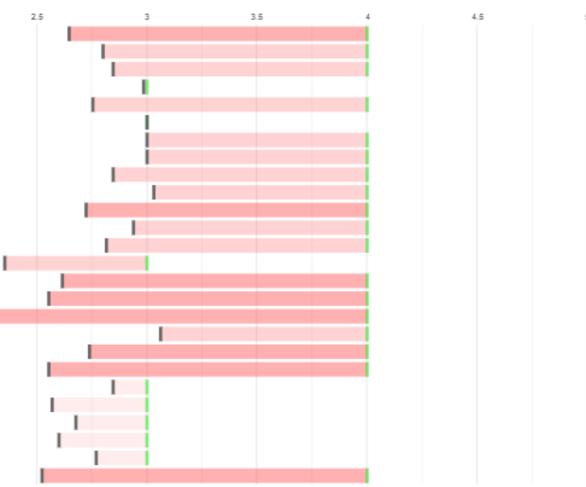




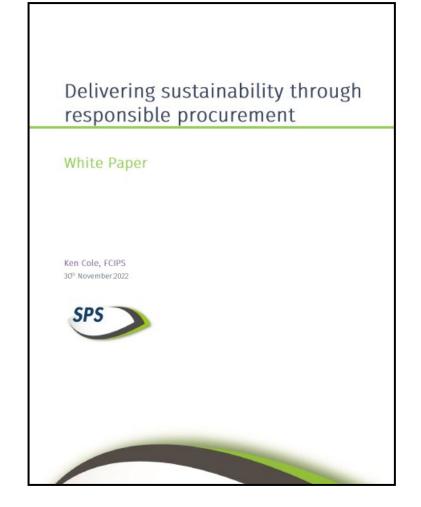








What next







How does it work?

Planning and preparation

We will help you:

- Review and agree the value codes to suit your needs
- Identify the individuals who have a stake in responsible procurement in your organisation
- Promote the Diagnostic internally, through a senior project sponsor and template communications

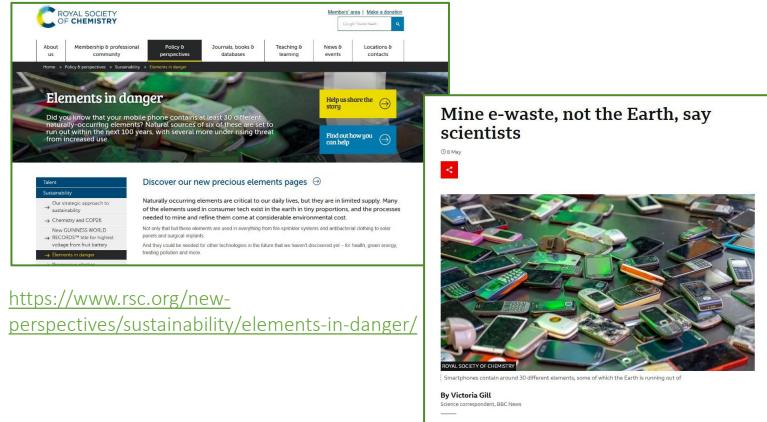


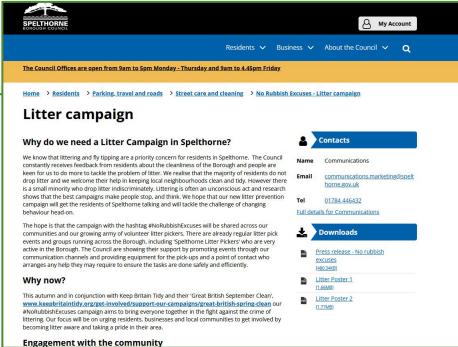
Let's get everyone involved Motivate not Mandate

Examples of effective campaigns

Councils & communities working together







https://www.spelthorne.gov.uk/article/19769/Litter-campaign

https://www.rsc.org/new-perspectives/sustainability/recycling-paints/

The recycling of e-waste must urgently be ramped up because mining the Earth for precious metals to make new gadgets is unsustainable, scientists

Thank you for listening. Please contact us to find out more or tryout the Diagnostic





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