



# WHAT PROCUREMENT TEAMS EXPECT FROM THEIR SUPPLY CHAIN



# WHAT PROCUREMENT TEAMS EXPECT FROM THEIR SUPPLY CHAIN

Becoming net zero isn't just good for the environment, it can have an impact on your profitability as well. An increasing amount of large companies are setting net zero targets specifically for their supply chains, to help them meet their own net zero target - so becoming net zero makes you very attractive to businesses to procure from! Operational cost savings, greater resilience and an improved reputation among your customer base and supply chain are all benefits you'll see from a net zero future.

We spoke to Lisa Moore, Responsible Procurement Manager at the [City of London Corporation](#) and Andy Haigh, Director, Climate Positive Solutions at [Grosvenor](#) who shared their thoughts on what procurement teams expect from their supply chains on the topic of net zero.



*Every business can be a force for good  
Updated in September 2021*

## How important is it for businesses to show their commitment to climate action when trying to win a tender?

Lisa:

“ Right now, the focus is likely to be on larger, high-emitting contracts, but in time public procurement will need to address all contracts that are tendered. We know that we can't make our net zero targets without our supply chain so their commitment to reducing emissions is vital. It's incredibly important that we work together as the landscape evolves.

The City of London Corporation's [climate action strategy](#) includes a commitment to reduce carbon emissions of purchased goods and services by 55% and to be net zero by 2040 across the entire value chain. As we're all reading in the news, meeting that goal is more important than ever. I'd say that even if a business doesn't currently have a plan to reduce their carbon, calculating their footprint and being able to identify their emissions is an important first step and will show procurement teams they're being proactive.”



*Every business can be a force for good  
Updated in September 2021*

## Where does supply chain currently fit with with the City of London Corporation's net zero target activities?

Lisa:

// To be able to achieve the City Corporation's net zero targets we'll need to work closely with our suppliers to accurately account for carbon emitted as part of our contracts and identify the changes we need to make to reduce emissions.

The City Corporation will also be tracking how much it's spending with suppliers that have made the Science Based Target Initiative (SBTi)/Paris aligned commitments.

Central government agencies have also started to include criteria on climate action within their tenders and it's likely to be common among public procurement as the UK tries to meet its current goal of net zero by 2050.

It's imperative that we engage and work effectively with our entire supply chain to be able to achieve this target."



*Every business can be a force for good  
Updated in September 2021*

## How important is collaboration between a procurement team and their supply chain in being able to achieve net zero targets?

Andy:

“As a client with a diverse portfolio of suppliers we’re acutely aware that our supply chain accounts for 60% of the total greenhouse gas emissions of our carbon footprint. For Grosvenor Britain & Ireland to achieve our Net Zero Carbon Pathway it’s critical that our supply chain joins us on our net zero journey.”

## How can larger organisations help SMEs be more confident, knowledgeable and accurate in their sustainability reporting?

Andy:

“We have several tools that ensure we work with likeminded suppliers and that they can help support us on our journey. The major one is our [supply chain sustainability charter](#). As part of our Science Based Target approved emissions reduction pathway, we’ve committed to 25% of our suppliers having set Science Based Targets by 2025.

This means it’s increasingly important that our suppliers are reporting into us with their impacts. Here, we’re focusing on just carbon emissions related impacts, but it’s important to note that as part of our supply chain charter, we also ask for information on a wide range of environmental categories.”



*Every business can be a force for good  
Updated in September 2021*

## What information are you after from your suppliers?

Andy:

// Most importantly we want evidence that our suppliers are invested in a low carbon future and are keen to join us on our journey.

Some of the questions we'd encourage all our suppliers to ask themselves are:

- Are you carbon neutral, do you have net zero carbon pathways or an approved Science Based Target? If no, do you have plans to get involved in any of the above?
- Do you measure your carbon emissions? If so, what do you measure?
- What's your total carbon footprint? Can you provide the emissions associated with the works you're conducting on our behalf?
- Do you buy renewable electricity? If so, what proportion of your electricity comes from renewables? Do you use any other low carbon fuels or replacements to reduce the impact of your activities?
- Do you offset any or all of your carbon footprint? If so, what do you offset, how do you offset and why did you choose this route?



*Every business can be a force for good*  
*Updated in September 2021*

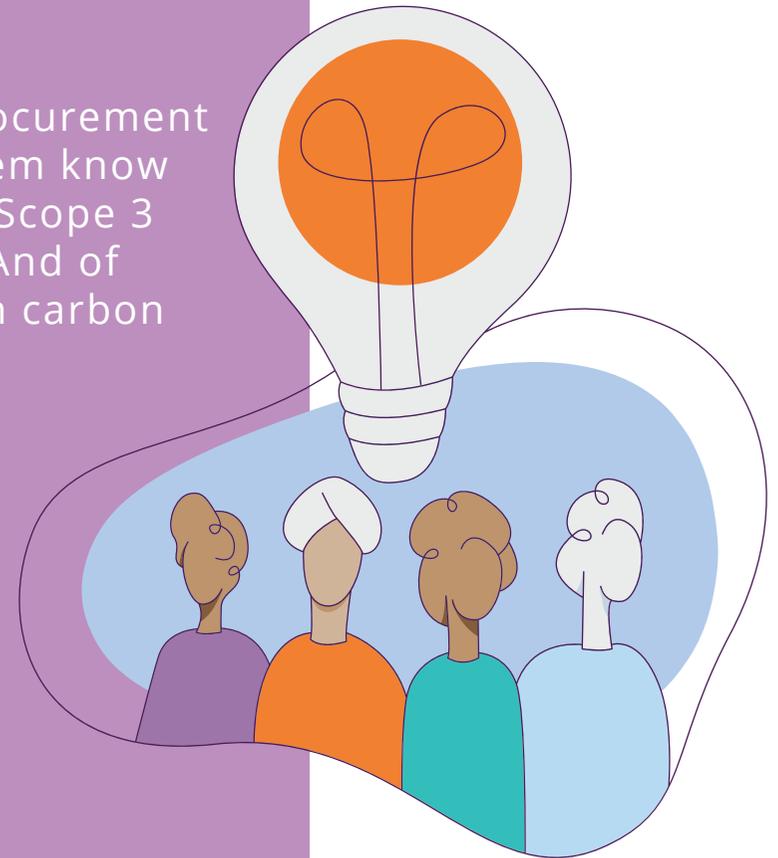
- Are there any interesting innovations, technologies or processes you're using to reduce your carbon emissions? Are you using these already as part of your contract with us, or is there potential for us to trial something together?

We don't expect our suppliers to have all the answers, but by focusing on a couple of points, suppliers can start to measure, track and improve their carbon footprint."

### **How can SMEs help support procurement teams currently developing their own processes to bring climate action into focus?**

*Lisa:*

// SMEs are known for their innovation! Help public procurement teams become a more intelligent client by letting them know how you can lower their carbon footprint (and their Scope 3 emissions) by how they specify goods and services. And of course, let them know how you're reducing your own carbon footprint, so they know you're taking this seriously."



*Every business can be a force for good  
Updated in September 2021*

## What key takeaway would you give to SMEs starting their own net zero journey?

Lisa:

“ Calculate your carbon footprint. You can't address a problem until you know what it is! Remember that we're all on this journey together. We have a common goal so reach out to your suppliers, peers and clients to see what they're doing and how you can get involved.”



Every business can be a force for good  
Updated in September 2021



*Climate for SMEs: 4 Steps to Action is funded by the City of London Corporation in support of its Climate Action Strategy targets for a net zero and resilient Square Mile*