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giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

AHK Delegation der Deutschen Wirtschaft in Bosnien und Herzegowina
Predstavništvo njemačke privrede u Bosni i Hercegovini

Fit for Sustainable Supply Chain in Europe

A holistic and practical approach to how purchasing can systematically integrate sustainability into its strategies and practices

IPG Masterclass

INNOVATE · PERFORM · GROW

Sustainable Procurement

G7 – Transformation Management in Procurement

IPG PARTNERS GROUP

Tuesday, February 10th
Day 1 – Morning: Module 5

09:00 – 12:00

1	Fit for Sustainable Supply Chain in Europe – welcome & introduction	09:00 – 09:15
2	**Module 5 - introduction** SUS supply chain analysis – 5-phase methodology	09:15 – 10:45 10:45 - 11:00
3	**M5 - Sprint** SUS supply chain analysis – Team SaraCook & Team BosnaCool	11:00 – 12:00

Tuesday, February 10th
Day 1 – Afternoon: Module 6

13:00 – 17:00

4	**Module 5 - Sprint review** Team Presentations – Team SaraCook & Team BosnaCool	13:00 – 13:45
5	**M6 - introduction** ToolMap Taxonomy and Tool introduction	13:45 – 14:45 14:45 –15:00
6	**M6 - Sprint** Tool prioritization & selection – Team SaraCook & Team BosnaCool	15:00 – 16:00
7	**M6 – Sprint review** Team Presentations – Team SaraCook & Team BosnaCool Wrap-up Day 1 & Outlook Day 2	16:00 – 17:00

Questions & comments Coffee break All times given are indicative and may vary.

Wednesday, February 11th
Day 2 – Morning: Module 7

9:00 - 12:00

1 **Module 7**

SUS Transformation Management for Sustainable Procurement

09:00 – 10:15

10:15 - 10:30

2 **M7 - Sprint**

Draft SUS Transformation RoadMap – Team SaraCook & Team BosnaCool

10:30 – 11:30

3 **M7 – Sprint review**

Team Presentations – Team SaraCook & Team BosnaCool

11:30 – 12:00

Wednesday, February 11th
Day 2 – Afternoon: Recap M1 – M7

13:00 – 15:00

4 **Recap Modules 1 - 7**

Clarify questions and open topics

13:00 – 14:30

6 **Outlook**

March – July 2026:
Mentoring sessions
Online-Webinars conducted by BiH professionals
On-site-Trainings conducted by BiH professionals

14:30 – 15:00

Questions & comments Coffee break All times given are indicative and may vary.

Wednesday, February 11th
Day 2 – Morning: Module 7

9:00 - 12:00

1 09:00 – 10:15

Module 7
SUS Transformation Management for Sustainable Procurement

10:15 - 10:30

2 10:30 – 11:30

M7 - Sprint

Draft SUS Transformation RoadMap –
Team SaraCook & Team BosnaCool

3 11:30 – 12:00

M7 – Sprint review

Team Presentations –
Team SaraCook & Team BosnaCool

Wednesday, February 11th
Day 2 – Afternoon: Recap M1 – M7

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4 13:00 – 14:30

Recap Modules 1 - 7

Clarify questions and open topics

6 14:30 – 15:00

Outlook
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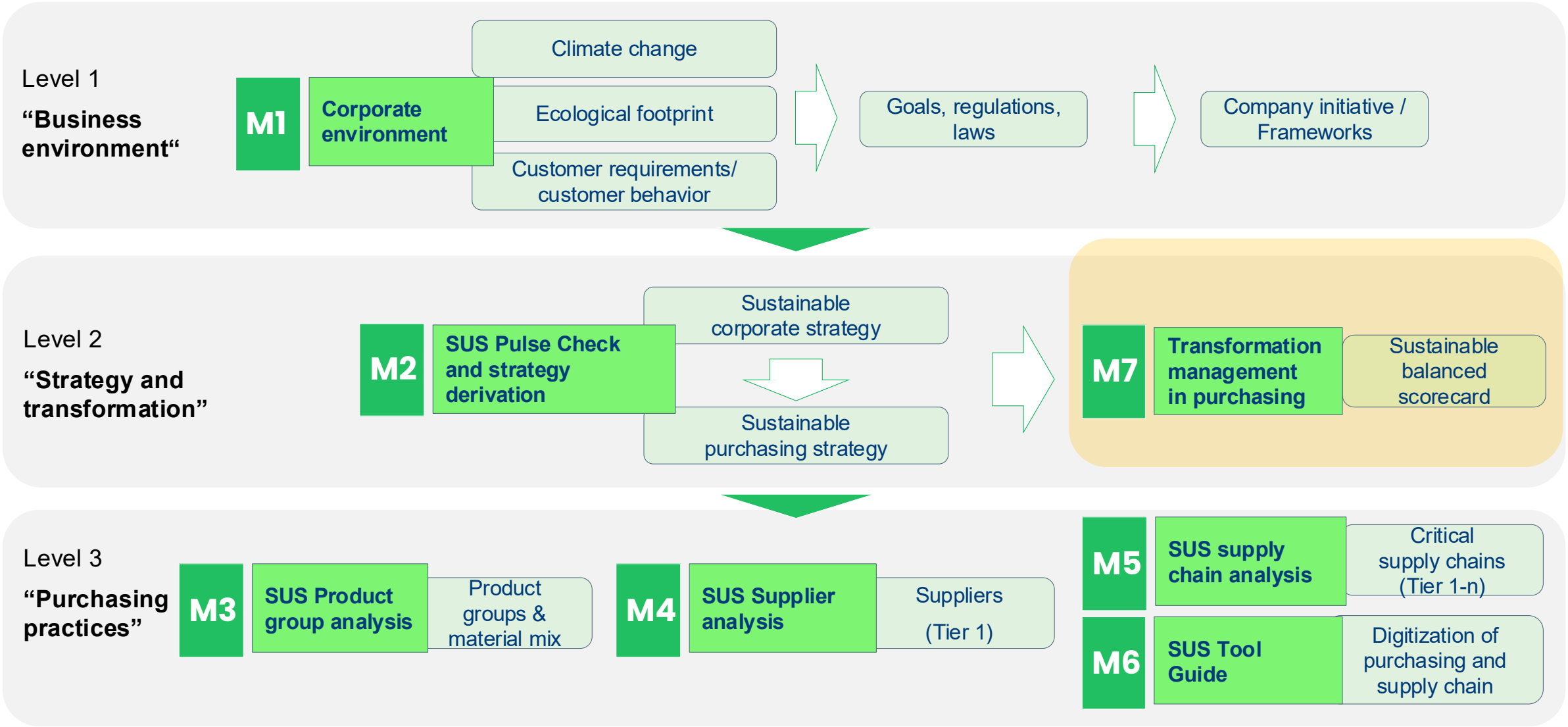
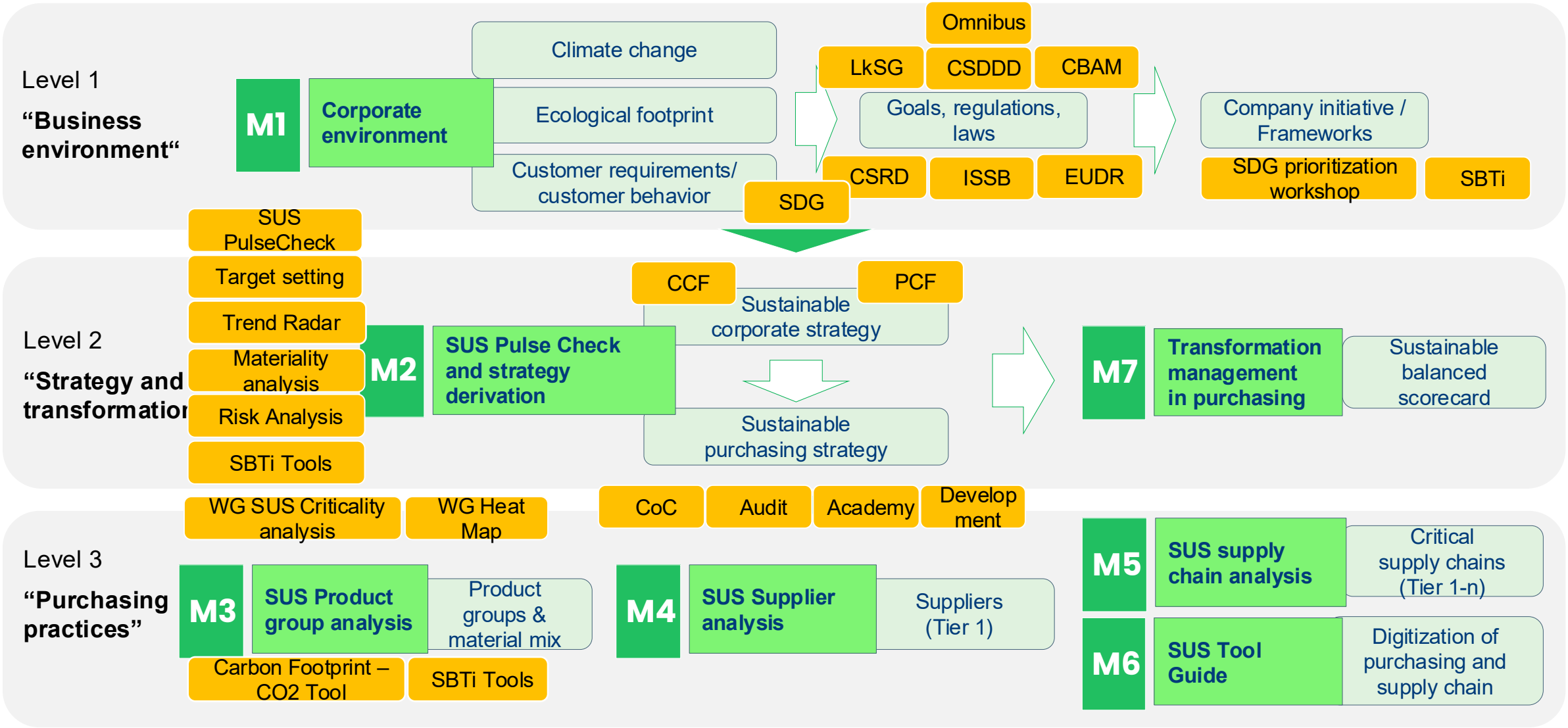
Questions & comments Coffee break All times given are indicative and may vary.

Module interfaces | IPG´s sustainable procurement excellence training systematically addresses important interfaces between corporate level and purchasing practices



Source: IPG

Module interfaces | IPG´s sustainable procurement excellence training systematically addresses important interfaces between corporate level and purchasing practices

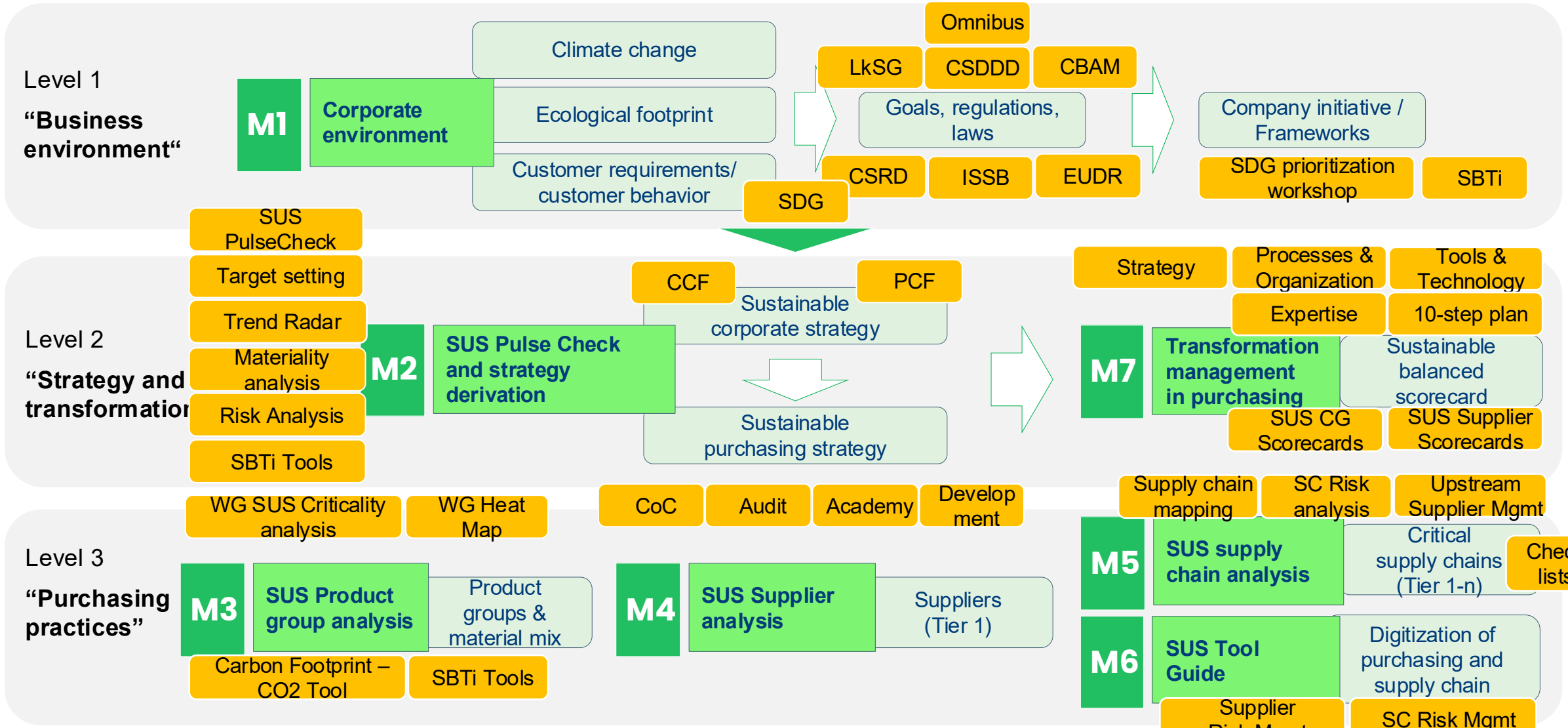


Source: IPG

Tools, analyses, tools

* Greenhouse Gas Protocol

Module interfaces | IPG´s sustainable procurement excellence training systematically addresses important interfaces between corporate level and purchasing practices



Source: IPG

Tools, analyses, tools

* Greenhouse Gas Protocol

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10 Transformation steps

IPG-Masterclass

Sustainable Procurement

Carsten Vollrath, IPG Partners Group

Best practice framework for sustainable procurement (1/3)

Best Practice

BEST PRACTICE FRAMEWORK FOR SUSTAINABLE PROCUREMENT

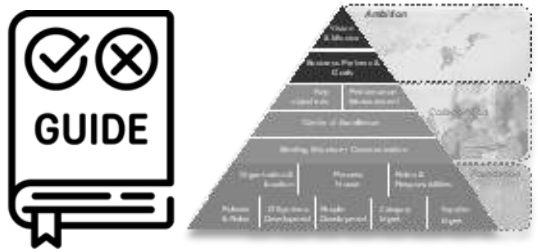
› This **10-step plan for a sustainable procurement program** provides an overview of **emerging best practices** in sustainable procurement.

› It highlights the **key guidelines and practices** that make up a robust and effective program.

1 Strategy and action plan

› Develop a long-term **vision or mission statement** for sustainable procurement to address sustainability risks and impacts in the supply chain, with a **step-by-step implementation plan** that contributes to achieving corporate goals to guide the development and improvement of your sustainable procurement program

› The strategy process often begins with a **holistic, self-critical assessment of the current situation** (PulseCheck or ReadinessCheck)



2 Guideline and operating model

› Development (and regular updating) of a **sustainable procurement policy or guideline** that defines sustainable procurement, **demonstrates** the **business benefits or reasons for sustainable procurement**, and includes sustainability commitments and social, environmental, and ethical aspects as **guidelines or policies** for your program

› **Translation of the guidelines into all purchasing processes and practices** by means of "standard operating procedures"

3 Top management commitment and dedicated employees (organization)

› **Active support and budgeting** by top management for the implementation of sustainable purchasing/mission statement

› **Appropriate funding** for the sustainable procurement program

› A **cross-functional team** for sustainable purchasing, including the definition **of new competencies and employee profiles** to competently cover the new roles

Source: IPG Research

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Details Step 1 «Strategy and action plan»

IPG-Masterclass

Sustainable Procurement

Carsten Vollrath, IPG Partners Group

"TWIN-PRO" Future Check | IPG regularly analyzes best and next practices in purchasing and SCM

Best Practice

PPE Benchmarking

TWIN-PRO FUTURE CHECK FOR YOUR PURCHASING

What matters in the purchasing of the future

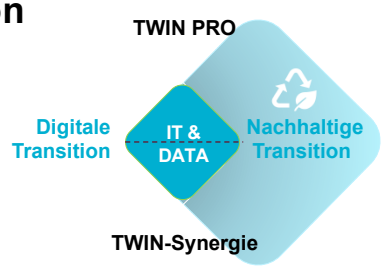
The TWIN-PRO Future Check answers the question of what characteristics high-performance purchasing organizations (must) have today and in the future, and how future-proof your current purchasing is in this regard. The Future Check focuses on determining the individual Excellence* Index for each purchasing organization.

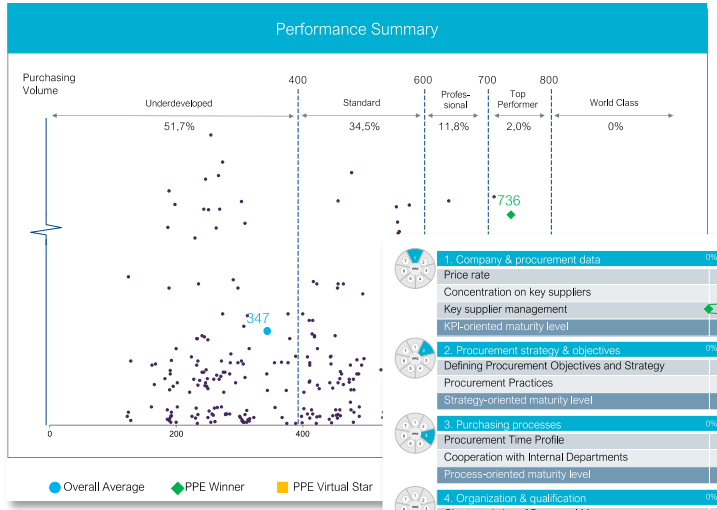
Four future fields and seven dimensions for measuring TWIN-PRO purchasing performance

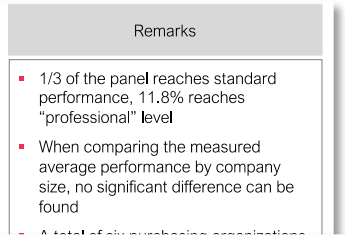
We have structured the performance parameters of purchasing into four performance areas. Within each performance area, parameters are derived that characterize digital and sustainable purchasing of the future. These influencing factors can be identified very precisely by directly comparing the top 25% of all purchasing organizations (upper quartile) in terms of overall performance according to the PPE Future Index with the weakest 25% (lower quartile).

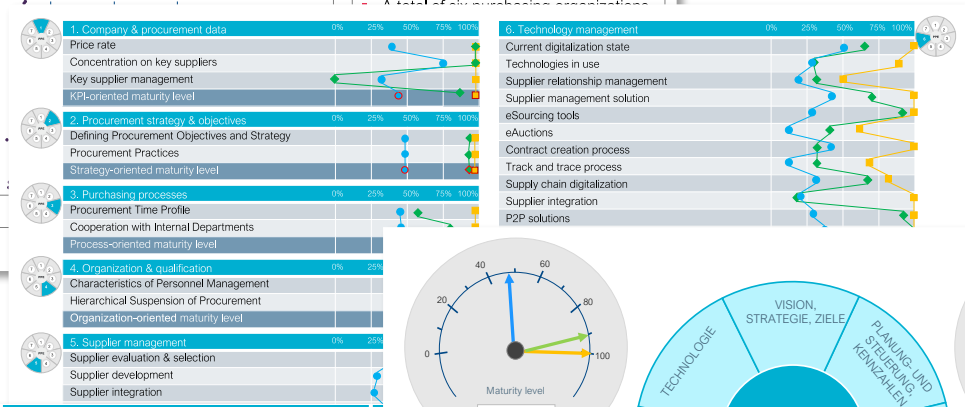
TWIN Transformation Readiness

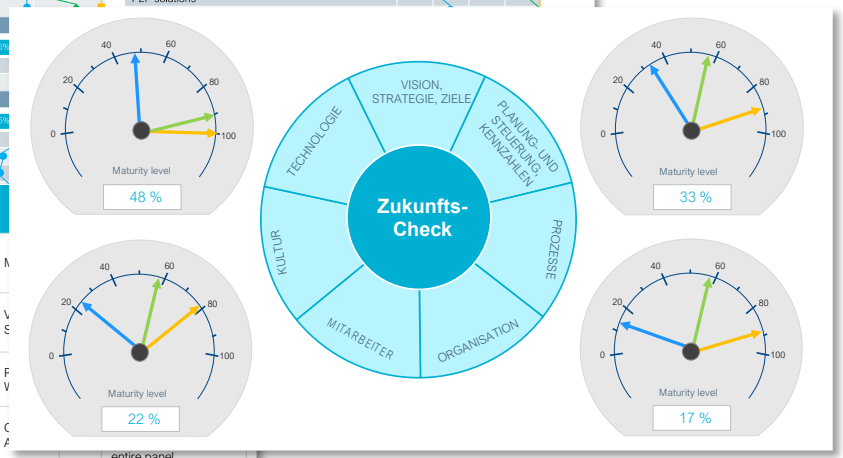
Future Check - Part of the PPE® Benchmarking

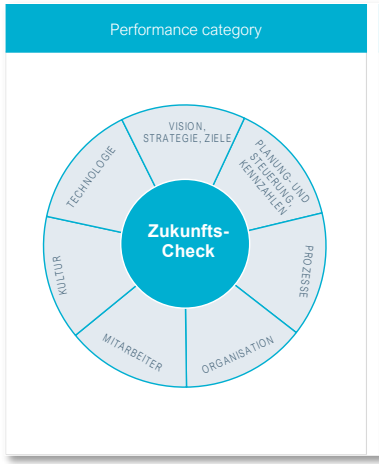


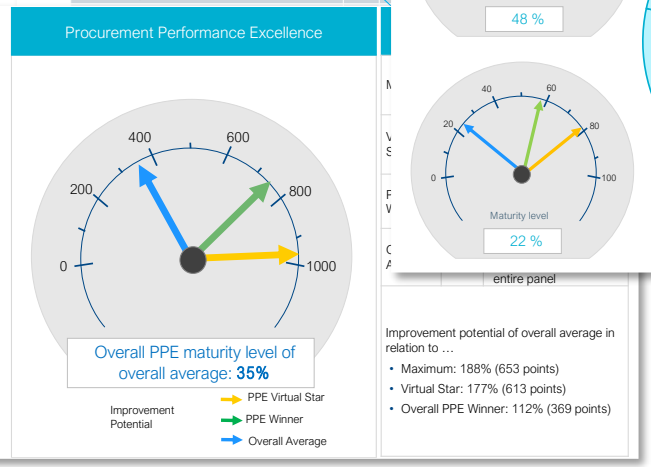












CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

Source: IPG; PPE = Procurement Performance Excellence

Sustainability Readiness Check for Procurement

M2 - Sprint 2

Sustainability Readiness Check for Procurement

Step 1: Select one participant out of each group, which stated a high degree of maturity on the question:

› **Q3. Maturity: How do you assess the current maturity level of your procurement department with regard to sustainability?**

Step 2: Fill out the maturity check matrix for the selected procurement organization

- Degree of maturity
- Testimonial, proof

Checklist for introducing sustainable procurement (2/2)

No.	Description	Degree of Maturity	Testimonial, proof
3	**Designing sustainable procurement processes**		
3.1	**Deriving measures for sustainable procurement** • Based on priorities and key areas for action		
3.2	**Integration of sustainability aspects into procurement processes and systems** • Supplier management processes (e.g., supplier selection, supplier evaluation) • Tendering processes (e.g., consideration in award decisions) • Other strategic, tactical, and operational procurement processes		
4	**Measuring success**		

Checklist for introducing sustainable procurement (1/2)

No.	Description	Degree of Maturity	Testimonial, proof
1	**Laying the foundation**		
1.1	**Securing support from top management** • Use of argumentation aids such as stakeholder surveys, benchmarks with competitors, recommendations from industry associations, regulatory framework		
1.2	**Integrating procurement into existing organizational structures on the topic of sustainability** • Consideration of existing governance structures for sustainability; integration of procurement into appropriate structures		
1.3	**Identification and involvement of relevant stakeholders** • e.g., employees in various functions, interest groups, industry initiatives, suppliers, and partners		
2	**Setting strategic guidelines**		
2.1	**Derive priorities and key sustainability issues** • If possible, based on the company-wide sustainability strategy and materiality analysis		
2.2	**Definition of the scope of a sustainable procurement strategy** • e.g., definition of relevant product groups and organizational units		
2.3	**Development of a sustainable procurement strategy** • Formulation of the strategic positioning, the level of ambition, and the key areas of action in line with the company-wide sustainability strategy		

M2 - Sprint 2

Sustainable Procurement Checklist – Roadmap for Procurement (1/2)

To systematically integrate sustainability into procurement, a checklist can be used as a roadmap. The implementation steps should be tailored to the individual needs of the company.

Checklist for introducing sustainable procurement (1/2)			
No.	**Description**	**Degree of Maturity***	**Testimonial, proof**
1	**Laying the foundation**		
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* Four rating levels: 1 = very low 2 = relatively low 3= relatively high 4 = very high

M2 - Sprint 2

Sustainable Procurement Checklist – Roadmap for Procurement (2/2)

To systematically integrate sustainability into procurement, a checklist can be used as a roadmap. The implementation steps should be tailored to the individual needs of the company.

Checklist for introducing sustainable procurement (2/2)			
No.	**Description**	**Degree of Maturity***	**Testimonial, proof**
3	**Designing sustainable procurement processes**		
3.1	**Deriving measures for sustainable procurement** • Based on priorities and key areas for action		
3.2	**Integration of sustainability aspects into procurement processes and systems** • Supplier management processes (e.g., supplier selection, supplier evaluation) • Tendering processes (e.g., consideration in award decisions) • Other strategic, tactical, and operational procurement processes		
4	**Measuring success**		
4.1	**Definition of relevant key performance indicators for sustainable procurement** • e.g., key figures such as the proportion of suppliers who accept the code of conduct, the proportion of suppliers assessed according to sustainability criteria		
4.2	**Measuring progress and target achievement** • e.g., using controlling instruments such as the Sustainable Balanced Scorecard		
4.3	**Communication and reporting on sustainable procurement activities** • Internal and external communication as part of stakeholder dialogue; reporting as part of sustainability reporting		

* Four rating levels: 1 = very low 2 = relatively low 3= relatively high 4 = very high

"TWIN-PRO" Future Check | The Future Check provides transparency on key levers for future purchasing success.

Best Practice

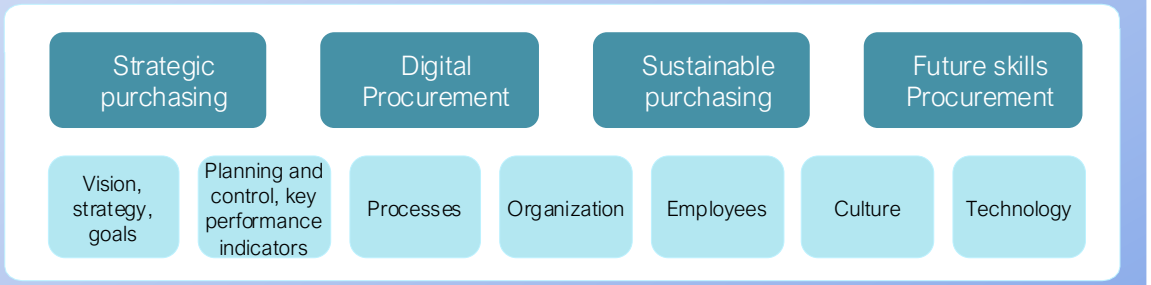
TWIN-PRO FUTURE CHECK FOR YOUR PURCHASING

What matters when it comes to purchasing in the future

The TWIN-PRO Future Check answers the question of what characteristics distinguish high-performance purchasing organizations today and in the future (and must distinguish them) and how future-proof your current purchasing is in this regard. The Future Check focuses on determining the individual Excellence* Index for each purchasing organization.

Four future fields and seven dimensions for measuring TWIN-PRO purchasing performance

We have structured the performance parameters of purchasing into four performance fields. Within each performance field, parameters are derived that characterize digital and sustainable purchasing in the future. These influencing factors can be identified very precisely by directly comparing the top 25% of all purchasing organizations (upper quartile) in terms of overall performance according to the PPE Future Index with the bottom 25% (lower quartile).



What is the TWIN-PRO Future Check about?

- Evaluation of the performance status of the current purchasing model using the proven PPE* methodology
- Development of the purchasing value system through online surveys and, if necessary, additional in-depth interviews
- Analysis of patterns of successful/unsuccessful purchasing initiatives
- Reflecting on performance benchmarks per future field and dimension
- Identification of so-called "impact" factors (leverage factors) that will significantly determine the purchasing of the future

Our approach

- Collecting data using a standardized questionnaire
- Determining the benchmarking position within and between industries
- Discussion and comparison of benchmarking results (internal and external perspectives)
- Comparison of levers for improvement
- Identifying impact factors for your purchasing

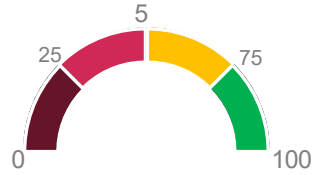
Your advantages

- The opportunity to systematically reflect on the current and future positioning of your purchasing department
- Benchmarking of your own position in comparison to leading purchasing organizations
- Creation of a common understanding of the most important influencing factors
- Derivation of a consolidated target vision for the sustainable development of your purchasing
- Development of a holistic TWIN-PRO roadmap for your own transformation
- Getting to know the essential "use cases" that make up digital and sustainable purchasing
- Optional: Your own PPE Future Index as the basis for applying for the TWIN-PRO Excellence Award

Source: IPG; PPE = Procurement Performance Excellence

"TWIN-PRO" Future Check | Excerpts from questions

Best Practice



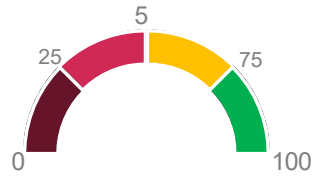
Future Check Part 1 | **Strategic Purchasing**		Does it even apply? Not applicable	Applies to a small extent Not applicable	Applies mostly Applies	Completely true to
1	We have a clear understanding within the management team of the **value** that purchasing should deliver in order to realize sustainable competitive advantages for our company in the future.				
2	The "**future** procurement areas" for technologies, products, and services that we want to source from external partners and suppliers in the future are continuously derived from our company-wide development programs and are clearly defined.				
3	The continuous process of **purchasing strategy development** is based on a "shared mindset" and is closely aligned with our corporate strategy and business model development.				
4	Within our procurement organization, the **strategic goals** are clearly defined and their implementation is continuously monitored and measured using specific KPIs, methods, and measures.				
5	Our **procurement system** (processes, responsibilities, tools and methods, culture, and employee skills) is coordinated and innovation goals.				

Future Check Part 2 | **Digital Purchasing**		Does it even Not applicable	Applies slightly Not applicable	Mostly true true	Completely true to
1	**Company digitalization strategy:** Our company has an overarching digitalization strategy for the challenges ahead.				
2	**Involvement of purchasing**: Our purchasing department was or is closely involved in the development of your company's digitalization strategy.				
3	**Top management support:** We have the full support of our top management for the establishment of digital purchasing.				
4	**Procurement & supply chain digitalization strategy:** We have developed a digitalization strategy for our procurement and supply chain.				
5	**Employee involvement:** Our employees are aware of the central role of digitalization in the success of the company and are motivated to actively promote digitalization [illegible]				

Source: IPG; PPE = Procurement Performance Excellence

"TWIN-PRO" Future Check | Excerpts from questions

Best Practice



Future Check Part 3	**Sustainable Purchasing**	Applies at all Not applicable	Applies to a small extent Not applicable	Applies mostly true	Completely true to
1	**Company sustainability strategy:** Our company pursues clear sustainability goals as part of an overarching sustainability strategy.				
2	**Involvement of purchasing**: Our purchasing department is closely involved in the implementation of our company's sustainability strategy.				
3	**Top management support:** We have the full support of our top management for the development of sustainable purchasing.				
4	**Sustainability strategy for purchasing and supply chain for scope 3:** We have developed a sustainability strategy for our purchasing and supply chain with clear priorities and all key sustainability issues.				
5	**Employee involvement:** Our employees are aware of the central role of sustainability in the [illegible]cess of the company and are [illegible]ted to co[illegible]ly improv[illegible]stain[illegible]pur[illegible]				

Future Check Part 4	**Future skills in purchasing**	Applies Not applicable	Does little Not applicable	Applies mostly to	Completely to
1	Our **working models** are attractive (home office, part-time, annual working hours, etc.)				
2	**Job profile:** Every employee has a structured, coordinated job profile, which is reviewed at least once a year.				
3	**Competency profile:** Each employee has a competency profile that matches their job profile.				
4	**Alignment with vision:** The competency profiles are aligned with our **long-term visions and tasks**.				
5	**Future competencies and organization:** We have a clear idea of what purchasing and supply chain should look like in the future in terms of agility, business acume[illegible]nd market [illegible]edge.				

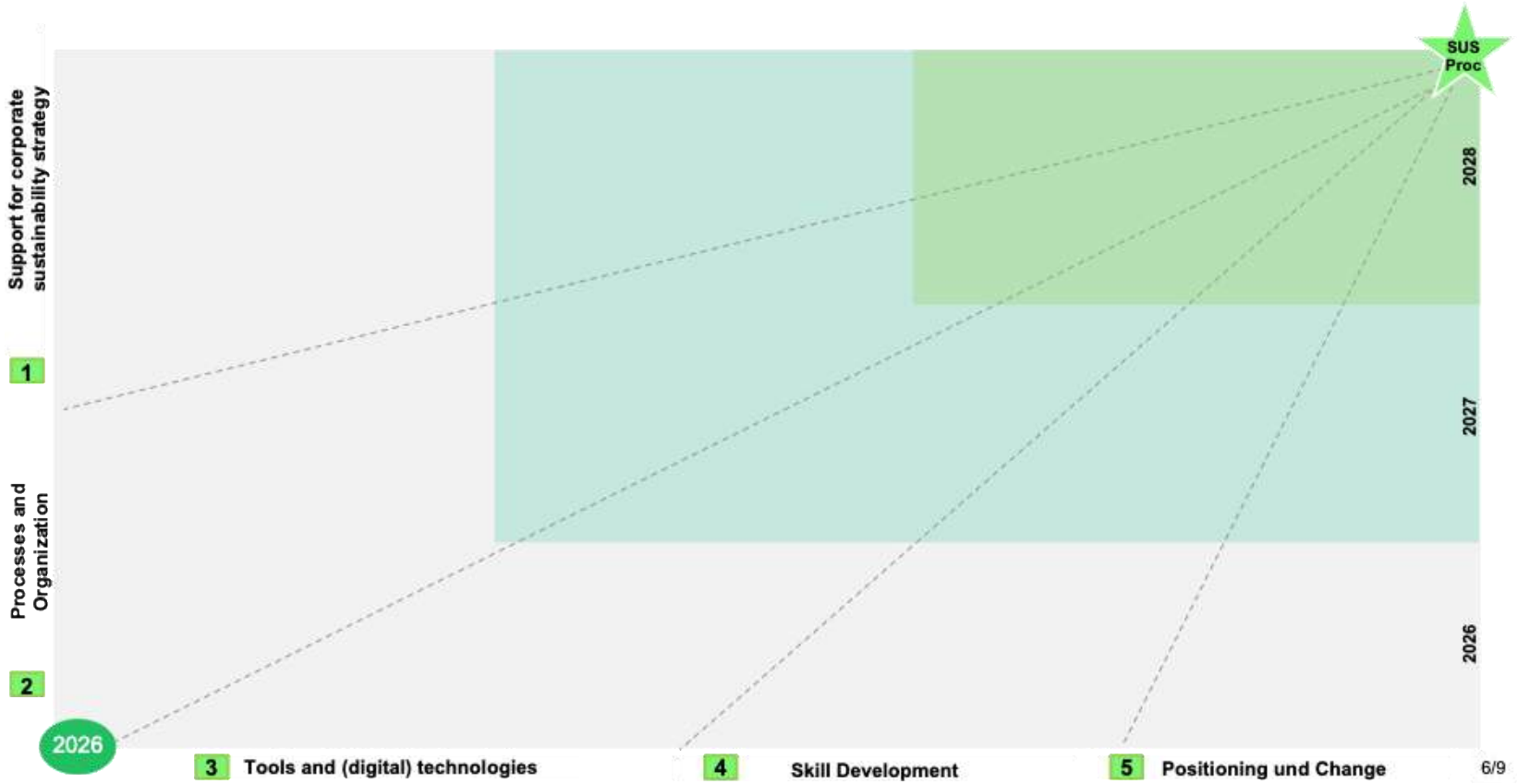
Source: IPG; PPE = Procurement Performance Excellence

What is transformation management?

Best Practice

› Transformation management refers to the **process of planning, implementing**, **and monitoring changes** in a purchasing organization to adapt it to new requirements.

› This involves not only **changes at the operational level**, but also **changes in the strategy, structure, competencies, culture, and mindset** of a purchasing organization



› The **goal** of transformation management is **to successfully guide** purchasing **through change** and ensure that it **can achieve its goals in the new environment**

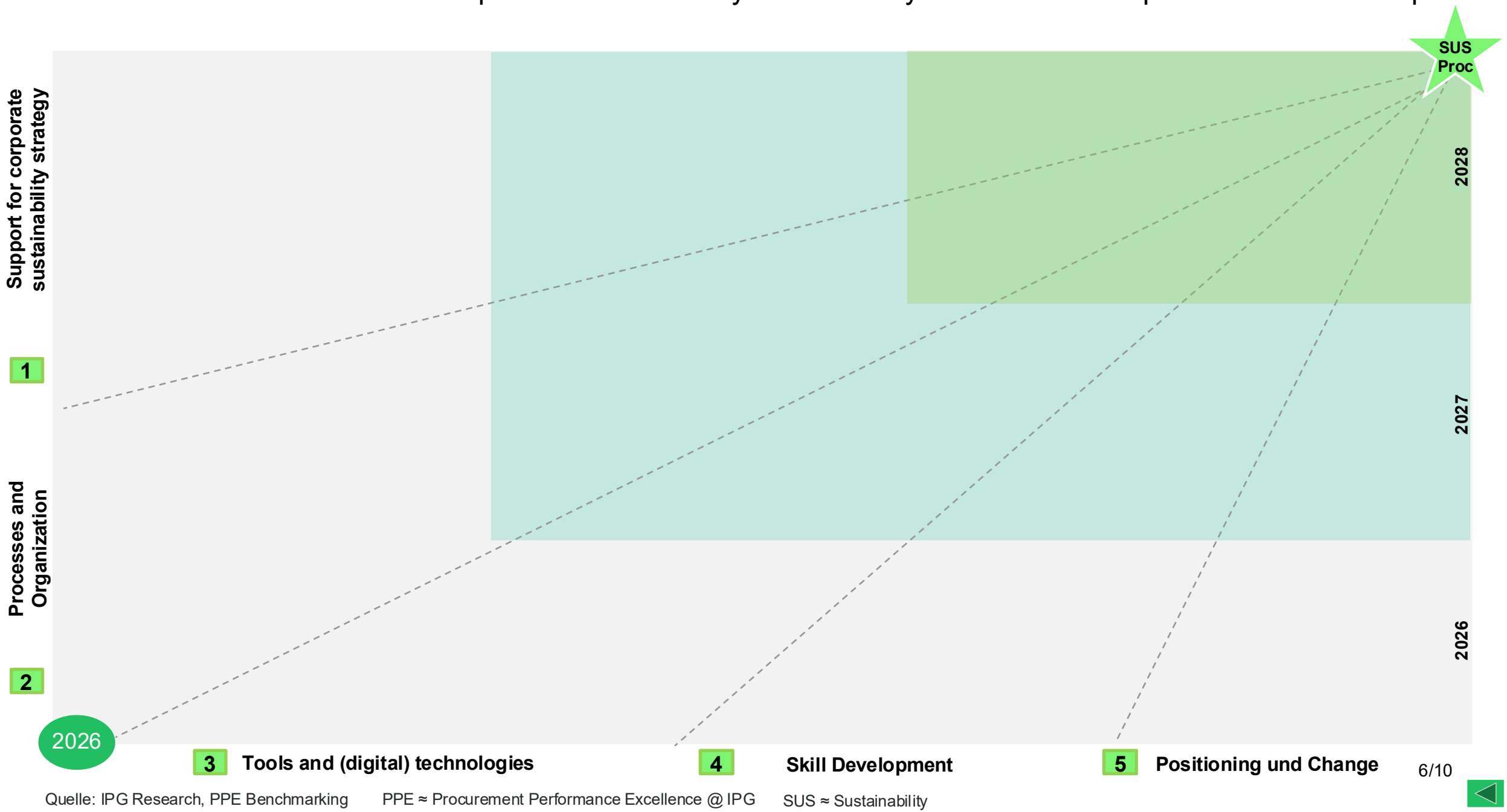
Source: IPG Research

Multidimensional change | The five dimensions of multidisciplinary transformation towards sustainable procurement

Best Practice

1. Vision, Mission & Strategy	› Clear objectives and strategic anchoring of sustainability as an integral part of value creation. › Avoidance of fragmented initiatives through a holistic approach.
2. People	› Employees as the key to implementation and impact. › Empowerment, motivation, and co-creation ensure the success of transformation.
3. Leadership, Culture & Collaboration	› Managers shape values, priorities, and cooperation. › A culture of trust and interdisciplinary cooperation break down silos.
4. Process Engineering & Organization	› Digital tools only work with clear, standardized processes. Establish new roles and processes. › Systematically integrate sustainability into core processes ("sustainability by design").
5. Technology, Data & Cloud	› Technological basis for transparency, efficiency, and sustainability assessment. › Data quality, interfaces, and governance ensure effectiveness.

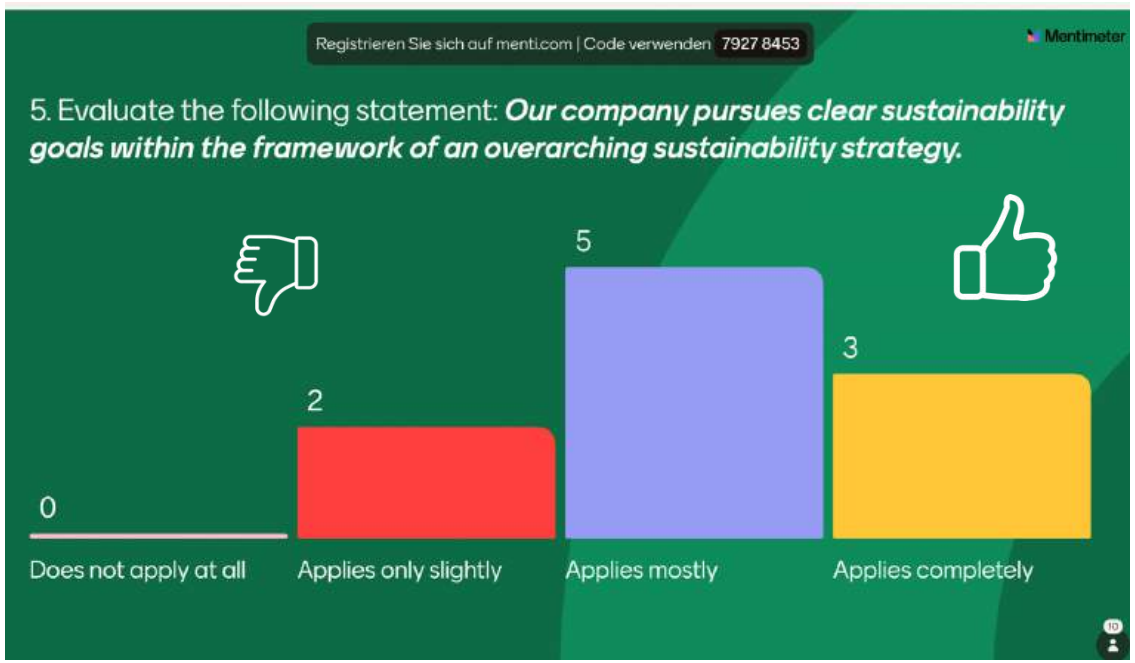
Sustainable Procurement RoadMap - Derive necessary sustainability measures in the procurement roadmap



Quelle: IPG Research, PPE Benchmarking PPE ≈ Procurement Performance Excellence @ IPG SUS ≈ Sustainability

Positioning of purchasing | Purchasing is an active part of a company-wide sustainability initiative in at least 50% of cases

Nov. 2025



Comment:
Much better then average across multiple pulse checks

Comment:
Much better then average across multiple pulse checks

n = 10
Source: IPG survey, participants in the GIZ-AHK training „Fit for Sustainable Supply Chain in Europe“

Further development of sustainable procurement: systematic management of environmental and social risks

Best Practice

A **sustainable procurement strategy** sets the guidelines for corporate responsibility in purchasing and should be consistent with the **company's** overall **sustainability strategy.**

Sustainable procurement at SBB

Ambition 2030

SBB has completed a paradigm shift from strongly price-oriented purchasing to a greater focus on quality and sustainability. It systematically manages environmental and social risks.

Target vision for 2025

SBB is a leading player in the field of sustainable public procurement, as it takes into account not only economic criteria but also social and environmental criteria in its procurement activities.

Target dimensions and KPIs

Developing the organization and taking responsibility

SBB is a leading player in the field of sustainable public procurement. It has been awarded 80 points by Ecovadis in the "Procurement" category. The average score for all suppliers is 50 points.

Minimizing environmental impact

In line with Science Based Targets, SBB is reducing greenhouse gas emissions among its suppliers.

Scope 3 emissions from selected product groups will be reduced by x% by 2025.

Managing social risks

SBB is developing its suppliers in terms of labor and human rights, thereby addressing social risk in the supply chain.

The risk of labor or human rights violations at selected suppliers will be reduced by x% by 2025.

Source: SBB

Our sustainable procurement strategy defines our goals and initiatives

Best Practice

QINETIQ

A **sustainable procurement strategy** provides guidelines for responsible corporate behavior in purchasing and should be consistent with the company's overall **sustainability strategy**.

Our sustainable procurement strategy sets out our goals and initiatives and underscores the same commitment we aim to demonstrate throughout our supply chain.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Task force for climate-related financial information
https://www.fsb-tcfd.org/

REACH COMPLIANCE

Regulation (EC) No. 1907/2006 is an EU chemicals regulation that came into force on June 1, 2007. REACH stands for Registration, Evaluation, Authorization, and Restriction of Chemicals.

Sustainable procurement Impact statement

Considering how a procurement decision could improve social, economic, or environmental well-being and how the procurement process can help secure this value.

Sustainable procurement goals

Increasing the social benefits of procurement decisions	Increasing the economic benefits of procurement decisions	Increasing the environmental benefits of procurement decisions

Initiatives for an inclusive and sustainable supply chain and procurement

Social "human" value	Economic "prosperity" value	Environmental "planet" value	Infrastructure and governance

Strategic initiatives

– Social value – Social assessments – Elimination of and protection against modern slavery – Critical minerals – Combating bribery and corruption	– Supplier diversity – Replenishment – Innovation – Fair competition & pay	– Net zero commitment & TCFD – Waste disposal and reduction – REACH, RoHS & WEEE controls	– Supply Chain and Procurement - Learning and Development – Supplier learning and development – Data and reporting – Idea generation

RoHS COMPLIANT

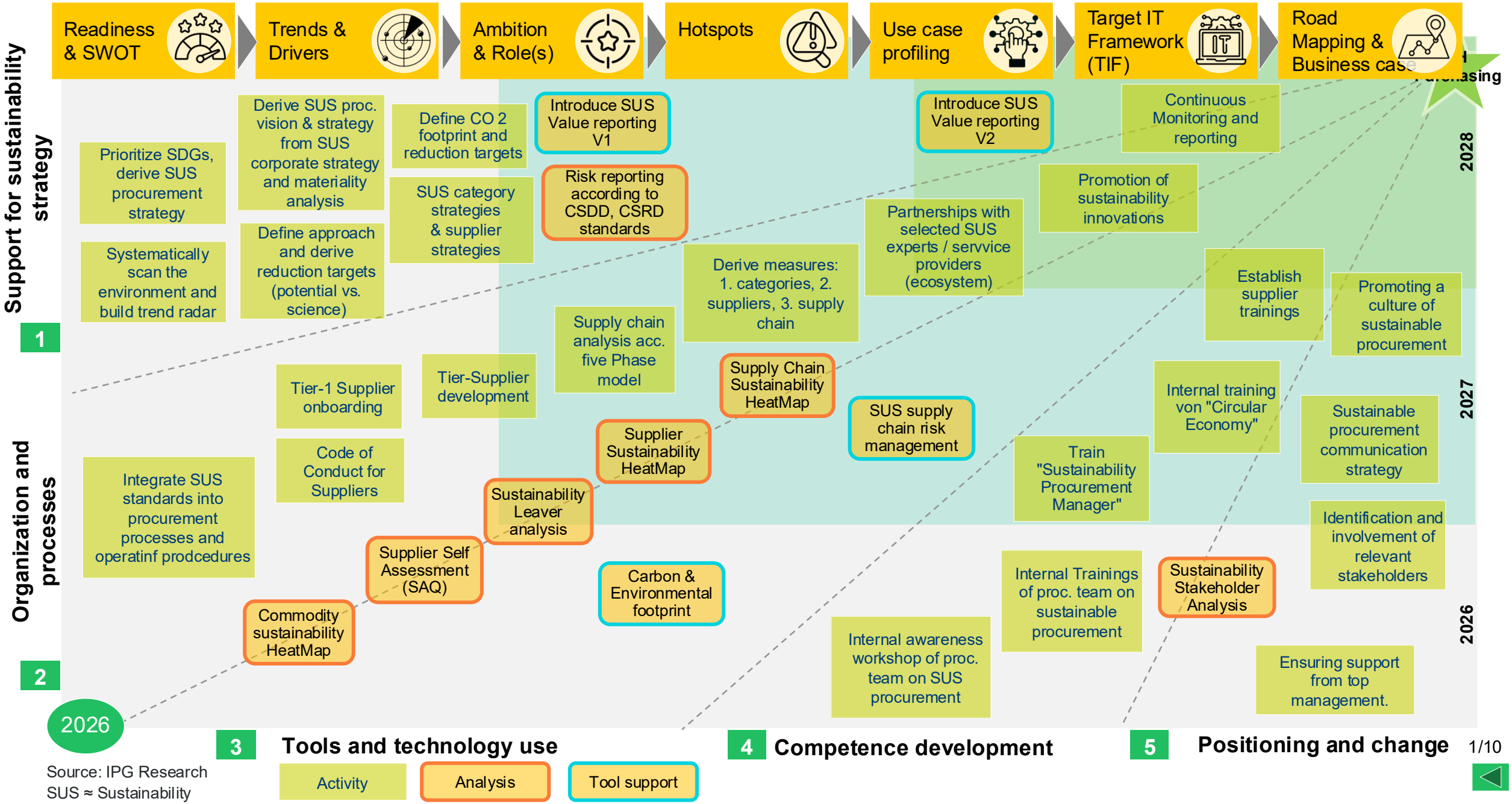
RoHS stands for Restriction of Certain Hazardous Substances. EU Directive 2011/65/EU serves to restrict the use of certain hazardous substances in electrical and electronic equipment. It regulates the use and marketing of hazardous substances in electrical equipment and electronic components.

WEEE compliant

"WEEE" stands for Waste Electrical and Electronic Equipment. The WEEE Directive 2012/19/EU aims to prevent waste from electrical and electronic equipment and to reduce such waste through reuse, recycling, and other forms of recovery.

Source: QinetiQ

TWIN Transformation | RoadMap TWIN Purchasing of the Future



Source: IPG Research
SUS ≈ Sustainability

INNOVATE · PERFORM · GROW

Details Step 2 «Guideline and operating model»

IPG-Masterclass

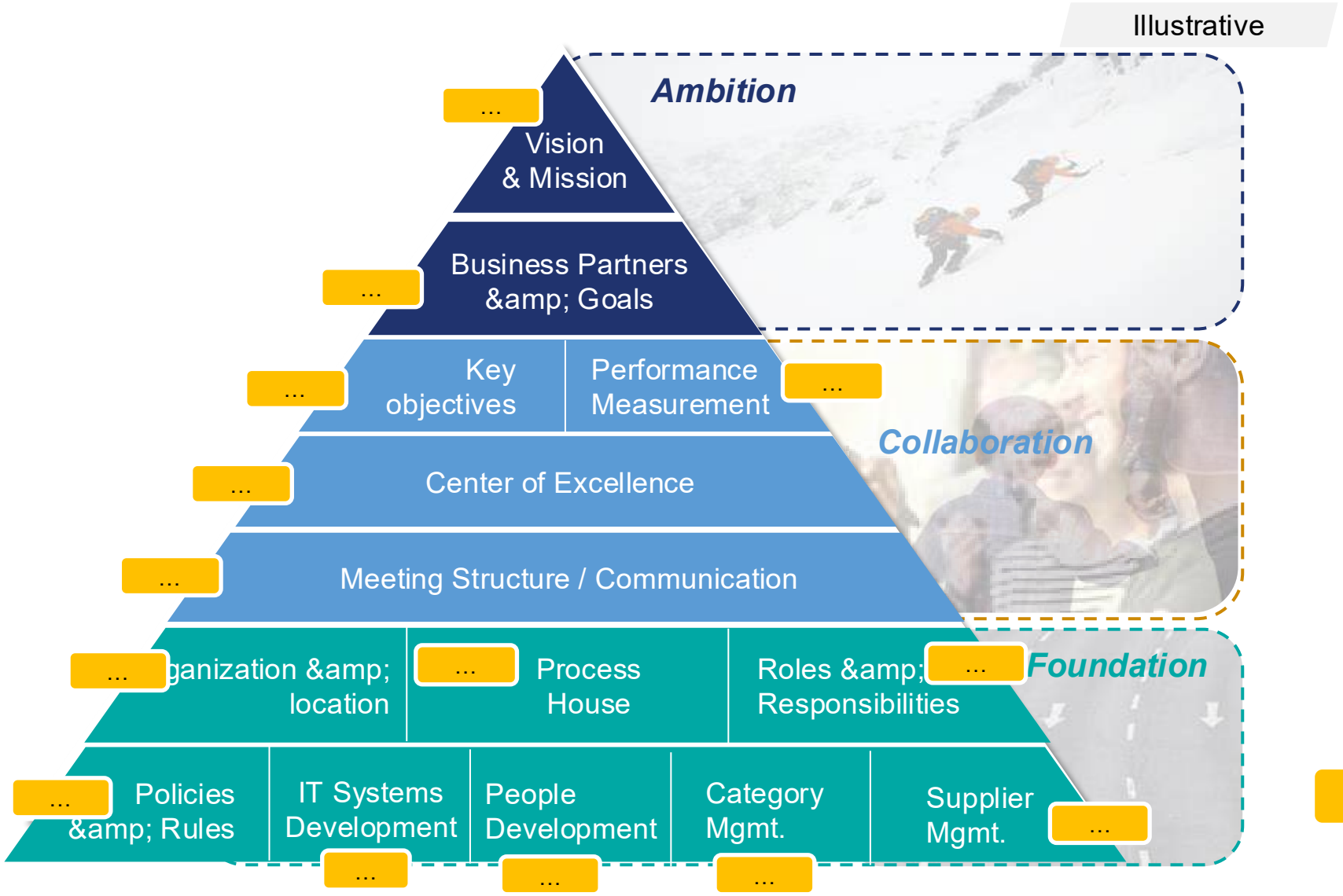
Sustainable Procurement

Carsten Vollrath, IPG Partners Group

The target operating model for purchasing

Best Practice

Illustrative



Status
Gap in % to close compared to PPE best practices

%

Source: IPG * Procurement Performance Excellence

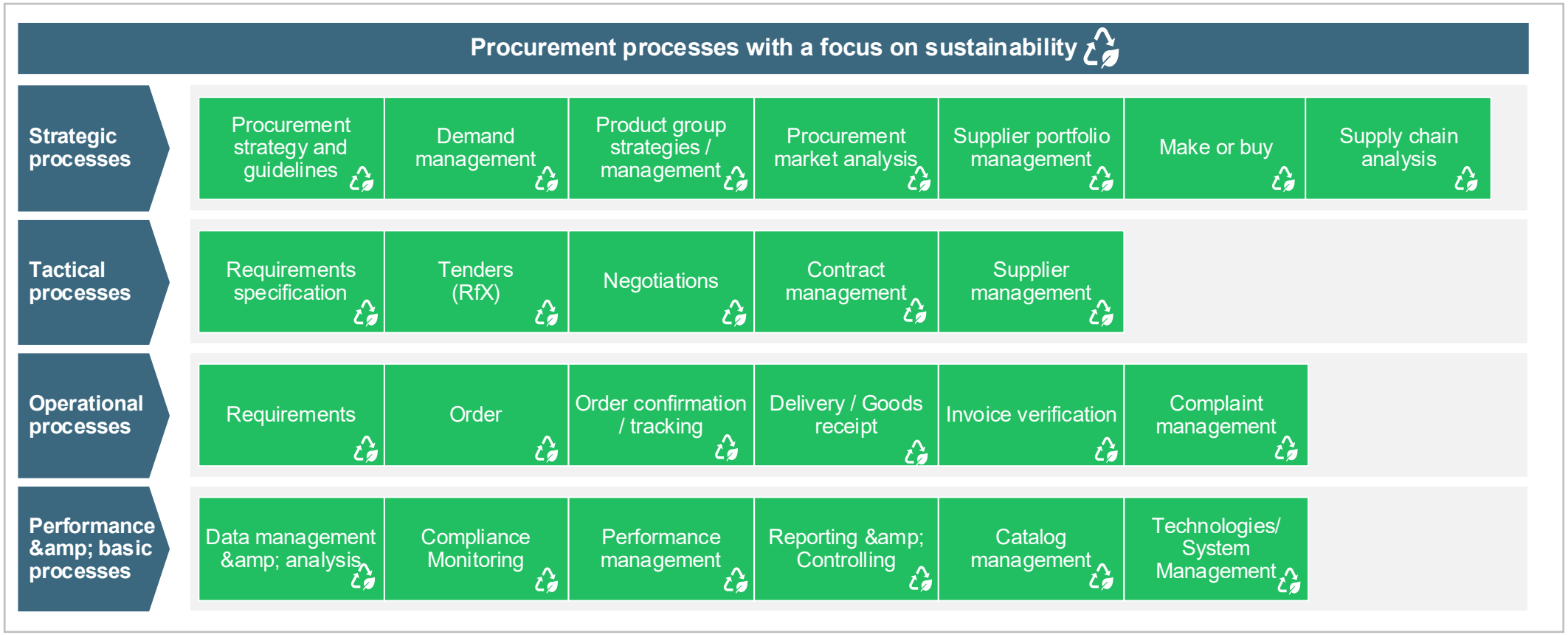
Sustainability in the procurement process – Overview

Best practice

Process overview

In order to make the procurement function sustainable, it is first necessary to lay the **organizational groundwork**, set strategic **guidelines**, and then integrate sustainability aspects into key **processes**.

Sustainability aspects are also anchored in many strategic, tactical, and operational procurement processes



Source: based on the Bavarian State Office for the Environment

Further development of all guidelines and instructions in purchasing to anchor sustainability

Best practice

SOPs* and documents

Contractual/Legal | Approval | Training | Communication | guideline/- | Checklist, | KPIs | Selected examples in the

List of typical documents on the subject of sustainability, adapted for the entire value creation process

Basics of purchasing

- Purchasing strategy, description of the mission and the vision
- S&OP/Guidelines for purchasing
- KPIs and measurement guidelines for purchasing
- Template with individual goals for purchasing
- Modules for expanding skills in the Purchasing Academy
- Code of Conduct for Suppliers
- Sustainability section on company website and supplier collaboration portal

Creation of a robust fact base and identification of potential

- Regulatory section Market insights in the template for the merchandise group strategy
- Questionnaire on the subject Sustainability in the RFI template, including a list of supporting documents requested from suppliers.
- RFI scorecard for supplier evaluation including criteria and weighting for each criterion

Development of a procurement strategy

- Benefits/risks of sustainable purchasing in the template for the approval of the procurement strategy
- Risk Assessment Questionnaire and Protocol for External Auditors of Suppliers
- Scope in data on risk profiles of suppliers from external sources

Market introduction and evaluation of TCO ideas

- Confidentiality agreement
- Package for tendering procedure, including contract specifications, terms and conditions, template for tenders with embedded ESG aspects
- RFQ scorecard for supplier selection including criteria and information on the weighting of the individual criteria

Negotiation and approval of internal ideas

- Section on sustainable Purchasing in the template for the negotiation strategy
- Negotiation script incl. Arguments for sustainability
- Template for the approval of supplier selection

Implementation

- Contract conditions, including consequences in the event of non-compliance with the environmental agenda
- Certification/qualification for sustainable purchasing in the list with master data and preferred suppliers
- Document for the onboarding of suppliers Sustainable purchasing report/dashboard
- Section on progress in sustainable procurement in the template for business review meetings.

CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

3/6

Source: IPG Research

* SOP ≈ Standard Operating Procedure (work instruction)

Incorporating sustainability aspects into the RFI and RFP process

Best Practice

SOPs* and documents

RFI: Questionnaire on sustainability

All categories should include an RFI questionnaire on sustainability covering environmental stewardship, energy consumption, material efficiency, labor standards, human rights, business and corruption

Examples: general questions

Have you committed to a science-based target for your emissions?

Do you have a certification within the scope of a "sustainability" certification program?

Have you committed to switching to 100% renewable electricity?

Have you offset your remaining emissions?

Have you developed a roadmap for environmental issues and sustainability?

Example: Hotel category

Do you measure the CO2 emissions per overnight stay? If yes: How high are the measured CO2 emissions? (e.g. 25 kg CO2e/overnight stay)

Do you measure water consumption per overnight stay? If yes: What is the measured water consumption? (e.g. 365 liters/overnight stay)

Do you measure energy intensity? If yes: What is the measured energy intensity?

RFQ: Quotation Confirmation

Invitation letter to suppliers with focus and explicit reference to sustainability

Example: first email to suppliers in the context of a tender for hotels

Dear [placeholder],

Your company has been selected to participate in a tender for the hotel category. To participate, you are required to sign a confidentiality agreement.

We are launching a new purchasing initiative on the topic of sustainability. The aim is to make changes to our usual practices and routines in the procurement of overnight hotel accommodation.

This initiative is being carried out in cooperation with our suppliers. The specific aim is to increase the efficiency and effectiveness of our services by cooperating in the procurement of accommodation contingents from a sustainability perspective.
The purchasing program focuses mainly on 3 core areas:

- Collaborate as a team with hotel service suppliers to foster long-term relationships that are beneficial to all parties involved.
- Jointly add value to purchased services and products and ensure that our overall sustainability goals are met, particularly with regard to water and waste management, CO2 emissions per room, and energy efficiency.
- Generating long-term added value for customers with a focus on optimizing our value chain

As a reminder, we are looking for hotels that are willing to partner with us to explore ways to significantly reduce the environmental impact of hotel stays. Therefore, we are looking for suitable candidates who can provide evidence of their commitment and dedication to sustainability.

You will shortly receive an email invitation for this hotel category tender via a specially designed syndicated e-tool.

We would be pleased to break new ground together with you. We are of course always interested in your thoughts or questions about a possible cooperation in the search for suitable solutions for our hotel requirements.

With kind regards
Name of contact person, [title and name of company].

RFQ: Template with suggestions for sustainable products

A proposal on alternatives and information on resource consumption are also included in the Template included

GENERAL INFORMATION						ORDERS			SUSTAINABILITY			COST BREAKDOWN				
Material	BIC of the stand location	Country	Currency	Incoterms	Production site	Information on the estimated annual volume	Processing time	Minimum order quantity	Proposed alternative sustainable products	Cartons	CO2 effect	Index price	Conversion	Impact	Logistics	Price offer (total)
Name	Name	Name	EUR or USD	DDP /CIF	City, Country	(metric tons)	Days	(metric tons)	Native material that could be used...	FSC certified: YES/NO	kg CO2	Currency /ton	Currency /ton	Currency /ton	Currency /ton	Currency /ton
Product A	Location 1	France				204										
	Location 2	Spain				54										
	Location 3	Mexico				48										
	Location 4	Tunisia				32										
Product B	Location 1	Greece				816										
	Location 2	France				435										
	Location 3	Spain				30										
	Location 4	Tunisia				32										
	Location 5	Mexico				80										

Source: IPG Research

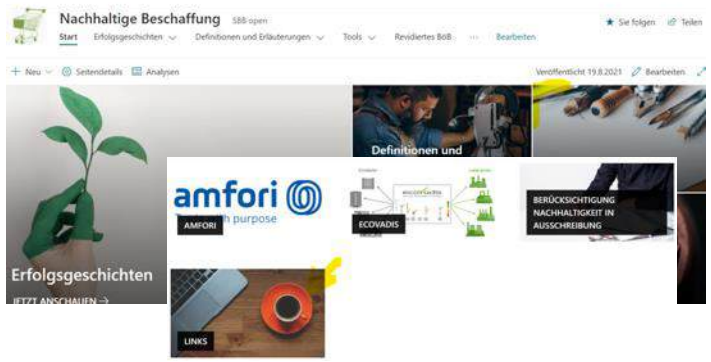
* SOP ≈ Standard Operating Procedure (work instruction)

Examples of sutainable procurement tools and methods (1/2)

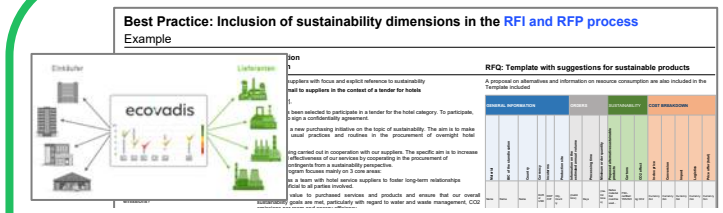
Best Practice

SUS Tool Hub*

Sustainability SharePoint

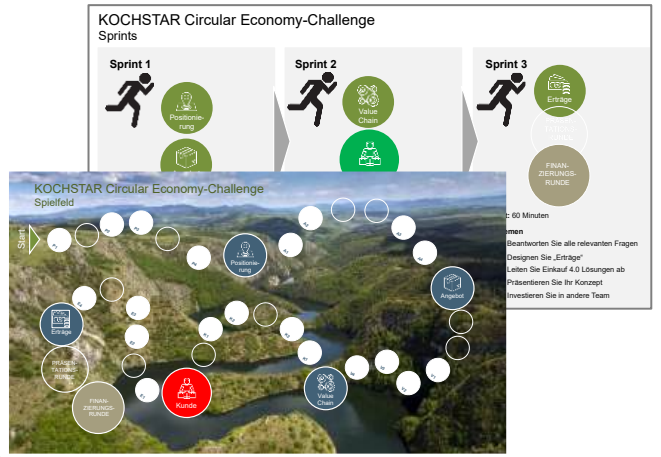


RFP, RFQ, and Ecovadis contract clause

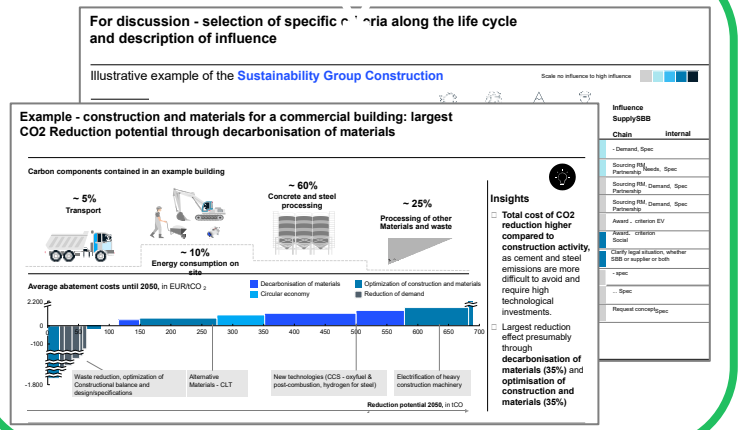


"EcoVadis documents and assesses how sustainability is anchored and implemented in companies. By signing the contract, the company agrees to be assessed by Ecovadis within 6 months at its own expense and to release the assessment to ABC AG. The validity of the assessment must be ensured during the entire term of the contract and must not have expired for more than 12 months."

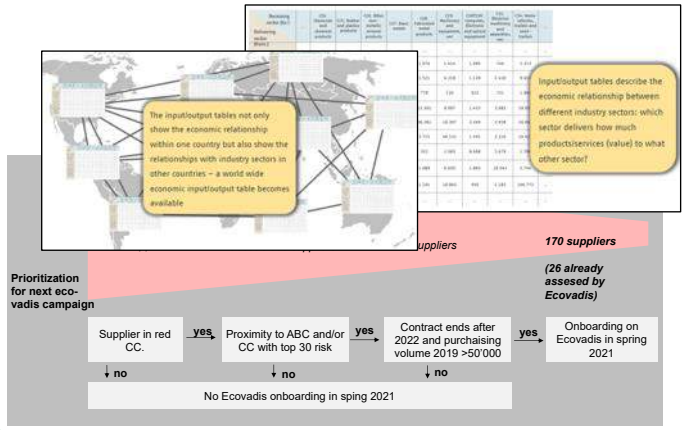
Sustainability challenge (gamification)



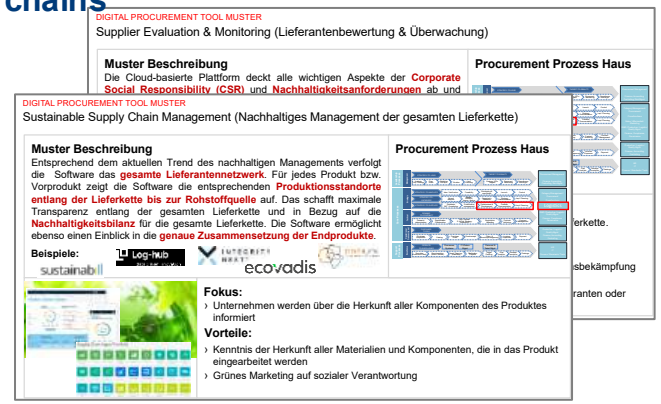
Sustainability wikis for WG clusters



Sustainability risk analysis of suppliers and supply chain modeling



Digital tools for sustainability management in purchasing and supply chains



Source: IPG Research

* Tool Hub ≈ centralized, digital, or physical repository that consolidates various tools, utilities, and resources

Examples of sutainable procurement tools and methods (1/2)

Best Practice

SUS Tool Hub*

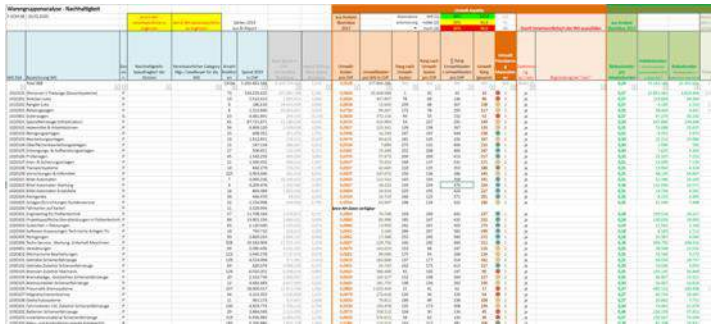
Product groups Sustainability questionnaire

Nachhaltigkeits-Fragebogen

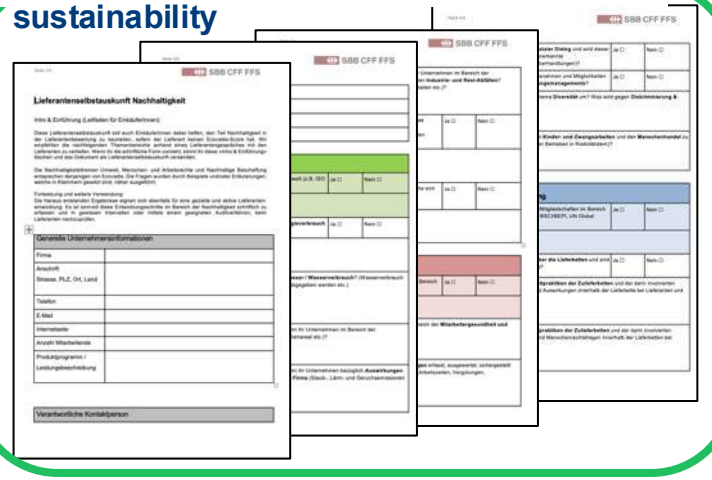
1) Checkliste

Stichwort	Erläuterung	Nicht relevant / unproblematisch Relevant / problematisch Bewertung der Warengruppe	Begründung durch CFT
a) Chancen			
1. Ressourceneffizienz und Kreislaufwirtschaft	Das Produkt beinhaltet eine grosse Menge an Ressourcen.	Nur geringe Menge an Ressourcen wird im Produkt verbaut.	
2. Ressourceneffizienz und Kreislaufwirtschaft	Das Produkt beinhaltet einen grossen Anteil an nicht-erneuerbaren Primärrohstoffen und/oder ist nicht recyklierbar oder abbaubar.	Grosse Mengen an Ressourcen werden verbaut im Produkt.	Der Anteil and Primärrohstoffen und/oder nicht recyklierbarem Material ist niedrig.
3. Energieeffizienz	Bezieht das Produkt bei dessen Nutzung elektrische oder fossile Energieträger?	Kein Energieverbrauch in der Nutzungsphase.	
4. Verpackungsmaterial	Wird eine grosse Menge an nicht wiederverwendbarem Verpackungsmaterial gebraucht?	Kleine Verpackungsmenge	
5. Logistik	Wird das Produkt über eine lange Distanz transportiert (über die Nachbarländer hinaus)?	Keine Relevanz der Logistik	
6. Logistik	Ist die Logistik ein relevanter monetärer Teil der Beschaffung?		
7. Entsorgung	Können wir mit der Entsorgung Geld verdienen oder die Entsorgung ressourcenmässig optimieren?	Die Entsorgung ist best möglichst organisiert.	
b) Risiken			
1. Schadstoffe und Abfälle	Verursacht das Produkt oder die Dienstleistung in der Produktion, beim Betrieb oder in der Entsorgung hohe Schadstoffemissionen und/oder Abfälle? Zum Beispiel: Feinstaub, CO2, NOX, Formaldehyd, Ozon, radioaktiver Abfall, Schlacke,	Warengruppe produziert hohe Mengen an Schadstoffen und Abfällen	
2. Soziale Nachhaltigkeit	Wird das Produkt potenziell (ganz oder zuständig) in einem Risikoland hergestellt? Risikoländerliste anbei: https://www.amfori.org/sites/default/files/amfori%20BSCI%20CRC%20V2019%20FINAL.pdf	Keine potenzielle Herstellung in einem Risikoland	

Product groups HeatMap



Supplier self-assessment on sustainability

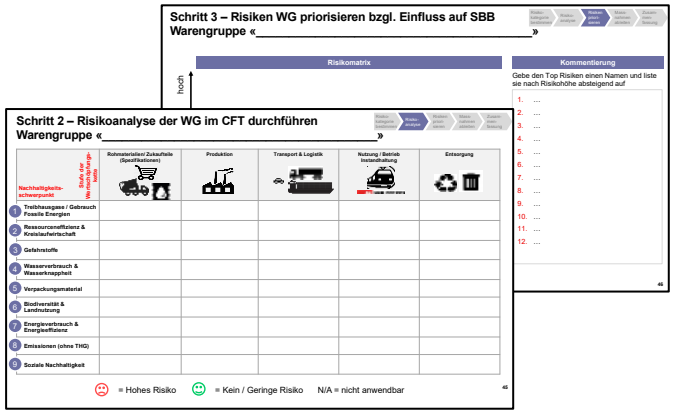


Lieferantenselbstauskunft Nachhaltigkeit

Generelle Unternehmensinformationen

Verantwortliche Kontaktperson

Sustainability risk analysis / prioritization



Schritt 3 – Risiken WG priorisieren bzgl. Einfluss auf SBB Warengruppe «_____»

Risikomatrix

Kommentierung

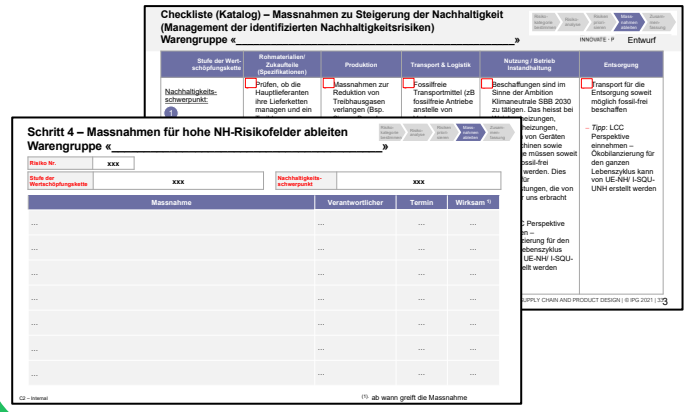
Schritt 2 – Risikoanalyse der WG im CFT durchführen Warengruppe «_____»

Rohmaterialien/ Zukaufteile (Spezifikationen) | Produktion | Transport & Logistik | Nutzung / Betrieb Instandhaltung | Entsorgung

1 Treibhausgase / Gebrauch Fossile Energien
2 Ressourceneffizienz & Kreislaufwirtschaft
3 Gefahrstoffe
4 Wasserverbrauch & Wasserknappheit
5 Verpackungsmaterial
6 Biodiversität & Landnutzung
7 Energieverbrauch & Energieeffizienz
8 Emissionen (ohne THG)
9 Soziale Nachhaltigkeit

= Hohes Risiko = Kein / Geringe Risiko N/A = nicht anwendbar

Sustainability action plan / checklist



Checkliste (Katalog) – Massnahmen zu Steigerung der Nachhaltigkeit (Management der identifizierten Nachhaltigkeitsrisiken) Warengruppe «_____»

Entwurf

Stufe der Wert-schöpfungskette | Rohmaterialien/ Zukaufteile (Spezifikationen) | Produktion | Transport & Logistik | Nutzung / Betrieb Instandhaltung | Entsorgung

Nachhaltigkeits-schwerpunkt:

Schritt 4 – Massnahmen für hohe NH-Risikofelder ableiten Warengruppe «_____»

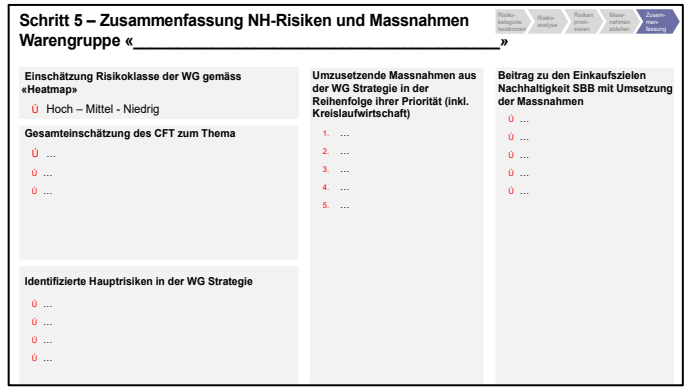
Risiko Nr. xxx

Stufe der Wertschöpfungskette xxx | Nachhaltigkeits-schwerpunkt xxx

Massnahme | Verantwortlicher | Termin | Wirksam 1)

1) ab wann greift die Massnahme

Summary SUS risks and measures



Schritt 5 – Zusammenfassung NH-Risiken und Massnahmen Warengruppe «_____»

Einschätzung Risikoklasse der WG gemäss «Heatmap»

Ü Hoch – Mittel - Niedrig

Gesamteinschätzung des CFT zum Thema

Identifizierte Hauptrisiken in der WG Strategie

Umzusetzende Massnahmen aus der WG Strategie in der Reihenfolge ihrer Priorität (inkl. Kreislaufwirtschaft)

Beitrag zu den Einkaufszielen Nachhaltigkeit SBB mit Umsetzung der Massnahmen

Source: IPG Research

* Tool Hub ≈ centralized, digital, or physical repository that consolidates various tools, utilities, and resources

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Details Step 3 «Top management commitment and dedicated employees»

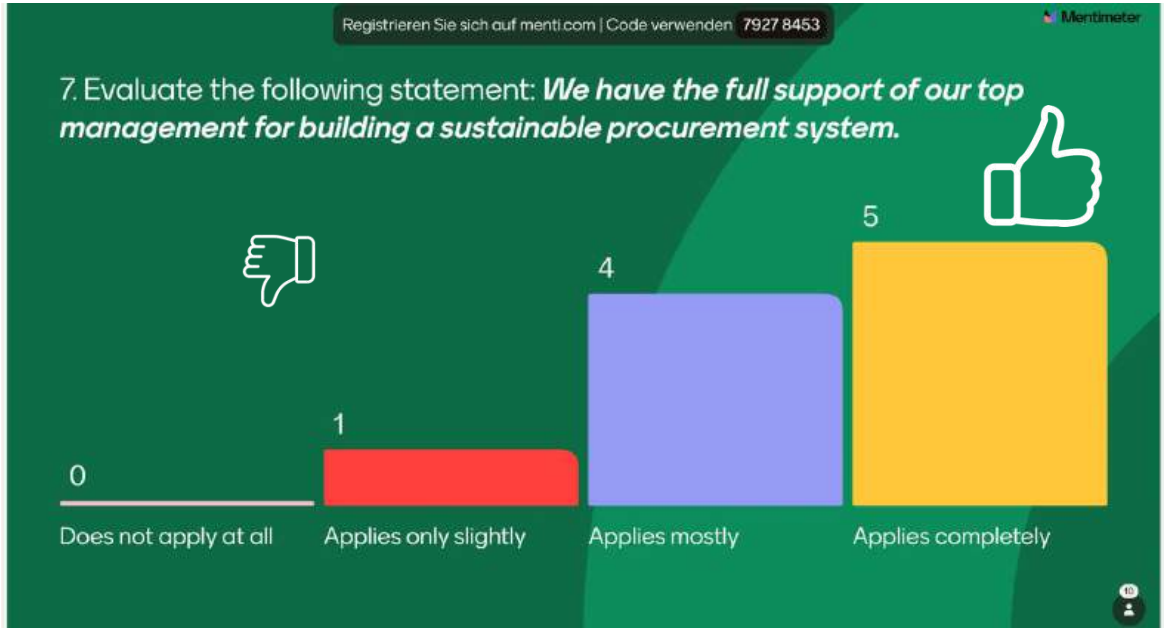
IPG-Masterclass

Sustainable Procurement

Carsten Vollrath, IPG Partners Group

Tone at the top | Top management is actively supporting SUS purchasing – 60% have not yet developed an SUS strategy for procurement

Nov. 2025



Comment:
Much better then average across multiple pulse checks

Comment:
Much better then average across multiple pulse checks

n = 10
Source: IPG survey, participants in the GIZ-AHK training „Fit for Sustainable Supply Chain in Europe“

Business & Benefit case | Added value of digital (AI) solutions for purchasing and SCM

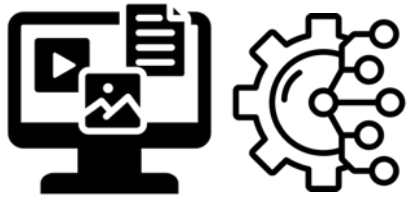
Best Practice

Use case	Efficiency gains	Savings (commercial benefits)	Compliance & risk avoidance	Benefits for people	Total benefit
Focus on...	**Time/process effects**	**Monetary effects** (cost reduction & cost avoidance)	**Avoidance of delivery interruptions, damage to image, etc.**	**Motivation and mobilization gains**	**Overall effects**
Use case Example	Time savings • Use for higher-value activities • Use for previously neglected activitiesZeitersparnis	• Additional savings in procurement • Lower TCO • Greater flexibility • Avoidance of CO2 taxes and penalties for non-sustainability • Predictive forecasting of price increases for raw materials • Growth drivers: increases in sales and profits	Identification of sustainability risks in the supply chain Predictive forecasting of supply bottlenecks, droughts, and natural disasters	• Increased self-efficacy • Professional development • Better job • Motivation to succeed • Reduction of anxiety/stress 	Cost savings relevant to the income statement plus non-financial gains or benefits
Herleitung	Time saved **=** Process volume **X** Time saved per run **X** Cost/time unit	Commercial profit **=** affected external expenditure **X** Cost reduction caused by AI	Risk avoidance = Reducing the probability of risks occurring **X** monetary impact of risk	Motivational gains = e.g., development of employee satisfaction scores, absenteeism, sick leave, turnover rate, unsolicited applications, etc.	Total of all components

ROI = (efficiency gains + savings + risk avoidance + gains for people – investment costs) / investment costs

Best practice framework for sustainable procurement (2/3)

Best Practice



4 IT tool competence, master data management, and data governance

- Development and application of **procurement instruments, methods, and IT tools** (e.g., questionnaires for suppliers, checklists and tender specifications for purchasers, evaluation instruments, digital tools along the supply chain, etc.)
- **Standardization of processes** and support for employees in implementing sustainability measures in purchasing
- Expansion of **master data management** and establishment of integrated **data governance**

5 Training and communication

- Develop and deliver **training on sustainable procurement—in purchasing, cross-functionally, and with** suppliers—including definition, business case and benefits, best practices, and guidance for municipal procurement staff, key customer departments, and other administrative staff to enable them to advocate for sustainable procurement.
- **Promoting a culture of sustainable procurement** through continuous **communication with staff and between departments**

6 Code of conduct for Tier 1 suppliers

- Development of **a code of conduct for your suppliers, which they must agree to** and which clearly sets out the ethical, health, safety, and environmental standards you expect them to comply with (e.g., no discrimination, compliance with environmental regulations, etc.), together with **protocols for assessing supplier compliance**

7 Supplier engagement

- **Improving the sustainability impact of the supply chain** through active measures to collaborate with suppliers as business partners in the areas **of sustainability training, capacity building and cooperation, creating strategic partnerships, promoting innovation, risk management** and **improving** suppliers' **sustainability practices**
- This typically includes **processes for involving suppliers in strategies for measuring and reporting** their sustainability progress

Source: IPG Research

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Details Step 4-1 «Master data management, and data governance»

Carsten Vollrath, IPG Partners Group

IPG-Masterclass

Sustainable Procurement

Data and analytics are one of the core competencies for achieving digital procurement leadership

Best Practice

- **Data and analytics** are an important basis for supplier orientation, customer orientation, and innovation
- The procurement of the future is expected to **seamlessly integrate** previously **heterogeneous and fragmented data sources**
- **New role profile**: Procurement experts are being developed into **data scientists** who deliver decision-relevant insights in real time

  - From "reactive" procurement to **"automated"** procurement and bid evaluation
  - From descriptive to **predictive**
  - Modeling actual costs to **target costs**
  - Auditing to **proactive monitoring** of regulatory compliance and error prevention

Source: IPG Research, KPMG

Successful digital purchasing is based on an integrated data governance concept

Best Practice

Data governance concept

The concept of data governance is based on three main components:

1. Defining roles and responsibilities along business processes

2. Definition of quality criteria for data processing (data integrity)

3. Establishment of rules for data management

Data governance
Guideline
(Requirements of top management)

Data integrity
Guideline
(Mandatory criteria for data quality)

Data management
Process instructions
(Data lifecycle requirements)

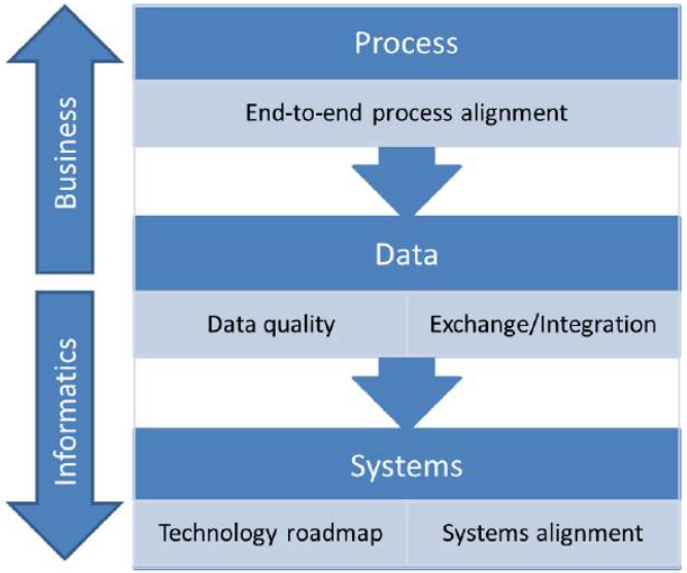
Source: IPG Research

Successful digital procurement is based on an integrated data governance concept

Best Practice

What is "data governance"?

- Data governance is the **establishment of decision-making rights** and a framework for accountability to ensure **appropriate behavior in the creation, evaluation, use, and control of data**.
- Data governance is the **link between business processes** (in which data is created, used, and/or exchanged) **and IT systems** (in which the data is mapped, stored, and processed).



Process responsibility:

Defines the processes and interfaces for operational business processes, including the data required for these processes.

Data responsibility:

Defines the roles, responsibilities, and rules for the creation, processing, analysis, storage, and deletion of all data within business processes

System responsibility:

Defines the processes and interfaces for operational IT systems

Source: IPG Research

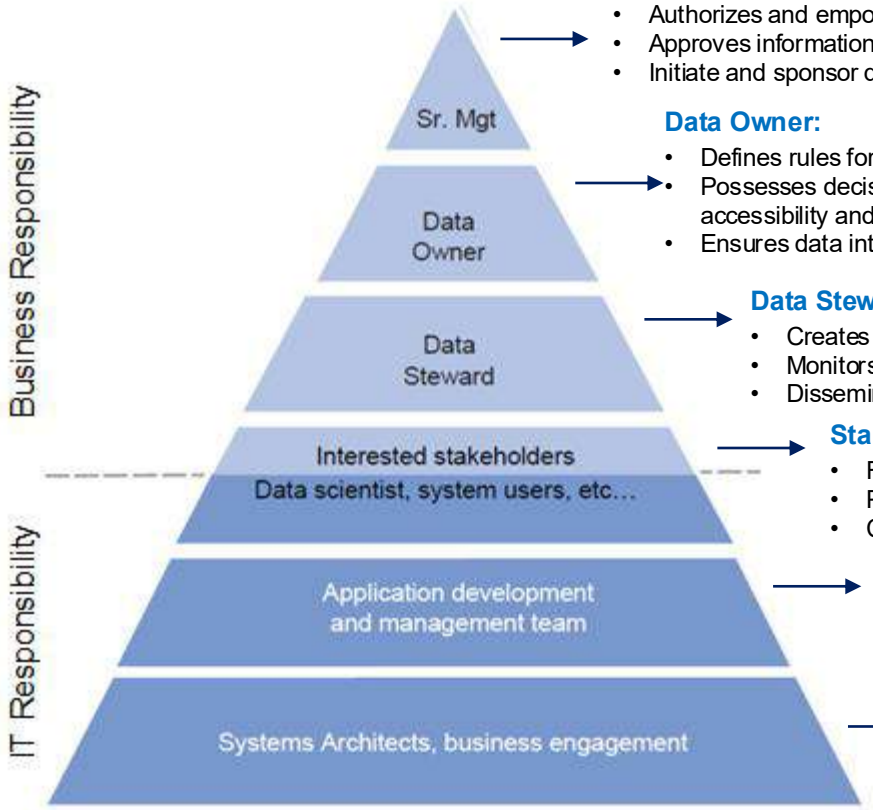
Successful digital procurement is based on an integrated data governance concept

Best Practice

Data governance concept

1. Definition of roles and responsibilities along business processes

→ **Data governance**
Guideline
(Requirements of top management)



Data Officer (Senior Management):
- Authorizes and empowers data owners with decision rights
- Approves information quality goals
- Initiate and sponsor quality improvement programs

Data Owner:
- Defines rules for managing their data
- Possesses decision rights (granted by senior management) on data accessibility and appropriate usage
- Ensures data integrity is preserved

Data Steward:
- Creates and maintains data records and access to records
- Monitors data integrity
- Disseminates data governance within their area

Stakeholders/SME:
- Form communities of interest to work with Data Stewards
- Provide input for data steward decisions
- Capture data/use data

Application Development:
- Creates and operates the system
- Facilitates the execution and support of data

System Architects:
- Maintain enterprise models and data glossary
- Provide foundational technologies and support for daily operations
- Define and promote technical standards

- Identification of existing roles and their data responsibilities.
- Identify the most important data units and their sources/processing/storage.
- Identification of all business processes (and process owners) with interfaces to the most important data entities
- Identification of all IT systems involved and the (automated) analysis/exchange of data

Source: IPG Research

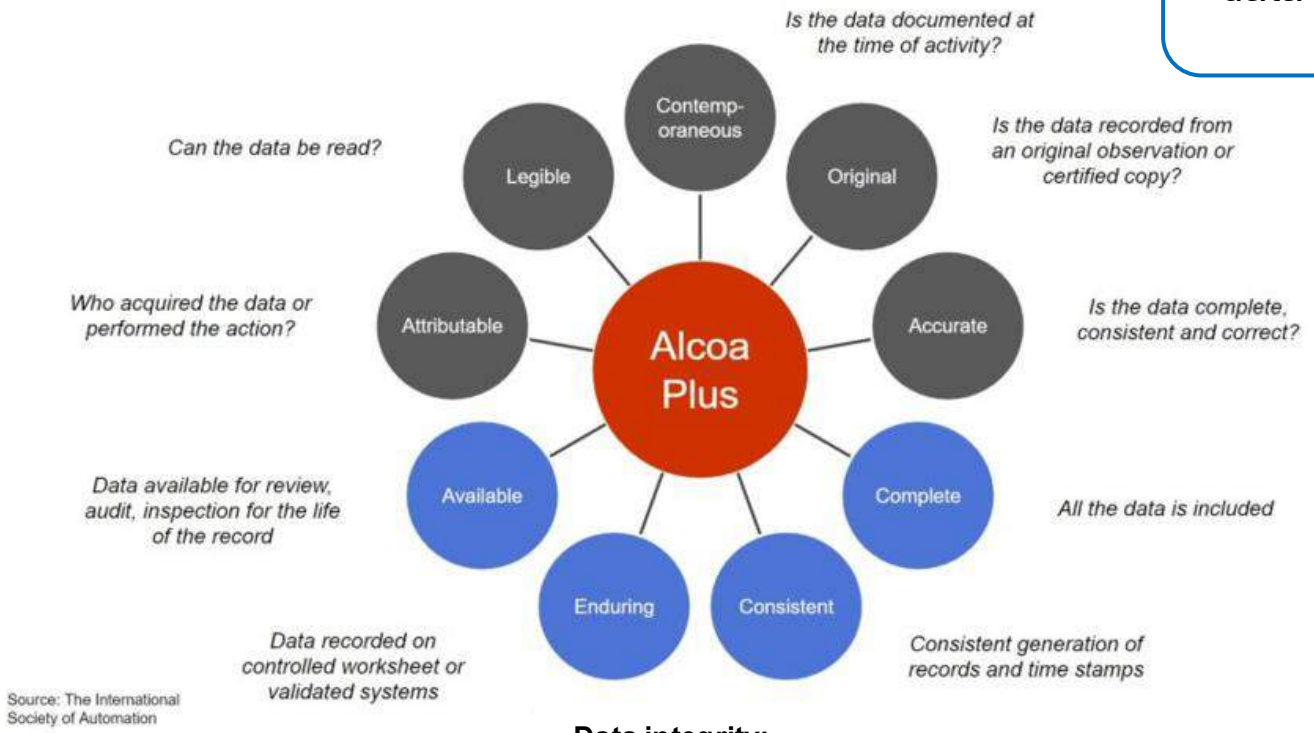
Successful digital purchasing is based on an integrated data governance concept

Best Practice

Data governance concept

2. Definition of quality criteria for data processing (data integrity)

Data integrity
Guideline
(Mandatory criteria for data quality)



- ALCOA and ALCOA plus are industry standards for defining data integrity (preferably in regulated markets).
- Identification of the applicability and prioritization of individual data attributes
- Definition of requirements for the implementation of individual data attributes

Data integrity:
The data generated (both in paper form and electronically) must meet the following requirements:

- **A:** Assignable to the person who generates the data, who performs an action, and when
- **L:** Legible and permanent, the data must be permanently recorded on a durable medium and be legible
- **C:** Simultaneous, the data must be recorded at the time the work is performed
- **O:** Original or certified copy, the information is an original or a certified copy
- **A:** Accurate, no errors or edits without documented changes

5/6

Source: IPG Research

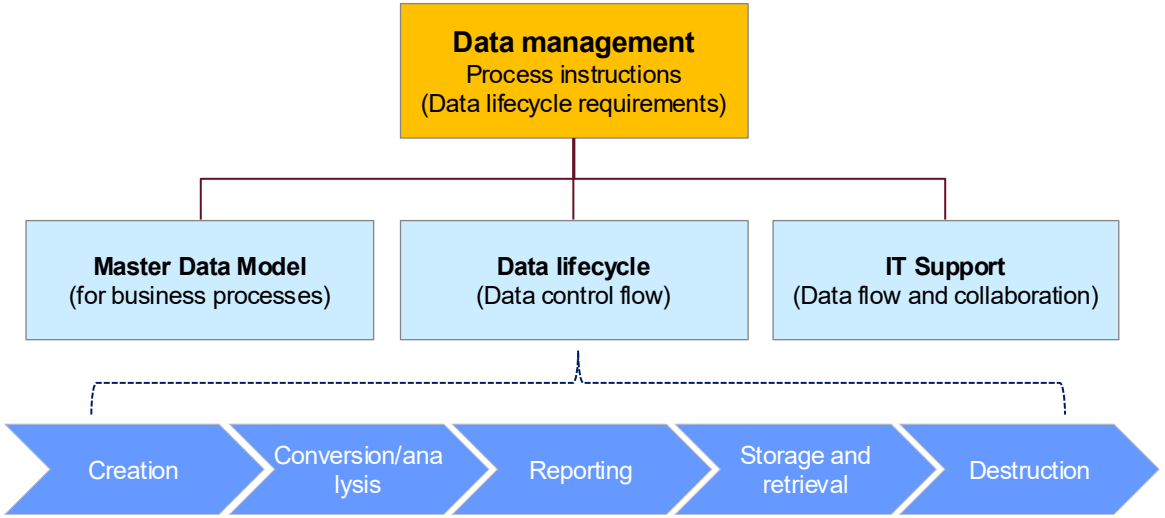
Successful digital procurement is based on an integrated data governance concept

Best Practice

Data governance concept

3. Defining rules for data management → **Data management**
Process instructions
(Data lifecycle requirements)

- Data management describes the general data processing that must be applied in every business process and between business processes in order to ensure data integrity.
- Data processing is based on the criticality of the data, the risk to the data, and the complexity of the respective business process.



- Definition of master data models for the most important data units
- Definition of the life cycle for the most important data entities in ABC (collection, evaluation, use and control, deletion).
- Identification of the applicability and prioritization of individual data attributes for ABC.
- Determination of the IT systems to be used for data management and their interfaces and networking

Source: IPG Research

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Details Step 4-2 «IT tool competence»

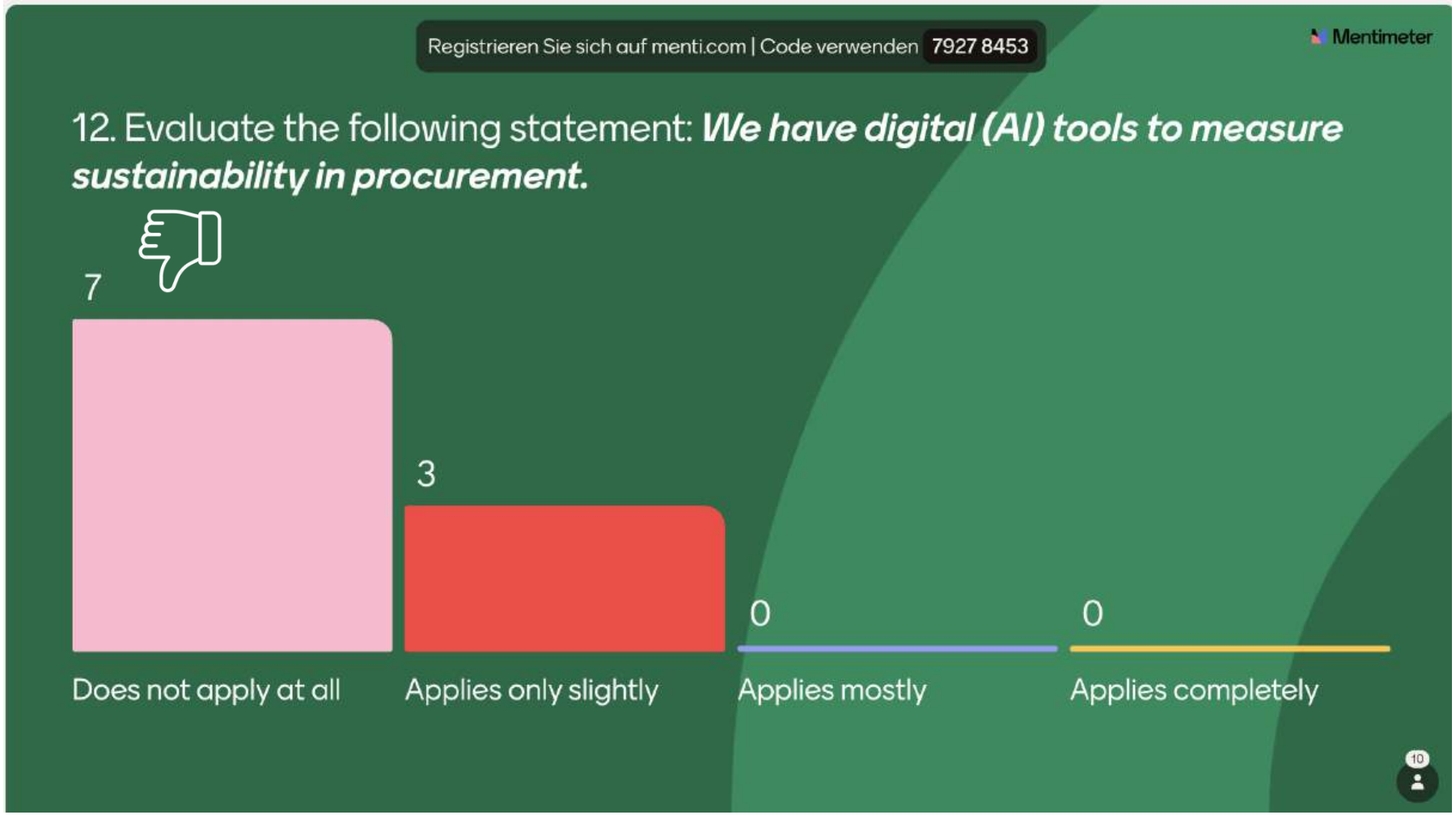
IPG-Masterclass

Sustainable Procurement

Carsten Vollrath, IPG Partners Group

Training and AI | The potential of digital tools has not yet been exploited.

Nov. 2025



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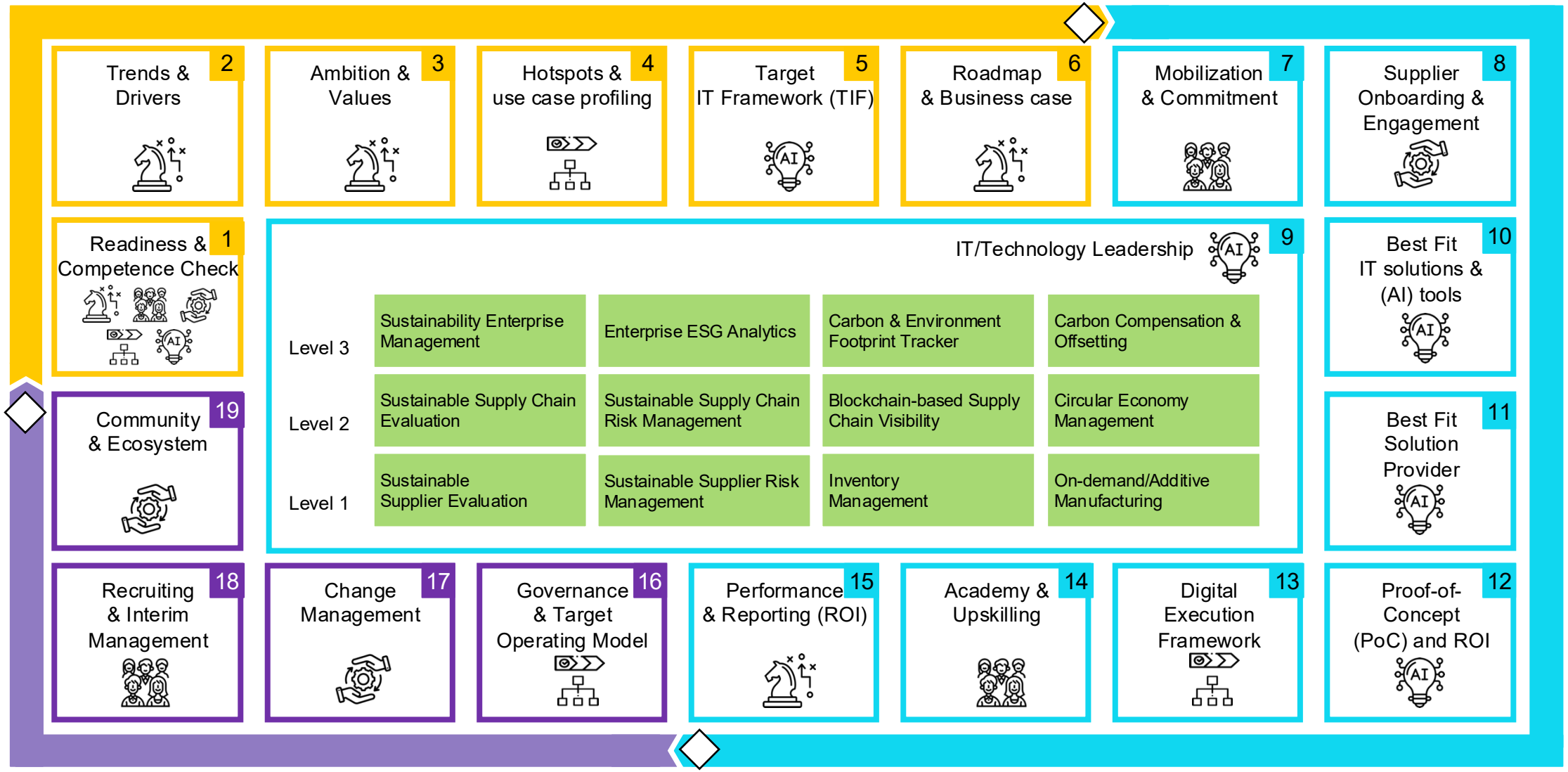
Source: IPG survey, participants in the GIZ-AHK training „Fit for Sustainable Supply Chain in Europe“

Construction plan | Tailored, multidisciplinary construction plan for digital procurement with predefined gates

Best Practice



INNOVATE
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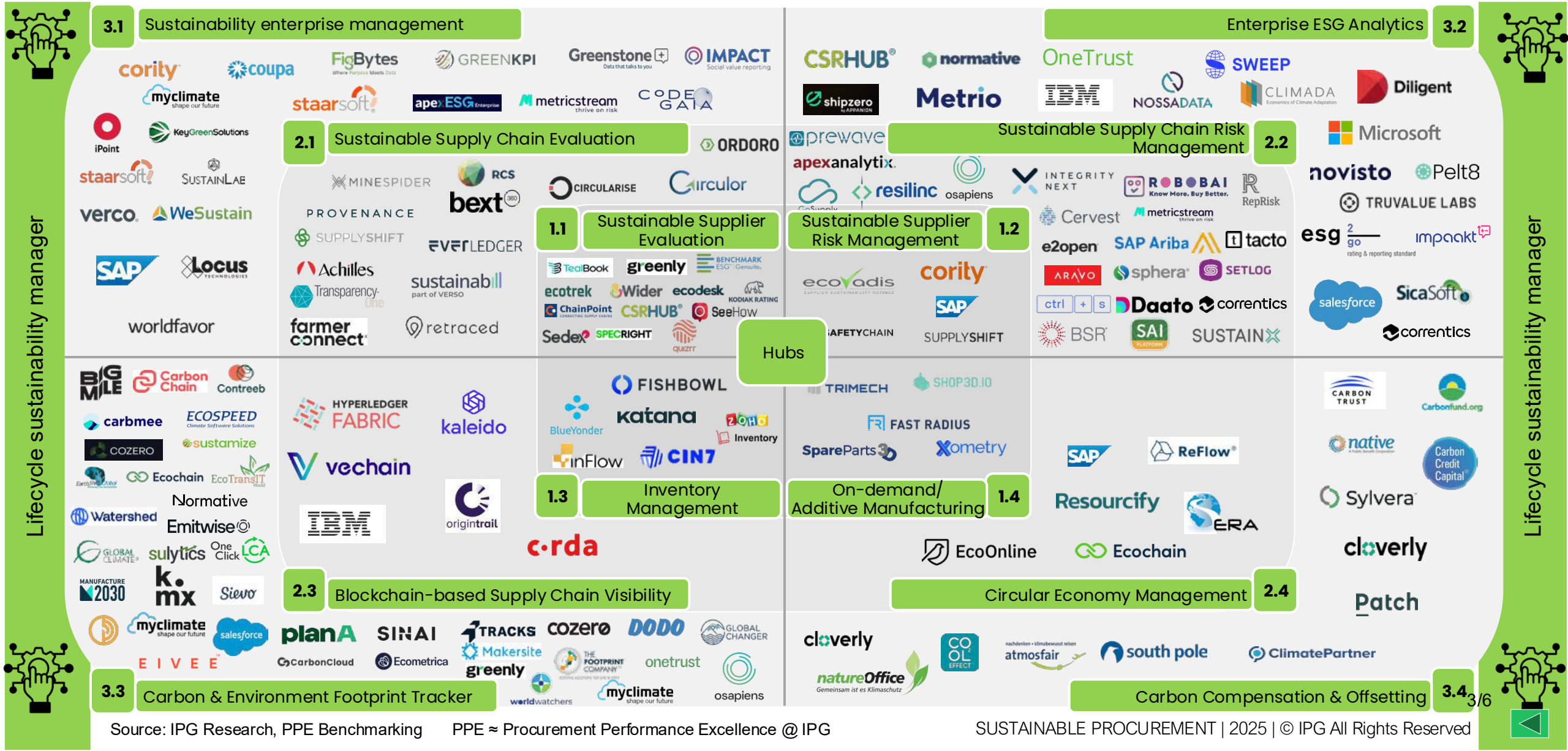
CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

Source: IPG

Vision, Mission & Strategy | People | Process Engineering & Organization | Leadership, Culture & Collaboration | Technology, Data & Cloud | Gates

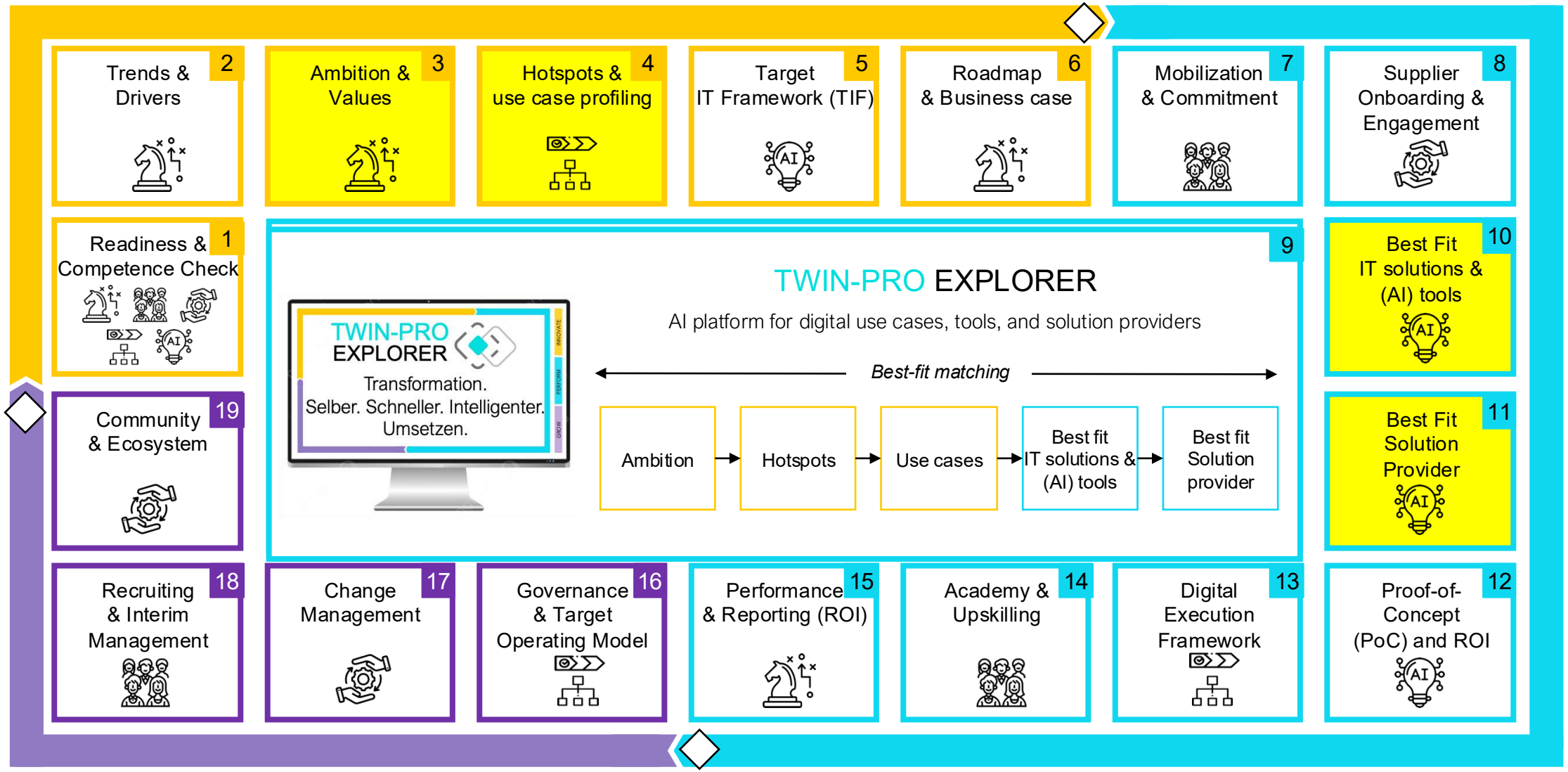
IPG DIGITAL TOOL MAP | The number of digital tools for the lifecycle sustainability manager is growing rapidly – there are currently over 150 solution providers



Source: IPG Research, PPE Benchmarking PPE ≈ Procurement Performance Excellence @ IPG

Construction plan | Tailored, multidisciplinary construction plan for digital procurement with predefined gates

Best Practice



INNOVATE

PERFORM

TRANSFORM

CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

Source: IPG

Vision, Mission & Strategy

People

Process Engineering & Organization

Leadership, Culture & Collaboration

Technology, Data & Cloud

Gates

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Details Step 5 «Training and communication»

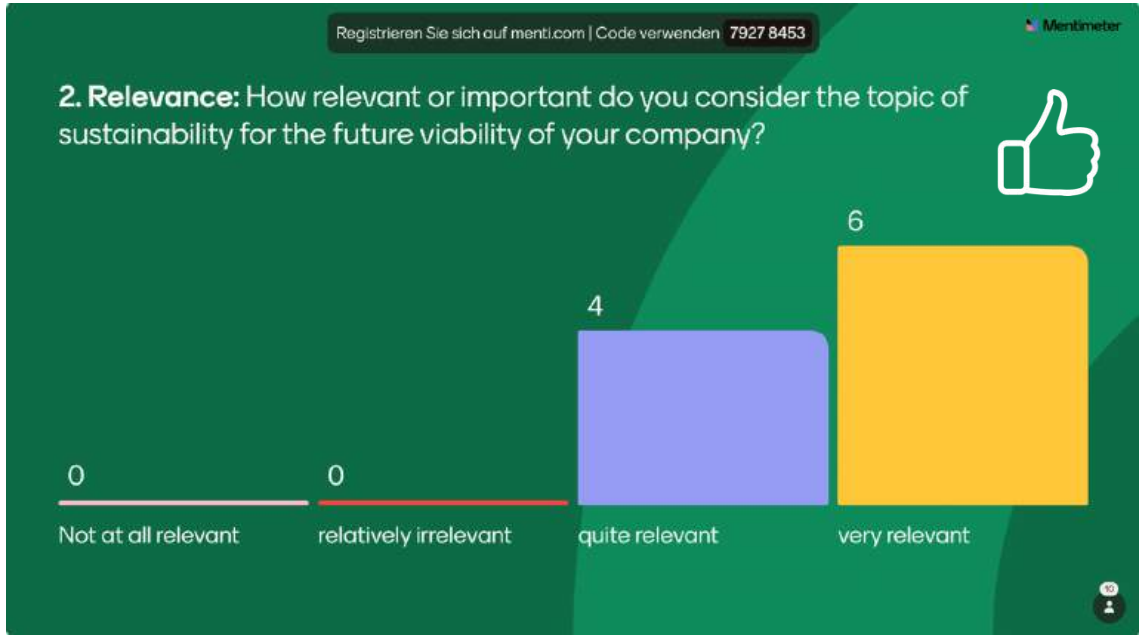
IPG-Masterclass

Sustainable Procurement

Carsten Vollrath, IPG Partners Group

Know-how gap | There is a discrepancy between individual knowledge levels and strategic relevance

Nov. 2025



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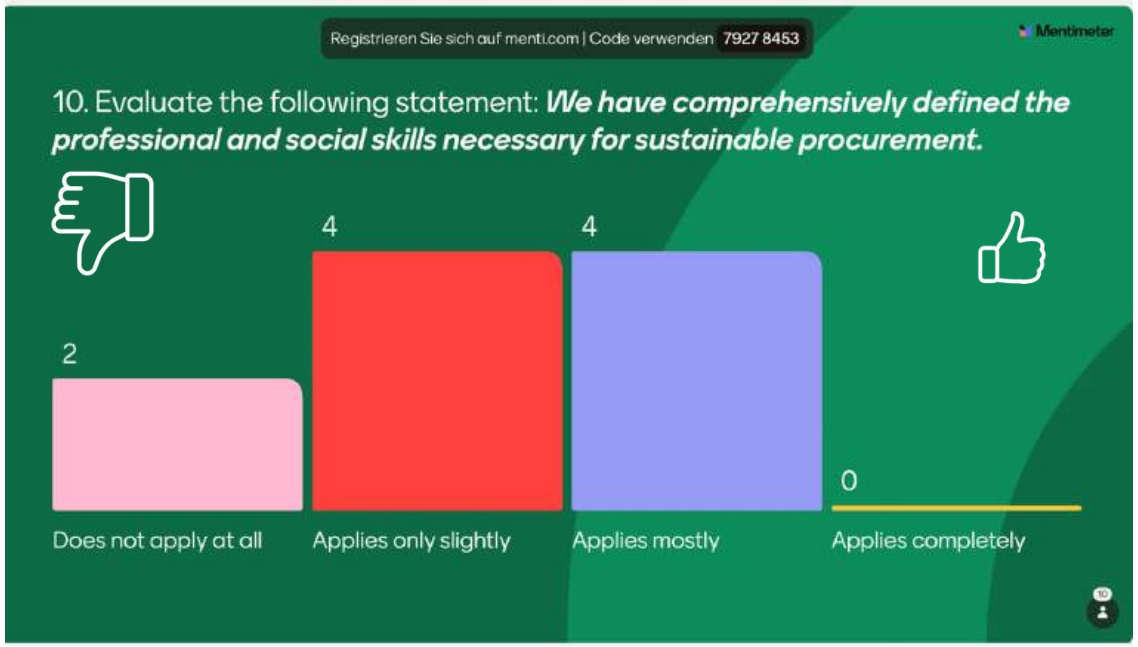
Source: IPG survey, participants in the GIZ-AHK training „Fit for Sustainable Supply Chain in Europe“

Mobilization vs. employee skills | Purchasing teams are mostly motivated to promote sustainability, and a lack of skills is perceived as a barrier

Nov. 2025



Comment:
Much better then average across multiple pulse checks

n = 10

Source: IPG survey, participants in the GIZ-AHK training „Fit for Sustainable Supply Chain in Europe“

Training and AI | Targeted training on sustainable purchasing has already been implemented by 60%

Nov. 2025

Comment: Much better then average across multiple pulse checks

n = 10

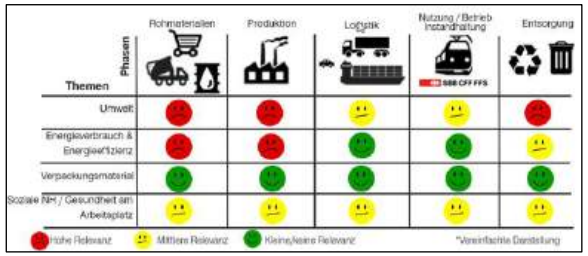
Source: IPG survey, participants in the GIZ-AHK training „Fit for Sustainable Supply Chain in Europe“

The three pillars of sustainability in purchasing

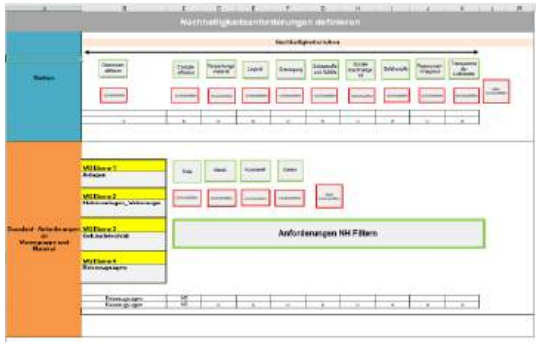
Best Practice

Sustainable procurement at SBB

NH risks in product groups



Catalog with NH criteria



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(since 2016)

ecovadis

(since 2017)

amfori
Trade with purpose

(since 2009)

E-learning with the SCM Academy

Events (Smart Lunch)

Best practice exchanges

Source: SBB

Future skills | Five future conpetencies with a clear link to sustainable procurement

Best Practice

PERSIST.

Competence 1

Data analytics capabilities in purchasing involve handling, **analyzing, and interpreting large amounts of data (data scientists)** through the use of data mining and visualization to identify and solve problems, enabling an understanding of the potential and impact of decisions.

Competence 2

Strategic management skills in purchasing involve **keeping up to date with current global trends**, e.g., Industry 4.0, and **evaluating their contribution to competitive advantage** by taking them into account when developing merchandise strategies and corporate strategies

Competence 3

Supply network management skills in purchasing refer to a coherent and **integrated understanding of the vertical and horizontal supply chain** of goods and services, enabling **management of the supply chain** from an economic and environmental perspective

Competence 4

Skills in the area of digital purchasing technologies and tools are based on the growing functionality and scope of **advanced purchasing technologies**. These skills focus on **working with these systems and tools, system utilization** ("building tool chains"), and **defining future requirements** for system development.

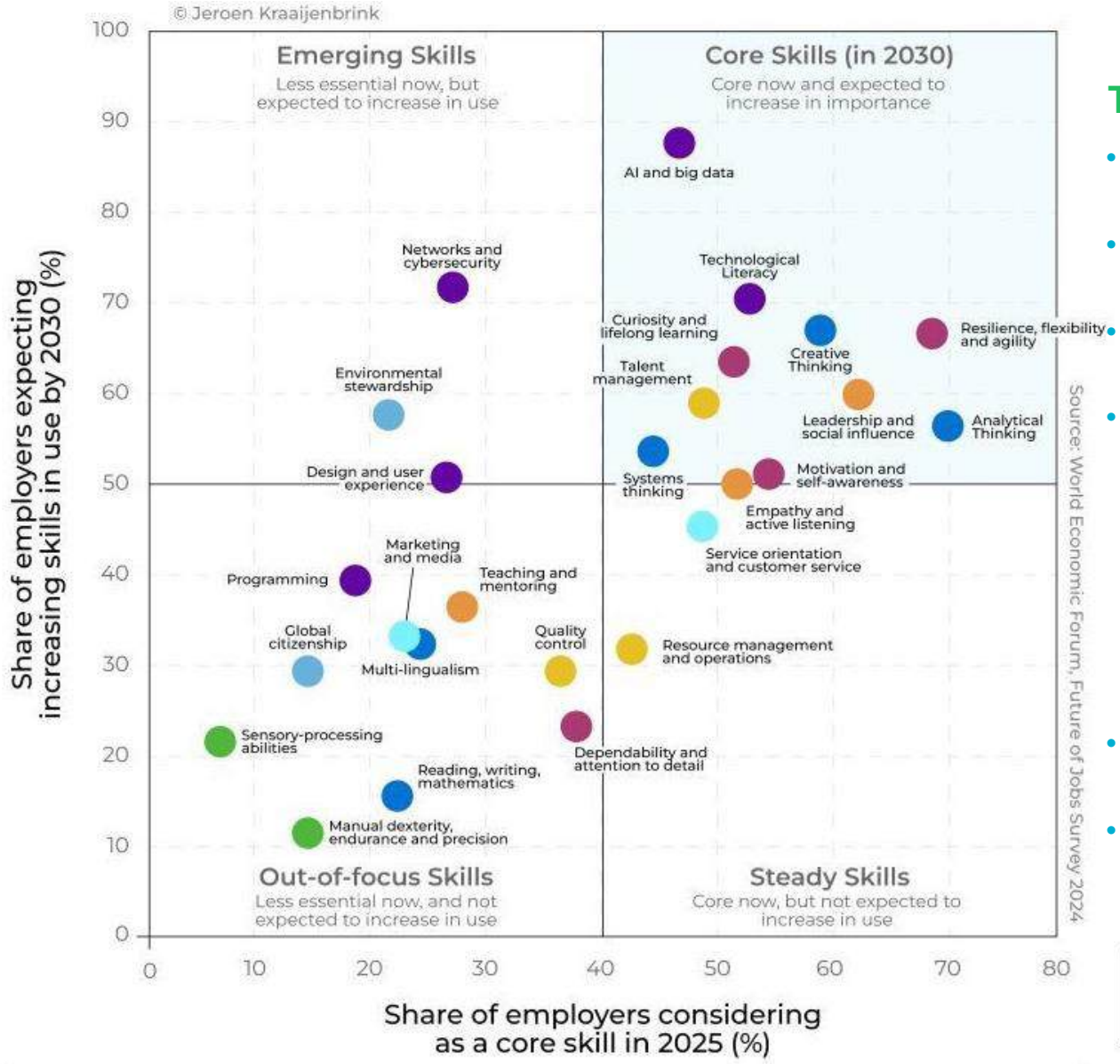
Competence 5

The skills required in **the area of digital partnership management** in purchasing include **personal communication to solve problems with internal and external stakeholders** in the context of Industry 4.0, which goes beyond electronic system communication.

Source: Based on PERSIST

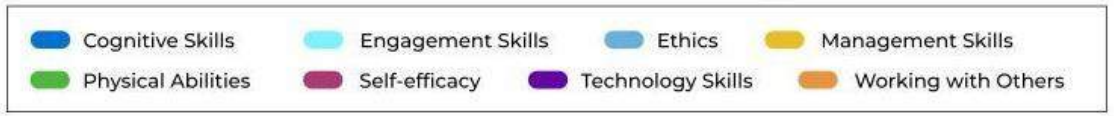
Core employee skills for 2030 | Future of Jobs Report 2025

Best Practice



The most important skills for 2030

- The **World Economic Forum** has published the Future of Jobs Report 2025
- It shows which skills companies will consider essential in the future. The upper right quadrant is particularly interesting
- The skill that is gaining the most importance is **"AI & Big Data"**
- Also essential and rapidly increasing in importance:
  - Analytical thinking
  - Curiosity and lifelong learning
  - Resilience, flexibility, and agility
  - Leadership qualities and social skills
  - Motivation and self-confidence
  - Creative thinking
  - Systemic thinking
- These are not niche skills, but rather **the fundamental skills required for innovation and exploration.**
- In addition to technical skills, particularly those related to AI, it is about **how to think, lead, adapt, and iterate**, **and then put it into practice.**



6/6

Source: https://www.weforum.org/publications/the-future-of-jobs-report-2025/digest/

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Details Step 6 «Code of conduct for Tier 1 suppliers»

IPG-Masterclass

Sustainable Procurement

Carsten Vollrath, IPG Partners Group

CoC Standards & Best Practices – Approach

Best Practice

Ideal approach to CoC development

1. Analysis & Definition of Objectives

- **Current analysis:** Analyze existing guidelines, industry standards, and ESG risks in the supply chain.
- **Goal setting:** Clearly define what you want to achieve with the CoC (e.g., human rights due diligence, climate goals, compliance).

2. Benchmarking & standards

- **Comparison with leading companies:** Analyze best practices (e.g., from Unilever, BMW, Tchibo, Siemens).
- **Inclusion of standards & laws:**
  - UN Global Compact
  - ILO core labor standards
  - OECD Guidelines
  - CSDDD (EU Supply Chain Act)
  - LkSG (for German companies)
  - ISO 20400 (Sustainable Procurement)

3. Stakeholder dialogue & internal coordination

- **Involvement of relevant internal stakeholders:** Purchasing, Sustainability, Compliance, Legal Department, CSR team if applicable.
- **Involvement of external stakeholders:** Depending on the level of maturity, this may also include pilot suppliers, NGOs, or trade associations.

4. Creation & structuring of the CoC

- Typically structured as follows:
  - **Preamble / Objectives**
  - **Behavioral requirements** in the areas of: human rights, working conditions, environment, climate, ethics, and integrity
  - **Implementation & monitoring**
  - **Consequences of violations**
  - **Inclusion in contracts**

5. Validation & approval

- Legal review and final coordination with management.
- Translation into relevant supplier languages, if necessary.

6. Communication & rollout

- Training of internal teams and suppliers (e.g., via e-learning or supplier days).
- Official communication: website, supplier portal, contract documents.
- Integration into tender documents and contracts.

7. Integration into processes & monitoring

- Inclusion in purchasing processes (e.g., during onboarding, audits, self-assessments).
- Establishment of monitoring and escalation processes for violations.
- Continuous review and further development (e.g., annually, when new legal requirements arise).

CoC Standards & Best Practices – Contents

Best Practice

Structure and layout of the CoC

Section	Contents
Introduction / Preamble	Objective of the CoC, importance of sustainability, and shared responsibility.
Scope	Applicable to all suppliers, subcontractors, and business relationships.
Core principles	List of the most important sustainability requirements.
Implementation & monitoring	Expectations regarding implementation, voluntary commitment, audits, cooperation.
Consequences of non-compliance	Information on escalation levels, corrective measures, or termination of contract.

Contents and topics (clauses)

Preamble Example

"As a company, we are committed to environmental, social, and ethical responsibility throughout our entire supply chain. With this Code of Conduct, we want to work with our suppliers to ensure the implementation of internationally recognized sustainability standards and to continuously develop them further. Our suppliers are therefore called upon to actively support, implement, and promote this CoC."

CoC standards & best practices – contents

Best Practice

Contents and topics (clauses)

A. Human rights & labor standards

- Prohibition of forced, compulsory, and child labor
- Freedom of association and the right to collective bargaining
- Non-discrimination (age, gender, religion, origin, etc.)
- Fair working conditions (working hours, breaks, vacation)
- Adequate remuneration and statutory minimum wage
- Health & occupational safety

B. Environmental protection & climate responsibility

- Resource-efficient use of water, energy, and raw materials
- Measures to reduce CO_2 emissions (e.g., SBTi commitment)
- Environmental management systems (e.g., ISO 14001, EMAS)
- Avoidance and proper disposal of waste and chemicals
- Protection of biodiversity and ecosystems

C. Ethical conduct & integrity

- Zero tolerance for corruption, bribery, extortion
- Avoidance of conflicts of interest
- Fair competition (no price fixing or market manipulation)
- Data protection and confidentiality of information
- Whistleblowing systems

D. Supply chain & responsibility

- Commitment to passing on standards to sub-suppliers
- Conducting own risk analyses along the supply chain
- Willingness to cooperate in audits or ESG assessments

CoC Standards & Best Practices – Contents

Best Practice

Implementation and monitoring regulations

- **Declaration of commitment**: Supplier actively signs the CoC.
- **Self-disclosure & risk questionnaires**: e.g. based on EcoVadis, IntegrityNext, Sedex.
- **Audits** (announced or unannounced): optional or risk-based.
- **Improvement plans** in case of deviations (corrective action plans).
- **Training & awareness**: for own employees and suppliers.
- **Continuous improvement** as a common goal.

Best practices

- **Gradual introduction with training and dialogue formats** (e.g., BMW Group, Adidas).
- **Linking the CoC to self-assessments & sustainability indicators** (e.g., Henkel, BASF).
- **Integration of the CoC into digital supplier portals and e-sourcing platforms.**
- **Consistent monitoring** with risk maps, audits, whistleblower channels (e.g., Siemens, Daimler Truck).
- **Embedding in contract terms**: CoC as an integral part of supply contracts.
- **Reference to international standards**:
  - UN Global Compact
  - ILO core labor standards
  - UN Guiding Principles for Business and Human Rights (UNGP)
  - OECD Guidelines for Multinational Enterprises
  - ISO 26000, ISO 14001, ISO 45001
- **Dialogue orientation**: Promotion of partnership-based cooperation instead of pure control.
- **Integration into sustainability strategy**: Linking to corporate goals.

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Details Step 7 «Supplier engagement»

IPG-Masterclass

Sustainable Procurement

Carsten Vollrath, IPG Partners Group

Data and processes | SUS risks in the supply chain are only partially unknown to the majority – active involvement of suppliers has only been ensured by a minority to date

Nov. 2025

Comment:

Much better then average across multiple pulse checks

n = 10

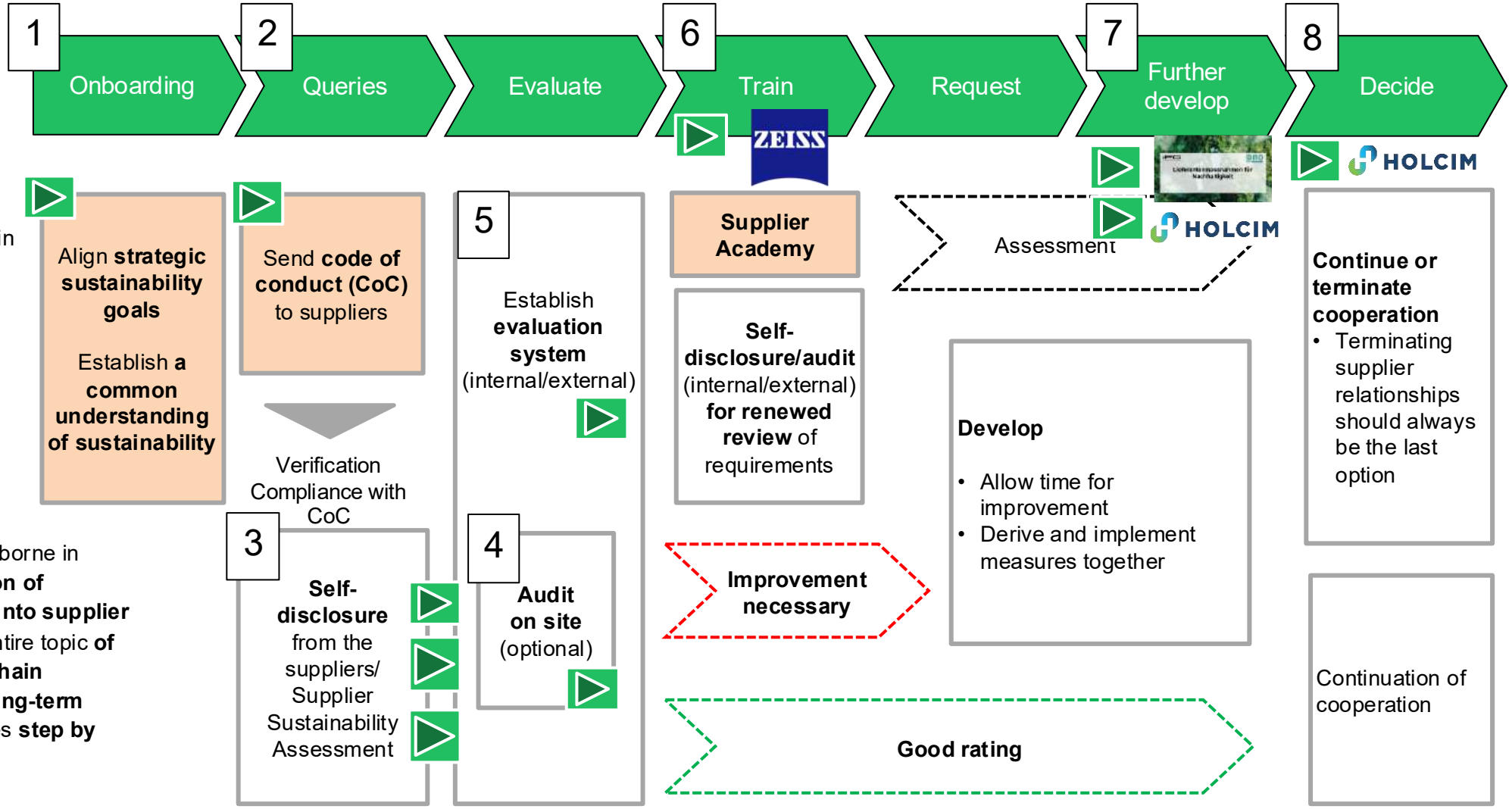
Source: IPG survey, participants in the GIZ-AHK training „Fit for Sustainable Supply Chain in Europe“

Supplier evaluation and development are important building blocks in the process-based implementation of sustainable supply chain management

Best Practice

Building blocks of sustainable supplier management

- Sustainable supply chain management requires companies to consider and measure sustainability in their core business and therefore also in their supplier evaluation.
- In general, it should be borne in mind that the **integration of sustainability criteria into supplier evaluation** – like the entire topic **of "sustainable supply chain management" –** is **a long-term process** that progresses **step by step**.



Two building blocks of mobilization in sustainable purchasing

Best Practice

Supplier Academy

scope3analyzer

Best practice framework for sustainable procurement (3/3)

Best practice

8 From risks to opportunities and innovations

- Conducting analyses to understand short- and long-term **risks and opportunities in your supply chain**
- Understanding how risks can be mitigated and opportunities seized
- **Develop strategies to use procurement to promote sustainability innovations** (e.g., testing clean technologies or circular economy products) to establish a **sustainable busines model on company-level**

9 Leadership and collaboration (ecosystem)

- **Collaboration with other organizations (within the industry and beyond) and experts (e.g., circular economy and recycling)** to promote sustainable procurement
- **Participation in cooperative initiatives and groups** for sustainable procurement
- **Share the costs** of research, tool development, and supplier engagement
- Share **knowledge about experiences** and best practice models

10 Monitoring and reporting (Performance and Value Reporting)

- **Evaluate the success of your sustainable procurement program** by ensuring that sustainability commitments are met **through contract monitoring and**
  -review
- Developing key **performance indicators (sustainability scorecard)**, agreeing on measurable **implementation targets**, and evaluating success through a **reporting framework** that promotes transparency and continuous improvement

Source: IPG Research

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Details Step 9 «Leadership and collaboration (ecosystem)»

IPG-Masterclass

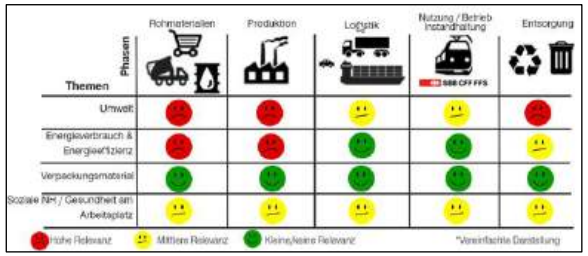
Sustainable Procurement

Carsten Vollrath, IPG Partners Group

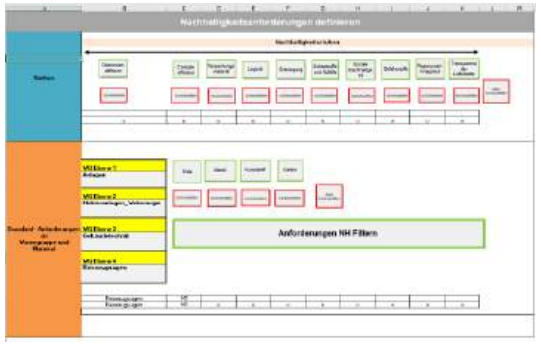
The three pillars of sustainability in purchasing

Best Practice

NH risks in product groups



Catalog with NH criteria



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ecovadis

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amfori
Trade with purpose

(since 2009)

E-learning with the SCM Academy

Events (Smart Lunch)

Best practice exchanges

Source: SBB

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Details Step 10 «Monitoring and reporting»

IPG-Masterclass

Sustainable Procurement

Carsten Vollrath, IPG Partners Group

Measuring the impact of sustainability measures

Best Practice

Checklist
Measure/communicate the impact of measures

Area of action: Measuring the impact of measures and communicating corporate actions (1/1)

Measure	Objective(s)	Responsibility	Success factors
Develop **a set of key performance indicators**	• Measure the implementation status of measures for sustainable supply chain management	• Sustainability officer • Purchasing	• Select both internal and supplier-specific key performance indicators • Consistent analysis of all sustainability issues
Implement internal communication measures (e.g., via newsletters or intranet)	• Raise awareness of the topic within the company • Highlight milestones achieved	• Sustainability officer • Human resources • Communications department	• Involvement of management • Communicating concrete successes
Inclusion of key figures in product declarations/descriptions	• Creating public transparency regarding the sustainability of products	• Sustainability officer • Sales	• Use valid data
Publish sustainability reports with information on: • Sustainability impacts/risks along the supply chain • Risk analysis processes • Supplier evaluation • Implementation measures	• Create transparency about sustainability commitments in the supply chain • Identification of further starting points for measures • Positioning as a sustainable company that takes a holistic approach to the issue	• Sustainability officer • Purchasing in cooperation with marketing	• Precisely define target audience • Use established reporting systems
Create a traceability system for products (e.g., via QR code)	• Creating transparency about the supply chain (origin, composition of products) for customers	• Purchasing • Sales • Marketing	• Use valid data

1/9

Source: based on the Bavarian State Office for the Environment

Sustainability in the procurement process – Key figures

Best Practice

In order to manage the implementation of the sustainable procurement strategy and activities and to measure and report on progress, it is necessary to define suitable key performance indicators.

Selection

Area	KPI examples
Environmental sustainability	% of suppliers with environmental or occupational health and safety management systems
	% of suppliers that have been assessed based on environmental criteria
	% of suppliers with ongoing CO2 reduction measures
	% of suppliers that have improved their sustainability performance in a follow-up assessment
	% of suppliers that meet a specific criterion (e.g., certificate)
	% share of e.g. natural resources (paper products, food, metals) purchased from sustainable sources
Social sustainability	**% of suppliers who have agreed to the Code of Conduct (CoC)**
	% of suppliers that have been assessed against social criteria
	% of suppliers for whom specific audits (e.g., social audits) have been carried out
	% Share of risk-assessed purchasing volume
	% of relevant suppliers who complete the Conflict Minerals Reporting Template (or meet the corresponding requirements)
	% Share of purchasing volume with local suppliers
	% Share of purchasing volume with diverse suppliers
Financial sustainability	**% share of purchasing volume for sustainable products (based on defined criteria)**
	% of expenditure on products with a life cycle of less than twelve months

Source: IPG Research, based on the Bavarian State Office for the Environment

Top 10 key figures for sustainable purchasing (1/2)

Best Practice

1. Suppliers with sustainability assessment/ESG rating (in %)
Percentage of active suppliers with available ratings (internal or via external platforms).
→ Basis for risk analysis and targeted further development.

2. Percentage of sustainable suppliers
Percentage of suppliers that can demonstrate compliance with environmental, social, and governance criteria (e.g., through audits, self-disclosure, or certification).
→ Indicator of broad impact and integration of ESG in the supply chain.

3. Suppliers with documented human rights and labor standards (in %)
Recording of suppliers who comply with, for example, ILO standards, SA8000, or company-specific codes of conduct.
→ Relevance for due diligence obligations under LkSG or CSDDD.

4. Proportion of "green contracts" or contracts with ESG clauses (in %)
Contracts that integrate binding environmental and social criteria (e.g., CO_2 targets, audit obligations, material requirements).
→ Anchoring sustainability in legal supplier commitments.

5. Number of awareness training sessions conducted with suppliers per year
Measure of the active involvement of suppliers in sustainability programs.
→ Indicator of implementation quality and partnership.

Source: IPG Research

Top 10 key figures for sustainable purchasing (2/2)

Best Practice

6. Average sustainability score per product group/category
Internal score based on ESG criteria for evaluating sustainable performance per product group.
→ Enables benchmarking and product group strategy.

7. Percentage of certified materials/products
Proportion of purchased materials with recognized environmental/social labels (e.g., FSC, Fairtrade, Cradle2Cradle, ISO 14001).
→ Proof of sustainable procurement practices.

8. CO_2 footprint of purchased goods and services (Scope 3.1)
Recorded greenhouse gas emissions of purchased goods in accordance with the GHG Protocol.
→ Key performance indicator for climate-related purchasing impacts.

9. Proportion of circular/recycled materials in total purchases (in %)
Proportion of materials that are reusable, recyclable, or biodegradable.
→ Key figure for promoting the circular economy in purchasing.

10. Share of sustainable procurement in total purchases (in %)
Proportion of the purchasing volume that relates to sustainably classified services.
→ Measure of the economic impact of sustainability.

Source: IPG Research

Other recommended metrics for sustainable purchasing (1/4)

Best Practice

Environmental indicators

- **Average CO_2 emissions per purchasing volume (e.g., kg CO_2 / 1,000 €)**
  → Measures emission intensity independently of purchasing volume.
- **Proportion of low-emission logistics partners (in %)**
  → Provides information about sustainable transport decisions.
- **Water consumption of purchased products (liters/unit or $)**
  → Particularly relevant for water-intensive product groups (textiles, food, chemicals).
- **Waste generation along the supply chain (in kg/€)**
  → Supports zero-waste strategies in purchasing.

Source: IPG Research

Other recommended metrics for sustainable purchasing (2/4)

Best Practice

Social indicators

- **Suppliers from risk areas with documented risk analysis (in %)**
  → Basis for legally compliant due diligence.
- **Percentage of suppliers with training on human rights/labor rights (in %)**
  → Evidence of active risk management.
- **Certification rate for critical product groups (e.g., cocoa, cotton, metals)**
  → Focus on particularly sensitive raw materials.

Source: IPG Research

Other recommended metrics for sustainable purchasing (3/4)

Best Practice

Process and governance indicators

- **Supply chain transparency rate (Tier 1 to Tier n in %)**
  → Measures visibility across the entire supply chain.
- **Proportion of tenders with ESG criteria (in %)**
  → Measures how deeply sustainability is integrated into operational purchasing.
- **Degree of fulfillment of ESG target agreements with suppliers (in %)**
  → Basis for targeted management and bonus/penalty systems.
- **Time to implementation of sustainability measures (in days)**
  → Indicator of response speed and agility.

Source: IPG Research

Other recommended metrics for sustainable purchasing (4/4)

Best Practice

Reputation and impact indicators

- **Percentage of suppliers actively improving their sustainability ratings**
  → Measures willingness to change in the supply chain.
- **Number of reported sustainability violations per year**
  → Early warning indicator for reputation risks.
- **Contributions to the SDGs (e.g., number of UN goals supported)**
  → Qualitative but increasingly sought-after KPI for reporting (e.g., GRI, CSRD).

Source: IPG Research

Recommendations for selection & implementation

Best Practice

1. **Actively manage a maximum of 10–15 KPIs at any one time.** Focus is more important than completeness.

2. **Differentiate key figures according to risk profile and product group.** Not all KPIs are equally relevant for all categories.

3. **Use technological support.** An ESG cockpit or reporting tool facilitates transparency, comparability, and progress measurement.

4. **Embed key figures in target systems.** Linking them to internal and external incentive models, scorecards, and supplier evaluations increases their impact.

5. **Provide stakeholder-friendly visualization.** Internally (purchasing management, CSR team, compliance) and externally (audits, investors, customers).

Source: IPG Research

Guidelines for supplier evaluation

Best practice

What sustainability criteria should the company use?

1. Criteria for environmental responsibility

- Reduce **emissions** (greenhouse gases, air pollutants, noise)
- Improve **waste management** (avoid waste, recycle, dispose of waste properly)
- Make **wastewater** treatment and discharge environmentally friendly
- Reduce **resource consumption** (including energy and water) and increase energy efficiency
- Protect **natural ecosystems** and **biodiversity**

2. Criteria for social responsibility and human rights

- Reject **forced labor** and exploitative **child labor**
- Comply with legal provisions regarding **remuneration** and working hours
- Apply occupational **health and safety measures**
- Comply with a general **prohibition of discrimination** (gender, origin, and religion)
- Establishment of **complaint mechanisms or procedures** for employees

3. Criteria for ethical business conduct

- Counteract **corruption**
- Recognizing **the property rights** of companies
- Responsible **political** participation
- Promoting **fair competition**
- Maintaining **integrity**

4. Dealing with conflict minerals (if relevant)

- **Transparency regarding supply chains** and **relevant subcontractors is known**
- Avoid **minerals** (especially tin, tantalum, tungsten, gold) from conflict areas
- Check **the origin** of minerals
- Comply with **documentation requirements** (such as those in the EU Conflict Minerals Regulation)
- Use **initiatives and standards** to source conflict-free minerals (e.g., EICC Conflict-Free Sourcing Initiative; OECD Due Diligence Guidance)

Source: Bavarian State Office for the Environment

Soft sustainability criteria 1/2

Best Practice

- "Soft sustainability criteria" are **non-financial factors** that are taken into account when assessing a company's sustainability.
- In contrast to "hard" criteria, which are quantifiable and measurable, "soft" sustainability criteria are generally **qualitative in nature** and relate to aspects of sustainability that are not easily quantifiable.
- **Best practices** for soft sustainability criteria refer to proven practices and approaches that support companies in implementing their sustainability goals and strategies.

1. "Sustainable Procurement" mission statement

› Supplier has defined, documented, and communicated a mission statement for sustainable procurement

2. Sustainable procurement organization

› Supplier has established sustainability officers in purchasing

3. Sustainable procurement processes

› Supplier has integrated sustainability criteria into its procurement processes and SOPs

4. Supply chain transparency

› Supplier has established transparency across its critical supply chains, knows the relevant sub-suppliers, and is willing to share this transparency with its customers

› Supplier actively reports its sustainability efforts and results to stakeholders

5. Supply chain optimization

› Supplier has introduced targeted measures to improve sustainability along the supply chain and can demonstrate the effectiveness of its measures using examples

6. Participation in/use of industry initiatives

› Supplier is actively involved in an industry initiative for sustainability, seeks and promotes sustainability innovations.

Source: IPG Research

Soft sustainability criteria 2/2

Best Practice

- "Soft sustainability criteria" are **non-financial factors** that are taken into account when assessing a company's sustainability.
- In contrast to "hard" criteria, which are quantifiable and measurable, "soft" sustainability criteria are usually **qualitative in nature** and refer to aspects of sustainability that are not easily quantifiable.
- **Best practices** for soft sustainability criteria refer to proven practices and approaches that support companies in implementing their sustainability goals and strategies

7. Information events with suppliers

› Supplier regularly organizes information events (e.g., supplier day) with its suppliers on the topic of "sustainability"

8. Supplier training

› Supplier regularly conducts training for its suppliers (e.g., on sustainability standards)

9. Circular economy

› The supplier works with experts in circular economy, waste management, and recycling and has already implemented concepts in its value chain.

10. Sustainable product design

› The supplier is actively involved in projects for sustainable product design and can actively make suggestions to its customers for optimizing their own products and specifications in terms of sustainability (e.g., product groups and material mix).

11. SBT target setting

› Supplier works on the basis of SBT targets

12. Making conflicting goals transparent and resolving them

› Conflicting goals (price vs. sustainability) were disclosed to the supplier's management and a joint approach was agreed upon

Source: IPG Research

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Value Contribution Sustainable Procurement

IPG-Masterclass

Sustainable Procurement

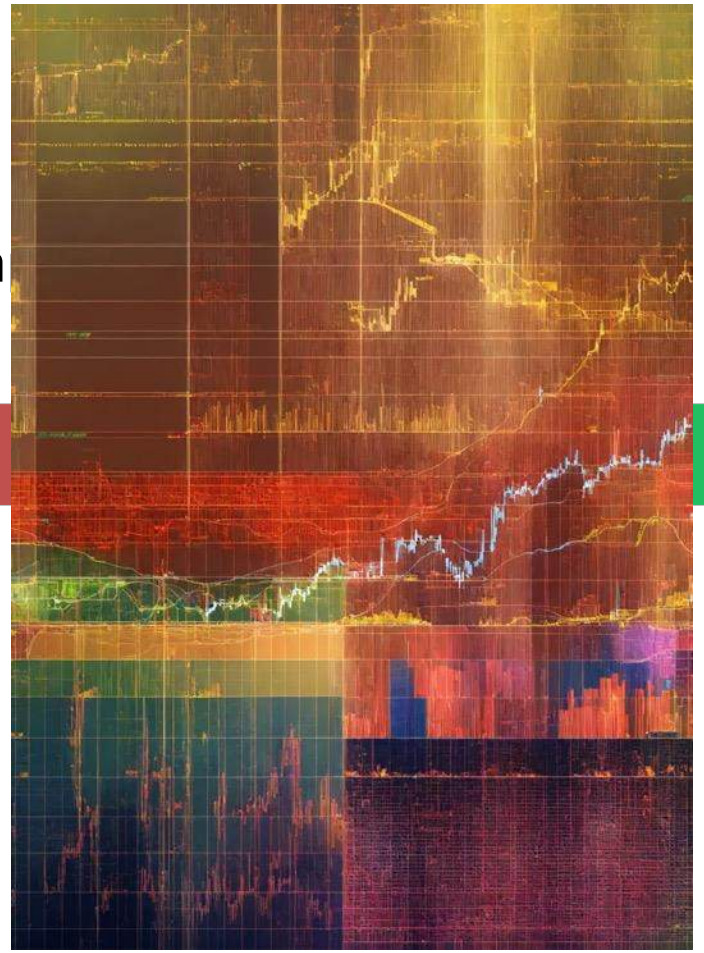
Carsten Vollrath, IPG Partners Group

Risks | We are in an age of "stacked crises" - Purchasing as a pure cost cutter is a thing of the past

Age of stacked crises

More, more often, more com

- Climate change
- Discrimination
- Heat waves / crop failures
- Wars over limited resources
- Pandemics / epidemics
- Refugee waves
- Species extinction / Forest fires
- Loss of habitat
- Volatile markets / rising prices
- ...



Purchasing as an agile...

… Gatekeeper!

… Multiplier!

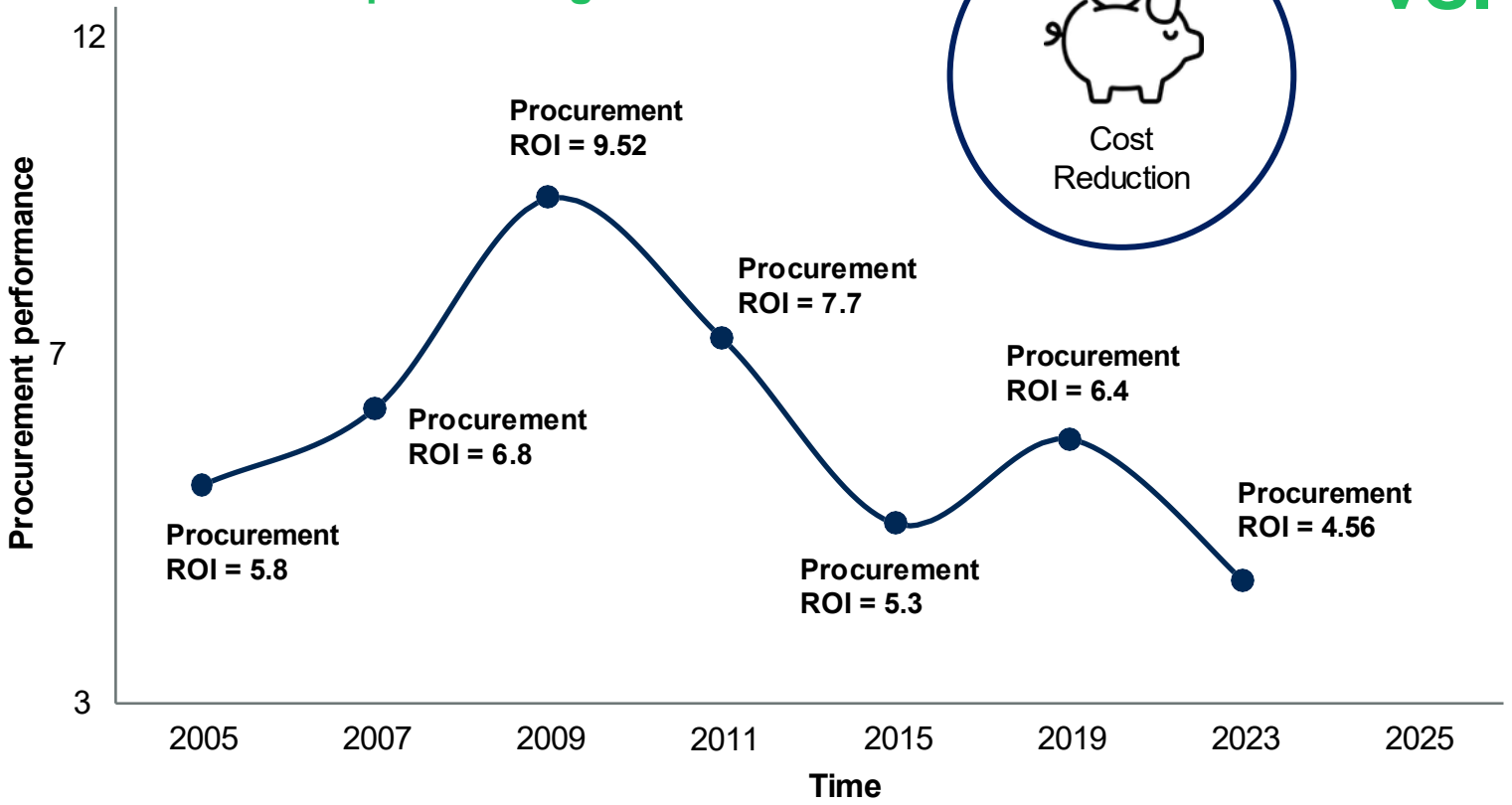
… Game changer!

Purchasing is one of the few functions that serves a **wide range of stakeholders with very different needs**

Source: IPG Research, Porsche

Declining ROI and expanded priorities | Declining opportunities for cost savings are colliding with expanded priorities...

ROI of purchasing over time *



VS.

Advanced priorities

n = 61 (2005); 78 (2007); 63 (2009); 121 (2011), 69 (2015), 103 (2019), 101 (2023)

* The ROI of procurement is defined as the total savings achieved divided by the total budget for the function.

Source: Gartner study, Procurement Budget & Efficiency (PB&E)

Value contribution | What is the value contribution of sustainable procurement...?

Sustainable Prpcurement Type 1	Sustainable Prpcurement Type 2	Sustainable Prpcurement Type 3

?

Internalize costs for unsustainable purchasing in Procurement-KPI scorecard

- Costs due to supply bottlenecks, supply chain disruptions, and necessary supplier changes as a result of climate change
- Anticipate/avert rising raw material prices due to shortages (as a result of the continuing increase in the ecological footprint)
- Internalize costs for unsustainable purchasing (CO2 tax, CBAM, penalties from regulatory bodies, etc.)
- Costs for CO2 offsets due to missed CO2 targets
- Costs due to investment behavior and withdrawal of funds by investors
- Costs due to loss of market share as a result of consumer behavior/churn
- Costs due to damage to image as a result of sustainability scandals (e.g., BMW, Credit Suisse, etc.)
- ...

Internalize growth momentum through sustainable purchasing in Procurement-KPI scorecard (= sustainable innovations)

- Generate sales through sustainable business models and solutions with intensive involvement of sustainable purchasing

Are the following statements correct?

Sustainability costs money...

The procurement department can buy cheaply or it can buy sustainably, but at a higher cost...

Source: IPG

Value contribution | What is the value contribution of sustainable procurement...?

Sustainable Prpcurement Type 1

“Keep going”

- Linear approach still the main strategy
- Keep buying like before
- Meet regulatory requirements with as little effort as possible
- Opportunistic adjustments where needed, mainly in operational purchasing (e.g., introduce a code of conduct, sustainability as a low-weight award criterion with no real influence)
- Ignore or hide costs for unsustainable procurement
- Award decisions as before...
- ...

Sustainable Prpcurement Type 2

Adapting to “the new normal”

- Sustainability as a strategy for the future viability of the company
- Sustainable procurement as a strategic implementation partner for realizing the company's sustainability strategy
- Gradual decoupling from the linear economy
- Systematic transition to sustainable procurement, especially in strategic procurement
- Preparing for bottlenecks and rising prices
- Optimization of TCO (new) and increased security of supply as key value contributions of sustainable procurement
- Internalizing costs for unsustainable procurement in the Procurement-KPI scorecard
- ...

Sustainable Prpcurement Type 3

Sustainable Pocurement as a “Game Changer”

- Sustainable procurement as a driver of innovation for sustainable solutions
- Innovation as a key value contribution of sustainable procurement
- Ensuring corporate growth Sustainability innovations
- Sustainable procurement as a strategic innovation partner for the development of sustainable business models and solutions
- Internalizing growth impulses through sustainable procurement in the Procurement-KPI scorecard

Source: IPG

Values | Value contribution of sustainable procurement

Best practice

Value Reporting Sustainable Procurement

- Values of previously unmonetized externalities* especially growth and innovation impulses
- Costs of externalities not yet monetized*
- Costs of externalities*
- Acquisition, usage (maintenance), and disposal costs
- The traditional purchase price*

Non-monetized values

- Growth impulses and **additional sales** through sustainable business models and solutions with intensive involvement of sustainable purchasing
- **Innovation potential** through the development of resource-saving and environmentally friendly solutions

Non-monetized costs

- Massive reputational risks and **damage to image** as a result of environmental scandals
- **Decline in profits** due to loss of market share as a result of customers switching to ethically responsible brands
- **Higher financing costs** as a result of investors rewarding sustainability-oriented companies with more favorable financing terms

- Sustainable materials, which may be more expensive than conventional alternatives in the short term, save costs in the long term through **energy efficiency or reduced waste**

Life cycle costs (LCC)

- Costs due to disproportionately high **CO2 taxes** caused by high greenhouse gas emissions
- Costs for **CO2 offsets** due to missed CO2 targets
- **Legal penalties** and long-term financial burdens due to environmental and social requirements

- Efficiency losses due to high **material waste, rising energy costs, inadequate recycling mechanisms**, and dependence on volatile raw material markets

Total cost of ownership (TCO)

- **Costs due to increasing supply bottlenecks**, unstable supply chains, and supply chain disruptions Political instability in production countries and necessary supplier changes as a result of climate change
- **Disproportionately rising material costs/raw material prices due to excessive consumption** of natural resources/resource scarcity (as a result of the ever-increasing ecological footprint) = increased costs

Purchase price

Material, production, and delivery/transportation costs, as well as customs

Purchase | Organization | Company

* Externalities include environmental, social, and economic consequences that are not directly reflected in market prices.

Source: IPG

Source: IPG Research, IPG-PPE Benchmarking

Wednesday, February 11th
Day 2 – Morning: Module 7

9:00 - 12:00

1 09:00 – 10:15

Module 7
SUS Transformation Management for Sustainable Procurement

10:15 - 10:30

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M7 - Sprint
Draft SUS Transformation RoadMap –
Team SaraCook & Team BosnaCool

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Team Presentations –
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Wednesday, February 11th
Day 2 – Afternoon: Recap M1 – M7

13:00 – 15:00

4 13:00 – 14:30

Recap Modules 1 - 7

Clarify questions and open topics

6 14:30 – 15:00

Outlook
March – July 2026:
Mentoring sessions
Online-Webinars conducted by BiH professionals
On-site-Trainings conducted by BiH professionals

Questions & comments Coffee break All times given are indicative and may vary.

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Wrap-Up
session

Training focus | Module overview per session 1 and 2

S1 Session 1

11.-12. Nov. 2025

- **M1** Business environment & general conditions
- **M2** Sustainability pulse check and strategy derivation
- **M3** Sustainability category group analysis
- **M4** Sustainability supplier analysis

S2 Session 2

10.-11. Feb. 2026

- **M5** Sustainability supply chain analysis
- **M6** Digital (AI-)Tool Guide
- **M7** Transformation roadmap and Benefit / Value monitoring
- **M1-7** Recap Session

1. Structure of our presentation.

We went through some tools during masterclass but in Sprint materials there are addition tools. What content is required for the final presentation?

1 → 2 → 3 → 4 → 5 → 6

M1 - Sprint 1

Sustainable Development Goals (SDG)

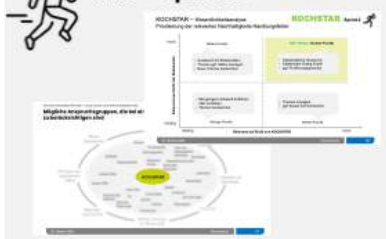
1. Contextualization: Break down the global issues addressed by the SDGs into key points relevant to your company's local operations.
2. Evaluate each SDG according to its positive contribution and negative impact
3. Prioritization: Which SDGs do we want to focus on?
4. Where does your company actually have the greatest potential for influence?

M2 - Sprint 2

Sustainability Readiness Check for Procurement

1. The Readiness Check makes it possible for the first time to measure the maturity of digital and sustainable purchasing together.
2. In a short time, you will receive an overview of all potential issues and important success drivers that make your purchasing resilient and future-proof.

M2 - Sprint 3



Impact analysis

1. Identify direct and indirect environmental and sustainability aspects as well as opportunities and risks from a company perspective
2. Identify the relevant stakeholder groups of companies
3. Identify relevant topics, opportunities, and risks from
4. Entry of the results in a materiality matrix

M3 – Sprint 1/2

Material criticality assessment

1. Which materials contribute most to CO_2 emissions, energy consumption, resource scarcity and all relevant sustainability focus areas defined (1-9)
2. Plot material groups into the Material Risk Matrix
3. Derive appropriate mitigation measures for each material group

M3 – Sprint 2/2

Category optimization levers for sustainability

1. Which category group levers for sustainability do you consider most suitable for your category group?
2. Which top three levers would you prioritize?
3. What other stakeholders do you need to implement the top three levers?
4. What specific measures would you pursue for the top three levers?
5. What role does purchasing play in each case?

M4 - Sprint 3

Supplier measures for sustainability

1. Which supplier measures for sustainability do you consider most suitable for your category group?
2. Which top 3 measures would you prioritize?
3. What other resources do you need to implement the top three measures?
4. What specific action plan do you intend to pursue for each of the top three measures?
5. What role does purchasing play in each case?

✓	✓	✓	✓	✓	✓
M1 Business environment & general conditions	**M2** Sustainability pulse check and strategy derivation	**M2** Sustainability pulse check and strategy derivation	**M3** Sustainability category group analysis	**M3** Sustainability category group analysis	**M4** Sustainability supplier analysis

CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

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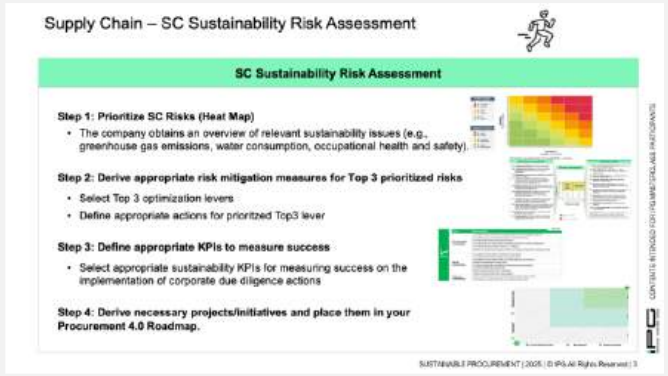
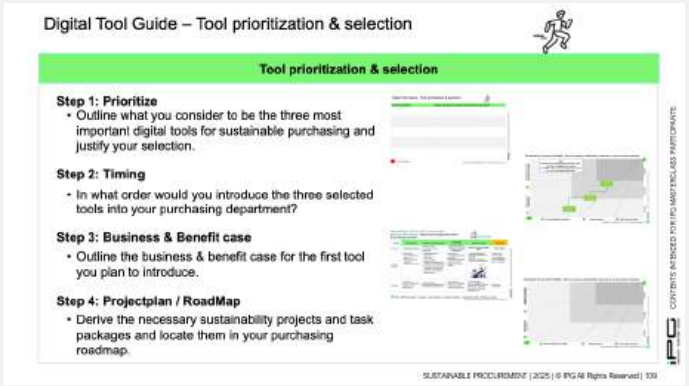
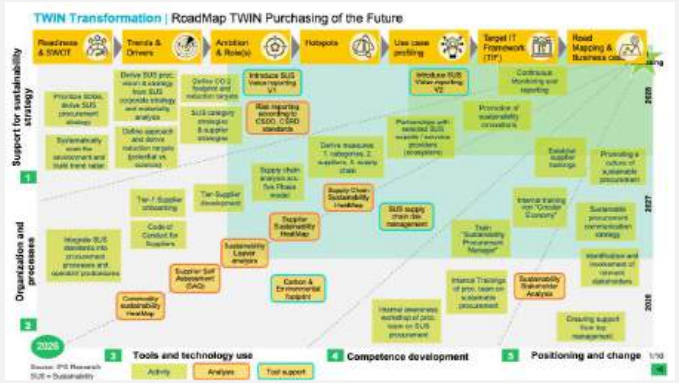
M5 - Sprint



M6 - Sprint



M7 - Sprint



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Take-aways for BiH companies

IPG-Masterclass

Sustainable Procurement

Carsten Vollrath, IPG Partners Group

Requirements and key actions for BiH Companies to Access the EU Market

Non-EU suppliers must increasingly:

- Meet **EU sustainability and human rights standards**,
- Provide **traceability and transparency** in supply chains,
- Disclose **carbon and environmental data**,
- Ensure **ethical sourcing and production** to maintain EU market access.

To stay competitive in the EU market, BiH companies must prove that their production is **ethical, low-carbon, and transparent** across the entire supply chain.

1. **Implement supply chain due diligence** – Identify and manage human rights and environmental risks (CSDDD, LkSG).
2. **Ensure traceability of raw materials and products** – Prove legal and sustainable sourcing (EUDR, CBAM).
3. **Measure and report carbon emissions** – Calculate product and process CO_2 footprint (CBAM, CSRD).
4. **Adopt environmental and social policies** – Establish internal sustainability standards and codes of conduct.
5. **Use sustainable packaging and design** – Ensure recyclability and reduced waste (PPWR, ESPR).
6. **Avoid forced or child labour** – Audit labour practices and suppliers (EU Forced Labour Regulation).
7. **Comply with product sustainability standards** – Follow EU technical and safety requirements (ESPR, Batteries Regulation).
8. **Prepare ESG documentation** – Provide data requested by EU customers for reporting under CSRD/ESRS.
9. **Engage in transparency and certifications** – Obtain recognized sustainability certifications (ISO 14001, FSC, etc.).
10. **Train staff and suppliers** – Raise awareness on EU sustainability and compliance standards.

Source: IPG Research

Requirements and key actions for BiH Companies to Access the EU Market

What applies

Many of the actions (e.g., supply-chain due diligence, sustainable sourcing, product standards, transparency) **are relevant** for companies that export to the EU, because EU-based buyers or regulators may impose them, even if the exporting company is outside the EU.

Scope & size thresholds under the "Omnibus" simplification proposal

- The proposed **Omnibus package** by the EU aims to **raise size thresholds** for mandatory reporting under the Corporate Sustainability Reporting Directive (CSRD): companies must have **more than 1,000 employees** (proposed) to fall under full CSRD obligations.
- For smaller firms (especially micro, small & medium-sized enterprises, SMEs), the obligations may be **lighter**, voluntary, or phased in. The concept of a simplified standard for SMEs (VSME) is proposed.
- The proposed revisions aim to **reduce administrative burdens** for smaller entities.

Bottom line for a small BiH company

- If the company is **small** (e.g., fewer than 250 employees, moderate turnover) and exports to the EU, it might **not yet** be fully in scope of the most stringent EU obligations (depending on final legislation).
- However, even if **not legally mandated**, EU buyers may impose **contractual requirements** (due diligence, ethical sourcing, sustainability data) on their suppliers.
- Being proactive – implementing the 10 key actions – will help such a company become a **preferred supplier**, reduce risk and improve market access.

Source: IPG Research

Take-aways – Understanding the Context – It's about much more than just regulations and laws…

Climate change

- GHG emissions, carbon intensity
- Transition and physical climate risks Climate transition plan

- Competitor benchmarking
- Addressing financial burden from carbon pricing
- Adapting to climate change
- Strengthening risk management

Resource use and circular economy

- Resource inflows and outflows
- Measures to promote the circular economy

- Increasing resource efficiency
- Reducing dependence on raw materials
- Fostering product innovation

Workers in the value chain

- Identification of forced and child labor risks
- Management of human rights impacts

- Strengthening proactive risk management
- Driving supply chain resilience

Affected communities

- Identification of affected communities
- Stakeholder engagement
  Grievance mechanisms

- Strengthening stakeholder communication and goodwill

Strategic value of Sustainable Procurent

Long-term competitiveness

Source: Based on IntegrityNext

Outlook & recommendations for action

Sustainability remains a driver for the future – even beyond regulatory requirements

Stakeholder interests and investor requirements

continue to be strongly focused on sustainability.

Pressure within the supply chain:

Companies demand ESG data from their suppliers

Strategic orientation & promotion of innovation:

Knowledge about risks, opportunities, and impacts should be used for strategic corporate decisions and the prioritization of important issues.

Recommendation: Don't wait for regulations and legislation, but stay on top of things and make your company fit for the future!

Source: IPG Research, DFGE (Institute for Energy, Ecology and Economy)

Take-aways – Advantages of being an early adopter in your region

Proactive Risk Management

- Spot risks before they become problems and prioritize mitigation efforts where they matter most.

Strategic Supply Chain Visibility

- Empower procurement and sourcing with insights that drive smarter decisions, maximizing impact, boosting efficiency, and supporting your sustainability initiatives.

Effortless Regulatory Compliance

- Confidently meet regulations with precise reporting and product-specific due diligence.

Fostering Compliance Culture

- Contribute to a more robust corporate governance and risk avoidance.

Competitive Advantage

- Gain financial opportunities through credibility towards investors, customers and the public.

Source: Based on IntegrityNext

Due Dilligence Obligations

Build a strategy to assess and improve the enterprise and supplier impact on society/the environment

Climate Action Plan

ensuring that business model and strategy are compatible with Paris agreement on climate

- A **Climate Action Plan** is a strategic action plan that governments, companies, or organizations use to implement their contribution to **limiting global warming (ideally) to 1.5 °C**, as agreed in the **Paris Climate Agreement**.
- It describes:
  - **Targets** for reducing greenhouse gas emissions (net-zero or interim targets),
  - **Measures** for energy efficiency, renewable energy use, and decarbonization,
  - **Timetables** for implementation,
  - and **monitoring mechanisms** for measuring progress.
- A Climate Action Plan sets out **concrete steps to reduce emissions** to such an extent that global warming is limited (ideally) to a **maximum of 1.5 °C** – in line with the goals of the **2015 Paris Agreement**.

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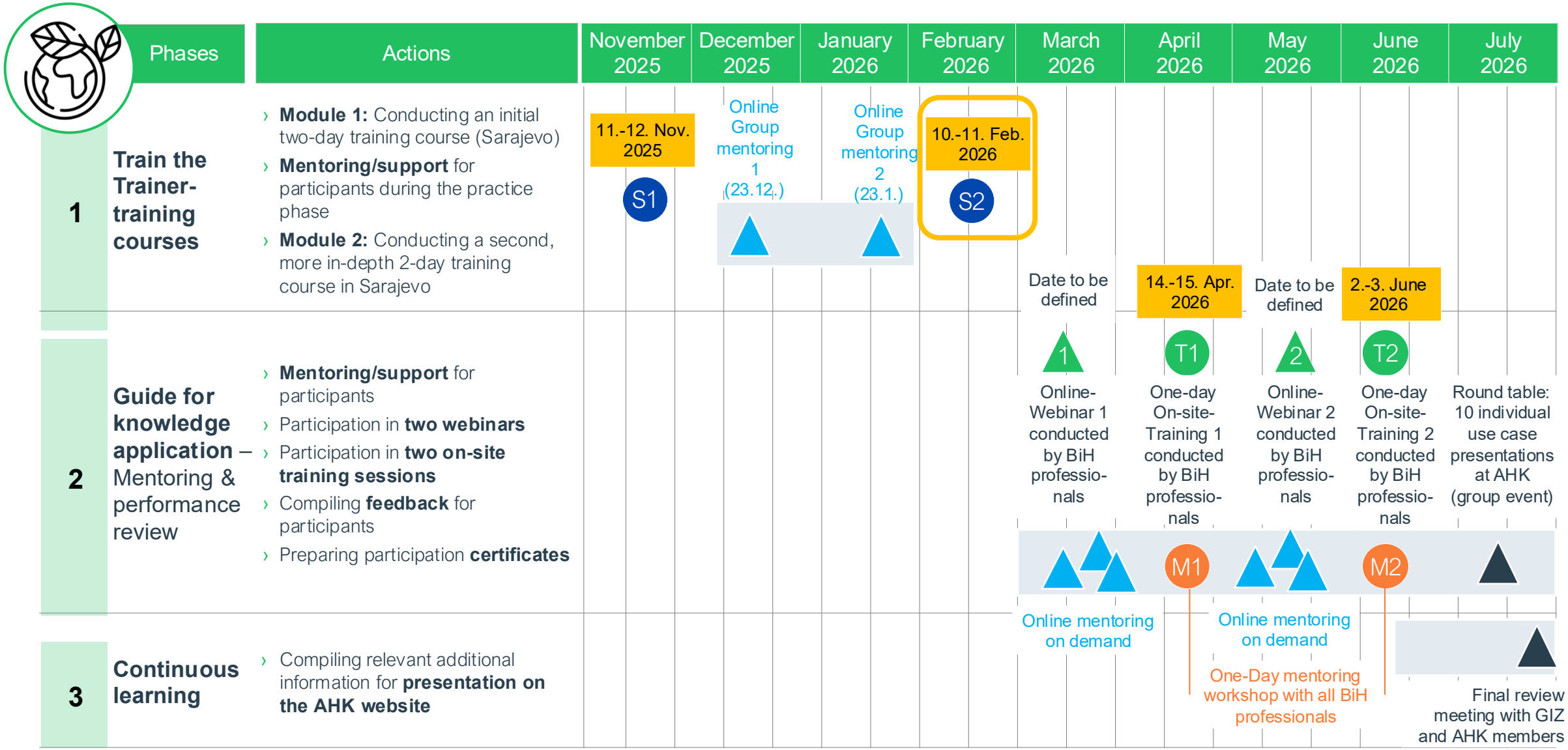

Source: IPG