



**European
Partners for the
Environment**

Think-Tank Note 2004 / 3 Responsible Purchasing

1. Survey

- Conducted on 76 Companies
- Members of the Global Compact: 50

The survey still has to be completed, but so far:

Have an « environmental purchasing policy, principles, code of conduct »: 36

Have a « sustainable purchasing policy, code »: 13

2. Global compact and CSR (1).

From the 50 Companies members of the Global Compact of our Survey,

- Have an « environmental purchasing policy, principles, code of conduct » and are members of the Global Compact: 25
- Have presented at least one project in the framework of the Global Compact: 5
- Have « projects » presented in the framework of the Global compact related to sustainable trade, sustainable investments: 0

This is why we are proposing to Companies, signatories of the Global Compact to register STIC, and its work on the global supply chain, as one of their projects within the framework of the Global Compact.

3. EMAs, ISO? The “indispensable” implementation initiative. Sustainable purchasing :

- **Sustainable Purchasing definition:** process of purchasing goods, works or services, driven by the need to take into account the environmental and social impacts that such purchasing might have on the environment and on people and communities. Sustainable Purchasing is about identifying and utilising ‘sustainably preferable’ ones and how to ‘do well by doing good’. It plays a key role in bringing about sustainable development and innovation
- Sustainable Purchasing Policy should be an indispensable component of a sustainability strategy to be implemented by each company having an Environmental/Sustainable Management System.

4. Global Supply chain and Outsourcing.

The global commodity chain. It is becoming central and global corporations trend to outsource their production, using new technologies, attractive trading incentives and their dominant market position to drive cost and risk down their supply chains is now closely scrutinised by NGO's.

We want to focus on

- How to address the value chain, the suppliers chain(in a sustainable trade perspective) as well as the backward chain (reuse, recycling, waste management)
- How to integrate, in one single decision, a cradle to grave approach, a life cycle perspective, sustainable, fair and ethical trade, eco-efficiency, cleaner production, waste management, SME's, suppliers and shareholders concerns and European regulations?
- How to increase the market for sustainable products and sustainable management?
- How to design a « fast track » to accelerate the transition towards fair trade, eco-efficiency, zero pollution and zero waste, new processes, products and services?

In order to do so it is important to build synergies between and a critical mass with Initiatives

- Addressing trade, norms, partnerships, capacity building and finance
- Stressing the importance of responsible purchasing as part of corporate responsibility (CSR) and national competitiveness

- Underlining the importance to redirect purchasing policies towards sustainable trade in support to the MDG's
- Working with Corporate buying teams
- Meeting with Southern Smart Entrepreneurs and Developing Countries leaders to build partnerships and new joint ventures
- Developing an environmental technology strategy responding to the needs of a circular economy.

4. Building a market for sustainable products.

4.1. Four levels of action to develop.

- **Corporate buying teams** massive power to pressure their suppliers is becoming a major civil society target as farm and factory owners realise that the real power lay with the buying teams rather than those teams responsible for codes of conduct
- **Corporate teams in contact with consumer organisations** should be the second level of action, to explore how consumption behaviour can be changed as well as how consumers request for sustainable products are addressed
- **Procurement Agencies** of Public Authorities
- **Domestic market for sustainable products in Developing Countries.**

4.2 Build a critical mass: Escalator 51

We need an “**overarching instrument**” to create a multiplier effect. Through an electronic platform we will

- (i) Rely on the initiatives and the knowledge, skills and resources of Platform partners, “Leaders and Champions”.
- (ii) Share information, seek to harmonise sustainable purchasing definitions
- (iii) Identify joint purchasing initiatives
- (iv) Try to design a common communication message.

In relation with:

- Agri-food
- Textile
- Electronics

An annual get to get conference hosted, for the first of it, together with ACRR, ICLEI, CSR

(1) Out of the Top 500 Companies, just 76 are members of the Global compact.

European Partners for the Environment (EPE)

67, avenue de la Toison d'Or, 1060 Brussels

info@epe.be www.epe.be

Tel +32 2 771 15 34 Fax + 32 2 539 48 15