

ProcureCon
EUROPE

EU



THE 2023 SUSTAINABILITY REPORT

apexanalytix®

INSIGHTS
Worldwide Business Research



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CONTRIBUTORS



Danny Thompson
Chief Product Officer
apexanalytix



Sophie Cros
*Procurement Director MS PRO –
Innovation and Digital Transformation*
Bayer



Mat Langley
Global Procurement Head, ESG
CBRE



Stephen Tonks
Chief Supply Chain Officer
Fujikura



Paul Walker
Group Procurement Director
TUI



Ben Sharples
Conference Director
ProcureCon Europe 2023

METHODOLOGY

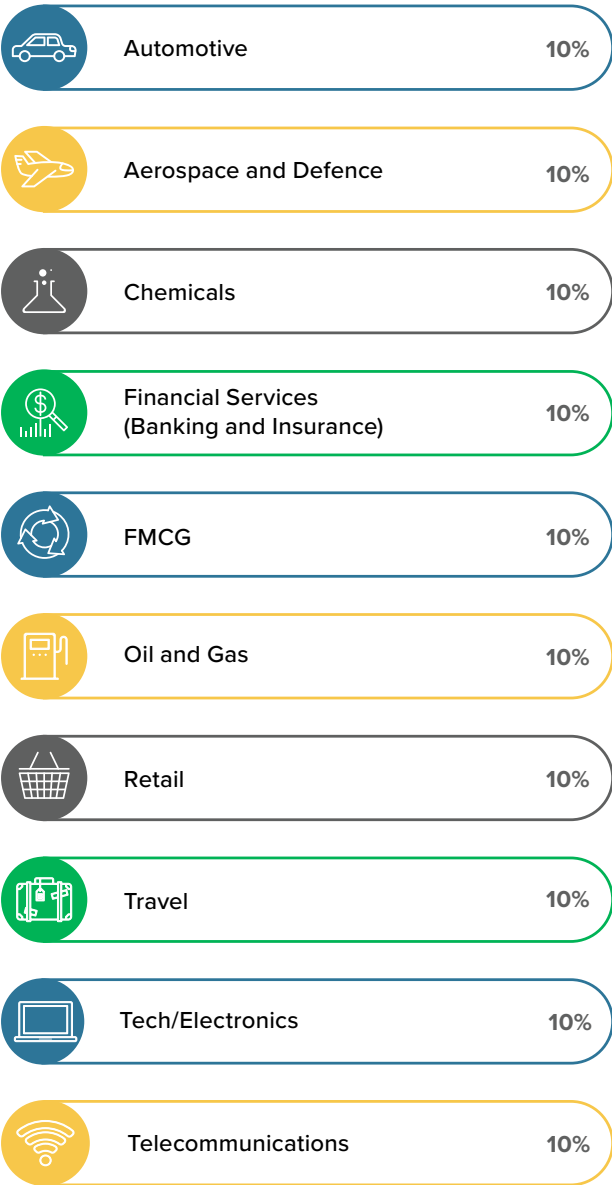
In Q3 of 2023, WBR Insights surveyed 100 of the most senior figures in procurement across Europe. They told us about the challenges they face as they strive to achieve their sustainability targets, and the innovative solutions being brought to the table to solve them.

The survey was conducted by appointment over the telephone. The results were compiled and anonymised by WBR Insights and are presented here with analysis and commentary by apexanalytix and the ProcureCon Europe community.

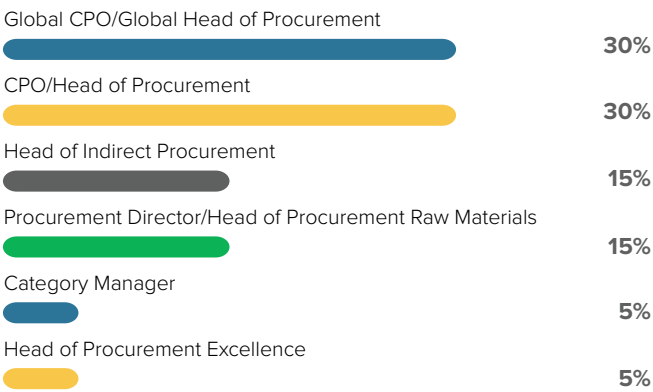
The WBR Insights topics detailed in this report will also be covered in the ProcureCon Europe event. Download the agenda [here](#).



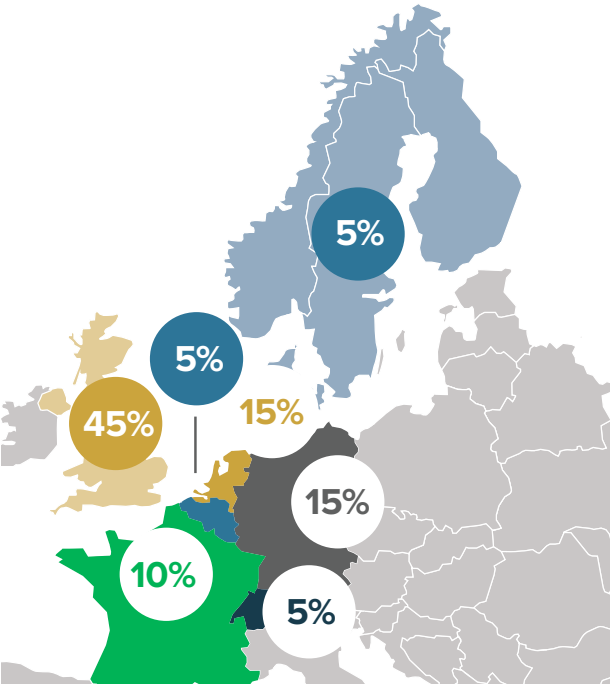
What industry do you currently work in?



Which of the following best describes your job title?



Where is your organisation located?



KEY FINDINGS

Procurement has an emission data challenge

Our research reveals that 56% of CPOs are struggling with collecting and analysing emission output data. The requirement for organisations to measure greenhouse gas emissions (GHG) is relatively new, and existing processes and measurement tools have not been optimised to accurately capture and analyse data. Along with industry standards and a complete lack of reporting from some suppliers, estimations are making up a large percentage of the collected data, resulting in emissions figures that can be inaccurate.

1



2

Keeping on top of ESG supplier risk

Measuring ESG supplier risk is a constant conversation in many organisations. Almost half (47%) of respondents said they are measuring ESG supplier risk on a quarterly basis. This suggests it is essential to have ongoing assessments of your suppliers and their ESG performance. A supplier who is low-risk today may be high-risk tomorrow. Evaluating supplier performance on a regular basis can be key to identifying hotspot areas early.

Regulations, regulaciones, règlements

Perhaps unsurprisingly, our research reveals that keeping up with regulatory requirements is the biggest challenge for CPOs, with 66% of respondents highlighting this as their biggest challenge in achieving ESG initiatives. Procurement often operates on a global scale and the ever-evolving regulations across numerous regions, as well as the impact that has on operations, is a challenge for many CPOs.

3



Answering Procurement's Top 3 ESG Questions

By Danny Thompson, Chief Product Officer at apexanalytix

1. How should companies address Scope 3 emissions reporting?

Automation of this process is crucial to reporting and improving operations.

First, let us define Scope 3: Scope 3 emissions are indirect emissions that occur because of a company's operations, but from sources not owned or controlled by the company. There are 15 categories – ranging from business travel to waste generated in operations – and a company needs to define the categories that are in scope, which will vary based on a company's industry and operations. The purchased goods and services category typically makes up 60-90% of GHG emissions in Scope 3.

To report on these emissions, a company needs to have easily accessible, accurate sources of GHG data. Automation in pulling this data is critical for companies to leverage the reporting and improve operations. apex integrates with trusted life-cycle assessment (LCA) databases, which measure the environmental footprint of products, for emissions data and leverages apex's spend analytics to remove the painful, manual task of Scope 3 reporting.

2. How can companies manage ESG compliance and sustainability?

Three levels of assessments are needed to identify risk and opportunities for improvement.

Level 1: A broad assessment of a company's supply chain based on industry, region, spend with the supplier and other characteristics. This type of scoring should be automated to provide an initial understanding of inherent risk and opportunities for improvement that should be further investigated. Additionally, tier 2 or 3 suppliers could be incorporated into the assessment based on their potential impact on a company's supply chain.

Level 2: With the broad assessment, one can identify suppliers that pose greater inherent risk or opportunity for improvement as compared to their peers. Then greater details on those suppliers can be captured from public disclosures (e.g., child labor policies, GHG emissions reports, supplier diversity reports). This could be a heavy lift if done via manual processes so web data harvesting via robotic process automation (RPA) should be employed to capture the data at discovery and on an ongoing basis.

Level 3: Lastly, if data needed to assess risk and opportunities for improvement is not publicly available then a company will need to work directly with a supplier to capture this info.

After the assessment, the risks and opportunities for improvement will be available and a company can begin working with those suppliers to improve operations. This could include adjusting the relationship to minimise emissions, an investment in the supplier's operations or discontinuing the relationship.

At each stage of this process, a company's goal needs to be focused on giving the supplier management team the data and automated supplier collaboration to make decisions that align with the company's goals (whether it is driven by regulations or a company initiative).

3. How should ESG be incorporated into overall supplier management?

Keep it simple. ESG is just another check at onboarding and throughout the supplier lifecycle to assess risk and opportunities for improvement.

Centralising supplier management into one channel is why apexportal exists. By incorporating ESG into standard supplier management, a company can view a supplier's ESG risk alongside financial, operational, cyber, fraud and other risk factors. This provides a full picture of the supplier and allows companies to weigh risks based on their company's overall risk and supplier management strategy.

Aside from regulatory compliance, we are seeing a growing trend of companies integrating ESG reporting into supplier onboarding and ongoing management due to anticipated customer requirements. This is particularly true for companies with a significant percentage of revenue generated from a handful of large companies that have publicly stated their sustainability goals.



Danny Thompson
Chief Product Officer
apexanalytix

PART ONE

How Procurement Can Lead the Conversation in Lowering Greenhouse Gas Emissions

As ESG considerations become increasingly important to organisations, procurement must lead the conversation on reducing GHG emissions. Scope 3 emissions often form the majority of overall emissions and procurement is uniquely placed to engage with existing suppliers to help reduce them, while sourcing new suppliers who demonstrate commitment to greener practices. With looming net zero targets and increasingly stringent regulations, reducing emissions is no longer a nice to have for organisations. Progress must be made - today.

But this is no easy task. Our research reveals collecting and analysing emission output data (56%), engaging with existing suppliers (45%) and receiving buy-in from key stakeholders (44%) are providing significant challenges for CPOs. Collecting and analysing emissions data is relatively new for procurement, and processes and tools have had to be developed. These struggles could be explained by the nature of averages, estimations, and inaccurate - or a complete lack of - emissions reporting from suppliers.

If procurement is to succeed in achieving its lofty emission reduction targets, technology will play a key role. According to our research, supplier tracking software (80%), renewable energy sources (80%) and automation technologies (63%) will help support these targets over the next three years. It is no surprise to see supplier tracking software score highly, while renewable energy sources - solar and wind in particular - can play a critical role in reducing reliance on fossil fuels. Automation technologies may also prove to be an essential data collection and analysis tool in the future.

"It is a challenge to consolidate spend data into a single source of truth, which is needed to get a basic emission baseline using industry-standard factors. To then get primary or actual data, you have to engage suppliers who are often in a similar early stage and or data challenge situation.

Our research and experience indicate that 60-70% of companies have not started calculating their emissions, and as low as 10-20% are looking across all three scopes. Therefore, helping suppliers calculate baselines and hotspots, and offering decarbonising best practices and funding is a great way to support suppliers to reduce their emissions."



Mat Langley
Global Procurement Head, ESG
CBRE

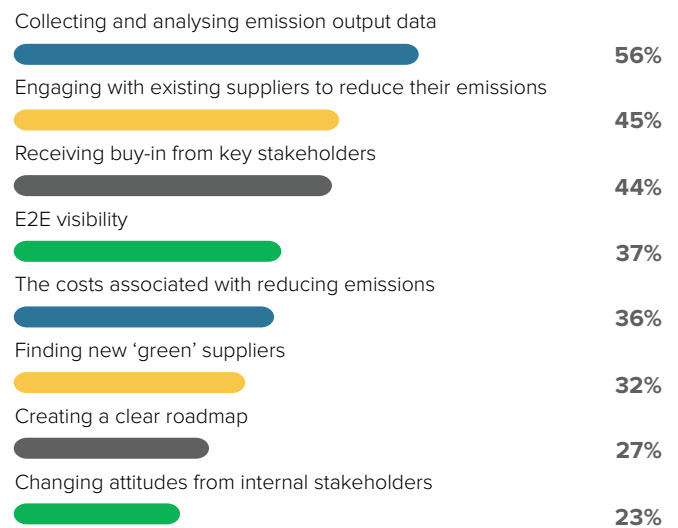
"Organisations often struggle to accurately analyse their Scope 1 and Scope 2 emissions, let alone their Scope 3 emissions, so it is unsurprising to see that many respondents are struggling in this respect. When it comes to engaging with suppliers, I think that Green Awards can be a great way to encourage two-way collaborative conversations with your suppliers to discuss sustainability initiatives that often go above and beyond pure emission reductions."



Paul Walker,
Group Procurement Director
TUI

Procurement truly is perfectly positioned to lead the way when it comes to reducing GHG emissions. By adopting new methods, transitioning to renewable energy and embracing technology, procurement leaders are ensuring progress is made and ESG is kept at the forefront of the conversation.

What are the top three challenges when it comes to reducing your GHG emissions? (Respondents were asked to select three options)



"It is a challenge to collect and analyse emission data for many companies as it is a relatively new topic, and the existing systems and processes that we have, are not set up to collect that kind of data. More importantly perhaps than collecting the data, it is the constant updating of that data that is tough.

I think where we have found success when engaging with our suppliers is identifying our top ten to twenty suppliers, and with those who already have a sustainability program in place, we have tried to utilise their solution as much as we can with ours, rather than trying to force our solution on them. I think that helps when it comes to discussing and analysing that data with them."



Stephen Tonks
Chief Supply Chain Officer
Fujikura

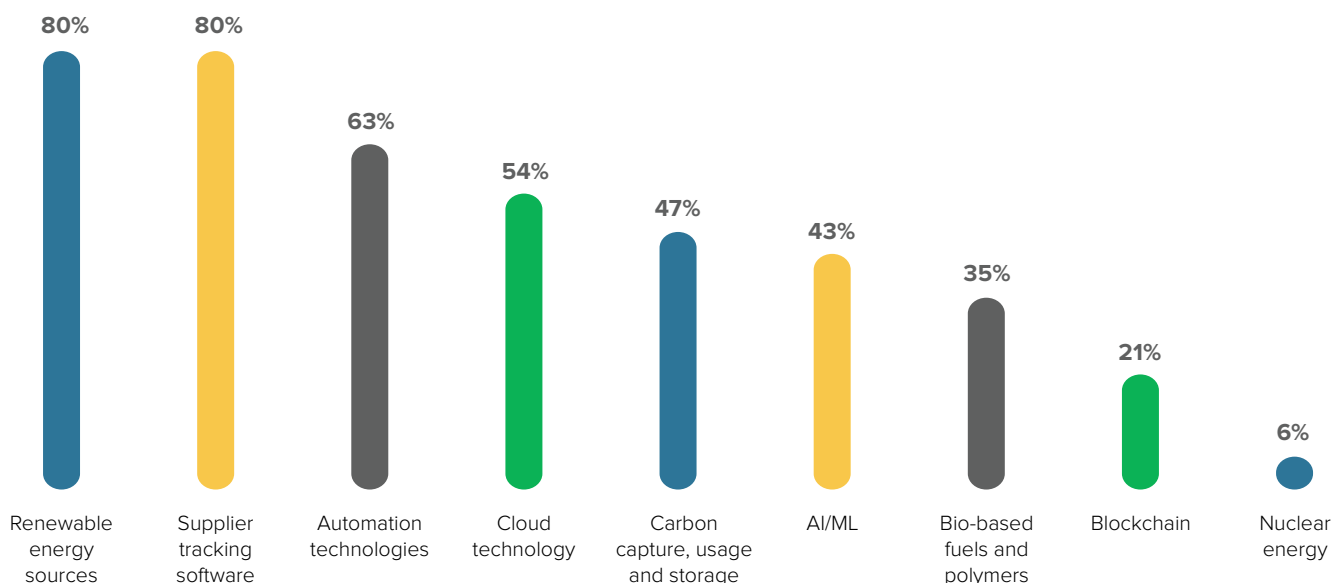
"I think it is absolutely critical for companies and particularly procurement departments to really take your suppliers on the journey with you. There needs to be total buy-in from your supply base. I think the past few years have been about educating suppliers and making them aware of what needs to be done.

Now comes the next part of moving engagement into action. Keeping open lines of communication and data sharing are key, as well as stressing the fact that this is a journey that everyone needs to be in together. Suppliers who do not join need to know there is a risk of losing business."



Ben Sharples
Conference Director
ProcureCon Europe 2023

What technologies do you think will be important for reducing GHG emissions in procurement over the next three years? (Respondents were asked to select all that apply)



"One of the challenges we are currently facing (as well as many other companies) is the data collection challenge. Suppliers use different calculation approaches, and the current collection process is cumbersome and inefficient, as too much time is spent on data reconciliation and cleansing rather than taking action based on the data.

So, we definitely need standardised approaches for determining product carbon footprints across industries, and then technologies can serve to enable the secure and trustworthy exchange of data throughout supply chains.

As a member of "All Together for Sustainability" (TfS), we are now piloting with Siemens to use their "SiGreen" solution to collect data from suppliers. "SiGreen" ensures a trusted environment where all partners can safely share their standardised PCF data, which helps us tackle the challenges we are facing in the decarbonisation of our supply chains."



Sophie Cros
Procurement Director MS PRO – Innovation and Digital Transformation
Bayer

"On the renewable energy side of things, I think that solar and wind offer the most scalable promise in reducing GHG emissions. When designing and building facilities we must take these things into account at the same time as the use of low-carbon materials, such as avoiding concrete. However, I think we are likely to have a dependency on nuclear for some time while true renewable energy scales up to replace it.

I predict that in three to five years, greater use of solar and wind power will help generate sustainable fuels (hydrogen, bio-fuels, hybrid fuels etc.). Carbon capture is also likely to become industrialised within five years."



Paul Walker,
Group Procurement Director
TUI

"I think over the next several years, we may see that once companies learn how to track, and keep tabs on their total emission output, they will begin to progress towards bridging the gap between what they emit and their emission targets.

So, I think that technologies such as carbon capture and storage, as well as bio-based fuels and polymers will increase. Equally, I think that renewable energy sources will be at the absolute top of the tree when it comes to cutting emissions."



Ben Sharples
Conference Director
ProcureCon Europe 2023



We asked our respondents how they are ensuring procurement leads the conversation in reducing greenhouse gas emissions in their organisation. Here is what they told us:

“We have upgraded our visibility of procurement and supply chain activities to strategise as per our emission and business activities.”

“Procurement has utilised supply chain and emission data to make changes on different fronts including technology and process upgrades to support reduction in emission.”

“Procurement now functions on more automations than before and these automations have reduced wastage, increased accuracy and improved consumption visibility as well. All of these have been aligned to reducing GHG from a procurement point of view.”

“We have provided new supplier assessment methods that will allow us to achieve better scope 3 emission control in the future.”

“Procurement is supporting the energy transition from non-renewable to renewable in the supply chain.”

“Vendor risk assessment, ethical sourcing and we have also provided more momentum for the use of renewable energy in the procurement process.”

“Driving your organisation to look at upstream Scope 3 emissions will most likely highlight the largest—or one of the largest—emission areas: Purchasing (Scope 3.1). From here, Procurement can take the lead and build a business case for investment in the data and supplier engagement journeys.

Procurement understands the processes needed for this program. Swap emissions for spend, decarbonising for savings, and develop a carbon reduction plan using the standard seven-step process. This includes analysis, market reviews, strategy development, implementation and monitoring. Procurement also is skilled in internal and external engagement, reporting, identifying innovation and so on.”



Mat Langley
Global Procurement Head, ESG
CBRE

“Procurement is a critical player when it comes to making advancements in greenhouse gas emission reductions. Having regular touch points and ensuring sustainability is a critical factor in all decision-making is a key way procurement can lead the conversation in my opinion.”



Sophie Cros
Procurement Director MS PRO – Innovation and Digital Transformation
Bayer

“I really think that procurement is uniquely placed in terms of the responsibility we have for Scope three emissions. We can lead the conversation with suppliers, and make sure that reducing emissions is an additional topic on the business agenda every time we speak with suppliers. I do not think this is a nice to have - it is something we simply have to do.”



Stephen Tonks
Chief Supply Chain Officer
Fujikura

“I think procurement has a fantastic opportunity to add value right now. Procurement is a function that has visibility of a side of the business that no one else in the company sees. By engaging with existing suppliers and moving towards preferred suppliers who are aligned with your company's values in terms of emissions and sustainability targets, you have a real, genuine opportunity to be leading the conversation on this.”



Ben Sharples
Conference Director
ProcureCon Europe 2023

PART TWO

ESG and your Supply Chain

As we have already explored, accurately measuring Scope 3 emission data is extremely challenging thanks to estimation, an absence of standardised reporting and reporting issues. According to 44% of respondents to our survey, the best solution involves a combination of industry standards and company-specific emissions factors applied to spending analytics.

However, achieving ESG targets hinges largely on relationships with suppliers. CPOs need to be aware of the ESG risks all suppliers pose to their organisation. Therefore, full assessments must be made, a comprehensive understanding of supplier risk must be obtained, and identifying high-risk suppliers is a priority.

According to our research, 36% of CPOs take one month on average to complete supplier assessments, with slightly fewer (29%) conducting them over six months. While taking time to do due diligence is critical, it is also important assessments are completed in a timely manner to ensure information is accurate and not out of date.

When it comes to conducting supplier assessments, waste management (84%), regulatory compliance (83%), and supplier diversity (60%) are the biggest ESG-related supplier risks for CPOs. Interestingly, only 39% of respondents highlighted greenhouse gases as an important supplier risk. However, this might be explained by how closely waste management and regulatory compliance are linked to greenhouse gases. If a supplier is managing their waste well and in full regulatory compliance, they are probably low risk on GHG emissions.

Our research shows that CPOs see supplier risk as a priority and almost half (47%) of respondents to our survey measure ESG supplier risks on an ongoing quarterly basis. Supplier performance is constantly evolving - for better or worse - so maintaining a regular analysis of new and existing suppliers is vital to staying proactive and understanding risks.

On average, how long does it take for a supplier's assessment to be completed in your organisation?



"I would agree with these results, and I think that often it can take too long to conduct supplier assessment. Many organisations ask the same questions of the same suppliers, and there can be a lot of duplication too.

In an ideal world, I think that assessments should be made near instantaneously using standardised information made available in the public domain. Being sustainable and reducing emissions should not be proprietary - it is in all our interests."



Paul Walker,
Group Procurement Director
TUI

"With most companies taking 3 months or more to complete supplier assessments, companies will face significant challenges to comply with regulations as more get introduced. The process of collecting this data will need to leverage automated solutions or teams will drown in data collection rather than improving their operations."



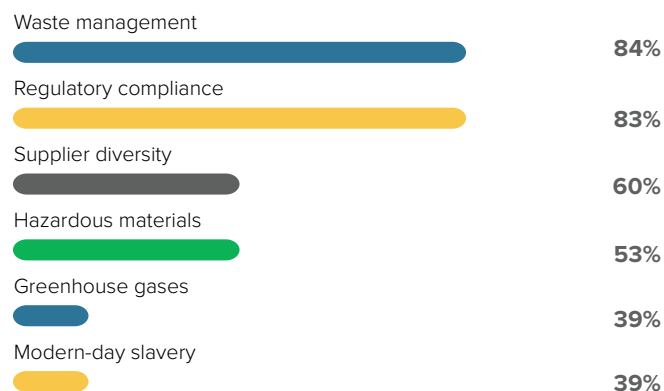
Danny Thompson
Chief Product Officer
apexanalytix

"Completing supplier assessments for organisations is a real challenge. Anything that can speed up the data exchange, and anything that can speed up the onboarding process is critical here, because those times need to come down, in my opinion."



Ben Sharples
Conference Director
ProcureCon Europe 2023

What types of ESG-related supplier risks are most important to you? (Respondents were asked to select all that apply)



"I am not surprised to see GHG far down on the results here, as waste management, regulations and GHG should have similar aims. Global emissions can be reduced by 45% by adopting a circular economy, because how we make, use and consume products and goods accounts for 45% of emissions. Therefore, it is vital that we understand the connections."



Mat Langley
Global Procurement Head, ESG
CBRE

"I am not too surprised to see greenhouse gases so far down here, as I think there can sometimes be too much focus on GHG and not enough on wider sustainable factors, such as water usage, investing in local communities, designing for net zero, minimising the use of rare or conflict materials etc."

Equally, regulatory compliance is a non-negotiable and compulsory, and therefore it should be dealt with as part of BAU. Waste management for me is too reactive. Designing for the maximum use of recycled materials and recycling, a focus on lengthening product lifespans and maximising re-use are all more important to me than a pure focus on 'end of life' waste management."



Paul Walker,
Group Procurement Director
TUI

Where in your supply lifecycle do you measure ESG supplier risk?



"Some companies cannot complete supplier ESG assessments at discovery or onboarding simply because of the legacy technology they are using. The process is largely manual and takes too long."

As companies automate and streamline supplier management, they can add ESG data collection as part of standard supplier discovery and incorporate more granular data collection at onboarding and ongoing management."



Danny Thompson
Chief Product Officer
apexanalytix

"I think, with the need to assess supplier ESG risk being relatively new, quarterly ongoing management reviews are the ideal way to assess suppliers who organisations have had a relationship with for several years. I think it is important to continue developing your nomination process to make sure that all of the topics are covered in your reviews, especially as these topics evolve over time."



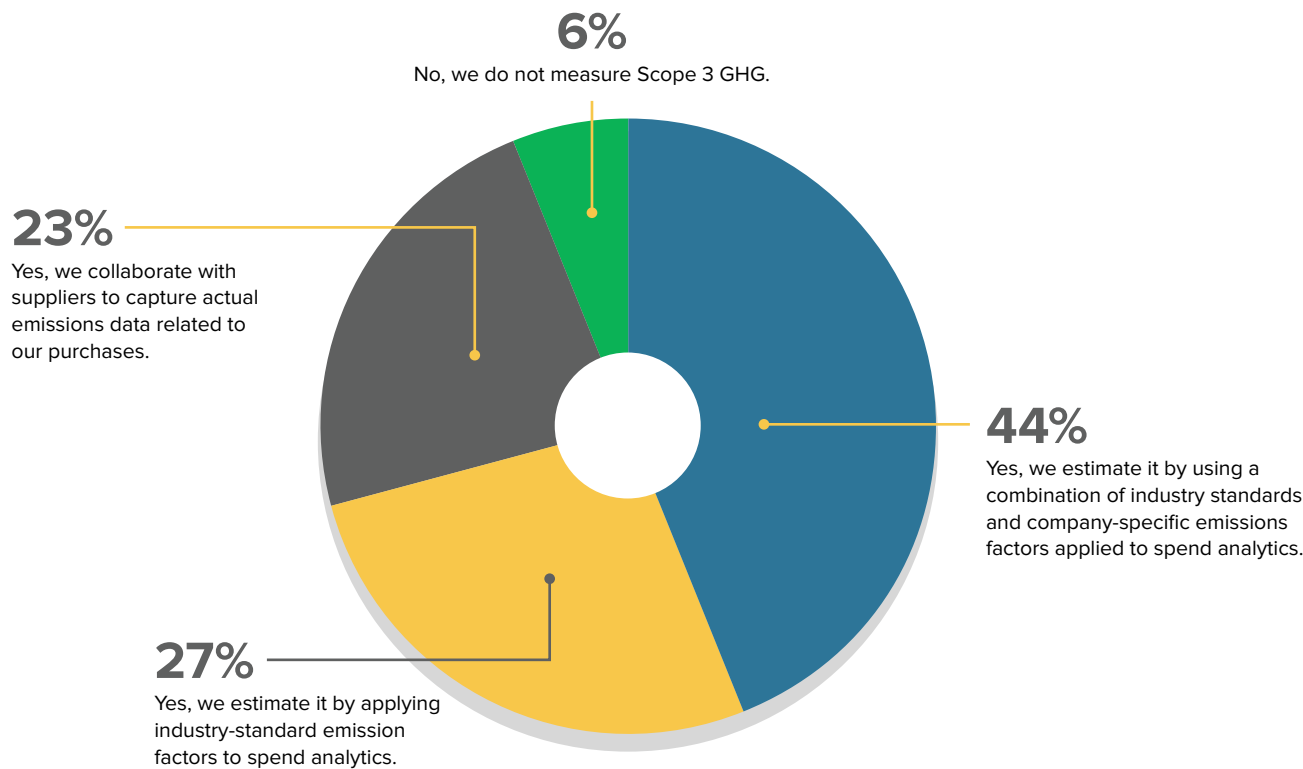
Stephen Tonks
Chief Supply Chain Officer
Fujikura

"I am quite surprised that most are measuring ESG supplier risk after onboarding. I would caveat that however that a lot of respondents may have been looking at this through the lens of existing suppliers, in which case quarterly ongoing management is a fair review process."



Ben Sharples
Conference Director
ProcureCon Europe 2023

Do you currently capture Scope 3 GHG Emissions Data related to Purchased Goods and Services?



“I am not too surprised by the results here, especially considering the view that many companies are still developing their systems of how they capture their data. I think there is a lot of estimation when calculating emissions, and a lot of companies I talk to are still trying to get data from their suppliers to get a complete picture.

I think using a combination of industry standards and company-specific emissions factors, while not the best method overall, is the best for now. I think it is about having a starting point from which you can develop further. It is better to know you have 70% of what you need and estimate the remaining 30%, rather than wait until you have 99.9% of the data before you make a start. Do not let perfection be the enemy of progress.”

 **Stephen Tonks**
Chief Supply Chain Officer
Fujikura

“This shows a clear difference between direct and indirect procurement. Direct procurement of raw materials involves fewer suppliers, meaning less technology, best practices and other foundations for calculating emission data. Indirect procurement requires many more suppliers, and challenges calculating Scope 3 emission data come with it.

Using spend-based emission factors to highlight the hotspots, combined with actual emissions data from high-emitting suppliers is the best hybrid method here.”

 **Mat Langley**
Global Procurement Head, ESG
CBRE



PART THREE

Creating Value with ESG

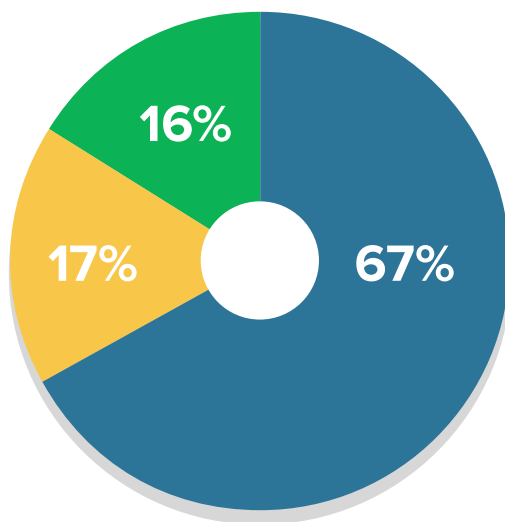
To succeed in delivering on ambitious sustainability goals, procurement departments must feel that they have the necessary foundation to do what needs to be done. Encouragingly, 84% of respondents told us they are either very confident or somewhat confident that procurement can deliver on their sustainability goals given the tools and resources they currently have. For the remaining 16% who told us they were not very confident, work still needs to be done.

By identifying the challenges CPOs face, key areas can be tackled first, and a roadmap to success can be planned out. Sixty-six per cent of respondents told us that regulatory requirements and compliance controls are a particular challenge as they look to achieve their ESG initiatives. This is not surprising as procurement departments are often global

in scale and regulations differ from region to region. CPOs must, therefore, have a complete grasp of their obligations in all operational regions and implement assurances for full compliance. While this is easier said than done, it will provide an essential foundation from which to build a strong ESG strategy.

An organisation's key influences will ultimately serve as a driving force for ESG targets and initiatives, and understanding why organisations are motivated will impact the end result. Perhaps unsurprisingly, an overwhelming majority (92%) of respondents told us regulations are influencing their organisation's focus on ESG, while 77% highlighted a sense of ethical responsibility as a key influence. This could be driven by a younger workforce which firmly believes in ESG and could help organisations to become industry leaders in sustainability.

How confident are you in procurement's ability to deliver on their sustainability goals given the tools and resources they currently have?



- Somewhat confident I/my team can deliver.
- Yes, very confident I/my team can deliver.
- Not very confident that I/my team can deliver.

"I am not surprised that many respondents are only somewhat confident, as the vast majority of procurement professionals have the same level of sustainability knowledge as the average manager. As a profession we need to do more to upskill and lead the way.

To improve confidence, I think treating sustainability as a new category that you have just parachuted into can help. Learn everything you can and keep learning. The problem is not going away but it does evolve every day, so learning as much as you can is essential."



Paul Walker,
Group Procurement Director
TUI

"I am not surprised that the majority are only somewhat confident, as it is a complicated area. Very few people have the skills, and no one has found the right approach yet. There is no silver bullet; each company has a different supply chain. Equally, all supply chains are dynamic, especially when you get to 3, 4 or 10 tiers.

In the current economic climate, investment is needed but everyone is struggling to find funding. Respondents can increase their confidence by understanding where they are on the journey, and tackling the next priority areas on the journey from there."



Mat Langley
Global Procurement Head, ESG
CBRE

"It is interesting that almost the same amount of people said they are 'not very confident that they can deliver' as those that are 'very confident that they can deliver'. For the leaders who are not confident, you need to swim in the wake of others. Find those leaders that are very confident and learn about their processes and technology. Conversations with confident leaders and the technology solutions they are using will help outline a plan to change the direction of your ESG program."



Danny Thompson
Chief Product Officer
apexanalytix

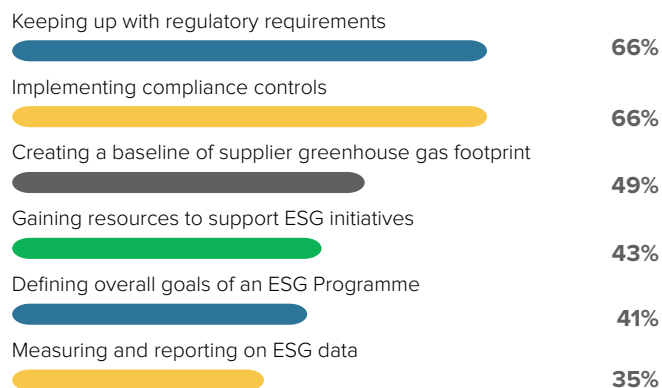
"I am very pleased to see that no one said that they do not have clearly defined sustainability goals. It is also great that the vast majority of respondents are confident in their ability, given their current tools and resources.

Emissions tracking, methodologies and reporting is in its infancy, so I can understand if there would be a bit of hesitation from some respondents. I do not think anyone can expect perfection right now. So long as companies feel that they are moving in the right direction, and the technology is catching up to support them, then I think that is great."



Ben Sharples
Conference Director
ProcureCon Europe 2023

What are the top three challenges in achieving your ESG initiatives?



"I would definitely agree with the top three results we see here, and I think that keeping up with regulatory requirements is simply a matter of the difficulty of having products that we supply globally. Being compliant with various regions and their different approaches and being constantly aware of those changes can be challenging."



Stephen Tonks
Chief Supply Chain Officer
Fujikura

"I would have to say that from my experience, I do not agree too much with these results, as I think there is too much focus on the governance in ESG. In Procurement, I prefer to talk about Diverse, Sustainable and Ethical Sourcing (DSE) - this is where we should be putting our focus."



Paul Walker,
Group Procurement Director
TUI

"At Bayer, we consider sustainability to be at the core of our corporate responsibility. It is therefore an essential component of our corporate strategy, our business activities, our corporate values and the way in which we conduct our business. Sustainability is at the centre of our corporate vision of "Health for all, hunger for none."



Sophie Cros
Procurement Director MS PRO – Innovation and Digital Transformation
Bayer

"It is nice to see that a sense of ethical responsibility is a popular answer here, and it really is true. I think a lot of companies have realised that it is a way of engaging people within their organisation. Particularly the younger generation of people in organisations, they are more aware of these issues, I think."

They are very interested in the values and standards of the companies they want to work for. So, I think it is definitely an ethical responsibility, but also a way of retaining and attracting talent within an organisation. Understanding that this is not just this year's initiative, but something that we have to work on in the future is also important."



Stephen Tonks
Chief Supply Chain Officer
Fujikura

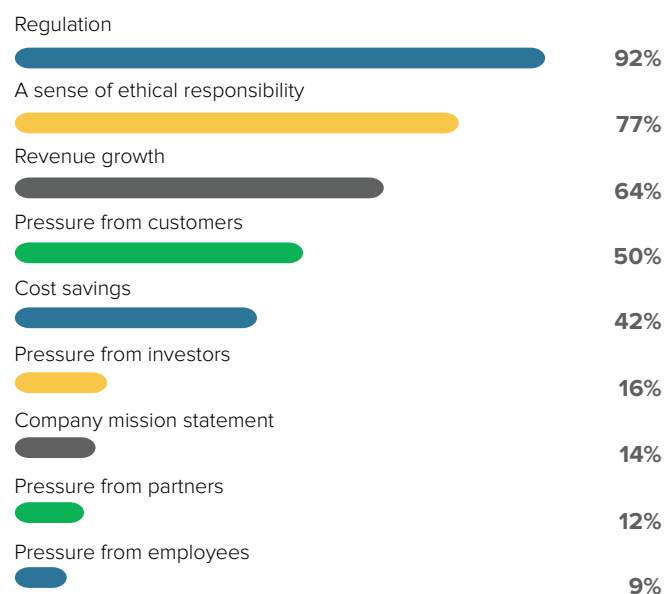
"I do not really see these results changing too much over the coming years, at least in my organisation. We have tied our decarbonising the supply chain efforts to a competitive advantage and have linked it to revenue growth. Investing early in this journey can create a competitive advantage."

Equally, acting now means no one easily notices mistakes, because everyone is learning. There are not many reference points."



Mat Langley
Global Procurement Head, ESG
CBRE

Which of the following factors is influencing your organisation's focus on ESG the most? (Respondents were asked to select all that apply)



"It is really good that nearly 80% have said that a sense of ethical responsibility is driving the ESG focus. Over the next several years, I would like to see pressure from employees and investors be higher. If there was no regulation, the pressure from investors would not be there, and therefore sustainability targets may not be there. So I would love to see investor sentiment change slightly towards knowing that this is something we all need to get behind."



Ben Sharples
Conference Director
ProcureCon Europe 2023

CONCLUSION

Every year, the importance of achieving sustainability targets for organisations grows. Net zero deadlines get closer, regulations become stricter and more demanding, and pressure from key stakeholders becomes greater. Being the business function tasked with achieving sustainability goals in a massive undertaking. However, procurement is uniquely positioned to lead the conversation and ensure every business decision is made with sustainability progress in mind.

Capturing and analysing emissions data clearly remains a challenge. This is partly down to the way ESG data must be collected, and can also be explained by a lack of accurate data. For now, CPOs are using a combination of industry standards and company-specific emission factors to tackle the problem. This appears to be the best solution and, as one of our contributors said so well, 'Do not let perfection be the enemy of progress'.

While the majority of our respondents are confident procurement has the ability to deliver on their sustainability goals, challenges persist, particularly around regulatory

compliance and engaging with existing suppliers. Most of our respondents are ensuring a quarterly ongoing review of ESG supplier risk in their organisation. Although a supplier may pose a minimal threat today, that may no longer be the case tomorrow. Therefore, having a continuous conversation on all suppliers and their ESG performance is essential.

Our respondents shared how they are leading the conversation on reducing greenhouse gas emissions in their organisations. Procurement is perfectly positioned to implement new technologies, renewable energy sources and automation capabilities to enhance ESG data capture and analysis. Furthermore, procurement can work with new and existing suppliers to educate them on reducing emissions.

Procurement can be a true leader in the ESG conversation in many ways. As our respondents revealed, a sense of ethical responsibility is a key factor in their focus on ESG. By putting people who truly believe in sustainable practices in the right roles, organisations can set themselves up for success now and in the future.

KEY SUGGESTIONS

Let supplier risk reviews be an ongoing conversation

Tier 3 emissions are a major challenge in reducing GHG emissions. It can be difficult to fully understand all suppliers and the ESG risks they pose to your organisation. However, by continuously reviewing and discussing your suppliers, procurement can stay on top of which suppliers to prioritise. Supplier emission data is constantly changing, and a supplier who is not an ESG risk today may be tomorrow.

Be the conversation leader in your organisation

Procurement is uniquely positioned to source sustainably, implement new technologies and support migration to renewable energies. As Scope 3 emissions form the majority of overall emissions, procurement's relationship with suppliers is critical to achieving ESG targets. As a result, procurement should be leading the ESG conversation in your organisation.

Do not let perfection be the enemy of progress

It would be great if all systems and processes were perfectly aligned to collect and analyse accurate and timely ESG data. However, this is not the case. Much of the data used today is based on industry standards, estimations and supplier reporting. While this data might not be perfect, it is a valuable starting point. Having a baseline to progress from is the best option, and using a combination of data sources is better than waiting for perfection. Making a start is the most important thing.

Put the right people in the right roles

While strict regulations mean organisations have no choice but to make advancements in their sustainability goals, having people who want to make a difference in procurement roles is essential for fully realising procurement's potential as a sustainability difference-maker.



ABOUT APEXANALYTIX

apexanalytix®

apexanalytix revolutionised recovery audit with advanced analytics and the introduction of firststrike overpayment and fraud prevention software. Today, apex also leads the world in supplier management innovation with apexportal® and smartvm®, now the most widely used

supplier onboarding and compliant master data management solution in global procure-to-pay processes. With over 250 clients in the Fortune 500 and Global 2000, apex provides companies and their suppliers with the ultimate supplier management experience.

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We use research-based content to drive conversations, share insights and deliver results. Connect with our audience of high-level decision makers in Europe and Asia from industries including Retail and eCommerce, Supply Chain and Procurement, Finance, as well as many more. From whitepapers focused on your priorities, to benchmarking reports, infographics, and webinars, we can help you to inform and educate your readers and reach your marketing goals at the same time.

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Justine Hall
Insights Sales Director
T: 020 4542 8973
E: Justine.Hall@wbr.co.uk

