

SUSTAINABLE PROCUREMENT

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eBF 2019

Agenda

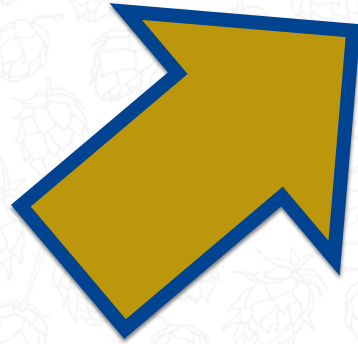
Origins of Sustainability Agenda

Sustainability in Procurement

Key Aspects of Sustainable Procurement

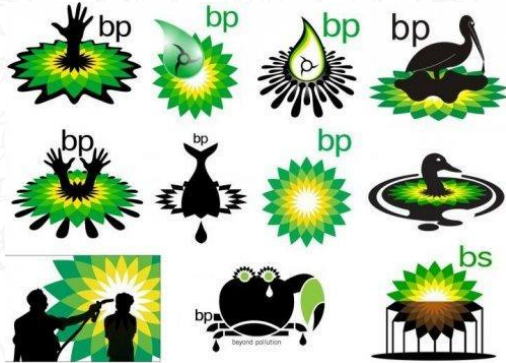
Procurement Shift

Value Delivery

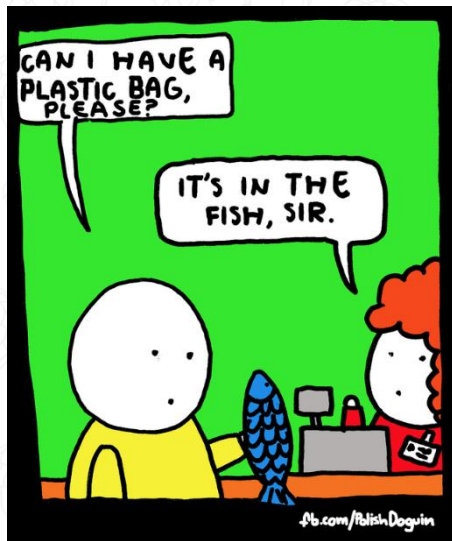


Cost Decrease

New paradigm?



Temporary Fashion?



Pledges

Committed to reduce climate emissions

#ActOnClimate



Going carbon neutral
Actions up to 2030 to improve energy efficiency



BOSCH

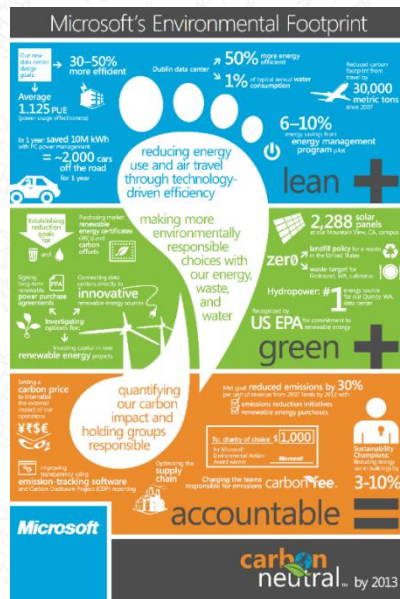


M&S Plan A: In Numbers...

- 64% - of M&S products now have at least one Plan A quality
- 36% - improvement in energy efficiency in UK stores
- 2.8 billion – the number of carrier bags saved as a result of the 5p Food Hall carrier bag charge introduced in 2008
- 2.8 million – Garments donated through the M&S Shopping initiative over the past year
- 100% - of M&S's directly-purchased electricity in the UK comes from renewable 'green' tariffs
- 1 million – the number of customers engaged with Plan A online since 2007
- 10 – years of collaboration with WWF on a shared vision of sustainable natural capital
- Zero – waste to landfill from M&S operations since 2012



COP21 • CMP11
PARIS 2015
UN CLIMATE CHANGE CONFERENCE

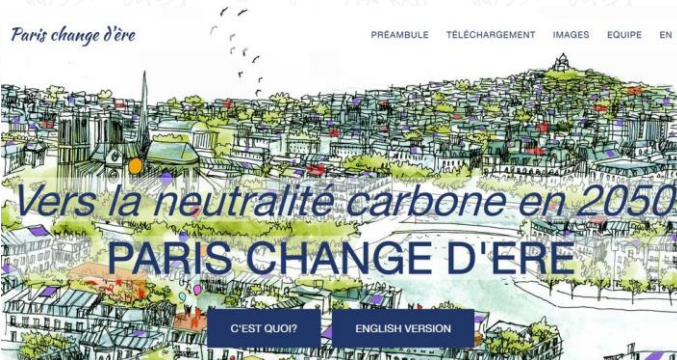


Asahi

Pledges II

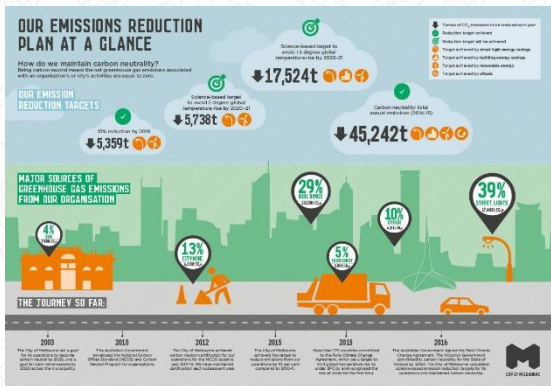


407 US #ClimateMayors, representing 70 million Americans, have committed to adopt, honor and uphold the climate goals of the Paris Agreement

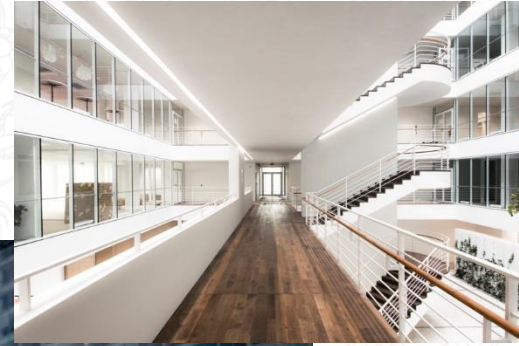


Klimaschutzplan 2050

Kabinettsbeschluss vom 14. November 2016



Ship on the Hill (2012)



Sustainability – Tripple Bottom Line



Sustainability - Profit



Business Model
Risk Management
Responsible Investments
Business Ethics
Innovations

Sustainability - People



Labor Relations
Human Rights
Health & Safety
Diversity & Inclusion
Communities

Sustainability - Planet



Energy & Carbon
Clean Air
Water
Circularity
Waste Management
Biodiversity

Role of Procurement



Profit
Financial
Goals

Role of Procurement



Preference

Consumers
Habits

Profit

Financial
Goals



Production

Technical
Goals / Limits

Role of Procurement

Planet

Green
Goals



Pledge

Presented
Goals



Profit

Financial
Goals

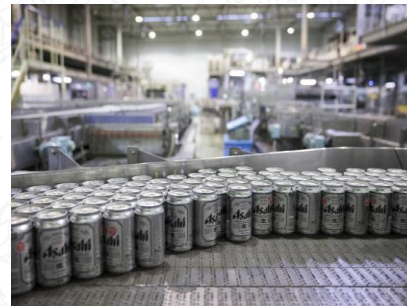


Preference

Consumers
Habits

Production

Technical
Goals / Limits



Good ideas





What to do first?

1. Appoint Sustainability specialist(s)
2. Define YOUR preferred Sustainability Areas (TBL)
3. Set AMBITIONS (2050?)
4. Define middle term realistic GOALS (2030?)
5. Define what you need from other departments

What to do next?

- ✓ **Be proactive**
- ✓ **Involve suppliers**
- ✓ **Define „values“ for each category / may change in time**
- ✓ **Present top priorities for Procurement**

ISO 20400

.....

How can I get started with ISO 20400?

To get the most out of ISO 20400, it is worth considering the following before getting started:

- **Examine your “buying culture”**

How do you buy and who do you buy from? How much control do you have over your suppliers' risks such as rupture of stock? Are your demands of your suppliers realistic? Is your organization clear of its own requirements?

- **Know your supply chain**

Evaluate the cost of the supply chain in your organization. What proportion of your revenue goes towards paying suppliers? Do you know their societal and environmental impact?

- **Think strategically**

Consider the risks and opportunities of working more closely with your main suppliers – across the whole life cycle.

- **Get buy-in from top management**

Ensure key decision makers and influencers are on board and aware of the benefits, opportunities and possible consequences of implementing sustainable procurement into your organization.

Each category should have

Sustainability Strategy (ambition, goals, targets)

Current sustainability status description

Definition of key sustainability principles

Educated category manager(s)

Informed suppliers

Sustainable KPIs clearly defined

Sustainable Procurement Example



**Circular
packaging
& POSM**



**CO2
reduction**



**Sustainable
agriculture**



**Extended
lifetime**

Footprint of the whole chain



Example I

**Price (Structure) / Material / Circularity / Emissions / Satisfaction
/ Supply Chain / Lifecycle**



Example II

The new ID.: balance sheet CO₂-neutral

Emission values are reduced along the entire value chain



zero CO₂

supply chain

100 % green energy
in production of battery cell

production

100 % green energy
at the factory Zwickau

use - phase

100 % Volkswagen
Naturstrom via Elli

recycling

Second Life /
Closed Loop-Recycling

+ Unavoidable emissions are offset by
investments in climate protection projects.

Thank you!