

Study Results 2023

SUSTAINABLE PROCUREMENT AND RESPONSIBLE SUPPLY CHAINS

May 2023

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Foreword

When we published the results from our first study on sustainable procurement and responsible supply chains in 2021, there were ongoing heated discussions within Germany regarding the proposal for the German Supply Chain Due Diligence Act (LkSG). **We actively participated in the consultation process for this, highlighting the importance of recognising the key role played by procurement and of addressing this specifically in order to bring about real change.**

Our recommendation was followed. Has this led to a change in thinking over the last two years?

A while ago, one of our business partners told us that, in practice, this law constituted a challenge and was very different to previous regulations. Our partner explained that, previously, these sort of regulations had been discussed with the legal department and a checklist drawn up, but that now people and companies have been forced to really reflect on their own procurement processes and supply chains and to recognise the need for action and the opportunities associated with these.

I was very pleased to learn about this realisation as it demonstrates exactly the desired effect. However, I am also aware of the anxieties and sense of overwhelm that many of those working within purchasing experience when they do not receive the support in the form of investment in digital solutions and training initiatives that they require in order to be able to navigate this transformation. At the same time, we are also seeing many suppliers being bombarded with questionnaires and requirements only to end up losing out to the cheapest provider.

The results from our 2023 study reveal exactly this tension, whereby purchasing departments are simultaneously progressing and regressing. Setting goals and defining strategies is a good start, but it is only when sustainability becomes a vital element of procurement processes that companies can credibly claim to be sustainable and contribute to real change. We hope that the results of our study provide support for your arguments and commitments and encourage you to continue to take consequential action based on these.



Yvonne Jamal
Chair of the Board



JARO Institute for Sustainability and Digitalisation e.V.
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FOREWORD

“The coronavirus pandemic has revealed the negative impacts that destroying nature has on our wealth, our everyday life and our humanity. Since the destruction of nature is the crisis behind this crisis. Environmental destruction, the climate disaster and the extinction of species are, in many places, devastating our livelihoods.”
(Handelsblatt Online, 11.01.2021)

This quotation clearly underlines the reasons behind the lack of robustness in global supply chains. We are currently experiencing an accumulation of crises and, with it, an increasing demand for agile and adaptable supply chains. This is because companies are now faced with the challenge not simply of improving the transparency of their supply chains but also of ensuring it, both in order to meet the new legal requirements (set out by the German Supply Chain Due Diligence Act and the new EU Reporting Guidelines for example) and to guarantee robustness by designing supply chains to be sustainable.

“Purchasing is the missing link within sustainable supply chains!” This is one of the messages that emerges from the article written by Villena and Gioia (<https://hbr.org/2020/03/a-more-sustainable-supply-chain>). Another study carried out by CBS International Business School also revealed that one of the five pillars of resilient supply chains is managing them sustainably. Of the six characteristics of robust supply chains, five fall within the scope and responsibility of purchasing departments. This ought to make it clear that strategic purchasing needs to take on a completely new role in the future. Purchasing departments are therefore responsible for ensuring a company is able to survive by becoming

significantly more sustainable and digital. Discussions surrounding new legislation relating to sustainability, both at the local and European level, make visible the relative lack of digitalisation that has taken place within current global supply chains. Had companies done their homework in this regard, it would have been much easier for them to ensure compliance with this legal framework. In our opinion, digitalisation is the most important tool for rendering supply chains sustainable.

Our second study on sustainable procurement – which, following the first study in 2020, has now been expanded to an international context – has collected data on four key areas: sustainability awareness, sustainability incentives, assessing sustainability and implementing sustainability. Without wanting to anticipate the results of the study, I would like to highlight some of its key findings. Climate risks were pushed down the line of priorities, with greater attention being paid to supply, personnel and financial risks. It is imperative that C-level management understand that these climate risks are responsible for the volatility in procurement markets and supply chains that we are currently facing.

These crises can only be surmounted if companies cooperate strategically with their key suppliers. Yet, according to the companies surveyed, international collaboration with suppliers in this respect is practically non-existent. Even more worrying is that the increasing costs for supplier development measures were only categorised as moderate. Data on suppliers’ sustainability performance was not considered particularly important, with the emphasis instead being on economic data. Purchasing is once again falling back into its traditional role, where its focus is primarily on

reducing costs and thereby optimising the company’s economic performance (profit maximisation). However, what we need is to pursue new effective business models that, in the future, must stem from purchasing departments, as suppliers have been the source for innovation for some years now. This now needs to be taken seriously and implemented within the context of developing sustainable procurement. The results from our study provide a good insight into how you can redesign your purchasing processes in order to be able to successfully rise to the challenges presented by the current accumulation of crises.

CBS

**INTERNATIONAL
BUSINESS SCHOOL**



Prof. Lisa Fröhlich
(PhD, Habilitation)
Professor for Strategic
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FOREWORD

Sustainability is one of the greatest challenges of our time if not the greatest task that our generation and future ones will have to face. In a constantly changing world, with resource shortages and fluctuating prices, being able to successfully obtain added value requires true sustainability, innovation and the active participation of all stakeholders. Given this volatility, acting sustainably at the present means making decisions based on a global perspective.

We need to rethink markets, and in doing so, procurement will have to play a central role. As a platform for purchasers and suppliers, our goal is to further promote exchange on these important topics and our study on “Sustainable Procurement and Responsible Supply Chains 2023” will make a significant contribution in this regard. The results of this study show that, even during economically challenging periods, great importance is attached to sustainability, driven not least by customers’ expectations.

Yet, we also recognise that we still have a long way to go. We need to work together both to better understand customers’ demands and to achieve transparency across the entire supply chain. Whilst data analysis, sustainable product ranges and processes are all important, we must also take care not to lose sight of the benefits brought by communicating with others. **Since furthering sustainable change is a continuous journey, on which we cannot travel alone.**



Eva Winkler
Sustainability Product Manager



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EXECUTIVE SUMMARY

1

1 Executive Summary

→ This study on the status of sustainable procurement and responsible supply chains in 2023 aims to provide empirical evidence on the progress of the transition to regenerative and fair procurement processes. As such, the results of the first survey will be taken into account so that developments can be analysed.

The survey is centred around incentives, awareness, assessment and implementation relating to sustainability within procurement processes and relationships with suppliers.

The results of this survey will enable us to draw key  recommendations on how to sustainably transform purchasing processes.

→ The survey also constitutes part of the feature article of the book “CSR und Beschaffung” [CSR and Procurement] written by Fröhlich und Jamal (the completely revised second edition is currently in print, published by Springer).

1 Executive Summary



A contradiction between intention and action

Sustainability is becoming an increasingly prominent aspect of procurement strategies and policies, however the consequential impact of this on procurement decisions is yet to be seen.



The impacts of economic crises can still be seen

Supplier economic data is currently considered the most important type of required information. There is a high level of fears surrounding the additional costs and personnel costs incurred by sustainable procurement.



A lack of desire for global collaboration

Although participants' greatest support requirement is in actively involving their supply chains, a global strategic approach is seldom sought.



Customer demands as a new driving force

Customer demands are now doing more to drive sustainable action than companies' own intrinsic motivation or legal regulations.

Key findings from the 2023 study:

(1) A contradiction between intention and action

The study has shown that sustainability is now being incorporated more within internal purchasing policies (+9%) and procurement strategies (+7%) and that a materiality assessment is being carried out more frequently (+8%) within purchasing than in 2020 (Question 17). However, whether or not policies and strategies are implemented in the day-to-day activity of the company depends on procurement decisions. In this respect, the consequential impacts of policies and strategies are still lacking, since life cycle cost assessment, risk assessment and supplier sustainability performance are way down on the list when it comes to decision-making criteria (Question 19).

Our recommendation: In the future, procurement organisations will need to make a greater effort to acknowledge within their decisions the sustainability commitments of their business partners across supply chains, as this is the only way to effectively increase their own performance.

(2) The impacts of economic crises can still be seen

Fears concerning the additional costs associated with sustainable procurement (Question 12) have significantly increased. 80% of participants stated that sustainable procurement would lead to either no change, some deterioration or significant deterioration in terms of cost savings (+19% in comparison to 2020). In contrast, the opportunities presented by sustainable procurement for minimising risk were acknowledged (3rd place with 65%).

Supplier economic data was considered the most important type of required information (Question 20), whilst environmental data only ranked third (after being ranked top in 2020). Moreover, interest in upstream suppliers has significantly dropped. 44% believed upstream supplier data to be somewhat to entirely irrelevant (+27% in comparison to 2020), which may stem from interpretations of the German Supply Chain Due Diligence Act. This reveals once again the contradiction between goals and a serious willingness to transform the day-to-day realities of procurement.

Our recommendation: It is urgent that purchasing officers take note of what upstream suppliers are doing in earlier stages of the value chain journey, especially with regard to how this impacts their core business so as to be able to identify and avert social, ecological and economic risks early on.


(3) A lack of desire for global collaboration

Although 60% of participants saw their greatest need for support in actively involving their supply chains (Question 25), a global strategic approach was seldom sought (Question 16). Overall, participants preferred a direct approach, whereby tier one suppliers were invited to participate in internal discussions on improving suppliers' procurement practices. Almost half of the participants (47%) had no plans to collaborate with international organisations or NGOs to develop a joint sustainability vision for global supply chains. Only around a sixth of participants (16%) opted for this approach. In this respect, there was a clear difference between participants from the DACH region (11%) and international participants (28%). Overall, it can also be observed that international participants were further along in implementing sustainability measures than participants from the DACH region (Question 17).

 **Our recommendation:** Global cooperation within the meaning of SDG 17 is essential for strengthening sustainable procurement. The wealth of experience, data and networks provided by international organisations and NGOs can be particularly valuable for purchasing departments when it comes to expanding know-how, establishing supply chain control mechanisms and making improvements to (upstream) suppliers for the purposes of achieving sustainability.

(4) Customer demands as a new driving force

Customer demands are currently the greatest driving force for sustainable action, with 82% (Question 6), this places them above companies' own intrinsic motivation (81%), clear internal operating procedures (77%) and legal regulations (75%). This may also be a result of the implementation of the German Supply Chain Due Diligence Act, which has meant numerous companies have, over recent months, collected data from their suppliers, thus exerting pressure. In 2020, intrinsic motivation was comfortably the primary driving force with 92%.

 **Our recommendation:** This result clearly shows the leverage that procurement departments have. Adopt a targeted approach to conversations with suppliers and ask about and encourage their commitment to sustainability. Offer support to your business partners by means of recommendations, webinars and e-learning courses and discuss mutual development projects.



2

THE STUDY

Introduction to the Topic
and Research Area

2 The Study: Introduction to the Topic and Research Area

Companies and organisations are becoming increasingly responsible for incorporating sustainability within their supply chains and process design. With new legislation as well as pre-existing regulations on designing supply chains to be more sustainable and the additional reporting standards associated with this, purchasing has been given a central role to play.

We first carried out a quantitative survey on the status of sustainable procurement and responsible supply chains at the end of 2020. After the introduction of the German Supply Chain Due Diligence Act (LkSG) in summer 2021 and the imminent entry into force during the survey period on 01.02.2023 of the law for German-based companies with more than 3,000 employees, we decided to repeat this survey.

The research objective is to empirically examine whether and how sustainability awareness, incentives, assessment and, in particular, implementation within procurement and global supply chains have changed for participating companies and organisations since 2020. Within the context of the continuous tightening of legislation on sustainable management and increasingly volatile global supply chains, this study aims to contribute to a better understanding of the significance of sustainable purchasing.

With a broader and more international group of participants, this study will also analyse whether country-specific differences can be observed. The questionnaires were adapted in view of the developments that have occurred over the past two years, meaning that additional statements relating to crises and supply chain disruption have been included.

Our hypothesis is that the level of approval and implementation will have increased in all four categories (awareness, incentives, assessment and implementation) due to the topic of ecological and social responsibility being significantly more present within purchasing now than in 2020.

We plan to carry out the survey every two years so as to be able to continue to observe developments, comment on trends, issue forecasts and, based on this, derive further support proposals for purchasing departments. With this, the aim is to strengthen procurement and purchasing officers in their role so that sustainable procurement processes and responsible supply chains can become standard practice in the future.





METHODOLOGY

3

3 Methodology

3.1 Operationalisation

In order to fulfil our research objective, we created a standardised questionnaire with a total of **37 questions**. The questions were divided into four sections.

The first section contained four questions designed to survey sustainability awareness. Three of these were taken from the 2020 study. However, an additional question was included to reflect the dynamic events of the last two years. The second section examined what motivated participants to act sustainably based on five questions which were also taken from the 2020 study. Part three of the investigation was dedicated to assessing sustainability and was based on a total of six questions. Three of the questions were new additions for this edition of the study, one question that was contained in the 2020 version was left out completely and another question was included in this section which had been asked at the end of the 2020 questionnaire. The fourth section focussed on implementing sustainability and, with ten questions, was the area examined most extensively. For this part, three questions from 2020 were included with seven new questions added. The closing questions (27-37) were designed for the purposes of obtaining demographic information and giving participants the option of submitting individual feedback.

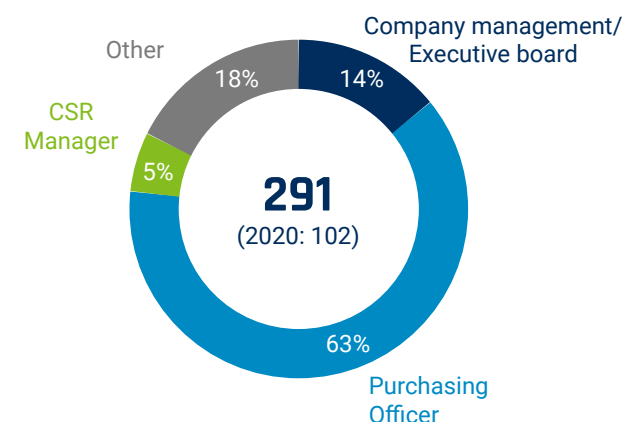
The majority of questions employed a verbal rating scale (mostly a five-point bipolar Likert scale) to obtain

participants' opinions. In addition to questions where participants could choose one or several options, matrix questions and rating scale questions were also used. For obtaining demographic information, drop-down lists were included.

The online survey was carried out anonymously via the provider LamaPoll during the period from 14.10.2022 to 23.12.2022 and was primarily aimed at people working within purchasing departments or teams at companies and organisations. The survey was made available to the relevant target group directly and via supporting partners and various purchasing platforms and associations by means of social media, newsletters and mailing lists. However, the survey could also be accessed by individuals with other professional backgrounds.

3.2 Participant Group (Sample)

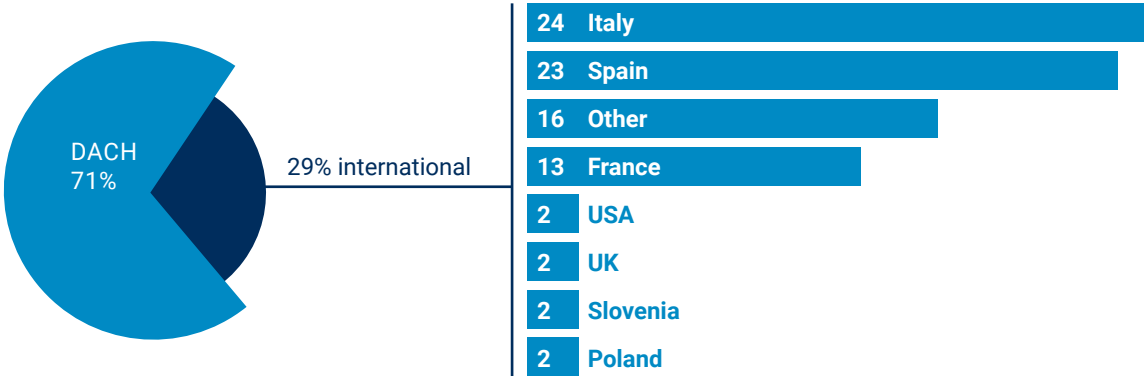
The campaign reached 7,496 people who visited the LamaPoll platform. 924 began responding to the questions. In total, the survey was fully completed by **291 participants**. Accordingly, the response rate was 31% and the abandonment rate 69%. The median time to complete the survey was 20 minutes and 30 seconds. Due to isolated outliers, the average completion time is not representative.



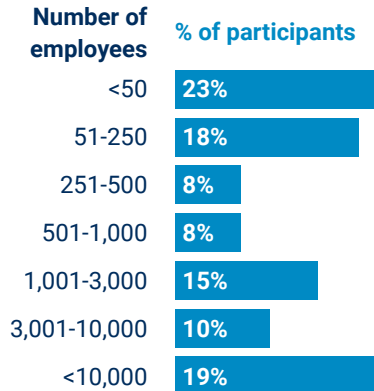
Around one third of the participants who completed the questions in full held a leadership position within procurement (30%) and a further 33% worked in strategic or operational purchasing or as a supplier or product group manager. Therefore, close to every second participant (63%) worked within procurement. 11% stated that they belonged to the management or sat on the executive board of their respective company or organisation. This meant that a representative picture of the target group was achieved. Therefore, the 291 fully completed questionnaires constitute an adequate sample.

3 Methodology

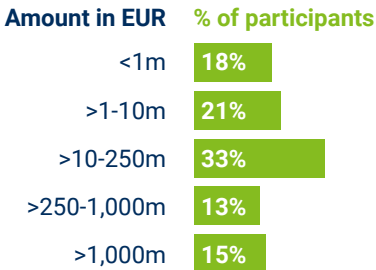
It was possible to participate in the online survey from anywhere in the world. Participants were predominantly from DACH region countries (71%). This includes Germany, Austria and Switzerland. Other international participants (29%) came in particular from Italy (24 participants), Spain (23 participants) and France (13 participants). The sample is therefore too small to carry out evaluation based on specific countries, however, where relevant, data from the DACH region can be compared with international responses.



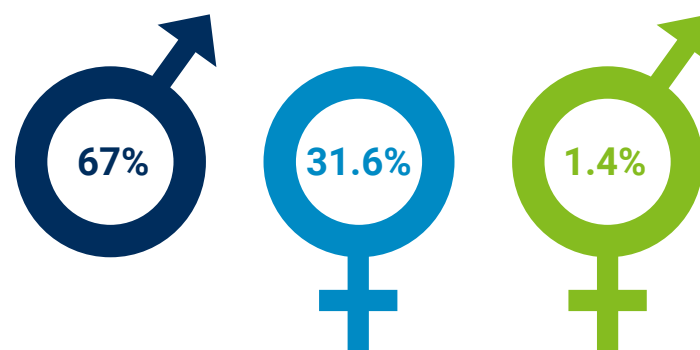
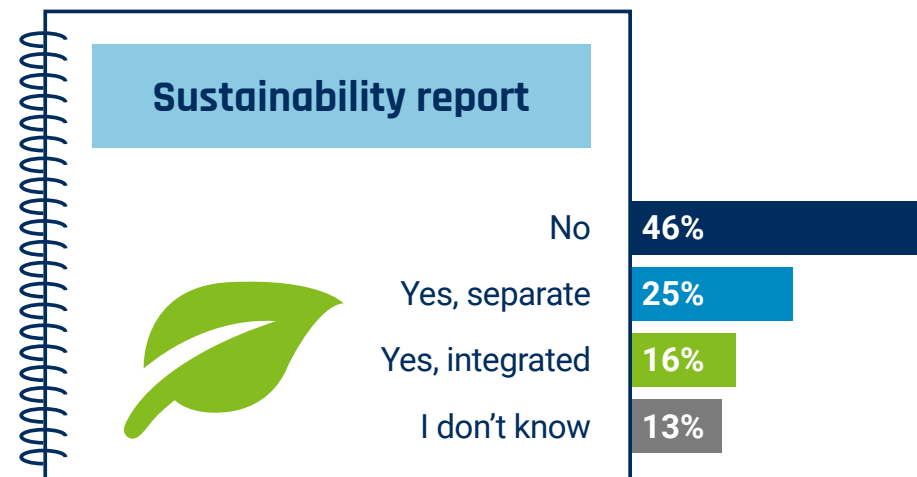
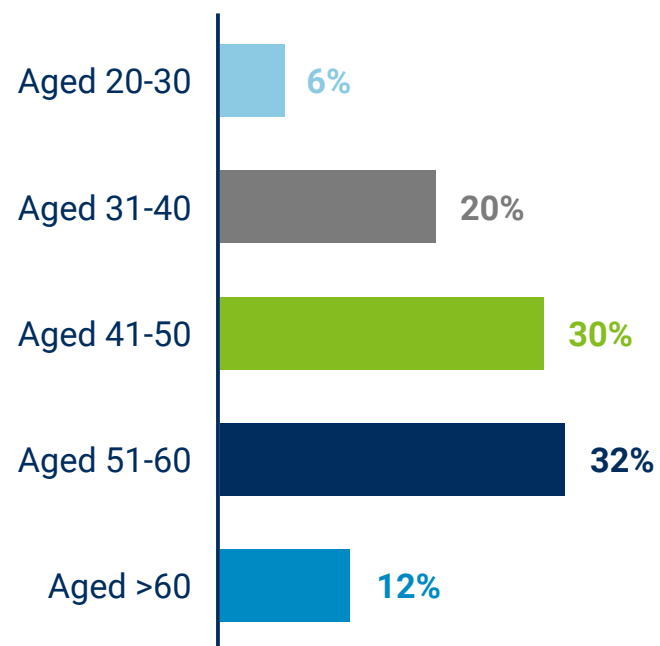
Participating organisations according to number of employees worldwide



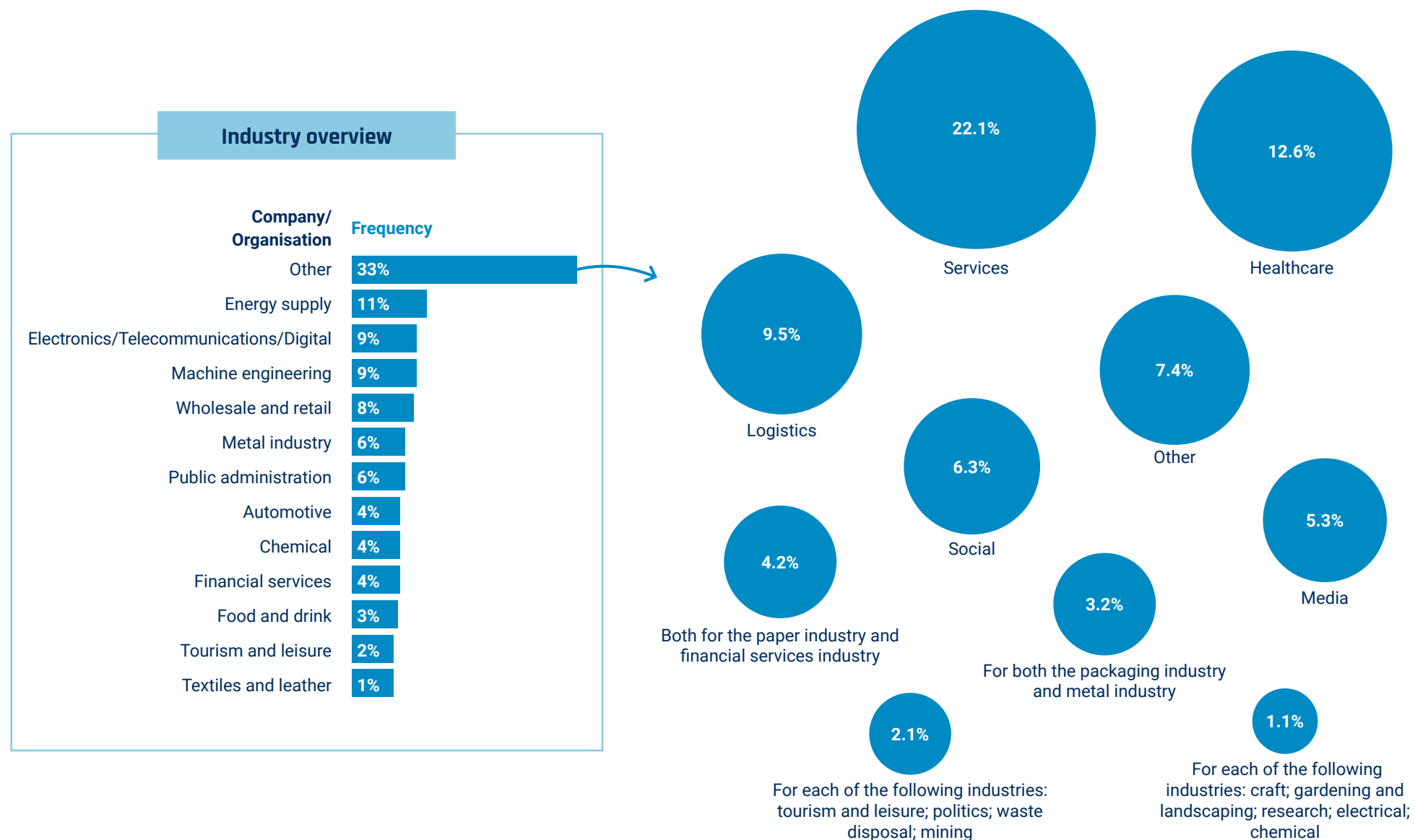
Participating organisations according to purchasing volume



3 Methodology



3 Methodology



3 Methodology

3.3 Data Analysis

Data analysis was carried out using the analytical functions integrated in LamaPoll as well as using Microsoft Excel and IBM SPSS Statistics. The collected data was first of all coded via LamaPoll and Excel. Using correlation and cross-tabulation analyses, interconnections between different questions and factors were highlighted and examined in IBM SPSS Statistics. The results were then visualised and interpreted in the form of tables, diagrams and graphs. Finally, the most relevant results were identified and discussed before deriving the significance and implications of these for practice and research.



RESULTS 4

4 Results

4.1 Sustainability Awareness

Relevance of sustainable procurement and responsible supply chains for participants personally

Since the last survey two years ago, purchasing departments have had to overcome a great number of challenges. The topic of sustainable procurement has been omnipresent throughout this period, in particular due to public discussions regarding the German Supply Chain Due Diligence Act as well as other similar international legislation. How has this changed purchasing officers' awareness?

The first section of our survey started by asking participants how relevant the topic of sustainable procurement and responsible supply chains was for them personally? In comparison to the first survey, there was a clear increase of 10.7% in the proportion of people who answered "very relevant" to this question (2022: 64.6%, 2020: 53.9%). In contrast, the percentage of respondents in 2022 who saw sustainable procurement as "somewhat relevant" was 9.8% less than in 2020 (37.3%), whilst the proportion selecting "not very relevant" (2022: 5.8%, 2020: 6.9%) and "not at all relevant" (2022: 1.7%, 2020: 2.0%) changed very little. When taken together, the proportion of respondents who

classified the topic as somewhat or very relevant was 92.1% in this year's survey, only very slightly up on the previous survey by one percent (2020: 91.2%). However, within this group, the relevance of the topic increased significantly (Fig. 1).

Question 1

How relevant is the topic of sustainable procurement and responsible supply chains for you personally?

Answer	2020	2022
Very relevant	53.9%	64.6%
Somewhat relevant	37.3%	27.5%
Not very relevant	6.9%	5.8%
Not at all relevant	2.0%	1.7%
I don't know	-	0.3%

**Clear
increase
of 10.7%**

Fig. 1

4 Results

Participants' personal influence within the scope of their professional duties

Purchasing officers have a key function within companies and organisations to establish sustainable business practices. This impact has implications that extend both internally and externally, since the demand from purchasing departments controls supply in the market. However, many people working within procurement have been unaware of this important role for a long time.

Question 2 asked participants how much influence they personally had on sustainable development at their company, taking into account the scope of their professional duties. In 2022, there was close to a five percent increase in the proportion of respondents who claimed they had a “decisive influence” compared to 2020, whereas there was a seven percent decrease in those selecting “some influence”. Changes in the percentage of participants choosing the other two options were once again marginal (Fig. 2).

Question 2

Taking into account the scope of your professional duties, how much influence do you think you personally have on the sustainable development of your company?

2020 2022

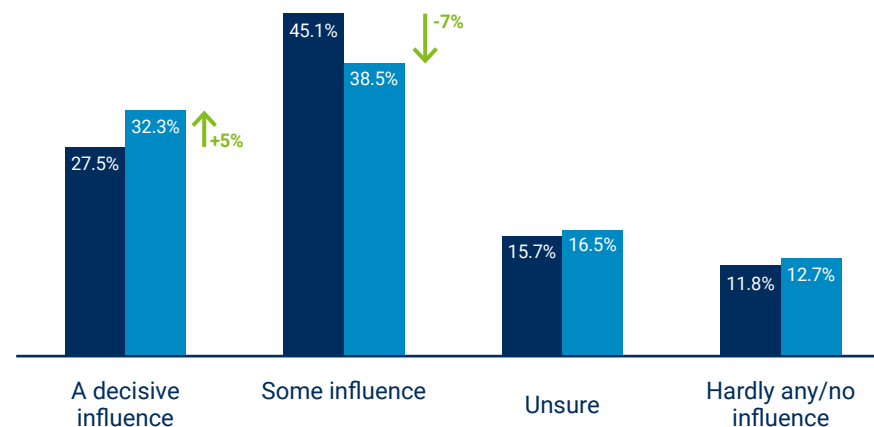


Fig. 2

4 Results

Participant knowledge

Sustainable development requires a good level of knowledge amongst those working within procurement.

A lack of knowledge creates uncertainty which can place a significant obstacle in the way of transformation

– a challenge which will be further examined later in the survey.

This question set out to examine whether the level of knowledge within purchasing departments had increased since the previous survey. To determine this, participants were asked how they would rate their knowledge of sustainable procurement and responsible supply chains and whether they felt both sufficiently informed on the topic and able to inform others. In this respect, a further positive development in comparison to 2020 was identified. 22% of participants rated their knowledge as very good (2020: 21%) and the proportion of those who answered that they had sufficient knowledge increased by a whole seven percent to a total of 46% (2020: 39%). Thus, the group of respondents who chose either “neither good nor bad” or “poor” decreased by eight percent overall (Fig. 3).

Question 3

How would you rate your knowledge of sustainable procurement and responsible supply chains? Do you feel sufficiently informed and able to inform others?

2020 2022

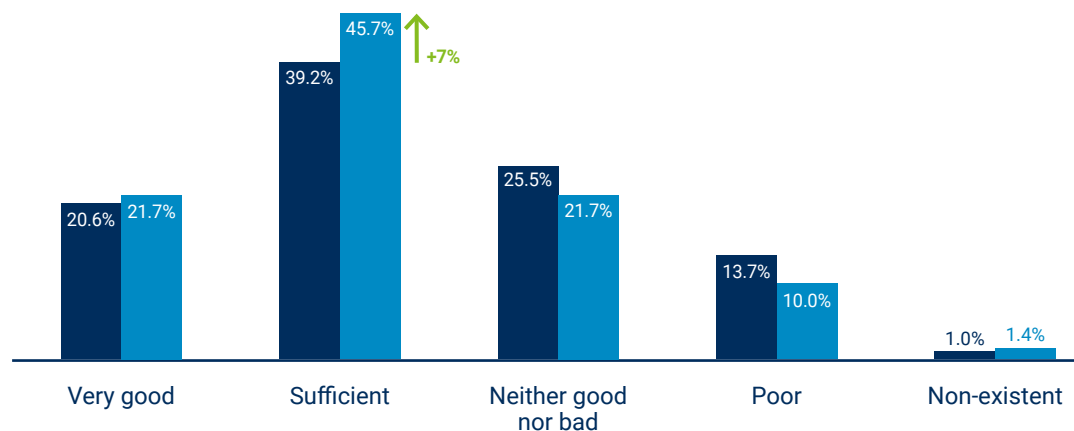


Fig. 3

4 Results

Retrospectively assessing risk

The past two years have been very turbulent and have brought with them the risk of sustainability falling down the list of purchasing priorities within companies and organisations. The impacts of the coronavirus pandemic, the war in Ukraine and inflation are just three examples of factors that have contributed to massive supply chain bottlenecks and a rise in prices. Purchasing officers have rarely received so much attention as in the past few years.

For Question 4, participants were asked what supply chain risks in the past two years have had (are having) the largest impact on their procurement activities. The top three responses to this question were “supply risks” (34%), “financial risks” (27%) and “personnel risks” (16%) (Fig. 4). “Security risks” (10%), “climate risks” (7%) and “reputational risks” (6%) lag far behind the top three – a particularly thought-provoking result given climate change.



The responses made it clear that the top priority for procurement departments has been to ensure the security of supply – everything else being a secondary concern. However, it is precisely to ensure the security of supplies in the future that purchasers need to better understand the dangers represented by climate change and do their part to try and control it.

Nevertheless, the first section of the study determined a pleasing trend towards improved awareness in matters of sustainable procurement and responsible supply chains. But what about the factors and incentives motivating sustainable actions? This question is examined in the following section.

Question 4

Which supply chain risks have had (are having) the largest impact on your procurement activities in the last two years?

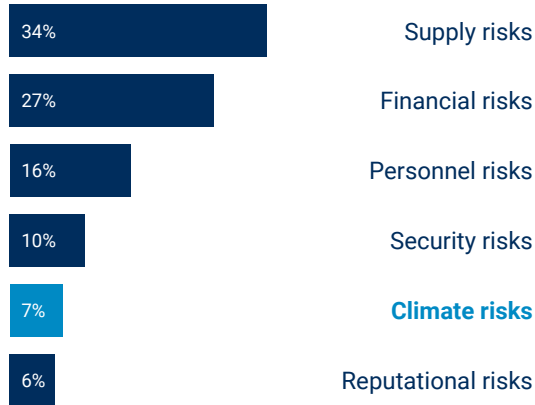


Fig. 4

4 Results

4.2 Sustainability Incentives

Personal interest in the topic of sustainability

We expect that the surveys which were completed in full were primarily submitted by individuals who not only saw the topic as relevant but that also had a strong interest in sustainability. **What changes relating to sustainability incentives between the first and second surveys have been identified?**

In **Question 5**, participants were asked about their level of personal interest in the topic of sustainability. This resulted in a surprise, in particular when looked at in conjunction with the results from the first section. The proportion of respondents who were “very interested” in the topic of sustainability decreased by almost eight percent (2022: 73.5%, 2020: 81.4%). The percentage of participants who said they were “somewhat interested” increased only slightly (2022: 16.2%, 2020: 15.7%), whilst more than seven percent of respondents stated they were “neither interested nor disinterested” (2022: 7.2%, 2020: 2.0%). The proportion of participants who answered that they were “somewhat/entirely disinterested” continued to be very low (2022: 2.1%, 2020: 1.0%) (*Fig. 5*).

Question 5

Are you personally interested in the topic of sustainability?

Answer	2020	2022
Very interested	81.4%	73.5%
Somewhat interested	15.7%	16.2%
Neither interested nor disinterested	2.0%	7.2%
Somewhat disinterested	1.0%	1.7%
Entirely disinterested	-	1.4%

Clear decrease of almost 8%

Fig. 5

4 Results

→ *The opportunities presented by sustainable procurement for individual professional development and for empowering the role of procurement continue to be under appreciated.*

Motivational factors within a professional context

In addition to the respective personal interest in the topic, there are many other aspects that influence how motivated a participant is with regard to sustainable procurement. Have there been changes in this regard when compared with the previous survey?

To answer Question 6, respondents had to rate the extent to which the following aspects motivated them to act sustainably in their work. This question also revealed interesting developments with regard to the first survey (Fig. 6). In 2020, the incentives that received the most responses for both “a large extent” and “to some extent” (joint result) were “own intrinsic motivation and mindset” (92%), “legal regulations” (85%) and “customer demand” (83%). For the current survey, the latter two incentives were the most popular factors, both with almost the same percentage (82.5%), followed by “own intrinsic motivation and mindset” (81.5%) and “clear internal operating procedures” (76.6%).

Surprisingly, the motivational impact of “legal regulations” decreased in comparison to 2020 by almost 10% (2022: 75.3%, 2020: 85.0%). Once again, participants did not see potential career prospects as a motivational

factor and the value for this dropped by almost three percent (2022: 46.1%, 2020: 49.0%).

The fact that customer demand is considerably more important than the other aspects may be a result of the increasingly binding due diligence obligations for companies and organisations which have resulted in greater expectations with respect to suppliers.

Other incentives specified in the alternate answer text box:

- Brand enhancement
- Environmental needs
- Innovation
- Company identity
- New business
- Professional development
- “To increase the value of day-to-day work in relation to a sustainable world”
- Certainty rather than a good conscience

Question 6

To what extent do the following aspects motivate you to act sustainably in your work?



Fig. 6

4 Results

Motivational factors

As a secondary question on the topic of sustainability incentives, [Question 7](#) aimed to analyse the extent to which selected factors, according to the participant, motivated companies and organisations to pursue sustainable procurement and responsible supply chains. The responses for “a large extent” and “to some extent” were combined for the purposes of the analysis ([Fig. 7](#)). As in 2020, the most frequent motivational factor was company/organisational management’s clear commitment to sustainability (2022: 83.4%, 2020: 93.1%). Existing legal regulations and legislation (2022: 83.1%, 2020: 90.2%) and customer demand (2022: 80.9%, 2020: 88.2%) were ranked second and third respectively. New to the top five in 2022 was risk management (2022: 72.0%, 2020: 67.6%). This represented a key change underlining the strategic relevance of sustainability to procurement organisations. Employee awareness was also amongst the most important motivational factors (2022: 70.2%, 2020: 79.4%). **This is a crucial aspect and should continue to be supported by means of targeted training and further training.**

Question 7

In your opinion, to what extent do the following factors motivate companies to pursue sustainable procurement and responsible supply chains? (Top 5 motivational factors)

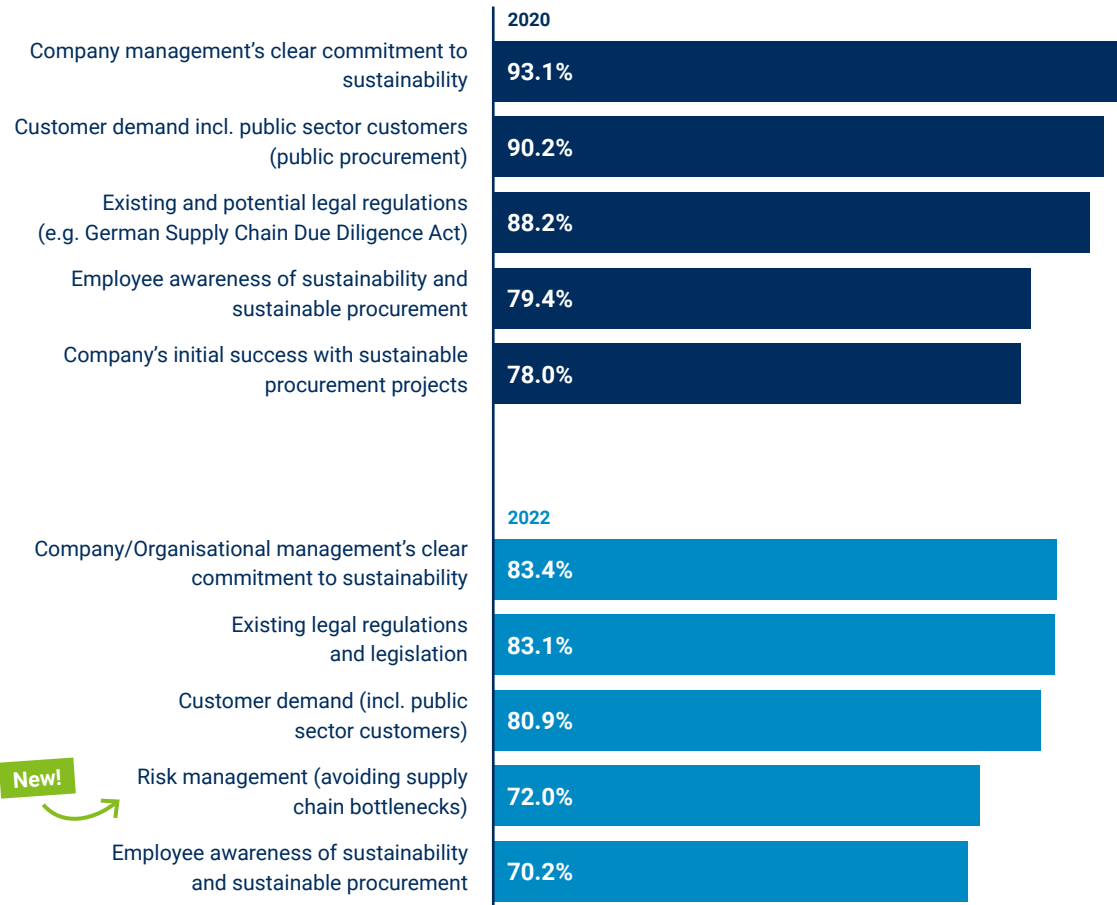


Fig. 7

4 Results

Inhibiting factors

We have already referred to the challenges that procurement organisations have been confronted with in recent years. However, for the 2022 version of the survey, we introduced some new factors to the list in Question 8 so as to find out what the top five inhibiting factors were for this year. Responses have once again been ranked based on the combined result for the percentage of participants answering either “a large extent” or “to some extent” (Fig. 8).

In Question 8, participants were asked to what extent the following factors, in their opinion, inhibited companies and organisations from pursuing sustainable procurement and responsible supply chains. In first place was, once again, a lack of mandatory and standardised regulations at the international level (2022: 77.2%, 2020: 88.2%). It also came as no surprise that the second most inhibiting factor was the current financial situation (2022: 74.1%, 2020 not included in the list of options). These are both external factors. However, the third, fourth and fifth factors all represented internal factors which inhibited respondents from implementing sustainable procurement. This included insufficient or lack of understanding of the issue within the company/organisation (2022: 70.2%, 2020 not included in the list of options), the view that company/organisational management’s commitment

Question 8

In your opinion, to what extent do the following factors inhibit companies and organisations from pursuing sustainable procurement and responsible supply chains?
(Top 5 inhibiting factors)

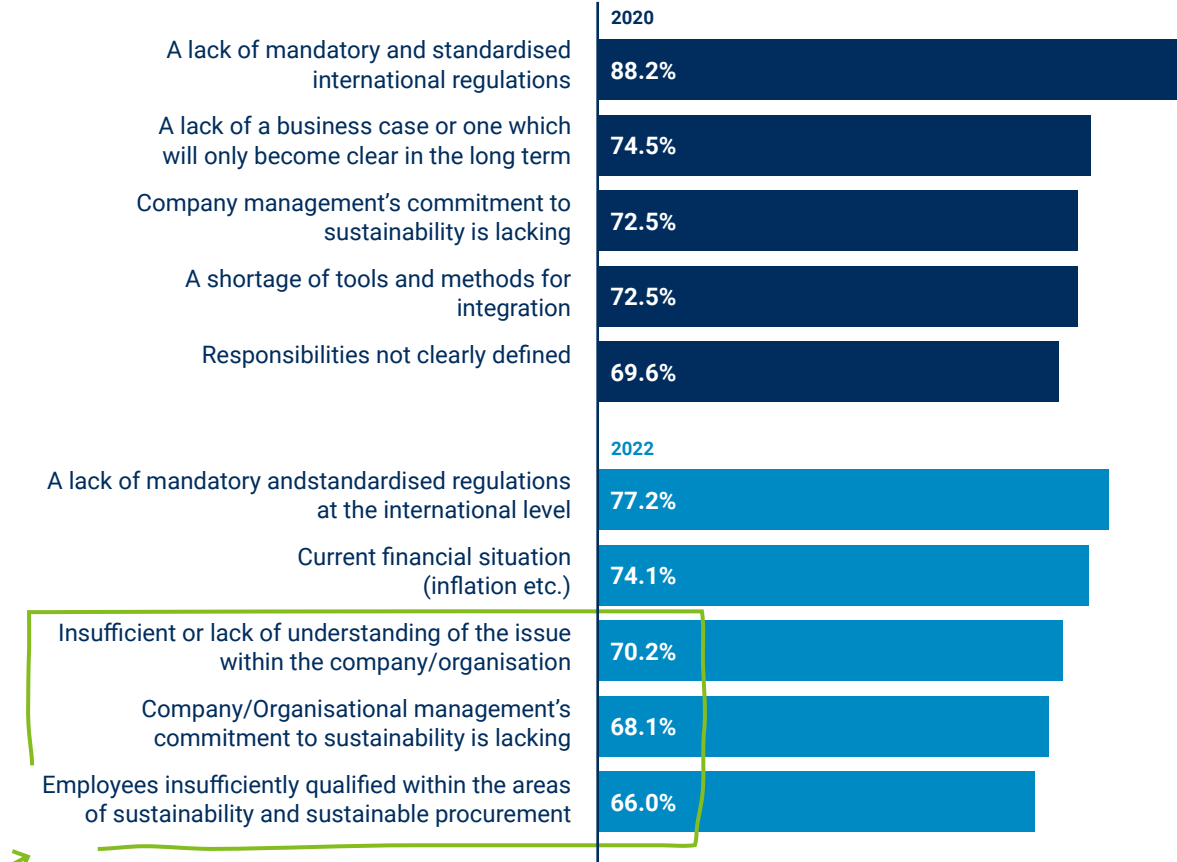


Fig. 8

to sustainability was lacking (2022: 68.1%, 2020: 72.5%) and that employees were insufficiently qualified within the areas of sustainability and sustainable procurement (2022: 66%, 2020 not included in the list of options).

These three factors are points that companies and organisations could easily work on themselves in order to boost sustainability performance.

4 Results

Assessing internal expectations

It is also interesting to examine how high participants considered the expectations of their company management/executive board to be with respect to sustainable procurement and responsible supply chains at their company or organisation.

The purpose of **Question 9** was to find out how high participants believed these expectations were (**Fig. 9**). In 2022, three percent more of participants responded that the expectations of management were “very high” (2022: 37.1%, 2020: 34.3%) – a positive development. There was a five percent decrease compared to 2020 in participants who considered these expectations to be “somewhat high” (2022: 31.3%, 2020: 36.3%). In 2022, 17.9% selected “neither high nor low” (2020: 20.6%). In 2022, 8.3% of participants still believed that the management at their company or organisation had “very low” expectations (2020: 7.8%). Finally, the percentage of participants who said that those at management level had “no expectations” needs to be looked at critically since there was an increase here (2022: 5.5%, 2020: 1.0%). So there seems to be an incentive for management to formulate clear expectations and to ensure these are communicated adequately in order to stimulate action in matters of sustainable procurement.

Question 9

How high do you think the expectations of your company management/executive board are with respect to sustainable procurement and responsible supply chains at your company or organisation?



Fig. 9

4 Results

Assessing external expectations

What pressure do participants experience due to public expectations? This was examined by Question 10: How high do you think the expectations of the public are with respect to sustainable procurement and responsible supply chains at your company or organisation?

The responses to this question were worrying (Fig. 10). In the 2022 survey, only 38% of respondents believed public expectations to be “very high” (2020: 44.1%) – a drop of six percent in comparison to 2020. The percentage of people who considered these expectations to be “somewhat high” was also lower than in the previous survey (2022: 27.8%, 2020: 30.4%). In contrast, the proportion of people who chose “neither high nor low” (2022: 20.3%, 2020: 15.7%), “very low” (2022: 11.7%, 2020: 9.8%) and “no expectations” (2022: 2.1%, 2020: 0.0%) increased – a development which should probably be viewed in conjunction with current inflation.

This is most definitely a wake-up call for every individual – whether working in procurement or as a consumer – to campaign for a purchasing culture that embraces a sustainable economy in particular with

Question 10

How high do you think the expectations of the public are with respect to sustainable procurement and responsible supply chains at your company or organisation?

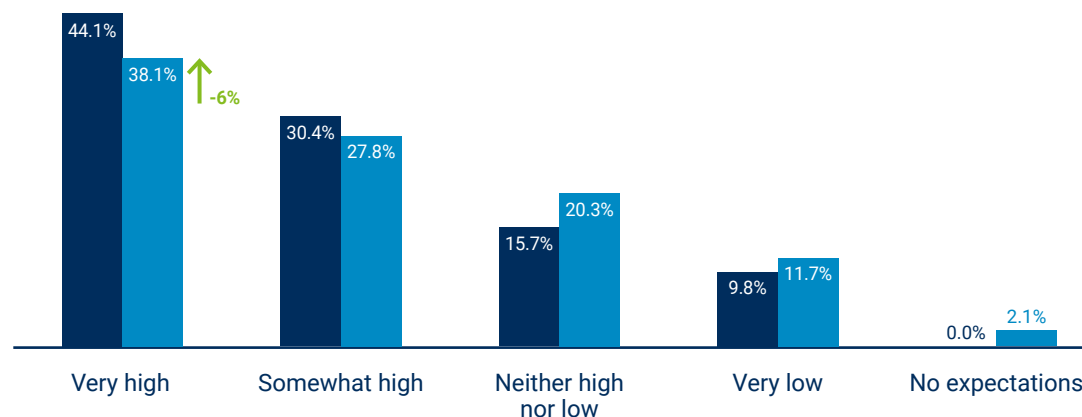


Fig. 10

regard to procurement processes and the associated supply chains, so that precisely this pressure is identified as the key motivational factor behind companies' sustainable actions.

After having observed sustainability awareness as well as factors motivating sustainable initiatives, the third section of the survey turned its attention to looking at how participants assessed sustainability.

4 Results

4.3 Assessing Sustainability

How individual respondents assessed sustainability also provided interesting results for this study which will be examined more closely in this section.

Assessing the costs and workload associated with sustainable procurement

Firstly, the survey examined how respondents rated the costs and workload associated with selected procurement activities. We asked participants how they would assess the costs and workload associated with sustainable procurement and responsible supply chains for their company or organisation in comparison to those associated with traditional procurement (Question 11). If we just look at the percentage of participants who selected “significant increase”, as in 2020, “reviewing supplier information” was once again the top answer (2022: 45.02%, 2020: 51.0%) – a challenge which purchasing departments will also have to deal intensively with in the future too.

Question 11

How would you assess the costs and workload associated with sustainable procurement and responsible supply chains for your company or organisation in comparison to traditional procurement?



Fig. 11

In order to gain a better overview of the results, we have grouped the answers together into two separate groups and used the joint results (Fig. 11). The answers for “significant increase” were grouped together with those for “slight increase.” The second group then consisted of the answers for “no change”, “slight reduction” and “no additional costs or workload.”

By grouping the answers in this way, we were able to see that “purchasing strategy development” was associated

with the greatest increase in costs and workload (2022: 85.6%, 2020: 88.2% combined with product group strategy), followed by “reviewing supplier information” (2022: 84.5%, 2020: 96.1%) and “supplier selection and onboarding process” (2022: 79.7%, 2020: 89.1%). **The fact that purchasing strategy found itself among the top three in this respect may suggest that sustainability has become a topic that purchasing management is now dealing with.**

4 Results

In the middle of the rankings were activities including “supplier development” (2022: 75.6%, 2020: 78.2%), “drafting supplier contracts” (2022: 74.9%, 2020: 81.4%), “product group strategy” (2022: 74.6%, 2020: 88.2% combined with purchasing strategy), “communications and training measures” (2022: 72.5%, 2020: 82.4% combined with change management) and “call for tender specification documents” (2022: 71.5%, 2020: 82.4%).

“Governance” activities, which were one of the top three activities associated with increased costs and workload in 2020, came in at ninth place, which may be related to the fact that purchasing organisations have become more involved with this in the time between the two surveys. The specific level of implementation of each of these measures will be more closely analysed in the fourth section.

The activities which were associated with the least additional costs and workload were “purchasing control/KPIs” (2022: 70.4%, 2020: 75.5%), “supplier assessment” (2022: 70.1%, 2020: 73.5%) and “change management” (2022: 65.3%, 2020: 82.4% combined with communications and training measures).

It continues to be surprising that, despite the closer engagement with purchasing strategy that can be observed, “needs planning” once again came in at second-to-last place (2022: 55.0%, 2020: 54.5%) – meaning that only one in two respondents associated this activity with an increase in costs and workload. This may indicate that needs planning as a tool for innovative and regenerative procurement is still not sufficiently appreciated or utilised within purchasing.

In last place, as was the case in 2022, came operational procurement. Only 52.2% of participants saw an increase in costs and workload in this regard when compared to traditional procurement (2020: 48.0%).

4 Results

Impact on corporate goals

A similarly insightful question asked by the survey was what impact the participants thought sustainable procurement and responsible supply chains had on achieving the corporate goals of their company or organisation (Question 12).

Again, for the purposes of better oversight, when analysing responses, answers to the questions were combined into groups (Fig. 12). The first group combined the answers for “significant improvement” and “some improvement”. The second group represented the answers for “no impact”, whilst the third group combined the answers for “some deterioration” and “significant deterioration”.

In the 2020 survey, respondents primarily saw opportunities for other areas of the company but not within their own area of procurement. In the 2022 survey, “risk minimisation” was new to the top three positive impacts (2022: 65.0%, 2020: 64.7%) meaning that the benefits of sustainable procurement on minimising risk had most likely been recognised. “Enhanced reputation” (2022: 80.4%, 2020: 94.1%) and “increase in employer attractiveness” (2022: 68.0%, 2020: 71.6%)

Question 12

What impact do sustainable procurement and responsible supply chains have on achieving your corporate goals?

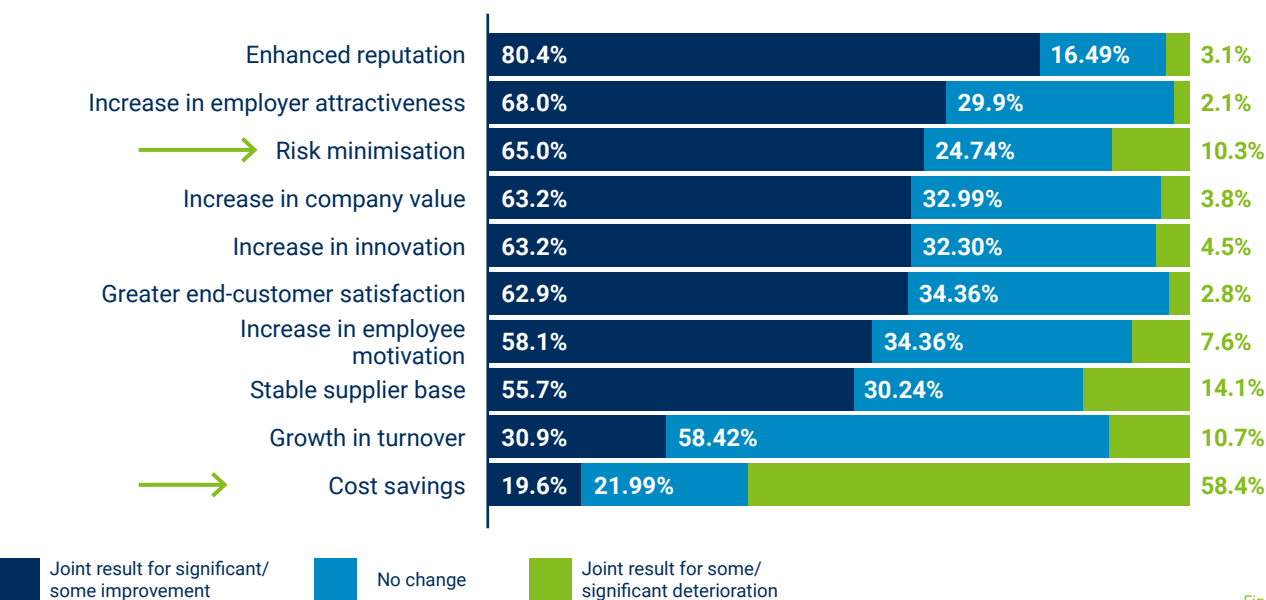


Fig. 12

2020: 87.3%) continued to constitute key positive impacts for respondents.

In the middle of table were: “increase in company value” (2022: 63.2%, 2020: 71.6%), “increase in innovation” (similarly, 2022: 63.2%, 2020: 71.6%) and “greater end-customer satisfaction” (2022: 62.9%, 2020: 71.6%). “Increase in employee motivation” only ranked seventh after having been one of the top three impacts for 2020.

In contrast, participants did not see much added value in terms of a “stable supplier base” (2022: 55.7%, 2020: 46.1%), “growth in turnover” (2022: 30.9%, 2020: 37%) and, in particular, “cost savings” (2022: 19.6%, 2020: 17.6%). However, 58.4% of respondents feared cost increases (2020: 60.8%).

4 Results

Overarching sustainability goals

A new addition to this year's survey was [Question 13](#) which aimed to analyse whether overarching sustainability goals had been set out at participants' companies and organisations ([Fig. 13](#)).

45% of participants stated that this was the case. Around one quarter of respondents answered that sustainability goals were currently in the planning stages (26.1%). Almost a quarter of those asked said that their company or organisation had not yet agreed on any sustainability goals (23.4%), with slightly over five percent of participants being unable to answer the question (5.5%).

Question 13

Have overarching sustainability goals been set out at your company or organisation?

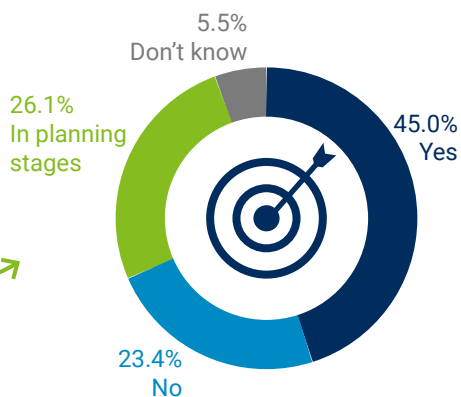


Fig. 13

Sustainability goals for procurement

Sustainability goals at the company or organisation level are a good start. Nevertheless, in order to implement sustainable procurement, sustainability goals specific to purchasing are key. This is why we also added a procurement-specific question in 2022. In [Question 14](#), we wanted to see whether participants were aware of sustainability goals for procurement that had been set out at their company or organisation ([Fig. 14](#)).

One third of respondents said that sustainability goals for procurement had been set out (33.3%). Around 30% of participants (29.9%) explained that these goals were currently in the planning stages. Yet, almost one in three respondents (32.0%) said no sustainability goals for procurement had been defined with almost five percent (4.8%) being unable to answer the question. There is a real need for action with respect to setting goals since without concrete goals it is practically impossible to implement sustainable procurement and responsible supply chains.

Question 14

Have sustainability goals for procurement been set out at your company or organisation?

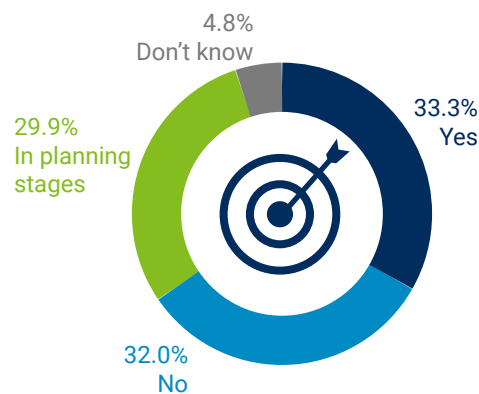


Fig. 14

4 Results

Bases for sustainability goals

A question that was added for the 2022 survey was the question on the bases underlying the sustainability goals set out at respondents' companies or organisations (Question 15). Participants had a selection of answers to choose from, could choose more than one and were also given the option of specifying alternate bases.

The most popular response was the Sustainable Development Goals (SDGs) of the United Nations which 29.1% of participants selected. Around one quarter of respondents (24.4%) said ESG reporting requirements formed this basis, with 11.9% selecting the Science Based Targets Initiative. Almost one third of participants (29.1%) were unable to answer the question (Fig. 15). Slightly more than five percent (5.4%) named other bases. However, the answers provided in the alternate answer text box revealed a low degree of maturity with regard to participants' awareness of underlying sustainability bases. For example, answers included "as cost-effective as possible" or "own goals".

Question 15

What are the bases for these goals?
(You may select more than one answer)

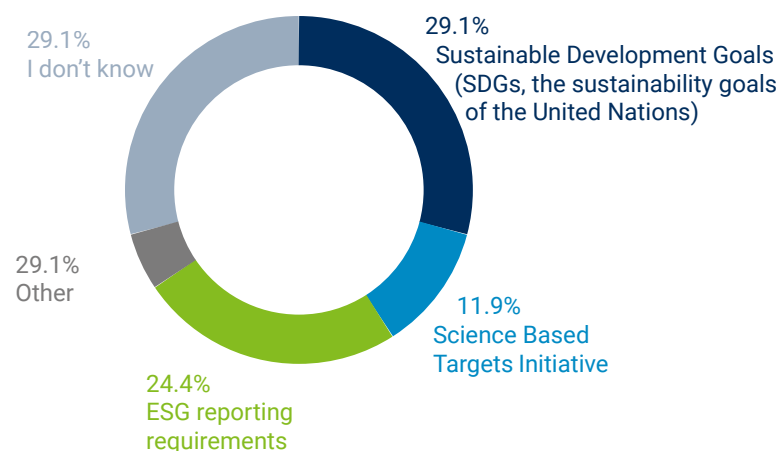


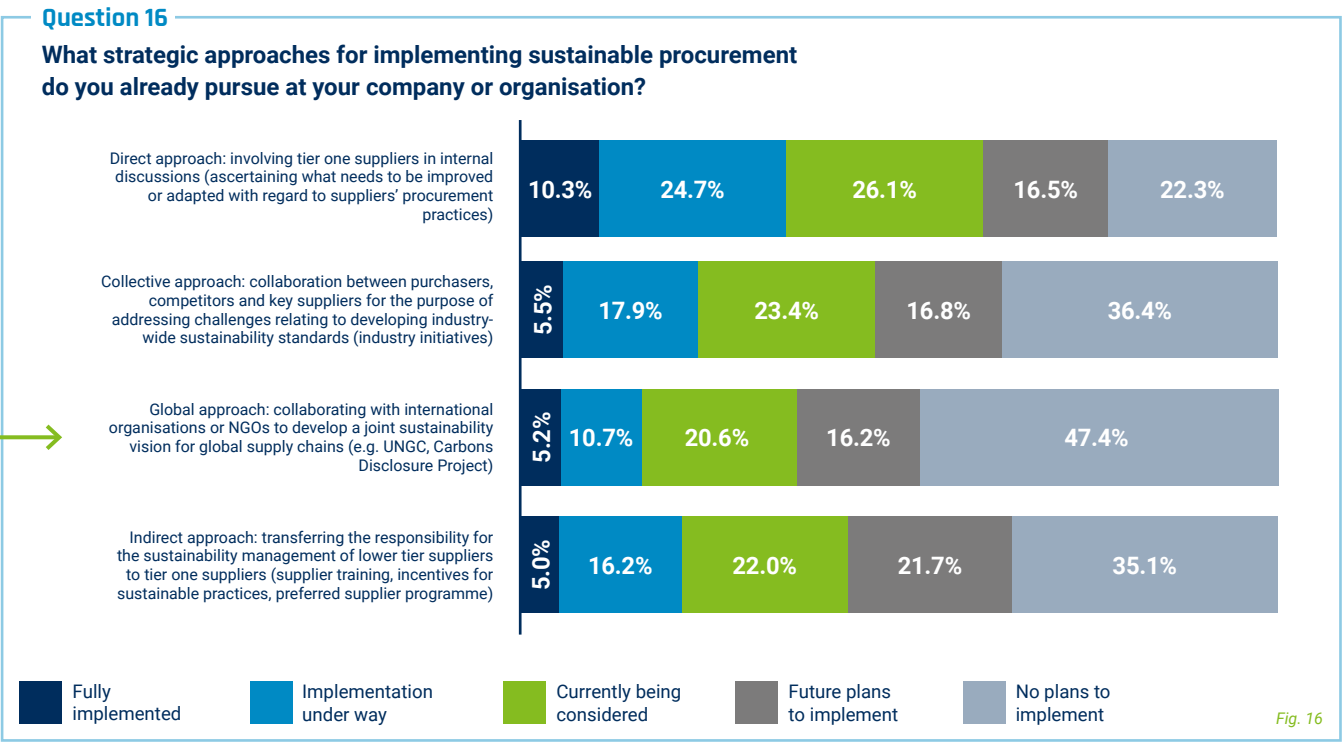
Fig. 15

4 Results

Strategic approaches to implementation

A key indicator when assessing sustainability is the strategic approach taken towards implementing sustainable procurement. This survey sought to analyse this in more detail (Question 16). In this question, participants were given four strategic approaches based on the study carried out by Villena and Gioia (<https://hbr.org/2020/03/a-more-sustainable-supply-chain>) (Fig. 16).

When asked which strategic approaches for implementing sustainable procurement were already being pursued at their company or organisation, the most frequent answer given by participants was the direct approach, i.e. involving tier one suppliers in internal discussions. One in ten respondents (10.3%) had already fully implemented this approach, with implementation being under way in almost one in four (24.7%) cases and a further one in four (26.1%) participants currently considering the approach. The collective approach in the form of collaboration between procurement officers, competitors and key suppliers for the purposes of developing industry-wide sustainability standards for current challenges was used by significantly fewer participants. 5.5% of respondents had



already implemented this strategy, a further 17.9% were under way with the implementation of it and almost one quarter of participants were considering it. Similar results were obtained for the indirect approach. Around five percent of participants stated they had transferred

to direct suppliers (tier one) the responsibility for the sustainability management of other suppliers from lower tiers, i.e. upstream suppliers. 15.2% were under way with the implementation of this approach and 22% were considering it.

4 Results

Particularly interesting were the responses to the fourth strategy – the global approach. This approach particularly focusses on collaboration with international organisations and NGOs. Only 5.2% of participants had already fully implemented this approach, 10.7% had started implementing it and one in five were considering it internally. However, it is worth noting that almost one in two participants (47.4%) were not considering this strategy. The added value brought by such international collaboration is not yet sufficiently appreciated.

This question also highlighted an interesting difference between international participants and those from the DACH region. It was revealed that international participants were considerably more open and further along in their selection and implementation of these strategic approaches than respondents from the DACH region. 11% of DACH participants said this global approach had been “fully implemented” or was “under way” at their company or organisation. However, for international participants, this number was considerably higher at 27.7% (Fig. 17). This was the same pattern for three of the four strategic approaches (direct approach, indirect approach and global approach). However, in terms of the collective approach, 24.6% of DACH region participants had implemented (or begun implementing) the approach which was above the figure for international participants (20.5%).

Question 16

What strategic approaches for implementing sustainable procurement do you already pursue at your company or organisation?

DACH region vs. international analysis: percentage of participants choosing either “fully implemented” or “implementation under way”

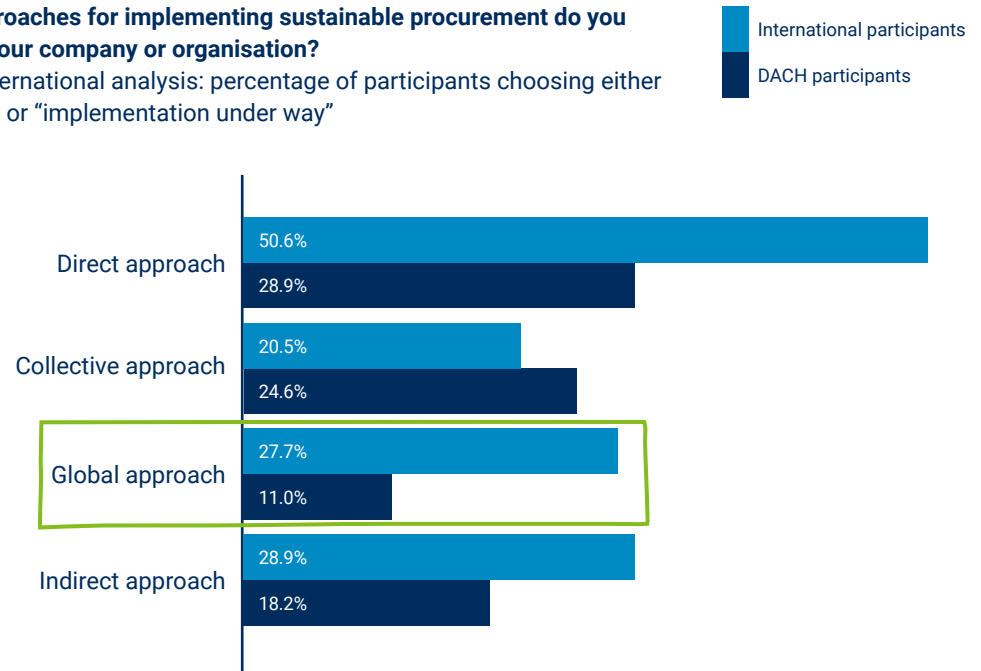


Fig. 17

It must be noted that given that the number of international participants was lower than those from the DACH region, only an approximative comparison of the differences between the two categories is possible.

Goals and strategy are important for ensuring a structured approach, but what about the concrete implementation of these within companies and organisations? What changes have occurred in this respect over the past two years? These questions have been addressed in the fourth and final part of the results section.

4 Results

4.4 Implementing Sustainability

In practice, it is common to see companies and organisations announcing ambitious goals, declarations of intent and comprehensive strategies. These are usually issued at management level. However, how well sustainability is anchored across all levels of the hierarchy and within all processes is what really matters when it comes to sustainability performance. This is particularly true for procurement and supply chains. Accordingly, a core focus area of our survey was to determine how far along companies and organisations were in implementing sustainability measures, which we have analysed in more detail in this section.

Implementation level of sustainability measures

This year, the first question of part four of the survey provided some valuable insights (Question 17). In this question, we asked participants what stage they were at with the implementation of selected measures for anchoring sustainable procurement and responsible supply chains within their company or organisation. The results were then presented in order of the

Question 17

What stage are you at with the implementation of the following measures for anchoring sustainable procurement and responsible supply chains within your company or organisation?

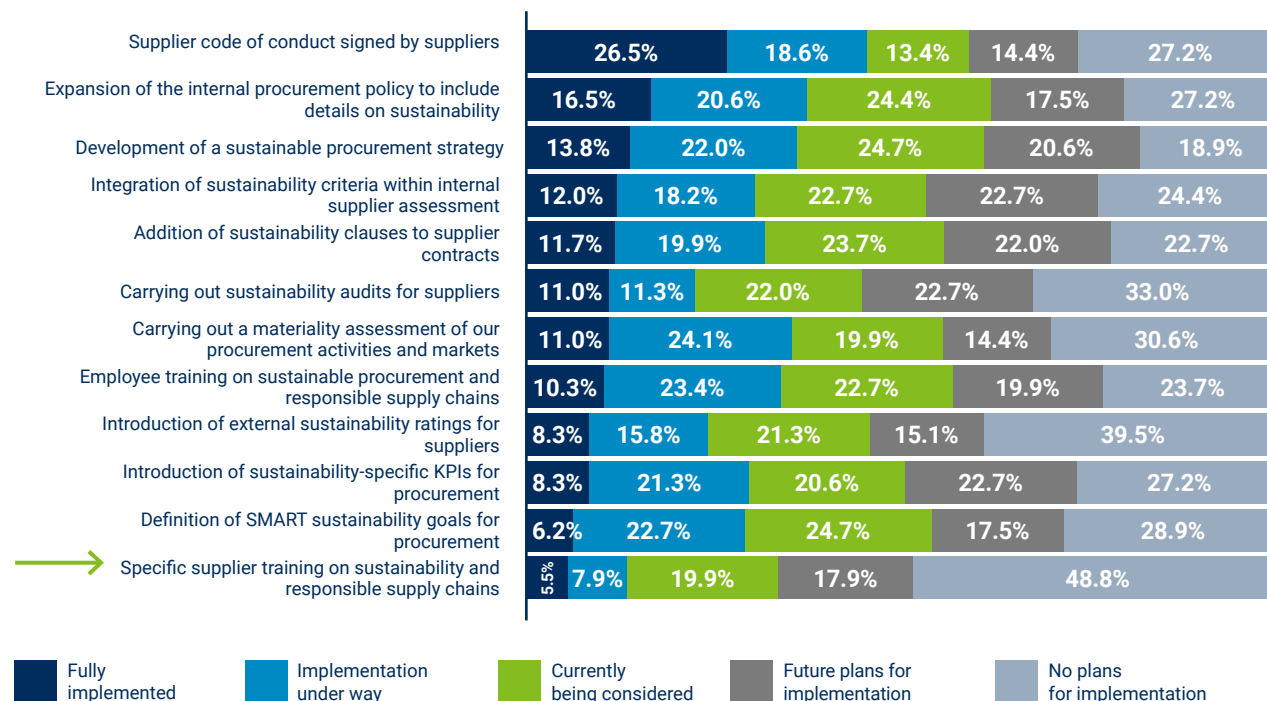


Fig. 18

percentage of participants having fully implemented them (Fig. 18).

“Supplier code of conduct signed by suppliers” once again came out on top. More than one quarter of respondents (26.5%) had already fully implemented this measure, with implementation being under way for a further 18.6% of participants. 13.4% were currently considering implementing this measure within procurement at their company or organisation. For 14.4%, there were only future plans to discuss implementation and 27.2% had no plans to implement the measure.

The second most common measure to have been implemented was “expansion” of the internal procurement policy to include details on sustainability. 16.5% of respondents had already implemented this measure in practice, 20.6% were under way with the implementation and a further 24.4% were currently considering it. 17.5% stated they would look at this step at a later date and 21% had no plans regarding this measure.

In third place was “drafting a sustainable procurement strategy”, a measure which 13.8% of participants had fully implemented.

4 Results

For 22% of participants, implementation of this measure was currently under way, whilst 24.7% were still considering it internally. More than a fifth of respondents (20.6%) only had future plans to tackle the measure and 18.9% saw no need to take action in this respect even in the future.

For measures occupying the middle of the rankings, the level of implementation was similar across the various procedures. 12% of participants had fully implemented “integration of sustainability criteria within the internal supplier assessment” and 18.2% had begun implementation. 11.7% of respondents had added sustainability clauses to their supplier contracts (with a further 19.9% in the process of doing so). 11% of participants carried out “sustainability audits” on their suppliers and a further 11.3% were under way with implementing these. Similarly, 11% of respondents also made use of “materiality assessments” in order to analyse their procurement activities and markets in more depth. One in four respondents (24.1%) were currently getting to grips with this analytical tool so as

to be able to use it in the future. “Employee training on sustainable procurement and responsible supply chains” was a measure that had been fully implemented by 10.3% of participants and which was, notably, under way at 23.4% of participants’ companies or organisations.

The “introduction of external sustainability ratings for suppliers” was employed by 8.3% of respondents and will be carried out soon by a further 15.8%. However, the measures coming in last were somewhat worrying. The “introduction of sustainability-specific KPIs for procurement” had only been implemented by 8.3% of participants, with implementation under way for 21.3%. Just 6.2% had made the effort to define “SMART sustainability goals” for procurement (22.7% were currently in the process of doing so). This raises the urgent question of how meaningful the considerably higher proportion of adopted sustainable procurement strategies can possibly be without these goals and KPIs in place. It is precisely these objectives and indicators that are required both to measure procurement

departments’ sustainability performance and to provide credible information for companies’ own reporting purposes. We believe this constitutes an area which is in crucial need of action.

As was the case for the 2020 survey too, last place went to “specific supplier training on sustainability and responsible supply chains”, with only 5.5% of participants having implemented this (7.9% having begun implementing it) and almost one in every two participants (48.8%) stating that they had no plans to implement this in the future! Companies and organisations seem still to be unaware of the impact that specific support relating to supplier development can have on minimising risks in supply chains and increasing the sustainability potential of their own company or organisation too.

4 Results

It is interesting to see how the implementation of these measures has developed with respect to the 2020 study. In this respect, there has been an overall positive development. To provide a clear overview of this development, the results for “fully implemented” and “implementation under way” have been combined to provide a joint result (Fig. 19).

In particular, there has been clear progress made in terms of the measures for “expansion of the internal procurement policy to include details on sustainability” (+8.6%), “development of a sustainable procurement strategy” (+6.6%) and “carrying out a materiality assessment of our procurement activities and markets” (+7.6%). This development suggests initial structural changes are occurring within procurement processes. Slight growth could also be seen in “employee training (...)” (+2.6%), “addition of sustainability clauses to supplier contracts” (+3.6%), “introduction of external sustainability ratings for suppliers” (+3.5%) and minimal growth in “definition of SMART sustainability goals for procurement” (+0.6%).

In contrast, “integration of sustainability criteria within internal supplier assessment” (-5.3%), “carrying out sustainability audits for suppliers” (-4.6%) and “specific supplier training on the topic of sustainability (...)” (-3.6%) all revealed a drop in the proportion of participants having implemented them. These developments are likely to be related to the impacts of

Question 17

What stage are you at with the implementation of the following measures for anchoring sustainable procurement and responsible supply chains within your company or organisation?
“Combined result for “fully implemented” and “implementation under way”

2020

2022

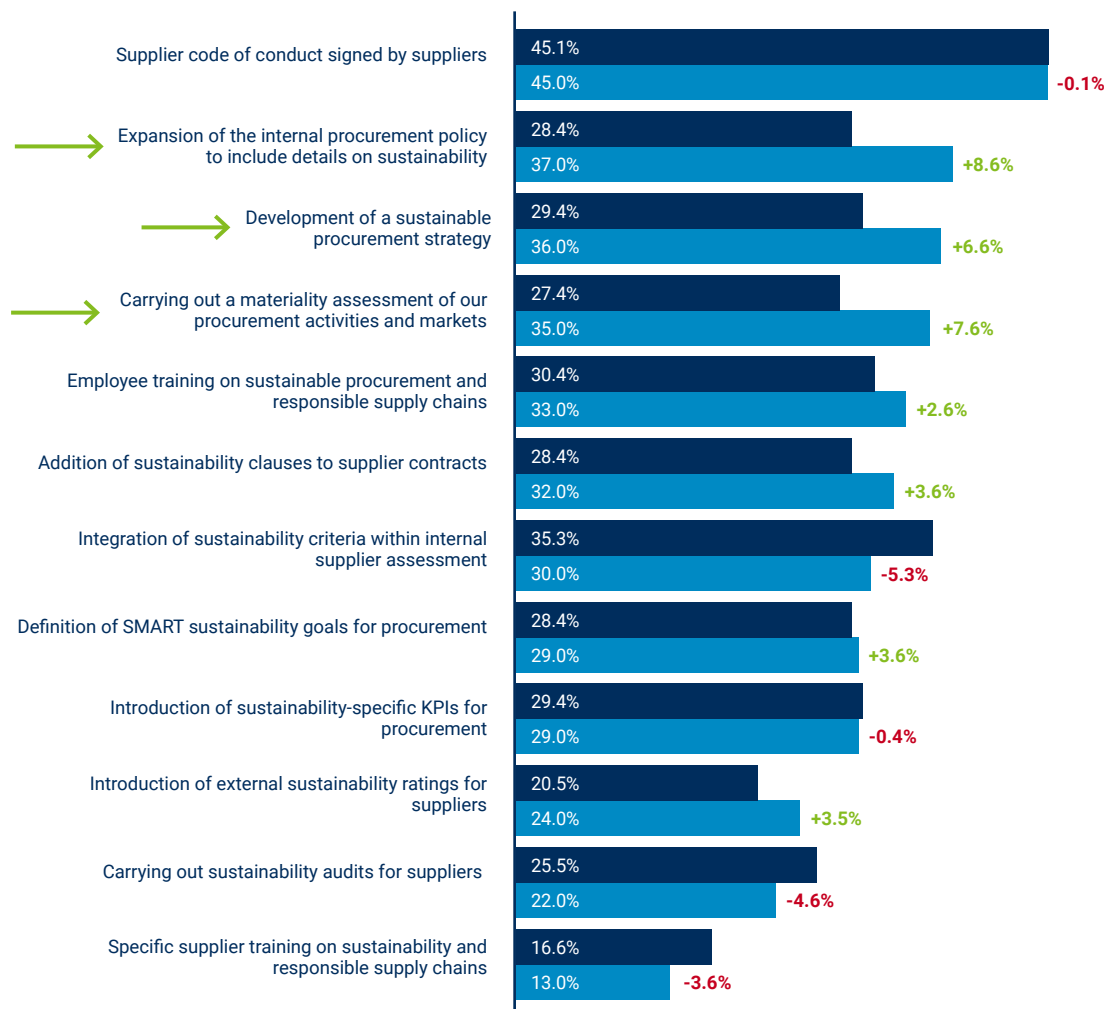


Fig. 19

the coronavirus pandemic and the associated supply chain bottlenecks. Further, slight negative developments could also be seen in terms of “introduction of

sustainability-specific KPIs for procurement” (-0.4%). However, “supplier code of conduct signed by suppliers” remained more or less the same as in 2020 (-0.1%).

4 Results

The most surprising findings resulting from this question, however, were revealed when the answers provided by participants from the DACH region were compared with those of international participants. The graph is presented in order of the measures with the greatest combined percentage of participants who selected either “fully implemented” or “implementation under way” and comparing the values for the two participant groups (Fig. 20).

According to the answers provided for all 12 of the measures, international participants were much further along with the implementation of these compared to their DACH counterparts. We have selected some examples to highlight this phenomenon. Whilst 36.6% of respondents for the DACH region had in place a supplier code of conduct signed by the suppliers, this value was almost double for international participants (66.3%). A similarly large difference could also be seen in relation to “introduction of sustainability-specific KPIs for procurement.” For the DACH region this measure had been implemented (or was being implemented) by 22.1% of participants, whilst for international participants this reached an impressive 48.2%. Even the level of implementation for supplier training which we analysed critically above was significantly higher for international respondents (20.5%) than for those from the DACH region (10.6%).

Question 17

What stage are you at with the implementation of the following measures for anchoring sustainable procurement and responsible supply chains within your company or organisation?

DACH Region (n=208) vs. international (n=83) combined analysis

(Combined results for “fully implemented” and “implementation under way”)

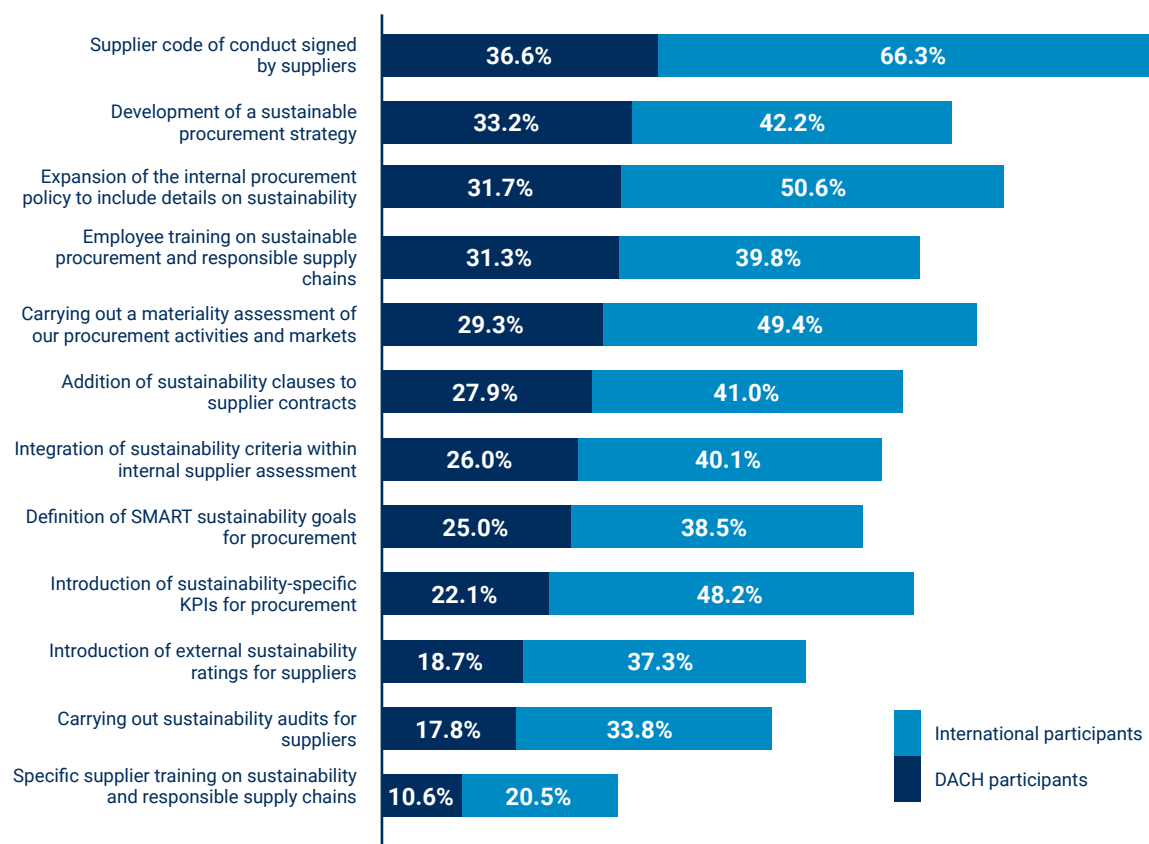


Fig. 20

4 Results

Even though a cautious approach to these comparisons is required given the varying sample sizes, these results may nevertheless be an indication that for German-speaking countries in particular there has been a tendency over the past two years for companies and organisations to transfer sustainability requirements directly to suppliers rather than adapting their own procurement processes to become more sustainable.

This is a hypothesis that should be more closely examined by means of further research.

In addition to the options provided in Question 17, in Question 18 participants were asked to provide information on any additional procurement measures that they had implemented. 17.6% of respondents stated that they had implemented other measures, whilst 82.4% said they had not (Fig. 21).

Question 18

Are any other sustainable procurement measures implemented at your company or organisation?

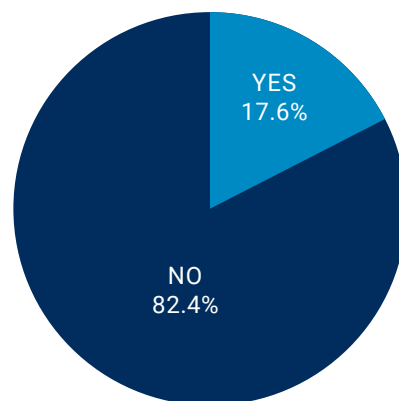


Fig. 21

The answers provided in the multilingual alternate answer text box were all translated by DeepL and categorised into eight clusters.

OVERARCHING COMPANY COMMITMENT

- Internal company audit
- Expansion of environmental management to include sustainability management
- Charter, number of assessments, CSR performance
- Carbon neutrality plan
- ESG, SDGs, human rights, German Supply Chain Due Diligence Act
- Waste management
- Reuse of packaging
- Recycling procedure
- We supply products which allow customers to work sustainably, e.g. energy efficiency measures

PROCUREMENT STRATEGY

- Own global sustainability programme
- Material compliance and CO₂ reduction
- Zero-plastic project
- Prioritising regional over international
- Development of a Sustainable Procurement Charter to communicate expectations regarding sustainability
- Heat map exercise carried out

VALUES

- Honesty
- Code of conduct
- Supplier management

SUPPLIER MANAGEMENT

- Streamlining suppliers that have not obtained the minimum score
- Dialogue with suppliers about sustainability to find possibilities for developing more sustainable initiatives within the framework of projects
- Tracking using IntegrityNext

COLLABORATION

- Procurement network within the group
- Creation of a sustainable network (industry network)
- Industry and professional cooperations

TENDERS

- ESG selection criteria for tenders
- All processes contain both exclusion and assessment criteria to incentivise the market
The process is also audited and brought into compliance with the German Circular Economy Act
- Assignments awarded to environmentally certified suppliers even if these are x% more expensive

PRODUCT GROUPS

- Office materials and paper
- Carbon footprint, conflict-free metal, targets, ILO standards (training, education, minimum working age, diverse nationalities, inter-generational contract, social benefits)
- Conflict minerals, ROHS
- Fleet of electric vehicles, charging stations, plans for photovoltaics
- Energy/solar/combined heat and power system
- ESG score over Mercateo for the C-parts sector
- Strengthening renewable energy
- Transition to electric mobility (passenger cars, some electric commercial vehicles), vehicles with battery instead of two-stroke engine
- Reducing packaging, e.g. ecological products

OPERATIONAL PROCUREMENT

- Expansion of the catalogue ordering platform by means of sustainability seals
- Local orders
- Collective orders
- Short payment terms

4 Results

Criteria for procurement decisions

Perhaps the most critical moment for sustainable procurement is the moment at which procurement decisions are made. This is when companies and organisations reveal how seriously they actually take their commitment to sustainability. Setting out goals, identifying procurement needs and requesting supplier data are all important, but to what extent are these pieces of information and these goals taken into account when deciding who to award contracts to?

In [Question 19](#) participants were asked which criteria have the greatest impact on procurement decisions, within the scope of their role ([Fig. 22](#)). To find this out, participants were asked to organise given options into order of importance.

The average position for each of the individual options has been included on the graph in brackets. The most important criterion for procurement decisions was service and/or product quality, followed by delivery time and, close behind, the purchase price. Accordingly, these three standard procurement criteria

Question 19

Within the scope of your role, what criteria have the greatest impact on procurement decisions?



When it comes down to it, commitment to sustainability within purchasing has to be reflected in procurement decisions. This involves specifically acknowledging suppliers' sustainability performance when awarding contracts. Only then can purchasing departments increase their own sustainability.

Fig. 22

continued to have the most influence over decisions. In fourth place, and by quite some way, was the total cost of ownership approach.

The criteria that filled the last three places warrant a reflection. These were supplier risk assessment, life cycle assessment and supplier sustainability performance – three criteria essential for making sustainable procurement decisions. The responses to this question clearly underlined the discrepancy between a desire to make sustainability a permanent feature of purchasing and actual behavioural changes. This lack of consequential impact is increasingly likely to leave suppliers feeling frustrated since, although they are required to provide a growing amount of data and evidence of certifications and commitment, these do not actually count for anything as procurement decisions continue to be made according to the same format they always have been. Therefore, procurement

officers urgently need to review their evaluation framework and adjust the weightings so as to take a targeted approach to increasing their acknowledgement of suppliers' sustainability performance and thereby improving their own.

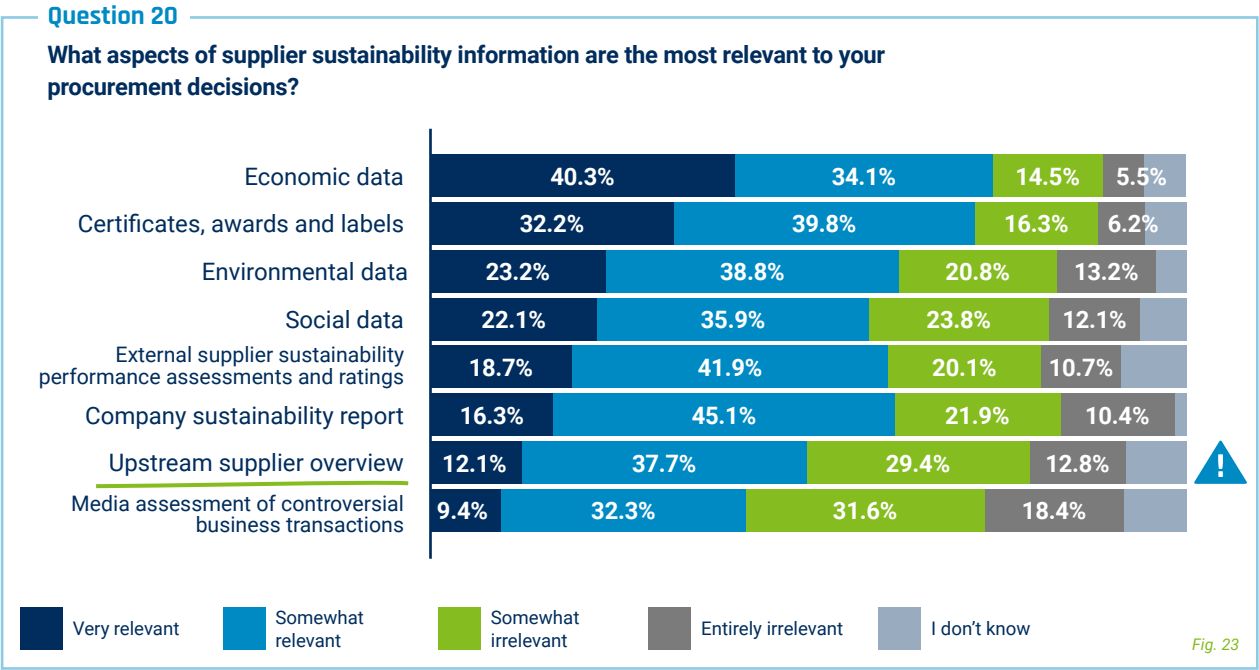
Participants were also able to specify other criteria which included balance sheet analysis, development time, internal portfolio, ability to deliver/availability, references, region, service and friendliness, delivery risk, technical data sheets, availability and need. Three of the alternate answers were not taken into account for qualitative reasons. Another alternate answer referred to the difficulty of arranging the answers in order since the participant saw all answers as being equally important.

4 Results

Relevance of supplier sustainability information

This lack of consequential action was also made visible in the answers to the the next question (Question 20). In this question, participants were asked to specify which elements of supplier sustainability information were the most relevant to their procurement decisions. The responses revealed significant changes when compared to those of the 2020 survey (Fig. 23).

By far the most important element of supplier information for procurement officers was economic data. 40.4% of respondents stated that this information was “very relevant” with a further 34.1% saying it was “somewhat relevant”. This is very likely to be a consequence of the overall economic situation which has been very tense in recent years. As in 2020, information on certificates, awards and labels was ranked second (very relevant: 32.2%, somewhat relevant: 39.8%). Environmental data, which, in 2020, was the most important element for purchasing, came in at third



place this year, with 23.2% of participants rating this information as “very relevant” and a further 38.8% as “somewhat relevant”. Social data, which in 2020 made the top three, lost one place this year and was ranked fourth (very relevant: 22.1%, somewhat relevant: 35.9%). The lower half of the table for relevant supplier information included external supplier ratings (very relevant: 18.7%, somewhat relevant: 41.9%), suppliers’ sustainability reports (very relevant: 16.3%, somewhat relevant: 45.1%), the upstream supplier overview (very relevant: 12.1%, somewhat relevant 37.7%) and media

assessment of controversial business transactions (very relevant: 9.4%, somewhat relevant: 32.3%). The final three remained the same as for 2020. However, with regard to the relevance of the upstream supplier overview one important difference should be highlighted. In 2020, 17% of respondents stated that this overview was either somewhat or entirely irrelevant. In 2023, this rose to 42.4% – an increase of more than 25%. **This development is particularly alarming as it underlines the fact that the added value of transparent supply chains has still not been recognised.**

4 Results

Willingness to pay for more sustainable products and services

With regard to procurement decisions, [Question 21](#) aimed to examine the extent to which, during a period dominated by shortages and fluctuating prices, participants were willing to pay more for a service provider if this provider was socially and ecologically responsible in its actions ([Fig. 24](#)). This question also examined intention and the results once again underlined the contradiction between ambition and reality.

5.5% of respondents answered that they would be “prepared to pay significantly more” and 38.8% “somewhat more”, with 35.4% demonstrating indecisiveness by stating “unsure”. Only 12.7% of participants said they would be “prepared to pay a minimal amount more” and 7.6% “not prepared to pay any more whatsoever”. Yet, two questions prior, participants rated the sustainability performance of suppliers to be the least important procurement criteria.

Question 21

During a period dominated by shortages and fluctuating prices, would you be prepared to pay more for a service provider if this provider was socially and ecologically responsible in its actions?

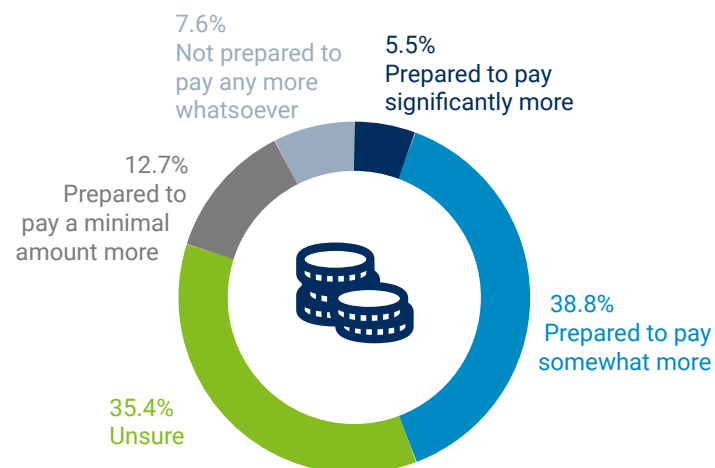


Fig. 24

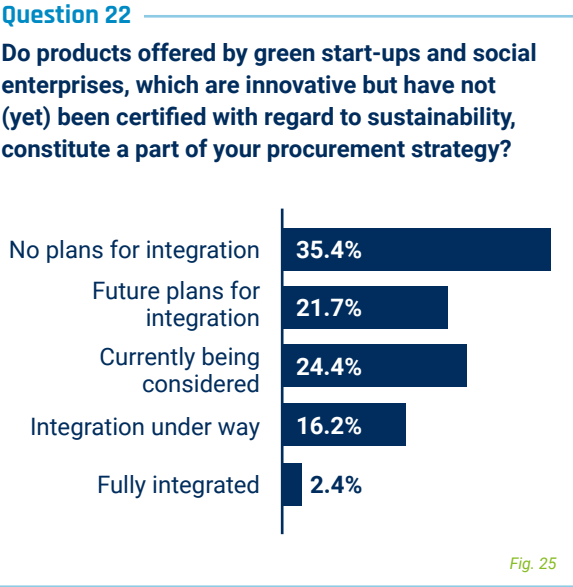
4 Results

Integration of green start-ups and social enterprises

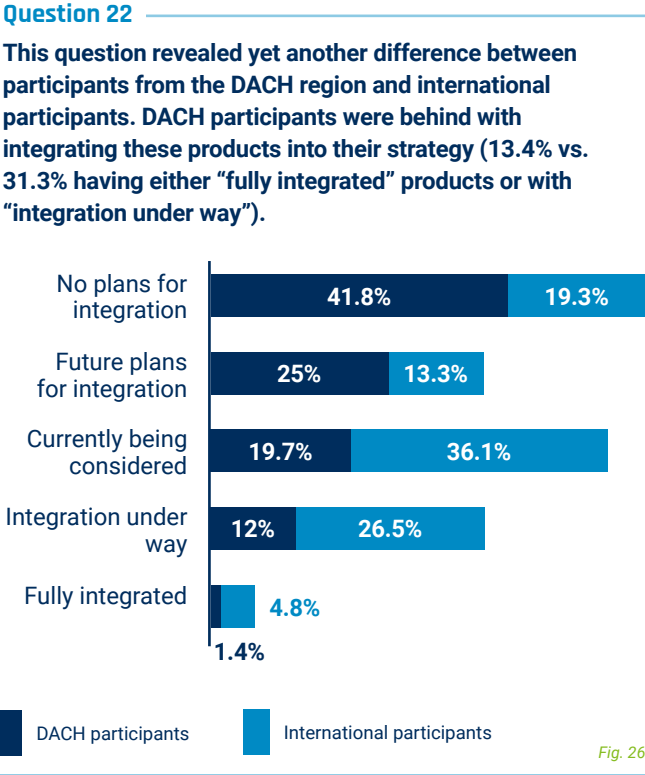
Previously, we have seen that there is a clear and significant interest in suppliers' sustainability certificates and labels (cf. Question 20). But to what extent do products offered by green start-ups and social enterprises, which are innovative but have not (yet) been certified with regard to sustainability, constitute a part of participants' procurement strategy (Question 22)?

Figure 25 demonstrates that just 2.4% of participants had fully integrated such products within their procurement strategy, with integration being under way for a further 16.2%. Almost one in four respondents (24.4%) said they were considering such products. 21.7% had only future plans to integrate them and 35.4% had no plans at all.

Responses to this question once again revealed an interesting difference between participants from the DACH region and those from other countries. Yet again, we can see a higher degree of maturity in international respondents (Fig. 26). Whilst only 1.4% of participants from the DACH region had completely integrated products from green start-ups or social enterprises, for international respondents, this figure rose to



4.8%. Integration was under way for around 12% of participants from the DACH region, with the figure more than doubling for international respondents (26.5%). Whilst in the DACH region 41.8% had future plans to integrate these products, for international participants this was only 19.3%.



The causes behind this difference is something which should be looked at in other studies and research so as both to increase performance in the DACH region and to see what can be learned from international participants' experiences.

4 Results

Sufficiency of the product range

In practice, sufficiency is not adequately acknowledged within purchasing. This is why **Question 23** was focussed on analysing, with respect to procurement product ranges, how willing participants would be to limit the available product ranges so as to exclude products which did not comply with their sustainability criteria (Fig. 27).

7.6% of respondents were “very willing” to do so, with 35.1% being “somewhat willing”. 28.2% of participants took a neutral stance on this question. 18.6% described their willingness to limit the product range as “somewhat unwilling” and more than one tenth of procurement officers even described themselves as “very unwilling” (10.7%).

A regional difference between the DACH region and international participants was revealed once again (Fig. 28). Whilst only 5.3% of DACH respondents admitted to being “very willing” to limit the portfolio, this figure was 13.3% for international participants. 31.7% of DACH region participants and 43.4% of international participants were “somewhat willing.” Those who were “neutral” accounted for 30.3% for the DACH region and 22.9% internationally. However, there was not such a

Question 23

How willing are you to limit the product range available to you so as to exclude articles that do not comply with your sustainability criteria?

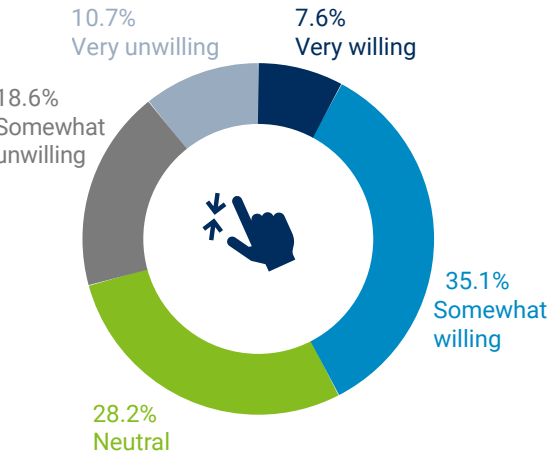


Fig. 27

large difference in the proportion of participants who chose “somewhat unwilling” (DACH region: 19.2%, international: 16.9%). Yet, 13.5% of DACH participants characterised their willingness to limit products as “very unwilling”, compared to only 3.6% of international participants.

Question 23

This question also revealed that international participants were significantly more open to limiting their product ranges than DACH participants.

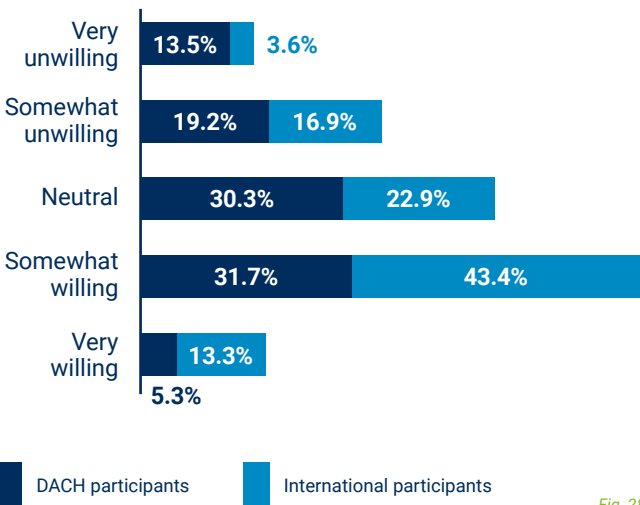


Fig. 28

4 Results

Challenges with regard to legal regulations

The growing number of legal regulations, in their various national forms, represent an increasing difficulty for procurement officers in their day-to-day work. Accordingly, Question 24 was designed to examine more closely how participants assessed the procurement and supply chain-related challenges for their company or organisation presented by current and future legal regulations (national and international regulations pertaining to corporate due diligence, sustainability reporting, import ban on products stemming from forced labour etc.).

To gain an overview, results were grouped together. In one group, we included the results for both a “very big challenge” and “relatively big challenge” and, in the other, the results for a “relatively small challenge” and “a very small challenge” (Fig. 29).

Question 24

How would you assess the procurement and supply chain-related challenges for your company or organisation presented by current and future legal regulations (national and international regulations pertaining to corporate due diligence, sustainability reporting, import ban on products stemming from forced labour etc.)?
(You may respond to more than one)

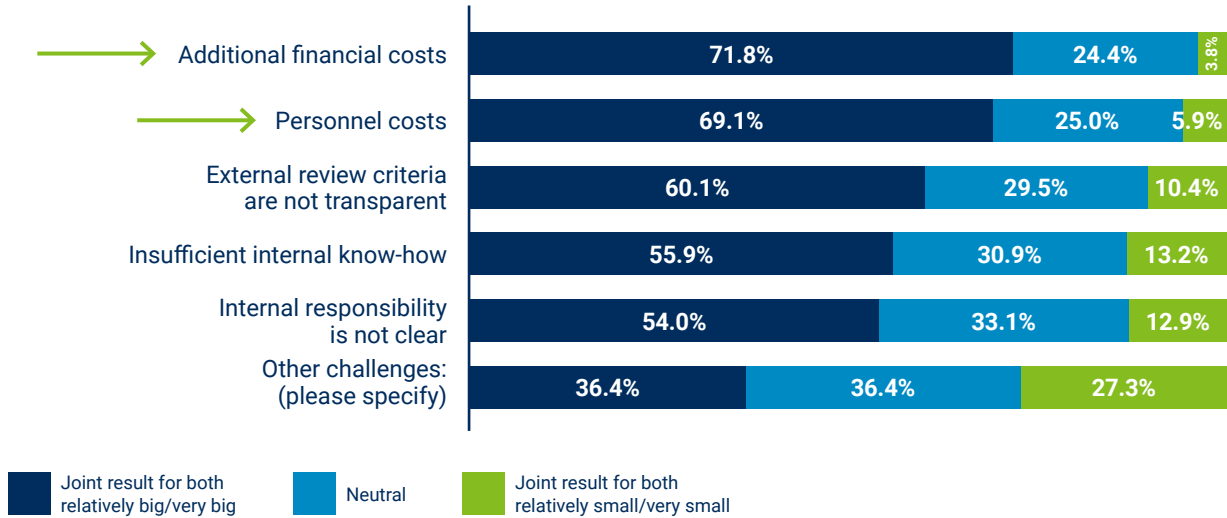


Fig. 29

Respondents clearly saw the greatest challenge as being the additional financial costs (71.8%). One in four stated they were neutral and only 3.8% classified the challenge as relatively or very small. Participants saw the challenge of personnel costs as being a similar size, with 69.1% of participants stating it constituted a very or relatively big challenge (neutral: 25%, relatively/very small: 5.9%). The next largest challenge was the fact that external review criteria were not transparent with 60.1% seeing this as a larger challenge (neutral: 29.5%, relatively/very small: 10.4%). It is also worth pointing out

that more than one in two respondents (55.9%) identified insufficient internal know-how as a larger challenge – another reason as to why specific investment should be made in employee training. 30.9% responded that they were neutral with regard to this deficit in know-how and 13.2% considered it a relatively or very small challenge. The need for organisational action emerged given that more than one in two participants saw a challenge arising from the fact that “internal responsibility is not clear”, with 36.4% responding neutrally to this and 27.3% believing it to be a relatively or very small challenge.

4 Results

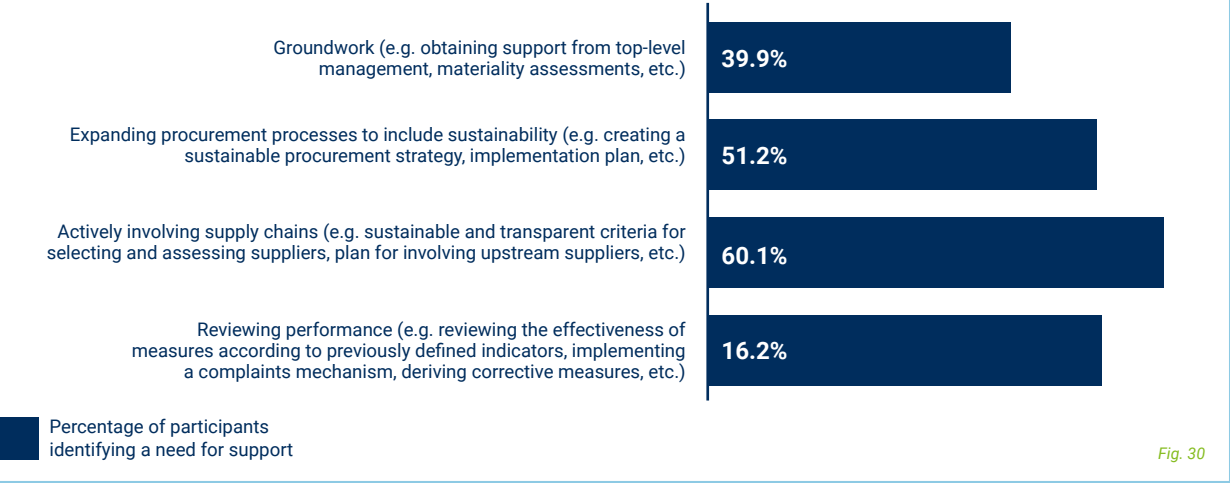
Need for external support

In recent years, there has been an ever increasing rise in the number of consulting services relating to sustainable procurement, which is not surprising given the challenges identified above. [Question 25](#) aimed to analyse the need for external know-how in more depth in order to identify which areas relating to the implementation of legal regulations participants required the most external support with ([Fig. 30](#)).

Participants were able to choose more than one of the options which were based on the four stages of Fröhlich's sustainable procurement process model (Fröhlich, Burian, & Sievers, 2013). In the first stage of the model – the groundwork stage – participants saw the least need for support. Only 39.9% identified a need for support, with the majority being confident that they could implement this themselves. As for the second stage – expanding procurement processes to include sustainability – more than half of respondents (51.2%) believed external help would be useful. However, the greatest identified need for support was in relation to the third stage – actively involving supply chains – with 60.1% identifying a need for help in this area. Given these results, it is even more astonishing that

Question 25

In which aspects of implementing legal regulations do you see a need for external support?
(You may select more than one option)



in [Question 16](#) so few participants selected the global approach or collective strategy, which would enable them to draw on support from other partners. Yet, 51.9% of procurement officers also identified a need for external support during stage four – reviewing performance. Given the current status of sustainability goals and KPI implementation ([Question 17](#)), this result seems logical.

4 Results

Ensuring transfer of knowledge

It is also particularly insightful to learn how knowledge relating to sustainable procurement – both available internally and purchased additionally from external sources – remained and was shared within the various companies. To find this out, participants were asked in [Question 26](#) how the transfer of knowledge on sustainable procurement was ensured. For this question, participants were able to select several answers from a list of different options ([Fig. 31](#)).

The most frequent answer was “in-house further training opportunities”. This was followed by “external further training opportunities” with 31.7% and “in-house consulting” with 29.7%. 29.3% of participants chose “none of the above” with the possibility of specifying other answers in the alternate answer text box. One in four participants (25.5%) said that the transfer of knowledge was ensured via “external consulting”. From those who selected “other”, only two participants specified these other methods. These included “own interest in promoting the topic, actively seeking out information” and “we are in the early stages of discussing our sustainability goals”, the other participants who selected “other” did not qualify this answer with any specifications.

Question 26

How is knowledge transfer on sustainable procurement ensured within your company or organisation?
(You may select more than one option)



Fig. 31



DISCUSSION 5

5 Discussion

At the beginning of this investigation, our hypothesis was that the level of approval and implementation will have increased in all four research areas (awareness, incentives, assessing and implementing) due to the topic of ecological and social responsibility being significantly more present within purchasing now than in 2020. *However, we were unfortunately unable to confirm this hypothesis in all four research areas.*

In terms of **sustainability awareness**, a positive trend towards an improved awareness of sustainable procurement and responsible supply chains was confirmed. Thus, in 2022, significantly more participants than in 2020 believed the topic to be very relevant which was accompanied by an increase in the percentage that recognised they had a decisive influence on the sustainable development of their company. In both cases, the joint result for the proportion of participants who assessed these developments positively was practically the same. However, the proportion of participants who assessed these developments particularly positively (those who selected “very relevant” or “decisive influence”) had increased. An increase was also recorded in terms of knowledge of the topic. Despite this, with respect to the crises that have occurred in recent years, we have seen how the financial consequences of security, climate and reputational risks are still being underestimated and thus not sufficiently prioritised.

The results regarding **sustainability incentives** were ambivalent. Interest in the topic of sustainability has decreased in comparison to 2020 and, with it, intrinsic motivation which, in the previous study, was the primary motivational factor. Yet, at the same time, the power of demand has been increasing and now customer demands are the main driving force for companies to become more sustainable. This underlines the important role procurement has to play in setting out these same demands for suppliers in order to harness procurement volume as a means of promoting sustainable

development. Whilst participants saw their management as having greater expectations with regard to sustainable procurement and responsible supply chains than previously, they did not believe that public expectations were as high. This constitutes yet another reason for us to reflect on our own demands and to intensify our focus on sustainability.

In terms of **assessing sustainability**, there has been some progress relating to strategic procurement. A greater proportion of participants associated the development of a purchasing strategy for sustainable procurement with higher costs and a greater workload than in 2020, which suggests that a greater percentage of participants had worked on this topic in comparison to two years ago. Needs planning continued to be underestimated. Yet, the positive impacts of sustainable procurement on risk management were recognised. This is a big step in the right direction as participants are now identifying the opportunities offered by sustainable procurement in relation to achieving procurement-based corporate goals. Fears of additional costs continued to be very prevalent. The majority of participants have still failed to implement sustainability goals at both the company level and the procurement level and underlying bases for sustainability initiatives have still not been sufficiently acknowledged by procurement. The analysis of strategic approaches to implementing sustainable procurement revealed a disappointing result as the willingness to collaborate on an international level is just not there. In addition, with regards to strategy, we saw clear differences between participants from the DACH region and international respondents, with the latter acting in a significantly more open and experienced manner. This may well be a result of how procurement officers within German-speaking countries have acted in the past, whereby sustainability has been “delegated” to suppliers, who, in the meantime, have become more advanced in terms of sustainable development.

5 Discussion

The last area which focussed on **implementing sustainability** produced notable results and there have been some significant developments in terms of groundwork in this area. Procurement policies, procurement strategies and materiality assessments were considerably better implemented within procurement than in 2020. Other areas such as supplier assessments, supplier audits and supplier development took a step backwards, which is likely due to the consequences of the pandemic. In the future, efforts will need to be made to catch up in this respect and to work with suppliers to capitalise on the opportunities offered by sustainable procurement. Results relating to implementing sustainability also showed clear differences between participants from the different regions, an observation that should be researched in more depth in the future so as to identify the causes for this and to be able to learn from the experiences of international participants. This also highlighted the limits of this research project as the sample size for international participants was insufficient to be able to draw a conclusive comparison with participants from the DACH region.

In addition, a key insight is that there has been no shift in the way in which procurement decisions are reached. Despite declarations of intent, goals and initiatives, when it came down to the final evaluation, traditional criteria including quality, delivery time and purchase price continued to dominate when deciding which suppliers to award contracts to, with sustainability not being adequately taken into account. This contradiction must be resolved in the future and could help companies realise how sustainable procurement can have a positive influence on traditional procurement criteria for purchasing managers.



CONCLUSION 6

6 Conclusion

The research objective to empirically examine whether and how awareness, incentives, assessment and, in particular, implementation relating to sustainable procurement and responsible supply chains have changed for participating companies and organisations since 2020 was fulfilled and significant developmental changes were identified.

Given the massive decline in companies and organisations' interest in upstream suppliers in comparison to 2020 – since the passing of the German Supply Chain Due Diligence Act – legislators should review the extent to which previous communication to direct business partners regarding due diligence obligations might need to be reconsidered. In addition, the fears of procurement officers with regard to additional financial and personnel costs need to be heard and discussed in order to highlight or derive adequate solutions, without, however, reducing companies' level of commitment. In the long-term, the European draft may be able to reduce costs whilst also promoting responsible supply chains right through to raw materials by implementing standardised regulations.

Procurement officers need to recognise the extent of the economic consequences that will occur if a sustainability transformation either does not take place or is inadequately carried out. A more open attitude towards innovations, collaboration and investment (particular with respect to training

measures for employees and suppliers) are all essential for boosting sustainability performance. The first step has been taken, but there needs to be consequential progress in order to use the available procurement volume and all its purchasing power for the purposes of sustainable development and to acknowledge responsible stakeholders.

Civil society can help reduce the concerns held by economic stakeholders by being proactive in highlighting the opportunities and benefits brought by collaborating with purchasing organisations in order to overcome the challenges associated with global supply chains. Constructive solution proposals alongside a valuable wealth of experience and data and global networks constitute attractive forms of support for procurement officers which need to be implemented in a targeted and sophisticated manner.

Within application-based **research**, companies and organisations need to be more actively incorporated within the scope of projects. Investment needs to continue to be made in product, material and process-related innovations and the added value of collaboration needs to be highlighted, particularly with regard to procurement needs and by using the potential for funding.



ABOUT THE STUDY PARTNERS

7

7 About the Study Partners

7.1 JARO Institute for Sustainability and Digitalisation e.V.

The objective of the JARO Institute for Sustainability and Digitalisation is to make sustainable procurement processes and responsible supply chains standard practice within business and administration. JARO aims to motivate and inspire companies and organisations to integrate sustainability in their business models and processes. Putting theoretical knowledge into practice is a priority focus area for the JARO Institute. As such, the Institute shares relevant know-how and experiences in a diverse range of different formats such as presentations, workshops, publications as well as its own modular e-learning programme and podcasts. JARO also works proactively to connect stakeholders and promote exchange between them so as to foster a collaborative approach to implementing the 17 sustainability goals of the United Nations ([Agenda 2030](#)).

The non-profit association based in Berlin was founded in 2018 and oversees a network of members, the participants of which are actively committed to sustainability in business.

Together with 14 trainers from around the world and a variety of partners, the JARO Institute has initiated a modular further training programme called “Certified Sustainable Procurement Professional” offered by the [JARO Academy](#). This accredited e-learning course is an online training programme particularly suited to purchasers but which can also be used to provide and cultivate the necessary skills for sustainable global supply chain management within the context of targeted supplier development. This further training programme is available online via the learning platform. It can

also be integrated in organisations’ existing learning management systems via SCORM files.

The subsidiary company, JARO Services GmbH, provides concrete support for companies and organisations with implementing sustainable supply chains by means of pragmatic and solution-oriented consulting services.

7 About the Study Partners

7.2 CBS International Business School

Choosing the right university for your degree is a decision which can have a decisive influence on what you do in life. CBS International Business School is one of the most renowned private universities for applied sciences in Germany and its motto “creating tomorrow” is at the centre of everything it does. Around 1,900 young people from over 75 countries are currently studying at CBS, which is part of a global partner network consisting of 120 universities and a wide range of large companies.

CBS was founded in 1993. It offers bachelor and master’s degrees in both German and English. Its focus is on management studies offered as full-time or part-time programmes. CBS International Business School GmbH is part of the Klett Group, based in Stuttgart. With over 67 companies at 33 locations in 15 countries, the Klett Group is one of Europe’s leading educational companies.

7 About the Study Partners

7.3 Unite Network SE

Unite provides a network for sustainable business. The neutral e-procurement platform with integrated Mercateo market place enables simplified procurement for companies and public organisations. The Unite platform brings purchasers and service providers together to benefit them both, and promotes fair competition and trusting partnerships.

Global supply chains have been troubled by numerous crises. That is why Unite is committed to ensuring long-term, fair and regional supplier relationships so as to render supply chains more resilient. Millions of euros worth of goods are sold via the Mercateo market place each year. One of the key advantages of Unite is how it supports purchasers in choosing sustainable products and suppliers.

Unite is an EcoVadis certified company and was both the first European platform and the first German company to receive the fair tax mark which certifies responsible tax conduct. For some years now supply chain responsibility has become a vital practice thanks to the code of conduct for business partners and managed supply. The Unite sustainability report reveals the efforts made in the areas of environmental protection, social responsibility and corporate governance. The Unite head office is based in Leipzig. Unite is active throughout 15 European countries with more than 700 people working for the company, either remotely or at their office premises.

7 About the Study Partners

7.4 Other Supporting Partners

We would like to thank our extensive network for actively supporting our study. Without the participation of our partners, members and customers, it would not have been possible to obtain these international insights. It is precisely within the meaning of SDG 17 – partnerships for the goals – that we want to work together to make further progress within sustainable procurement and to develop and prepare goal-oriented support services.



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