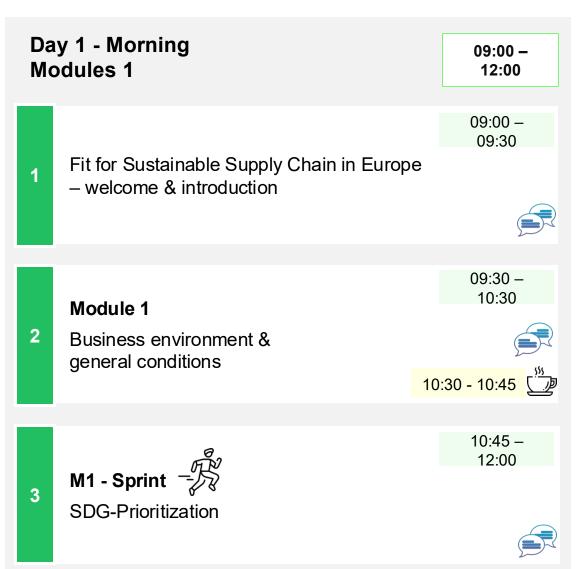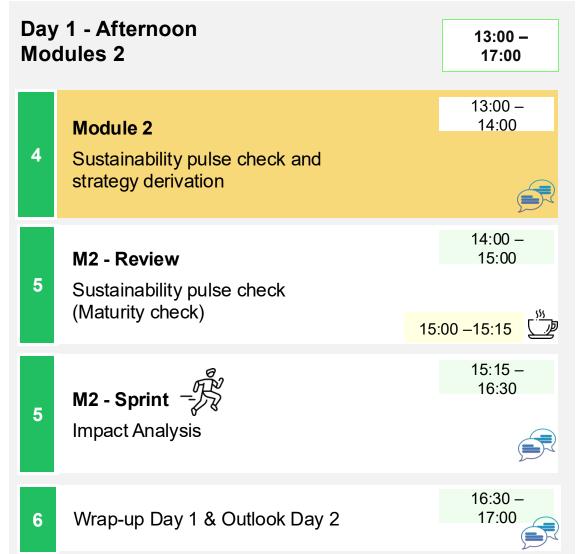# Fit for Sustainable Supply Chain in Europe

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

GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

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

Day 1 - Morning
Modules 1
09:00 – 12:00

1	Fit for Sustainable Supply Chain in Europe – welcome & introduction	09:00 – 09:30
2	**Module 1** Business environment & general conditions	09:30 – 10:30

10:30 - 10:45 ☕

3	**M1 - Sprint** 🏃 SDG-Prioritization	10:45 – 12:00

Day 1 - Afternoon
Modules 2
13:00 – 17:00

4	**Module 2** Sustainability pulse check and strategy derivation	13:00 – 14:00
5	**M2 - Review** Sustainability pulse check (Maturity check)	14:00 – 15:00

15:00 –15:15 ☕

5	**M2 - Sprint** 🏃 Impact Analysis	15:15 – 16:30
6	Wrap-up Day 1 & Outlook Day 2	16:30 – 17:00

CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

IPG INNOVATE · PERFORM · GROW

💬 Questions & comments   ☕ Coffee break   🕐 All times given are indicative and may vary.
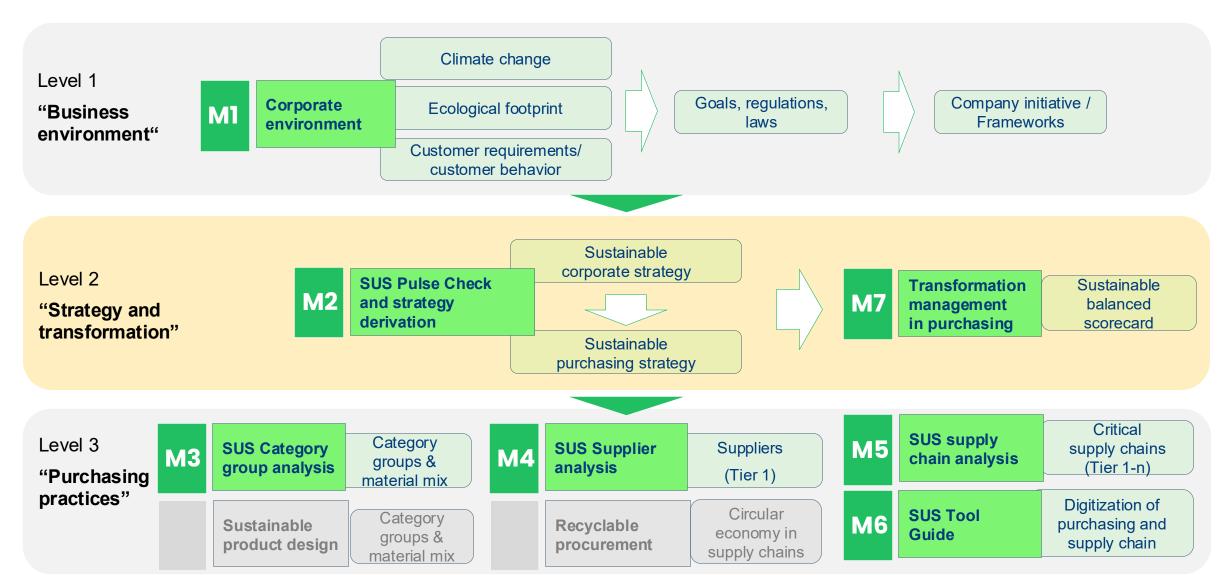
IPG Masterclass

Sustainable Procurement

M2 – SUS Pulse Check and Strategy Derivation
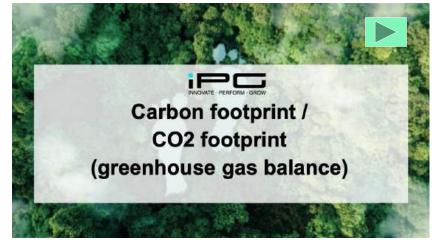
IPG PARTNERS GROUP

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

Level 1 "Business environment"

M1 **Corporate environment**
- Climate change
- Ecological footprint
- Customer requirements/ customer behavior

→ Goals, regulations, laws

→ Company initiative / Frameworks

Level 2 "Strategy and transformation"

M2 **SUS Pulse Check and strategy derivation**
- Sustainable corporate strategy
- Sustainable purchasing strategy

M7 **Transformation management in purchasing** — Sustainable balanced scorecard

Level 3 "Purchasing practices"

M3 **SUS Category group analysis** — Category groups & material mix
Sustainable product design — Category groups & material mix

M4 **SUS Supplier analysis** — Suppliers (Tier 1)
Recyclable procurement — Circular economy in supply chains

M5 **SUS supply chain analysis** — Critical supply chains (Tier 1-n)
M6 **SUS Tool Guide** — Digitization of purchasing and supply chain

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What sets sustainability leaders apart

What sustainability goals do companies pursue?
= Sustainability focus areas

Carbon footprint /
CO2 footprint
(greenhouse gas balance)

The special role of procurement in implementing sustainability strategies

Pulse check participants | Degree of implementation of sustainable procurement – overview

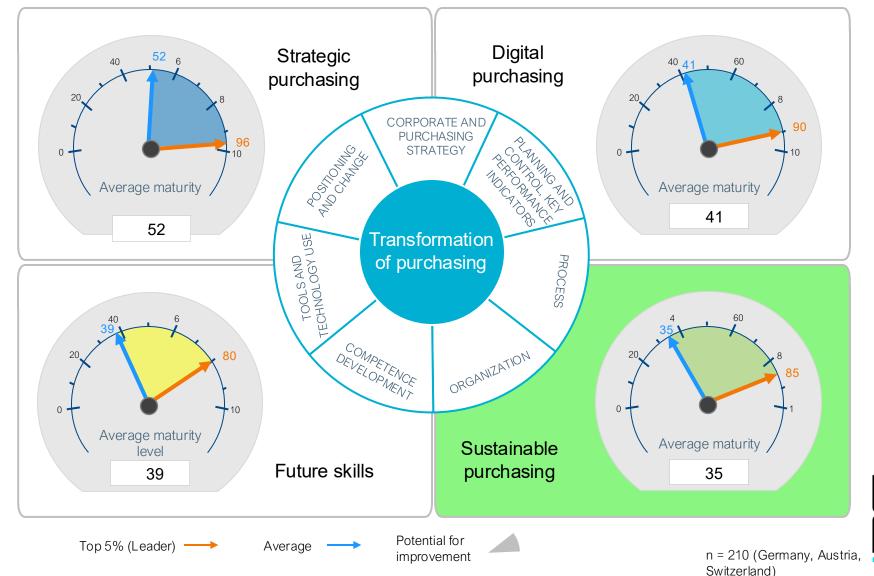# Future check | The average level of maturity is highest in strategic purchasing and lowest in sustainable purchasing

Many purchasing organizations still have **considerable room for improvement,** particularly in the areas of

› digitalization,

› sustainability, and

› future skills

A successful transformation requires that **change** be driven forward **simultaneously in all four areas**

› **Strategic purchasing** forms **an essential foundation** for the other three areas

Strategic purchasing
Average maturity — 52 / 96

Digital purchasing
Average maturity — 41 / 90

Future skills
Average maturity level — 39 / 80

Sustainable purchasing
Average maturity — 35 / 85

Transformation of purchasing
- CORPORATE AND PURCHASING STRATEGY
- PLANNING AND CONTROL, KEY PERFORMANCE INDICATORS
- PROCESS
- ORGANIZATION
- COMPETENCE DEVELOPMENT
- TOOLS AND TECHNOLOGY USE
- POSITIONING AND CHANGE

Top 5% (Leader) →   Average →   Potential for improvement ◢

n = 210 (Germany, Austria, Switzerland)

Source: procure.ch, Talent-Net (Nov. 2024)

PPE ≈ Procurement Performance Excellence

"TWIN-PRO" Future Check | Questions (excerpts)

Future Check Part 1	Strategic Purchasing	Applicable Not applicable	Applies slightly Not applicable	Applies mostly Applies	Completely to
1	We have a clear understanding within the management team of the **value** that purchasing should deliver in order to achieve sustainable competitive advantages for our company in the future.				
2	The "**future** procurement areas" for technologies, products, and services that we intend 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 established through company-wide... of future... innovation...				

Future check Part 2	Digital purchasing	Applicable Not applicable	Applies to a small extent Not applicable	Applies mostly Applies	Completely true Applies
1	**Company digitalization strategy:** Our company has an overarching digitalization strategy for the challenges ahead.				
2	**Integration 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	**Digitization strategy for purchasing and supply chain:** We have developed a digitization strategy for our purchasing and supply chain.				
5	**Employee involvement:** Our employees are aware of the central role of digitalization for the success of the company and are... to act... re forwa... digitali... our...				

"TWIN-PRO" Future Check | Questions (excerpts)

Future check part 3 | **Sustainable purchasing**	Applicable / Not applicable	Applies to a small extent / Not applicable	Mostly applies / Applies	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 for the success of the company and are motivated to constantly improve sustainable pur...				

Future check part 4 | **Future skills in purchasing**	Applies / Not applicable	Applies to a small extent / Not applicable	Applies mostly to	Perfectly accurate 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 that 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 vision and tasks**.				
5	**Future skills and organization:** We have a clear vision of how purchasing and supply chain should look in the future in terms of ...ility, business ...				

Sustainable procurement | IPG supports the sustainable transformation of many purchasing organizations through targeted training programs

Selected references

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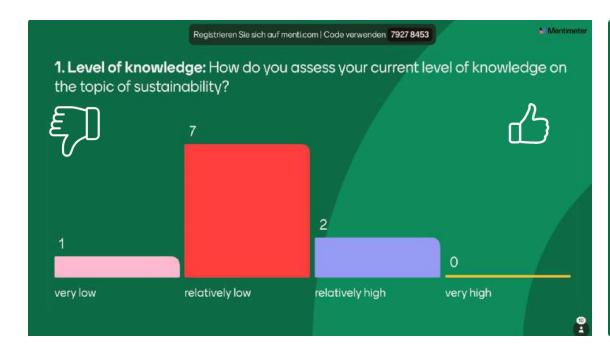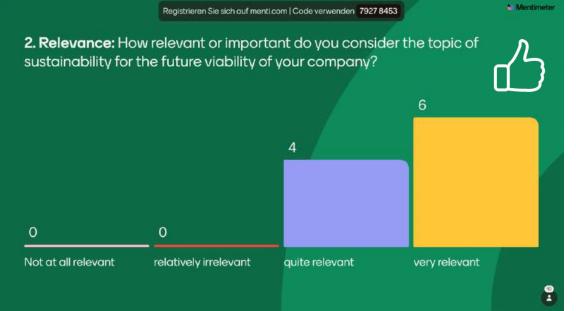
Know-how gap | There is a discrepancy between individual knowledge levels and strategic relevance
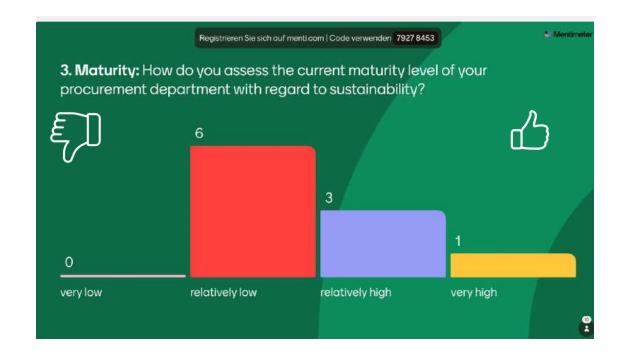
Nov. 2025

SUS maturity level and risk of disruption in harmony | The maturity level of purchasing is generally considered relatively low - medium, and the risk of disruption is perceived relatively high

Nov. 2025

Comment:

Much better then average across multiple pulse checks

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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

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n = 10
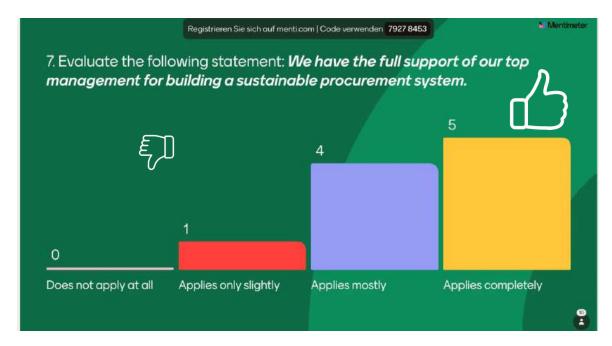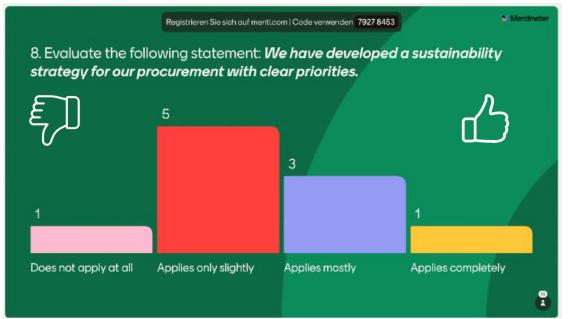
Tone at the top | Top management is actively supporting SUS purchasing – 60% have not yet developed an SUS strategy for procurement

Nov. 2025

Comment:
Much better then average across multiple pulse checks

Comment:
Much better then average across multiple pulse checks

CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

n = 10

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

Training and AI | Targeted training on sustainable purchasing has already been implemented by 60% – the potential of digital tools has not yet been exploited.

Nov. 2025
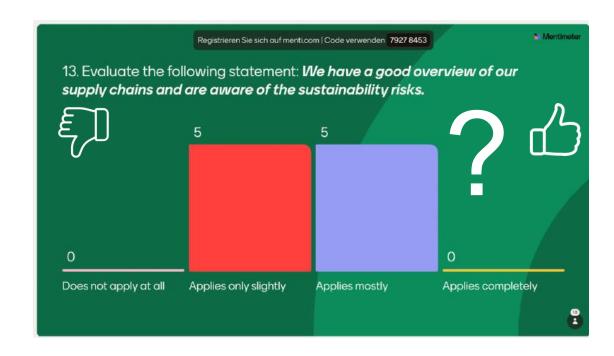
Comment:

Much better then average across multiple pulse checks

n = 10

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
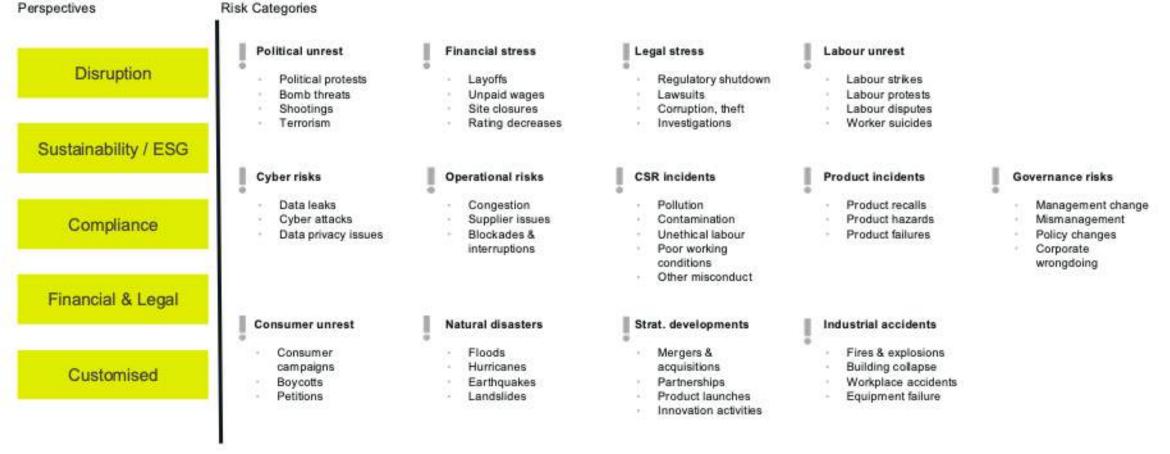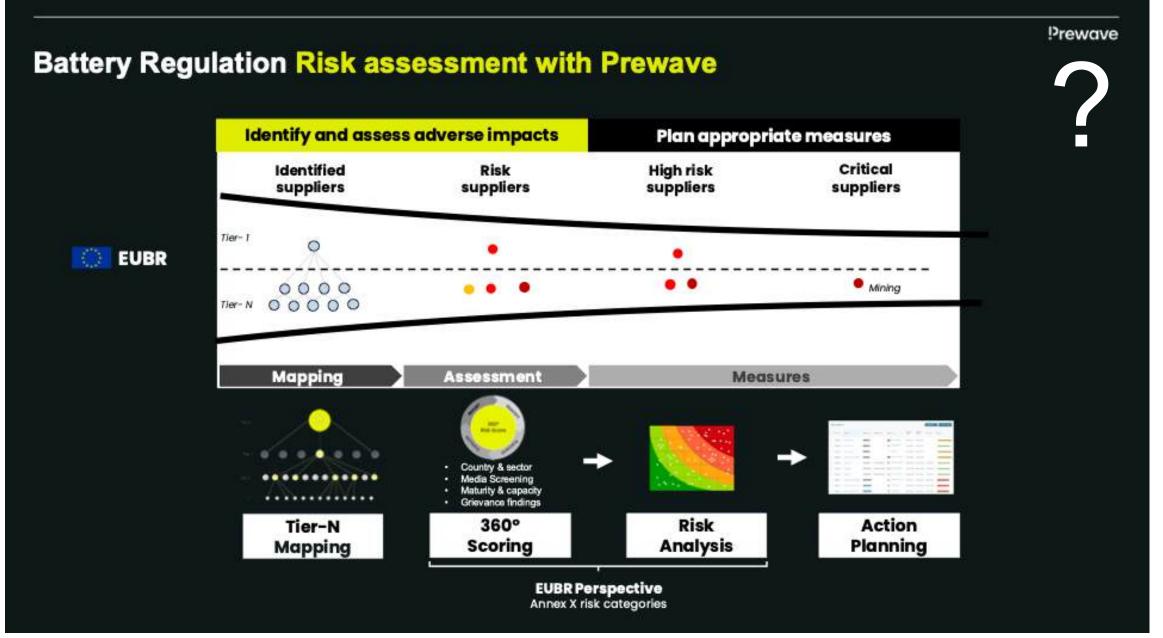
Prewave | Prewae covers risk across 150+ categories – Targeting specific risks enhances efficiency in risk management

!Prewave

?

Perspectives

- Disruption
- Sustainability / ESG
- Compliance
- Financial & Legal
- Customised

Risk Categories

Political unrest
- Political protests
- Bomb threats
- Shootings
- Terrorism

Financial stress
- Layoffs
- Unpaid wages
- Site closures
- Rating decreases

Legal stress
- Regulatory shutdown
- Lawsuits
- Corruption, theft
- Investigations

Labour unrest
- Labour strikes
- Labour protests
- Labour disputes
- Worker suicides

Cyber risks
- Data leaks
- Cyber attacks
- Data privacy issues

Operational risks
- Congestion
- Supplier issues
- Blockades & interruptions

CSR incidents
- Pollution
- Contamination
- Unethical labour
- Poor working conditions
- Other misconduct

Product incidents
- Product recalls
- Product hazards
- Product failures

Governance risks
- Management change
- Mismanagement
- Policy changes
- Corporate wrongdoing

Consumer unrest
- Consumer campaigns
- Boycotts
- Petitions

Natural disasters
- Floods
- Hurricanes
- Earthquakes
- Landslides

Strat. developments
- Mergers & acquisitions
- Partnerships
- Product launches
- Innovation activities

Industrial accidents
- Fires & explosions
- Building collapse
- Workplace accidents
- Equipment failure

Quelle: Prewave

Implementation gaps | Missing data and systems, unclear legal frameworks, lack of resources & skills, price competitivenes and mindset are perceived as major challenges

Nov. 2025

15. From your perspective, what are the biggest challenges in implementing your sustainability strategy for your purchasing?

staff education

prices   impact on quality   supplier are not invest

strategy   consistency   commitment   legal framework

time   cost   availability of goods   it tools

legislation   biggest challenge is that   mindset

training opportunities   infrastructure   in sustainability

price competitivness   transparency

we lack internal resource

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Obstacles and challenges in implementing a sustainable procurement program

Sustainable procurement practices are being adopted on a large scale by companies of different sizes and geographical locations. However, the effective implementation of sustainable procurement programs is not without challenges.

The biggest obstacles to implementation

- Lack of internal **resources**

- Inability to effectively and efficiently **track suppliers' sustainability performance**

- Concerns about **costs**

- **Resistance from suppliers**

- Many management teams recognize the growing importance of sustainability in the supply chain

  - **Only 15% of respondents** cited **lack of support from management and the board as** one of their two biggest challenges

  - For 41% of respondents, this was not a challenge

What are the biggest obstacles and challenges preventing your company from committing to or expanding its sustainable supply chain and procurement?

● Ranking: 1-2 (bigger challenge)   ● Ranking: 3-5 (smaller challenge)   ● Not a challenge

Challenges	Ranking: 1-2	Ranking: 3-5	Not a challenge
Inability to effectively and efficiently track	38%	52%	10%
Lack of internal resources	34%	47%	19%
Concerns around cost	33%	54%	13%
Resistance from suppliers	31%	57%	12%
Lack of executive and board support	15%	44%	41%

Source: https://resources.ecovadis.com/whitepapers/2021-sustainable-procurement-barometer

Ambition and reality | Despite high ambitions, only a few companies are making significant progress in sustainability

Ambition

Reality

82%
of companies are striving to improve their level of sustainability.

53
of companies consider sustainability when prioritizing digital transformation initiatives.

12
of companies have created the necessary conditions for sustainability. [1]

4
of companies are implementing ambitious sustainability applications enabled by digital and artificial intelligence across the entire value chain.

Pitfalls | Implementing the sustainability strategy is the biggest challenge
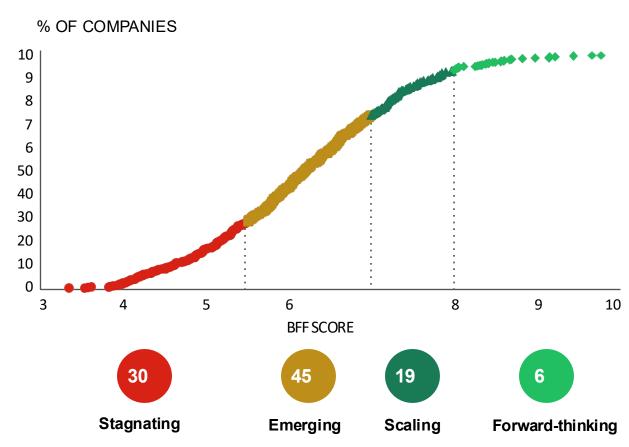
A common challenge is that companies find it difficult to **integrate sustainability into their strategy and business model**.

1 The **sustainability strategy** is separate from the core business

2 **Decision-making processes** are slow and make it difficult to respond quickly

3 **Sustainability incentives** are limited and lack the depth and breadth necessary to bring about meaningful change

4 **Sustainability competencies** are not embedded in business units or functions

5 **Leadership, culture, and change management** are not sufficiently addressed

6 Those responsible for sustainability lack **sufficient influence** on business activities

CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

What sets sustainability leaders apart

What sets leaders apart | A select group of companies has discovered what it takes to become future-proof...

% OF COMPANIES

BFF SCORE

30	45	19	6
Stagnating	**Emerging**	**Scaling**	**Forward-thinking**

Source: BCG's Build for the Future Survey 2022 (n = 724); BCG analysis. **Note:** BFF = Build for the Future.
EBIT = earnings before interest and taxes.
[1]All metrics are future-built vs. stagnating.
[2]FY2019-FY2022 CAGR (Source: CapIQ).
[3]Based on % of companies with ratings of 4+ out of 5.
[4]Improvement in ESG score over 3-year period FY2019-FY2022 (Source: CapIQ).

Source: BCG

... and achieve financial and non-financial benefits

3.4[1] **Revenue**
3-year revenue growth[2]

3.1 **Profit**
3-year revenue growth [2]

1.9 **Benefits for people** High Glassdoor ratings are more likely[3]

3.4x **Climate protection and sustainability**
Improved sustainability values[4]

2.7x **Generative AI**
Generative AI use cases are systematically transferred to the entire company and its processes

What sets sustainability leaders apart | Sustainability leaders develop clear sustainability advantages through digitalization and innovative strength
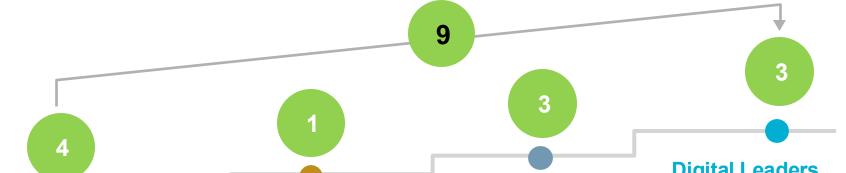
Characteristics of sustainability leaders in purchasing

› **Priority**: Since achieving sustainability goals is very important to these companies, they are also **willing** to **invest more in sustainable procurement** and improving supply chain transparency**.**

› **Holistic:** Leaders view sustainability commitments **holistically**, i.e., as **an integral part** of their supply chain management

› **Tools:** They are able to use a **wider range of tools** for sustainable procurement

Companies lagging behind in digitalization and innovation

Advanced companies in digitalization and innovation

The proportion of companies considered leaders in sustainability is nine times higher among "digital leaders" than among "digital stagnants."

9

4

1

3

3

Digital stagnants No goal defined yet and digital transformation not properly implemented – limited value created

Emerging

Successful programmatic transformation, but challenges in effectively scaling across the entire organization

Scaling

Several waves of successful digital transformation – transition to innovation-driven growth

Digital Leaders

Continuous innovation at the forefront of change through systematic development of the necessary skills on a large scale
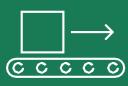
% Share of sustainability leaders: Share of companies that can be considered leaders in sustainability

What sets sustainability leaders apart | They create a sustainability advantage by focusing on two key areas

1. Making the core sustainable

Sustainable operations (Scope 1 and 2) and organization: Integrate sustainability holistically into their operations by identifying emissions, considering the added value for employees, implementing solutions, and measuring the financial impact

Sustainable procurement and supply chain (Scope 3): Taking the entire value chain into account through greater transparency, setting benchmarks, and achieving targets

2. New impetus for sustainable growth

Customer-focused sustainability: Unlock new growth by identifying *unmet needs* and developing **new products and services** – while also rethinking the customer experience

Green technologies and innovation: Pursuing growth opportunities for *green businesses*, including building, scaling, and investing in technologies
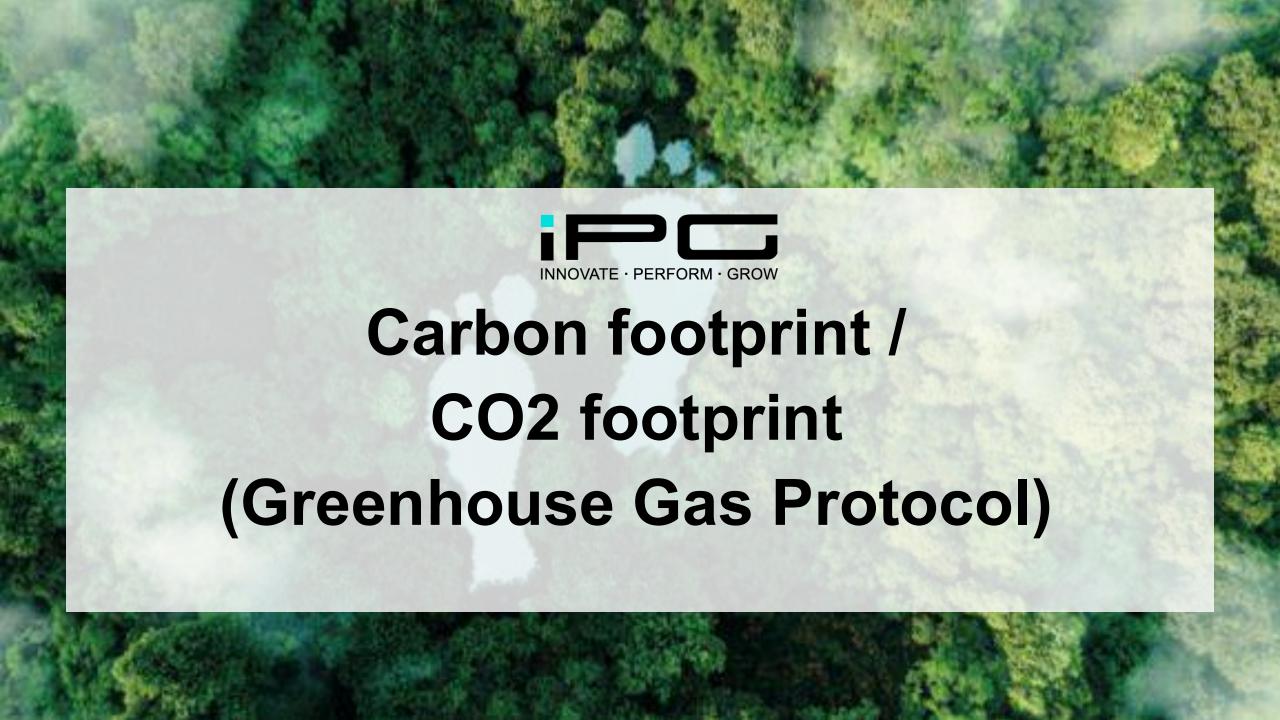
Companies can make a major contribution to implementing the SDGs because they have influence over many issues and developments (1/2)

| Focus on sustainability		Explanatory notes
1	**Greenhouse gases / Use of Fossil energy sources**	<u>Greenhouse gases</u> are gases that contribute to the greenhouse effect and can be of both natural and anthropogenic (i.e., human-caused) origin / Emissions related to transportation and livestock farming
2	**Resource efficiency & Circular economy**	In contrast to the linear "take-make-dispose" model, the circular economy is an economic model that decouples growth from the consumption of finite resources. The aim is to keep products, components, and resources in cycles and to preserve their value for as long as possible. Specifically, the aim is to: • <u>Narrowing</u> - On the one hand, the proportion of primary raw materials is reduced through the use of recycled and renewable materials, and on the other hand, the total amount of material in the cycle is reduced through less use. • <u>Slow</u> down - The service life of products and components is extended through maintenance, repair, refurbishment, updates, and upgrades. This preserves value for longer and reduces the need for new materials. • <u>Intensify</u> - More output is obtained from the same quantities of materials through more intensive use of products. • <u>Close</u> – Materials should be reused for a new purpose at the end of their useful life. • <u>Dematerialize</u> – Physical products are replaced by non-physical (primarily digital) products or services.
3	**Hazardous substances**	<u>Hazardous substances</u> are substances and preparations/mixtures (solid, liquid, or gaseous) that have one or more hazardous properties and can therefore endanger the life or health of humans and animals, pollute the environment, or damage property.
4	**Water consumption & Water scarcity**	<u>Water consumption</u> is colloquially defined as the amount of water used for human consumption. This includes water used for direct human consumption as well as water used for everyday life, agriculture, trade, and industry. <u>Water scarcity</u> occurs when there are insufficient water resources to meet existing water demand.

Source: IPG Research

Companies can make a major contribution to implementing the SDGs because they have influence over many issues and developments (2/2)
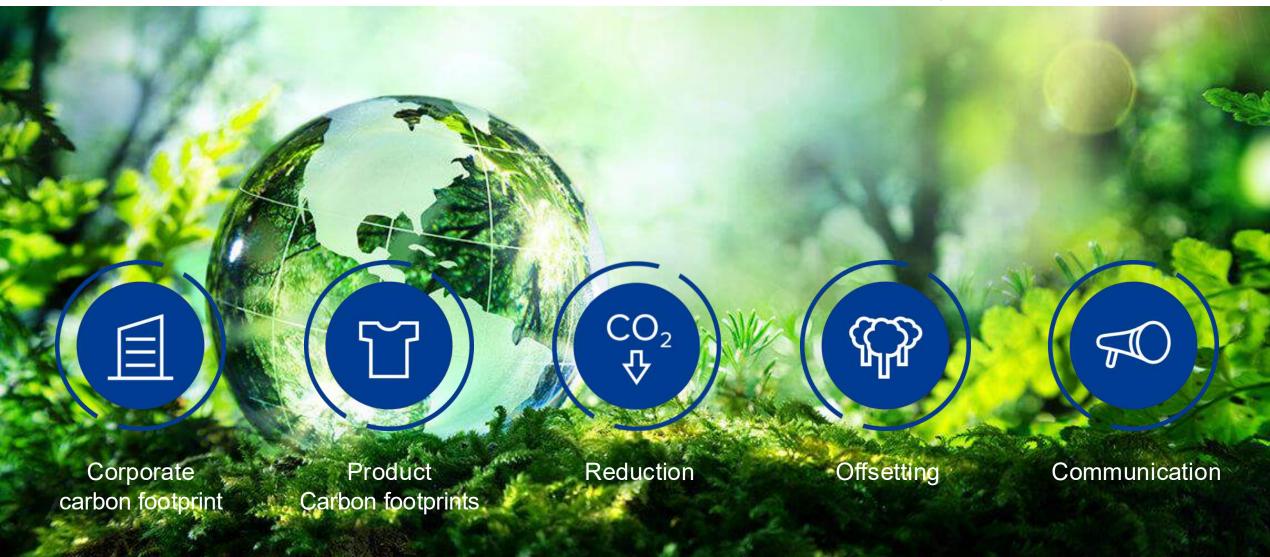
Focus on sustainability		Explanatory notes
5	**Packaging material**	Packaging generally refers to the covering or (partial or complete) wrapping of an object, in particular for its protection or for better handling.
6	**Land use/ Preservation of biodiversity**	The term "biodiversity" refers to the total diversity of life. The diversity of ecosystems (habitats such as water, forests, alpine areas). The diversity of species (animals, plants, fungi, microorganisms). The diversity of genes (within a species and within the entire ecosystem). Land use (also land use planning) refers to the way in which soil and land (parts of the solid earth's surface) are used by humans.
7	**Energy consumption & Energy efficiency**	Energy consumption colloquially refers to the demand for energy for various applications. Energy is necessary to perform work. Depending on the application, a distinction is made between mechanical work, lighting, and heating and cooling processes, which are characterized by time-related measurements and parameters. Energy efficiency is the ratio of the output of services, goods, or energy to the energy input. Energy efficiency is therefore understood as the rational use of energy.
8	**Emissions (excluding GHG*)**	Emission of particles, substances, (sound) waves, or radiation into the environment.
9	**Social sustainability / compliance with labor standards and fair business practices**	Social sustainability describes the conscious organization of social and cultural systems. Social sustainability should enable a stable society in which all members can participate and which guarantees human dignity, labor rights, and human rights across generations. Combating child labor, forced labor and slavery as well as discrimination

Source: IPG Research

* GHG = greenhouse gas emissions

**Carbon footprint /
CO2 footprint
(Greenhouse Gas Protocol)**

Holistic climate protection strategies comprise five steps

Corporate
carbon footprint

Product
Carbon footprints

Reduction

Offsetting

Communication

Carbon Footprint – Corporate Carbon Footprint (CCF) and Product Carbon Footprint (PCF)

Two approaches to establishing a greenhouse gas balance:
1. **Corporate Carbon Footprint (CCF) as a company-based approach**
2. **Product Carbon Footprint (PCF) as a product-related approach.**

> **Sustainable procurement must master both approaches!**

Corporate Carbon Footprint (CCF)

› **A corporate carbon footprint accounts for a company's own greenhouse gas emissions and all relevant emissions caused along the value chain in which the company operates.**

› If the CCF calculation is followed by a detailed analysis of the greenhouse gas balance sheet, **emission drivers** can **be identified** and **targeted reductions** in energy and resource consumption can be implemented. This leads to **cost savings that** often exceed **the expenditure for the reduction measures**.

› **As a practical control tool,** a **CCF** thus provides an overview of the company's greenhouse gas inventory and serves to improve operational energy and resource management.

Product Carbon Footprint (PCF)

› **A Product Carbon Footprint balances all greenhouse gas emissions – relative to a defined unit of use – that arise during the life cycle of a product.**

› **All process stages** are taken into account, from the development, manufacture, and transport of raw materials or preliminary products, through production and distribution, to use, reuse, and disposal. **Services** can **also** be understood as products in this sense.

› Depending on the system boundaries selected, only part of the product life cycle can be mapped:

  › In **the B2B sector,** the emissions generated during production, including the upstream processes (**cradle-to-gate**), are often recorded.

  › For **B2C relationships,** the emission data up to the **point of sale,** including the upstream chains and production, is usually summarized.

Source: co2ncept plus

A consistent perspective that covers the entire life cycle is considered a key success factor.

PCF * Focus

| Raw materials | Logistics | Production | Logistics | Utilization | Disposal |

- Production materials
- Packaging materials

- Inbound logistics

- Electricity
- Process heat
- Administration

- Intralogistics
- Outbound logistics

- Recycling
- Recycling
- Incineration

Cradle-to-gate (C2G)

"From cradle to factory gate":
A cradle-to-gate analysis takes into account the environmental impact of the production of the building material. This begins with the extraction of raw materials and **ends with the delivery of the finished products to** the manufacturer's factory **gate.**

VS.
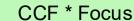
Cradle-to-cradle (C2C)
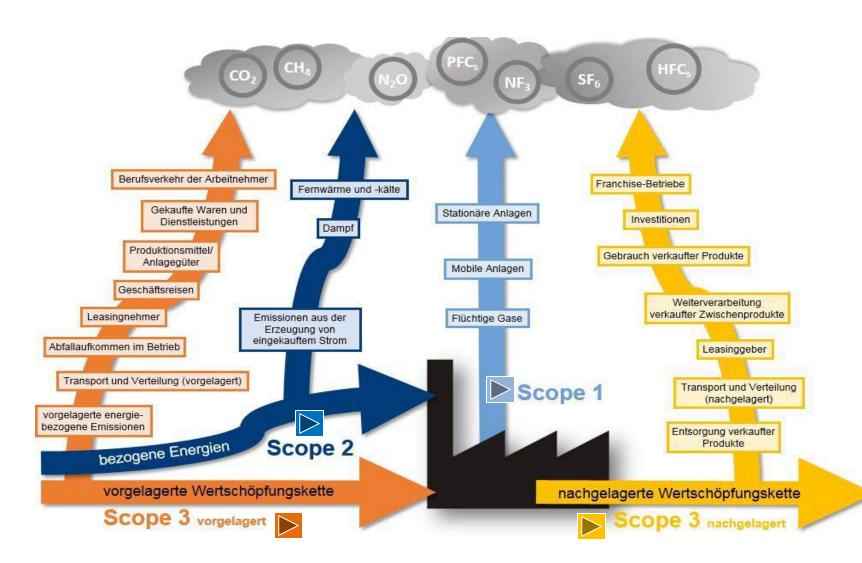
"From cradle to cradle": an **approach to a consistent and comprehensive circular economy**

* Product Carbon Footprint (PCF)

Operational system boundaries: According to the GHG Protocol, CO2 emissions are divided into "scopes."

CCF * Focus
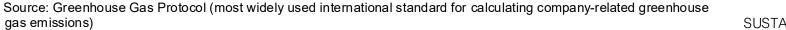
Internationally recognized standards specify how greenhouse gas emissions must be calculated, whether for an entire country, a company, or a reduction project.

The greenhouse gas balance is calculated in accordance with these guidelines.

The calculation divides emissions into three scopes:

1. Direct emissions (**scope 1**)

2. Indirect emissions from the provision of electricity and other purchased energy, e.g., district heating (**Scope 2**)

3. Indirect emissions in upstream and downstream activities (**scope 3**)

Source: Greenhouse Gas Protocol (most widely used international standard for calculating company-related greenhouse gas emissions)

Emissions categories Scope 1 – Categories (1/1)

Scope 1

Scope 1 Category	Description/examples and the necessary data and data collection
1.1 Direct emissions from combustion processes in stationary installations	Combustion processes in stationary installations • Use of heating oil in heating systems • Natural gas for CHP plants **Data:** Quantities of primary energy sources used, delivery notes and invoices, measurements of consumption from meter readings
1.2 Direct emissions from combustion processes in mobile installations	Combustion processes in mobile plants (transport and commercial vehicles) • Diesel consumption of trucks • Liquefied petroleum gas consumption of forklifts • Gasoline consumption of company cars **Data:** Amount of fuel or distances traveled, invoices, delivery notes, fuel receipts, fuel cards, or mileage (km)
1.3 Direct emissions of volatile gases	Direct emissions of climate-relevant gases • Leaky pipes • Leaks in air conditioning systems • Leaks from natural gas pipes **Data:** Determination of leakage based on invoices indicating the amount of refrigerant refilled
1.4 Direct emissions from processes	Direct emissions from processes • These are installations covered by the EU Emissions Trading System. **Data:** Determination of emissions based on production data/product consumption volumes or meter readings

Source: Greenhouse Gas Protocol (most widely used international standard for calculating company-related greenhouse gas emissions

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Emissions categories Scope 2 – categories (1/1)

Scope 2

Scope 2 Category	Description/example, as well as necessary data and data collection
2.1 Indirect emissions from purchased electricity	Emissions generated during the production of the electricity purchased by the company from the supplier. Excludes emissions from the exploration and transport of primary energy (e.g., extraction and transport of hard coal). **Data:** Amount of purchased electricity, invoices from the energy supplier, meter readings
2.2 Indirect emissions from district heating/cooling	Emissions generated by the district heating/cooling purchased by the company during production at the supplier. As in 2.1, excluding emissions from the exploration and transport of primary energy. **Data:** Amount of district heating/cooling purchased, invoices, meter readings
2.3 Indirect emissions from purchased steam	Emissions from the generation of steam purchased from a supplier. **Data:** Amount of purchased steam, invoices, meter readings

Source: Greenhouse Gas Protocol (most widely used international standard for calculating company-related greenhouse gas emissions

1/1

Emissions categories Scope 3 categories (1/4)

Scope 3

Scope 3 Category	Description/example, as well as necessary data and data collection
Upstream value chain	
3.1 Purchased goods and services	All emissions are included, from the extraction of raw materials to further processing and manufacturing, as well as transport to your company (from cradle to factory gate). Make sure that no goods are listed under 3.1 that belong in one of the other categories. • Raw materials • Auxiliary materials • Office consumables (printed materials, paper, etc.) **Data:** Quantity of goods and services purchased, invoices for raw materials and additives purchased for the manufacture/processing of products, and packaging materials
3.2 Means of production/capital goods	Emissions generated during the manufacture of capital goods. These goods include, for example • machinery • Truck fleet **Data:** Unit numbers for capital goods should be available at the time of purchase (tip: ask the manufacturers for the PCF of the capital goods).
3.3 Fuel and energy-related emissions	Emissions from upstream processes, distribution, and losses in the provision of electricity, heat, or primary energy. • Extraction and transport of natural gas used in the company • Losses in transmission and distribution networks **Data:** Fuel and energy consumption data for Scope 1 categories (1.1 & 1.2) and Scope 2 categories (2.1, 2.2, 2.3) are required here.

Source: Greenhouse Gas Protocol (most widely used international standard for calculating company-related greenhouse gas emissions

1/2

Emissions categories Scope 3 – categories (2/4)

Scope 3

Scope 3 Category		Description/example, as well as necessary data and data collection
Upstream value chain		
3.4	Upstream transport and distribution	Emissions from the transport of purchased goods from suppliers. Transport carried out by an external logistics company to deliver goods to the reporting company. Transport carried out by external parties but paid for by the reporting company. • Ship transport from overseas suppliers • Truck transport for the delivery of auxiliary materials to your company **Data:** Determination of data on purchased goods (weight) and distances traveled (km) for purchased products
3.5	Waste generation in the company	Emissions from the treatment and disposal of waste generated directly by your company, as well as the associated waste treatment. • Production waste • Operational waste • Landfilling, recycling, incineration **Data:** Waste data collected (activity data is the tonnage of waste by type of disposal)
3.6	Business travel	Business trips by employees in means of transport that do not belong to the company. • Taxi rides • Flights with airlines • Trips using public transport **Data:** Employee travel expense reports, trips booked by the HR department
3.7	Employees' commuting	Employees commuting to work in vehicles that do not belong to the company. **Data:** Employee survey (required: person-kilometers traveled, means of transport, working days in the reporting year) Anonymous evaluation by the HR department
3.8	Leased items in the upstream value chain	Operation of leased buildings, machinery, or vehicles. Energy consumption (direct and indirect) of these leased assets. **Data:** Energy consumption, leasing contracts, leasing providers, invoices

Source: Greenhouse Gas Protocol (most widely used international standard for calculating company-related greenhouse gas emissions

2/2

Emissions categories Scope 3 – categories (3/4)

Scope 3

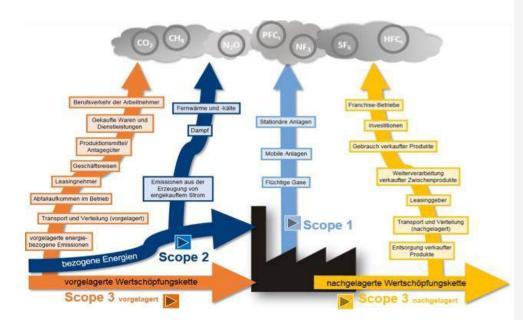| Scope 3 Category	Description/example, as well as necessary data and data collection
Downstream value chain	
3.9 **Downstream transport and distribution**	Emissions arising from the transport of sold products (from the reporting company to the customer). Transport is carried out by external logistics companies and is not paid for by the reporting company. **Data:** Assumptions about tonnage and distance per means of transport used for downstream deliveries
3.10 **Further processing of sold intermediate products**	Emissions generated by the further processing of intermediate products sold by the reporting company. Emissions at another company during the further processing of the products. **Data:** Inquiry to the processing customer, data from test benches
3.11 **Use of sold products**	Emissions generated during the use phase of the goods sold to the end customer. • Energy supply for electrical appliances, for example • Emissions from the operation of vehicles, for example **Data**: • Quantity of products sold in the reporting year • Energy consumption of the product (e.g., per year or use) • Assumptions about user behavior (frequency of use per year) • Lifespan of the product in years

Source: Greenhouse Gas Protocol (most widely used international standard for calculating company-related greenhouse gas emissions

1/2

Emissions categories Scope 3 – categories (4/4)

Scope 3 Category	Description/example, as well as necessary data and data acquisition
Downstream value chain	
3.12 Disposal of sold products	Emissions generated during the disposal of sold products. For example, emissions from: • Landfilling • Recycling • Incineration **Data:** Assumptions about end consumers' disposal behavior, required: • Quantities of products sold and their packaging (number of items, liters, weight) • Assumptions about the disposal/recycling of products (e.g., percentage distribution by type of production)
3.13 Leased assets in the downstream value chain	Emissions generated by items that belong to the reporting company but are leased by other companies. The reporting company acts as the lessor. For example, emissions from • Leased vehicles • Buildings • Plants **Data:** lessee, invoices
3.14 Franchise operations	Emissions from the operation of franchise business activities in which the reporting company acts as the franchisor. **Data:** Energy consumption of franchise operators
3.15 Investments	Emissions from business activities related to investments. Emissions from energy consumption of investments • Investments in other companies • Corporate loans granted by the reporting company **Data:** Requests for energy consumption data from your business partners Your investments

Source: Greenhouse Gas Protocol (most widely used international standard for calculating company-related greenhouse gas emissions

2/2

Corporate Carbon Footprint (CCF) – Example

Example: Corporate Carbon Footprint (CCF) of a medium-sized manufacturing company (e.g., furniture manufacturer)

Scope 1: Direct emissions (company-owned sources)
These emissions arise directly from the company's own facilities and vehicles.

- Fossil fuels for machinery & equipment (e.g., natural gas for heating, diesel for generators)
- Company vehicles & fleet (combustion engines, e.g., delivery trucks)
- Process emissions (emissions from chemical processes in production)
- **Total Scope 1 emissions: 1,500 t CO_2e (20%)**

Scope 2: Indirect emissions from purchased energy
These are emissions from the company's electricity and heat consumption.

- Electricity for production facilities & offices
- District heating & cooled water for air conditioning
- Lighting & IT infrastructure
- **Total Scope 2 emissions: 1,000 t CO_2e (13%)**

Scope 3: Indirect emissions along the value chain
These emissions arise outside the company but are caused by its business activities.

- Supply chain & transport of raw materials (e.g., wood, metal, fabrics for furniture)
- Employee commuting (e.g., travel by car, train)
- Business travel (flights, hotels, rental cars)
- Packaging materials & disposal
- Use of the products sold (energy consumption by the end customer, maintenance)
- End-of-life (recycling or disposal of furniture)
- **Total Scope 3 emissions: 5,000 t CO_2e (67%)**

Total corporate carbon footprint CCF = 7,500 t CO_2e per year

Product Carbon Footprint (PCF) – Examples

PCF of a 1-liter glass bottle of orange juice

Total product carbon footprint:
PCF = 3.2 kg CO_2e per 1-liter bottle of orange juice

1. Raw material extraction & agriculture
- Orange cultivation (fertilizers, irrigation, pesticides, land use)
- CO_2 emissions from machinery, tractors, irrigation systems
  → **Emissions: 0.5 kg CO_2e**

2. Production & processing
- Transport of oranges to the factory
- Processing: washing, pressing, pasteurization, bottling
- Energy consumption at the production facility
  → **Emissions: 0.7 kg CO_2e**

3. Packaging
- Manufacture of glass bottles
- Labels, caps
- Transport of packaging materials to the filling plant
  → **Emissions: 0.9 kg CO_2e**

4. Transport & distribution
- Transport from the producer to the retailer
- Cooling during transport
- Storage in the supermarket
  → **Emissions: 0.6 kg CO_2e**

5. Use & consumption
- Cooling the orange juice at home
- Rinsing and recycling the glass bottle
  → **Emissions: 0.3 kg CO_2e**

6. End-of-life (disposal & recycling)
- Glass bottle is recycled (energy required for melting down and reuse)
- Disposal of labels and caps
  → **Emissions: 0.2 kg CO_2e**

Reducing CO2 emissions before production –
BMW wants to make its supply chain in China more climate-friendly

June 2021

Not driving is not the biggest climate sinner. Most CO2 emissions are generated beforehand during production – especially in battery-powered cars. This is where BMW is focusing its efforts in China, the largest car market.

"We have to look at the entire value chain," said Jochen Goller, head of BMW China, on the sidelines of the conference, according to the German Press Agency.
The "majority of emissions" come from the supply chain prior to production.
"Many people believe that cars are the biggest source of emissions.
But when you look at the entire cycle, the **supply chain** leaves **the largest carbon footprint."**

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The procurement function as a multiplier for sustainability along the value chain

CCF * Focus

Depending on the industry, sustainability impacts vary along the value chain. **Hot spot analyses** reveal these impacts and can serve as a decision-making tool for purchasing.

Distribution of environmental impacts along the value chain (example: vehicle manufacturing)					
Stages of the value chain	**Raw material extraction**	**Production of intermediate products**	**Direct suppliers**	**Vehicle manufacturing companies (own sites)**	**Total**
Greenhouse gases	8	54	28	10	140 Megatons of CO_2 e
Air pollution	7	57	30	6	0 Megatons of NO_2
Water consumption	21	23	18	38	18 million m^3 Water
Land use	91	4	3	2	3 million ha

SUS: Sustainability

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The procurement function as a multiplier for sustainability – overview

CCF * Focus

Sustainable procurement is a multiplier that helps shape the **value creation of your own company and numerous suppliers**, thereby making a significant contribution to the environment and society.

Multiplier effect of purchasing along the value chain

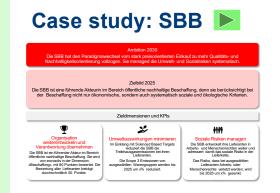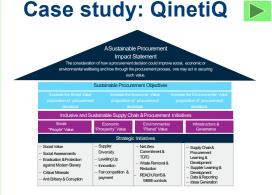| Raw material extraction / further processing	Value creation in company	Market / customers	Use End customers / End-of-life
• Direct influence on **supplier selection** • **Development of suppliers** through collaboration and (co-)innovation • Participation in **eco-friendly product design** • Indirect influence on the **selection of upstream suppliers** • Creation of **transparency** across the **value chain**	• Exchange with consumers to **plan demand** • Participation in product **development / -design** • Co-design of **product specifications** • Strategic, tactical, and operational **procurement of requirements (demand management)**	• Consideration of **market requirements in demand procurement** • Proactive shaping of requirements by **searching for sustainable product alternatives and secondary material options**	• Contribution to **resource-saving products** by taking **life cycle costs & sustainability effects** into account • Consideration of **circular economy** criteria **in product selection**

* Corporate Carbon Footprint (CCF)

Summary of the contents of a sustainable procurement strategy

› **Official statement from management** on the implementation of sustainable procurement with a declaration of benefits for the company

› Declaration of full **recognition and compliance with human rights** (policy statement)

› **Transparent presentation** of the identified **opportunities and risks** in the procurement organization, particularly **taking into account the supply chain**

› **Materiality assessment** – to which areas does this procurement strategy apply (product groups, procurement markets, etc.)?

› Analysis and involvement of **stakeholders**

› Definition of **specific sustainable procurement goals** based on the company's sustainability goals

› Formulation of **specific sustainable procurement measures** to effectively address these opportunities and risks and achieve the defined goals

› Establishing **specific key performance indicators** for management and performance review

› Accompanying internal and external **communication measures** for stakeholder dialogue and successful **change management**

Case study: SBB

Case study: QinetiQ

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TWIN-PRO | Tailor-made, multidisciplinary blueprint for digital and sustainable purchasing

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CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

2 Trends & Drivers

3 Ambition & Values

4 Hotspots & use case profiling

5 Target IT Framework (TIF)

6 Strategy development, RoadMapping & Business case

7 Mobilization & Commitment

8 Supplier Onboarding & Engagement

1 Readiness & SWOT

9 TWIN-PRO EXPLORER
AI platform for digital use cases, tools and solution providers

Level 3	Sustainability Enterprise Management	Enterprise ESG Analytics	Carbon & Environment Footprint Tracker	Carbon Compensation & Offsetting
Level 2	Sustainable Supply Chain Evaluation	Sustainable Supply Chain Risk Mgmt.	Blockchain-based Supply Chain Visibility	Circular Economy Management
Level 1	Sustainable Supplier Evaluation	Sustainable Supplier Risk Management	Inventory Management	On-demand/ Additive Manufacturing

10 Best Fitting IT solutions & (AI-)Tools

11 Best-Fitting Solution Provider

19 Community & Ecosystem

18 Recruiting & Interim Management

17 Change Management

16 Governance & Target Operating Model (TOM)

15 Performance & Reporting (ROI)

14 Academy & Upskilling

13 Digital Execution Framework

12 Proof-of-Concept (PoC) und ROI

≈Gates

Strategy derivation - Derive necessary sustainability measures in the procurement roadmap

Support for corporate sustainability strategy

Processes and Organization

1

2

2026

SUS Proc

I. HY 2027

II. HY 2026

I. HY 2026

3 Tools and (digital) technologies

4 Skill Development

5 Positioning und Change

Multidimensional change | The five dimensions of multidisciplinary transformation

Change requires a simultaneous focus on strategy, people, leadership and culture, processes, and technology.

1. Vision, Mission & Strategy
› Clear objectives and strategic integration of sustainability as an integral part of value creation.
› Avoid fragmented initiatives through a holistic approach.

2. People
› Employees are key to implementation and impact.
› Empowerment, motivation, and participation ensure successful transformation.

3. Leadership, Culture & Collaboration
› Leaders shape values, priorities, and cooperation.
› A culture of trust and interdisciplinary collaboration 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").
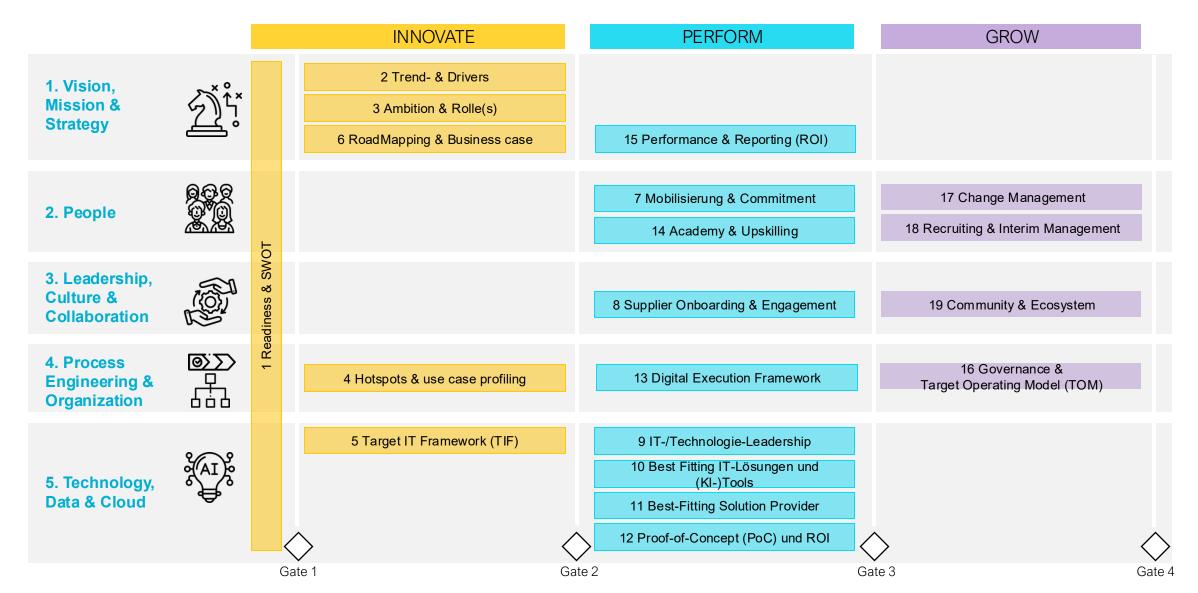
5. Technology, Data & Cloud
› Technological foundation for transparency, efficiency, and sustainability assessment.
› Data quality, interfaces, and governance ensure effectiveness.

TWIN-PRO | Tailor-made, multidisciplinary blueprint for digital and sustainable purchasing

	1 Readiness & SWOT	INNOVATE	PERFORM	GROW
1. Vision, Mission & Strategy		2 Trend- & Drivers 3 Ambition & Rolle(s) 6 RoadMapping & Business case	15 Performance & Reporting (ROI)	
2. People			7 Mobilisierung & Commitment 14 Academy & Upskilling	17 Change Management 18 Recruiting & Interim Management
3. Leadership, Culture & Collaboration			8 Supplier Onboarding & Engagement	19 Community & Ecosystem
4. Process Engineering & Organization		4 Hotspots & use case profiling	13 Digital Execution Framework	16 Governance & Target Operating Model (TOM)
5. Technology, Data & Cloud		5 Target IT Framework (TIF)	9 IT-/Technologie-Leadership 10 Best Fitting IT-Lösungen und (KI-)Tools 11 Best-Fitting Solution Provider 12 Proof-of-Concept (PoC) und ROI	

Gate 1   Gate 2   Gate 3   Gate 4

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Performance & Reporting (ROI)

Values | Value contribution of 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 CO_2 taxes caused by high greenhouse gas emissions
- Costs for CO_2 offsets due to missed CO_2 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.

Good practice example

SBB CFF FFS

Good Practice Example 1
Sustainable purchasing strategy

Ambition: Climate-neutral SBB 2030

Climate-neutral SBB

SBB CFF FFS

- Today, trains run on 90 percent hydropower, and from 2025 they will run on 100 percent renewable energy.
- The electricity (50 Hz) in buildings has already been renewable since 2019.
- By 2030, SBB aims to generate 30 GWh of solar power by 2030.
- By 2040, SBB aims to use 100 percent renewable energy by 2040.

Climate neutrality

CO_2 - compensation.

100% renewable energies.

Energy efficiency.

With its energy-saving program, SBB aims to save 850 GWh by 2030. This corresponds to one-third of its current energy consumption or the electricity consumption of 212,000 households. By the end of 2020, a reduction of 470 GWh had already been achieved.

Upstream chain: 1 million tons of CO_2 Procurement, construction activity ...

Shift of transport to rail: minus 5 million tons of CO_2 .

100,000 tons of CO_2 .

Climate neutrality = energy efficiency + 100% renewable energies + CO_2 e compensation

2/10
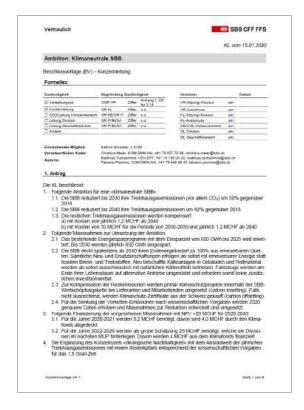
Ambition "Climate-neutral SBB" (100% renewable energy) – We are also challenged here!

SBB CFF FFS

Climate-neutral SBB

The following ambition for a "climate-neutral SBB 2030":

➔ By 2030, SBB will reduce its greenhouse gas emissions (primarily CO_2) by 50% compared to 2018.

➔ SBB will reduce its greenhouse gas emissions by 92% compared to 2018 by 2040

➔ The remaining greenhouse gas emissions will be offset from 2030 onwards.

SCM must make a corresponding contribution to this!

3/10
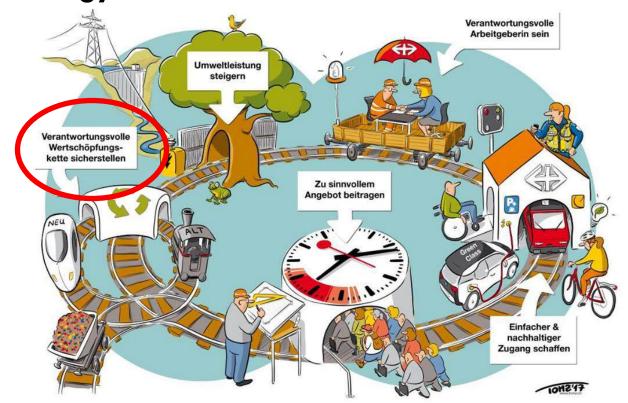
The five strategic priorities of the current SBB sustainability strategy 2017–2020

Sustainable procurement is one of the priority areas of action in the "responsible value chain."

Die fünf strategischen Stossrichtungen:
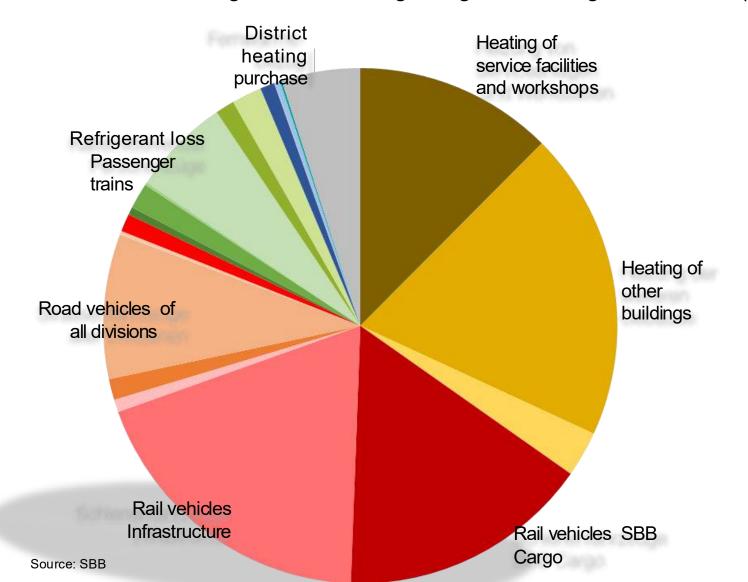
- Verantwortungsvolle und effiziente Wertschöpfungskette sicherstellen
- Umweltvorteil bei Personen- und Güterverkehr gegenüber der Strasse sichern
- Verantwortungsvolle Arbeitgeberin sein
- Zugang und Nutzung von Mobilität und Logistik nachhaltig und einfach gestalten
- Beitrag an nachhaltiges Verkehrs- und Immobilienangebot der Schweiz leisten

Company greenhouse gas balance – Scope 1+2

SBB CFF FFS

This is where SBB generates the highest greenhouse gas emissions (as of March 2021)

In 2020, the activities of SBB AG, SBB Cargo AG, the power plant companies, and Securitrans caused just under 80,000 tons of direct greenhouse gas emissions (CO_2 eq).
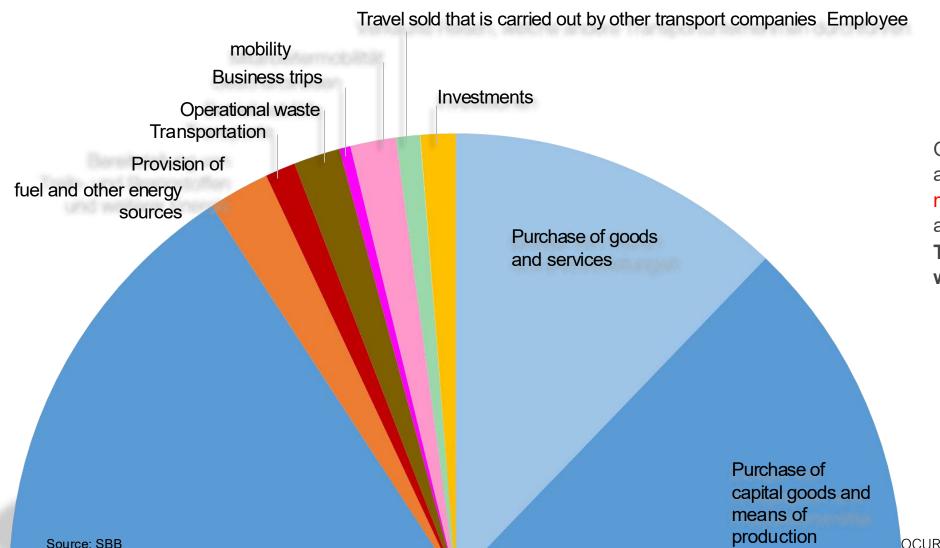
The unlabeled, smaller contributions to total emissions come from switch heating, rail vehicles and passenger bus lines, Securitrans road vehicles, refrigerant losses from stationary systems, power plant reservoirs, the loss of insulating gas in switchgear, and the additional electricity purchased for the rail network and buildings.

Pie chart labels:
- District heating purchase
- Heating of service facilities and workshops
- Heating of other buildings
- Refrigerant loss Passenger trains
- Road vehicles of all divisions
- Rail vehicles Infrastructure
- Rail vehicles SBB Cargo

Source: SBB

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The company's greenhouse gas balance – Scope 3

This is where SBB generates the most greenhouse gas emissions (as of March 2021)

Outside its own company, SBB's activities generate around 1 million tons of emissions (CO_2 eq) annually.
That is ten times as much as within the company itself.

Source: SBB

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

⬧ SBB CFF FFS

A **sustainable procurement strategy** sets the guidelines for responsible corporate behavior 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

🏆

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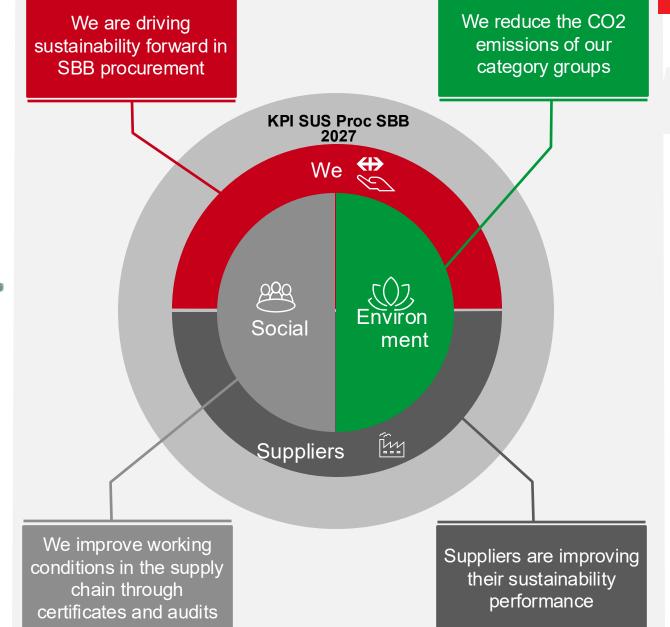
The risk of labor or human rights violations at selected suppliers will be reduced by x% by 2025.
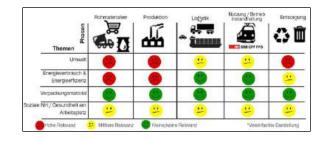
Sustainable procurement

SBB CFF FFS

We are driving sustainability forward in SBB procurement

We reduce the CO2 emissions of our category groups

Sustainable procurement at SBB

KPI SUS Proc SBB 2027

We

Social

Environment

Suppliers

We improve working conditions in the supply chain through certificates and audits

Suppliers are improving their sustainability performance

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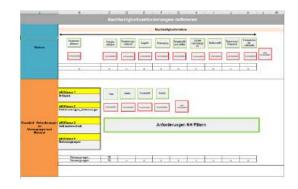
The 3 pillars of sustainability in purchasing

Sustainable procurement at SBB

SUS risks in category groups

E-learning with the SCM Academy

RAILSPONSIBLE
(since 2016)

ecovadis
(since 2017)

Events (Smart Lunch)

Catalog with SUS criteria

amfori
Trade with purpose
(since 2009)
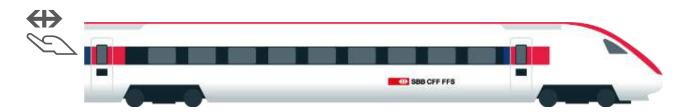
Best practice exchanges

Sustainable procurement

Sustainable procurement at SBB

SBB's own EcoVadis score in the "sustainable procurement" dimension will be at least 80 points in 2027.

In addition, with a focus on the 115 risk category groups:

The Ecovadis rating of all suppliers will average 50 in 2027 and cover 60% of the purchasing volume.

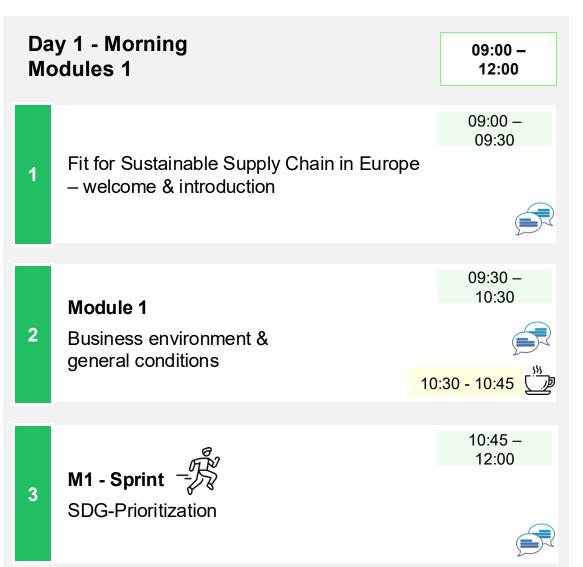The probability of labor or human rights violations at selected suppliers will be reduced by 50% by 2027.

CO_2 emissions from approximately 40 category groups will be reduced by 30% by 2027.
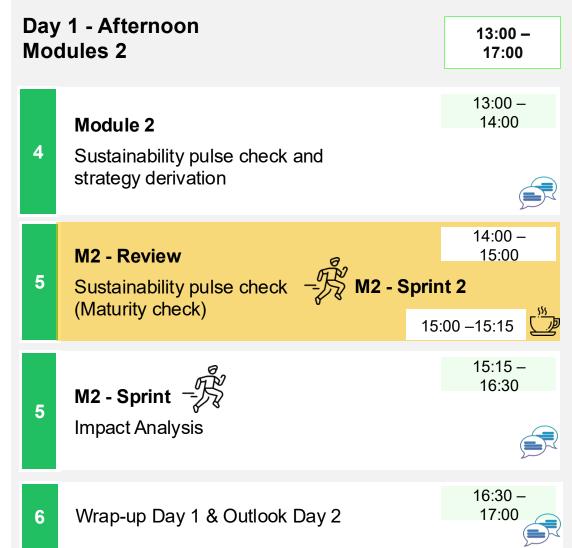
Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

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

Day 1 - Morning
Modules 1

09:00 – 12:00

1	Fit for Sustainable Supply Chain in Europe – welcome & introduction	09:00 – 09:30
2	**Module 1** Business environment & general conditions	09:30 – 10:30

10:30 - 10:45

3	**M1 - Sprint** SDG-Prioritization	10:45 – 12:00

Day 1 - Afternoon
Modules 2

13:00 – 17:00

4	**Module 2** Sustainability pulse check and strategy derivation	13:00 – 14:00
5	**M2 - Review** Sustainability pulse check (Maturity check) **M2 - Sprint 2**	14:00 – 15:00

15:00 –15:15

5	**M2 - Sprint** Impact Analysis	15:15 – 16:30
6	Wrap-up Day 1 & Outlook Day 2	16:30 – 17:00

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

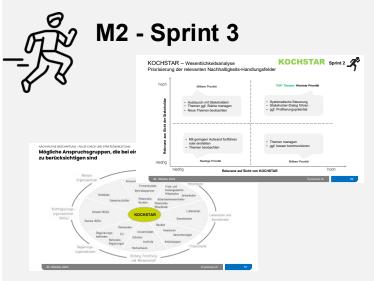# SDGs, Readiness Check and Impact Analysis

Sprint

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

Sustainability Readiness Check for Procurement

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.

No.	Description	Degree of Maturity*	Testimonial, proof
Checklist for introducing sustainable procurement (1/2)			
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		

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

M2 - Sprint 2

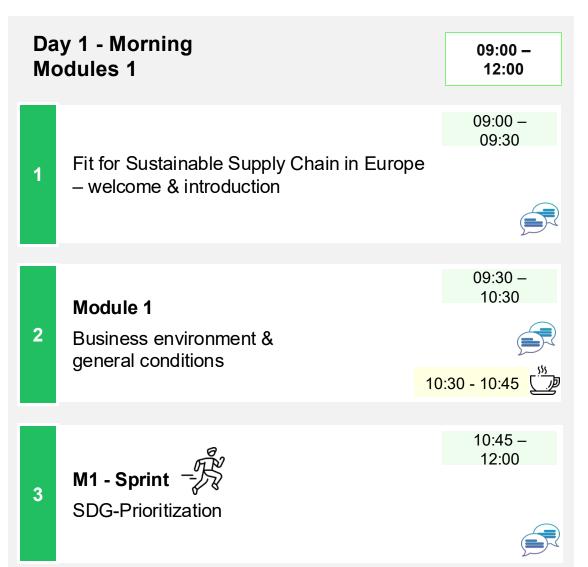# Sustainable Procurement Checklist – Roadmap for Procurement (2/2)

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.
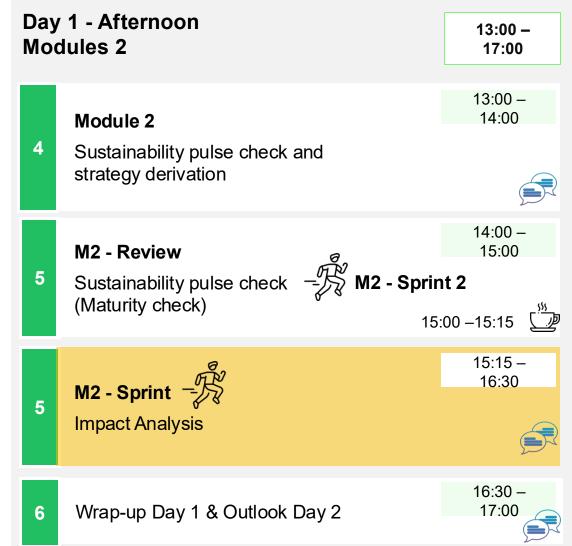
No.	Description	Degree of Maturity*	Testimonial, proof
Checklist for introducing sustainable procurement (2/2)			
3	**Designing sustainable procurement processes**		
3.1	**Deriving measures for sustainable procurement** • Based on priorities and key areas for action		
3.2	**Integration of sustainability 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

Fit for Sustainable Supply Chain in Europe

Day 1 - Morning
Modules 1

09:00 – 12:00

| 1 | Fit for Sustainable Supply Chain in Europe – welcome & introduction | 09:00 – 09:30 |

| 2 | **Module 1** Business environment & general conditions | 09:30 – 10:30 |

10:30 - 10:45 ☕

| 3 | **M1 - Sprint** SDG-Prioritization | 10:45 – 12:00 |

Day 1 - Afternoon
Modules 2

13:00 – 17:00

| 4 | **Module 2** Sustainability pulse check and strategy derivation | 13:00 – 14:00 |

| 5 | **M2 - Review** Sustainability pulse check (Maturity check) **M2 - Sprint 2** | 14:00 – 15:00 |

15:00 –15:15 ☕

| 5 | **M2 - Sprint** Impact Analysis | 15:15 – 16:30 |

| 6 | Wrap-up Day 1 & Outlook Day 2 | 16:30 – 17:00 |

CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

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

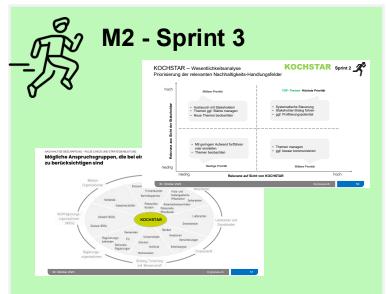# SDGs, Readiness Check and Impact Analysis

Sprint

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.
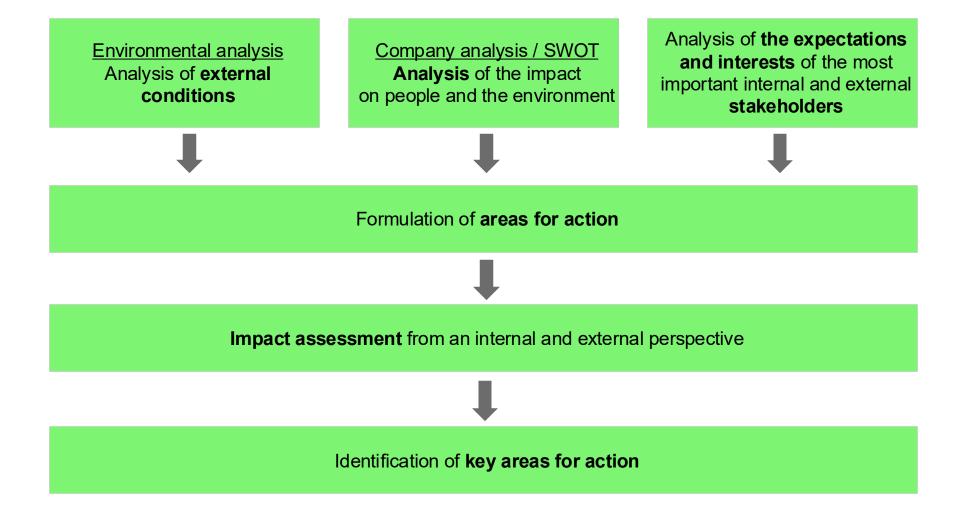
M2 - Sprint 3

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

Process steps for identifying key areas for action

Sprint

| Environmental analysis
Analysis of **external conditions** | Company analysis / SWOT
Analysis of the impact on people and the environment | Analysis of **the expectations and interests** of the most important internal and external **stakeholders** |

Formulation of areas for action

Impact assessment from an internal and external perspective

Identification of key areas for action

Derivation of the impact matrix

Sprint

Steps

› Step 1: Identification of direct and indirect environmental and sustainability aspects as well as opportunities and risks from **the company's perspective**

› Step 2: **Identification of relevant stakeholders**

› Step 3: Identification of relevant topics, opportunities, and risks **from the perspective of stakeholders** (external stakeholder analysis)

› Step 4: Enter the results in an **impact matrix**

Identification of stakeholders → Stakeholder expectations → Relevant areas of action for stakeholders

Relevance from the perspective of stakeholders (high / low)

Medium priority
- Exchange with stakeholders
- Manage issues and severity as necessary
- Monitor new issues

TOP issues Highest priority
- Systematic control
- Conduct stakeholder dialogue
- Profiling potential, if applicable

Low priority
- Continue with minimal effort or discontinue
- Monitor issues

Medium priority
- Manage issues
- Better communication, if necessary

Relevance from the company's perspective (low / high)

Relevant areas of action for the company

Company analysis → SWOT analysis

Environmental analysis → SWOT analysis

SWOT analysis → Relevant areas of action for the company

Impact analysis – COMPANY perspective (inside-out)

Sprint

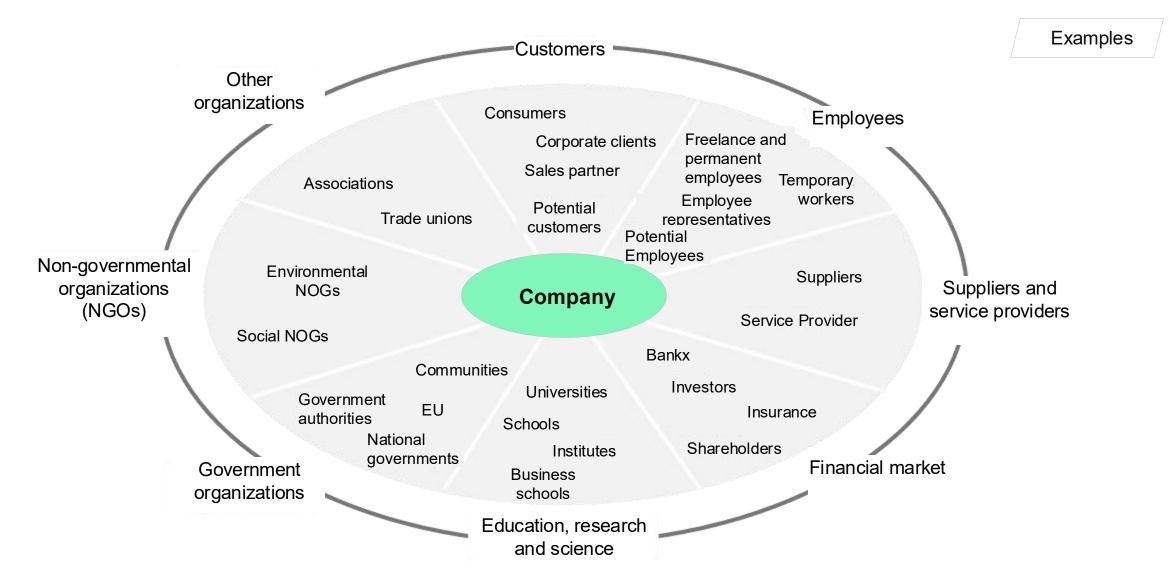| Corporate goals (including SDGs)	Opportunities and risks	Relevant sustainability action areas from a corporate perspective
…	…	
…	…	
…	…	
…	…	
…	…	

Potential stakeholders to be considered in a impact (materiality) analysis

Sprint

Examples

Potential stakeholders to be considered in an impact analysis

Sprint

The following groups should typically be considered:

- Internal stakeholders: e.g., employees, management, board members. Conservice ESG+2mohawkind.com+2

- External stakeholders: e.g., customers/consumers, suppliers, investors/shareholders. Cisco+1

- Regulatory/Policy-makers: e.g., government agencies, regulators. stern.nyu.edu+1

- Community & society: e.g., local communities, NGOs, advocacy groups. speeki.com+1

- Industry/Trade partners: e.g., industry associations, business partners, service providers. Conservice ESG

- Suppliers in the value chain: e.g., upstream suppliers, contractors. BDO

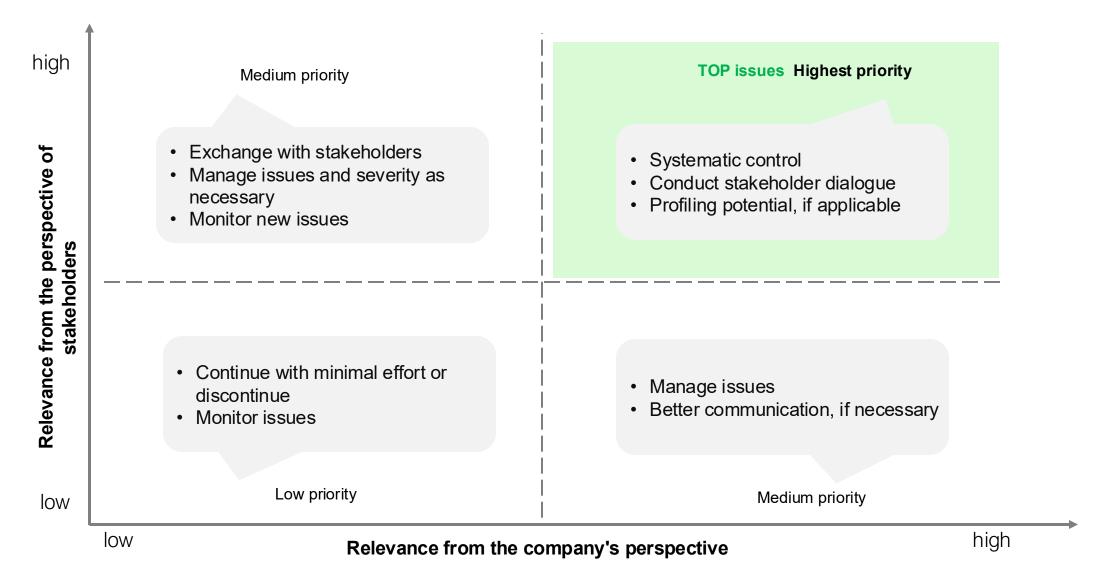# Impact analysis – STAKEHOLDER perspective (outside-in)

Sprint

Stakeholders (Stakeholders)	Expectations	Relevant sustainability action areas from the perspective of stakeholders
…	…	
…	…	
…	…	
…	…	
…	…	

Materiality analysis
Prioritization of relevant sustainability action areas

Sprint

Medium priority

- Exchange with stakeholders
- Manage issues and severity as necessary
- Monitor new issues

TOP issues **Highest priority**

- Systematic control
- Conduct stakeholder dialogue
- Profiling potential, if applicable

- Continue with minimal effort or discontinue
- Monitor issues

- Manage issues
- Better communication, if necessary

Low priority

Medium priority

high

low

Relevance from the perspective of stakeholders

low

high

Relevance from the company's perspective

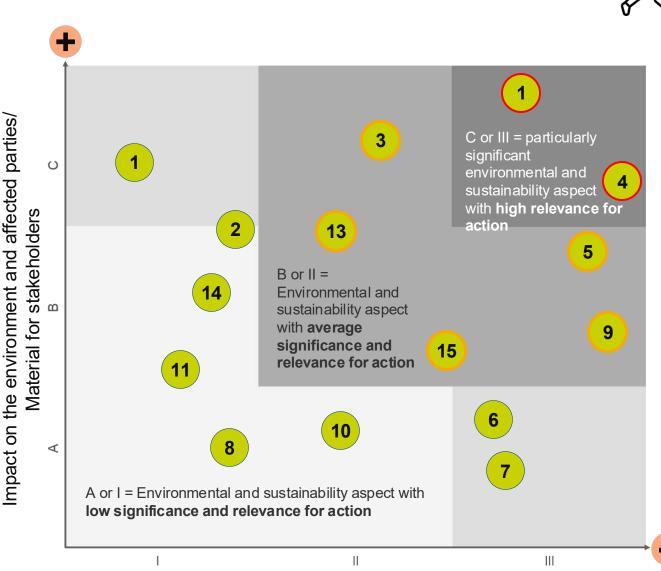CONTENTS INTENDED FOR IPG MASTERCLASS PARTICIPANTS

Materiality analysis

Sprint

Examples of key sustainability issues and areas for action

(Assessment was carried out for illustrative purposes and does not necessarily reflect real situations or assessments)

1. Respect for property rights
2. Compliance with human rights by suppliers
3. **Mitigation of climate change**
4. **Good working conditions and social protection**
5. **Prevention of biodiversity loss**
6. Adaptation to climate change
7. Increasing resource efficiency
8. Fair competition
9. **Dealing with local communities**
10. Water consumption
11. Equal opportunities and non-discrimination
12. **Prohibition of child and forced labor**
13. **Compliance with labor rights by suppliers**
14. Avoidance of hazardous substances
15. **Anti-corruption**

C or III = particularly significant environmental and sustainability aspect with **high relevance for action**

B or II = Environmental and sustainability aspect with **average significance and relevance for action**

A or I = Environmental and sustainability aspect with **low significance and relevance for action**

Impact on the environment and affected parties/ Material for stakeholders

Essential for the company

Materiality analysis of the ACS Group

Sprint

› In accordance with the principles of the GRI Standards for determining the content of the 2021 Integrated Report, the ACS Group conducted a materiality analysis to identify the relevant topics.

› In this context, the materiality analysis was used as **a starting point for the** ACS Group's **strategic considerations** on sustainability (**Sustainability Master Plan 2025**).

MATERIALITY MATRIX

EXTERNAL IMPORTANCE

INTERNAL IMPORTANCE

1. Ethics and compliance
2. Occupational health and safety in employees and contractors
3. Climate Change: Transition to a Low-Carbon Business Model
4. Risk and opportunity management
5. Good corporate governance
6. Strategy and governance in sustainability
7. Environmental management and biodiversity protection
8. Equality, diversity and non-discrimination
9. Respect for human rights
10. Quality employment and fair pay
11. Transparency and dialogue with stakeholders
12. Financial solvency and value generation for shareholders and investors
13. Sustainable and resilient infrastructures
14. Investment and sustainable financing
15. Customer orientation and quality
16. Talent attraction and professional development
17. Local development and community impact
18. Responsible supply chain management
19. Circularity in the supply of raw materials and waste management
20. Innovation and Technology
21. Water management

● ENVIRONMENTAL DIMENSION ■ HIGH PRIORITY
● SOCIAL DIMENSION ■ MEDIUM PRIORITY
● GOVERNANCE DIMENSION ■ LOW PRIORITY
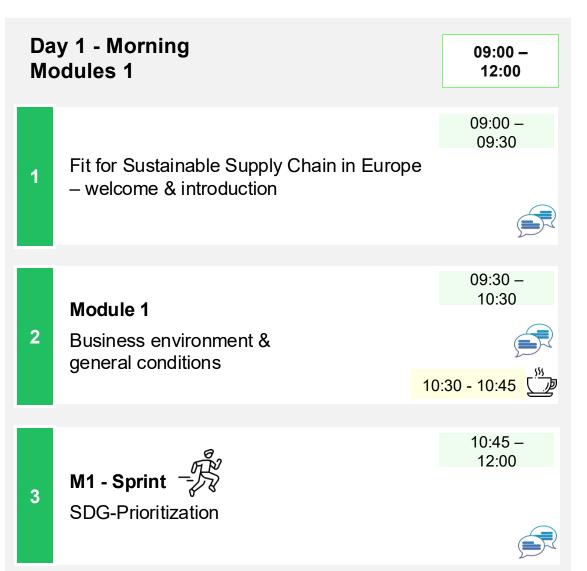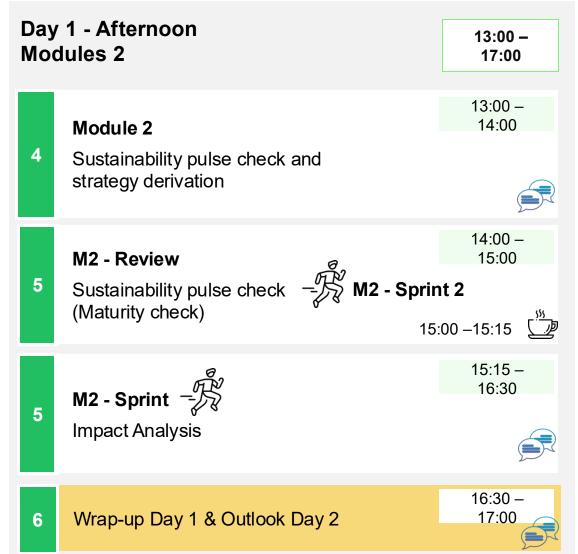
Grupo ACS is a publicly traded Spanish construction group based in Madrid. ACS is one of the largest construction companies in Europe.

The GRI standard refers to the Global Reporting Initiative (GRI), which promotes sustainability reporting by organizations worldwide.

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Wrap-up Reflection

Questions? Comments?

INNOVATE · PERFORM · GROW

Fit for Sustainable Supply Chain in Europe

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

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