

Press release

Status quo: sustainability in B2B procurement

New study examines the current state of sustainable procurement and responsible supply chains.

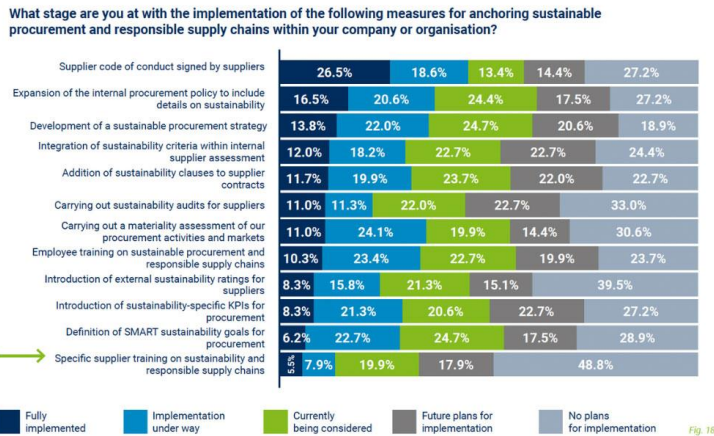
- European study shows contradiction between sustainability claims and procurement practices
- Procurement decisions in B2B procurement need to become more sustainable
- Networking potential across supply chains needs to be further strengthened
- Customer expectations drive sustainability in companies and organisations

Leipzig, 5. Juni 2023: Sustainable procurement processes are vital for companies now more than ever. The new 'Sustainable Procurement and Responsible Supply Chains 2023' study was conducted by the JARO Institute for Sustainability and Digitalisation e. V. in cooperation with CBS International Business School and the B2B procurement platform Unite. 65% of the respondents consider sustainability to be very relevant. This number was lower in 2020 as only 54% had said so.

"This is the second time we've conducted this study. We want to learn more about how procurement teams can contribute to implementing sustainability goals. Our study proves how relevant this topic is, now more than ever," says Yvonne Jamal, chair of the JARO Institute for Sustainability and Digitalisation. "But these new study results also show that procurement teams are torn between progress and regression. "Setting goals and strategies is important, but true sustainability and impactful change can only be achieved when you embed sustainability into your procurement processes."

The contradiction between sustainability claims and procurement practices

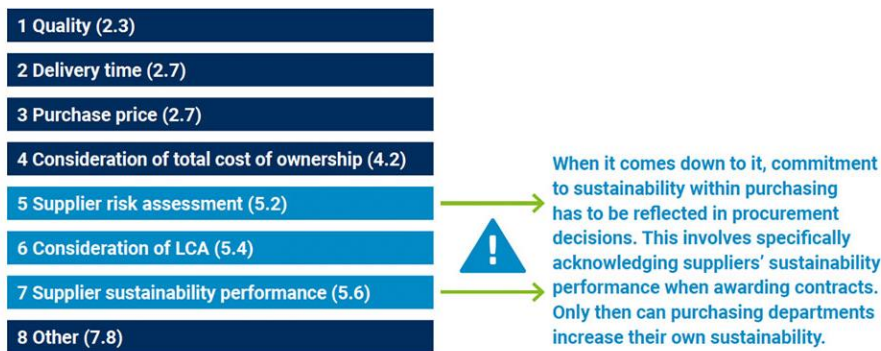
For many companies and organisations, sustainability remains a nebulous concept. Those in charge often struggle to address changes from a comprehensive perspective. Roughly one-third of study participants have either adopted or initiated a sustainable procurement strategy. A comparable statistic is observed in the area of employee training within companies. However, only 12% have incorporated sustainability criteria into their supplier assessment process. And only about 6% provide training to their suppliers. Yet collaborative efforts and knowledge dissemination are essential for a successful implementation of a sustainable procurement strategy. What's needed here is close cooperation between management, procurement teams and suppliers. They need to decide on strategic solutions based on a thorough assessment of their respective starting positions and materiality analysis.



Procurement decisions need to become more sustainable

Based on the study findings, there’s a large disconnect between procurement teams wanting to be sustainable and actually making procurement processes more sustainable. Essential decision-making criteria such as risk assessment or suppliers’ sustainability performance and considerations of product life cycles should be higher priorities than they currently are. Traditional criteria such as quality, price and delivery times are currently given higher priority due to the ad hoc challenges stemming from the ongoing ‘permacrisis’. However, this way of thinking is overly short-sighted.

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



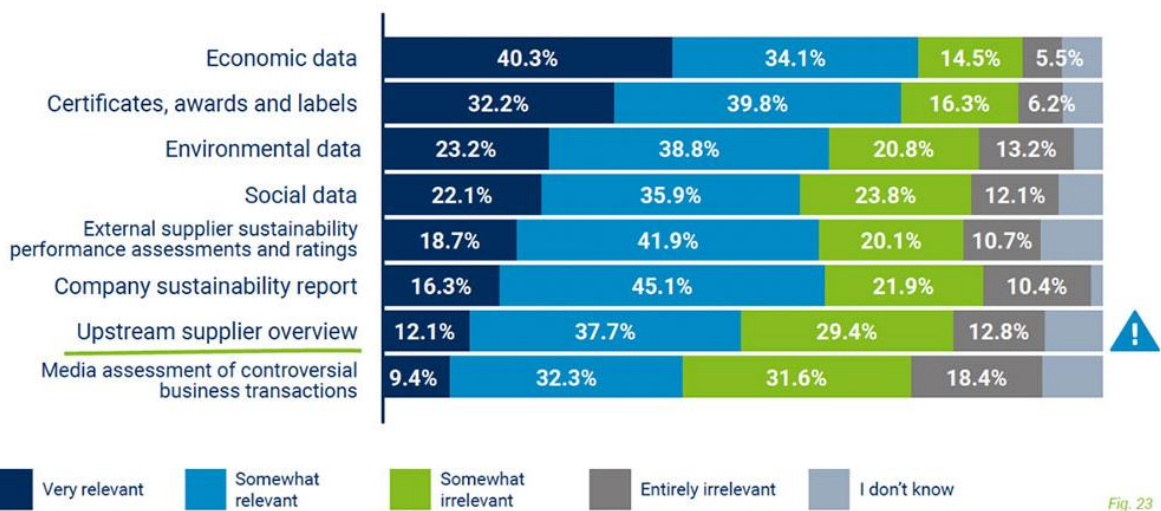
“Without sustainability, we won’t have a robust supply chain in the future. That’s also why the role of procurement departments is changing. It’s more than a cost issue. It’s about investing in the future. A good sustainability performance will make you more profitable in the long run. The importance of commodity groups and supplier management will increase in the future,” adds Prof Dr Lisa Fröhlich, professor of strategic procurement management at CBS International Business School. “This also implies that procurement teams

must shoulder more responsibility and acquire knowledge to evaluate strategies. It's this strategic cooperation that will become increasingly essential. Building global supply chain networks matters more than just examining individual suppliers."

Networking potential across supply chains needs to be further strengthened

When examining crucial supplier data, you'll once again detect an intention-behaviour discrepancy. Companies and organisations are willing to reward sustainability: 44% of the study respondents state they would be willing to pay more for suppliers who demonstrate social and environmental responsibility. Another 35% would do so to some extent. This affirmative stance shows that corporations do indeed value sustainability. And yet, this intention isn't reflected in the implementation process, for example when it comes to gathering relevant supplier data during their decision-making phase. When considering sustainability across their entire supply chain, procurement officials today are more likely to look at economic data (40%) over environmental supplier data (23%) or even upstream supplier overviews (12%). In 2022, upstream suppliers were considered less important by 27% compared to 2020. This development is worrying, as it shows that companies still don't recognise the added value of transparent supply chains.

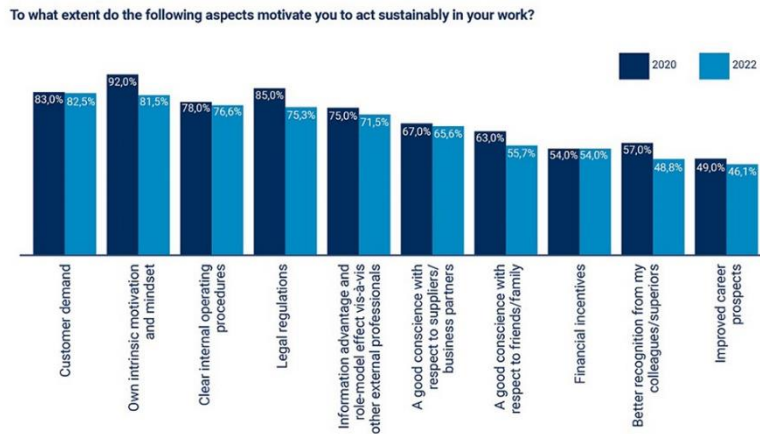
What aspects of supplier sustainability information are the most relevant to your procurement decisions?



Customer expectations drive sustainability

We can see that the market expects companies to take on more responsibility than they currently are. At 82%, customer requirements are the strongest driver for sustainable action. That's followed by intrinsic motivation (81%), clear work instructions (77%), or legal regulations (75%). But it's the implementation process that still requires attention. Among other things, strategic procurement departments need to conduct risk assessments and establish a corresponding procurement framework. This will aid those in charge of overseeing operational

procurement when implementing (at first glance) abstract sustainability concepts, e.g. in the form of additional training offerings. Analytical support is also essential to make the value of sustainability more tangible in day-to-day procurement operations.



“We will only achieve significant progress by working together. Sustainability revolves around the networking of procurement teams and suppliers. For companies to effectively mitigate risks and fulfill their responsibilities, they must have a profound understanding of their upstream suppliers and supply chains. And for that, transparency is crucial in comprehending the interdependence of supply chains, as well as obtaining data on how suppliers follow sustainability criteria and the willingness of procurement teams to include this data into their decision-making,” explains Eva Winkler, sustainability product manager at Unite.

You can download the full study results along with recommendations for sustainable action here: [New study on sustainable procurement | Unite](#)

Methodology

The ‘Sustainable Procurement and Responsible Supply Chains’ study was conducted anonymously online between 14 October and 23 December 2022. A total of 291 people participated in the survey. The study was aimed at procurement professionals employed by companies and organisations. Of the study participants, 71% were based in the DACH region (Germany, Austria, Switzerland), while 29% are from the wider EU (primarily Italy, Spain and France). Selected study results were compared to the initial study conducted in 2020.

About the JARO Institute for Sustainability and Digitalisation e. V.

The [JARO Institute for Sustainability and Digitalisation](#) aims to position sustainable procurement processes and responsible supply chains as the standard in business and administration. JARO wants to motivate and inspire organisations to implement sustainability in their business processes while focusing on the transfer of knowledge to turn theory into practice. To this end, the JARO Institute shares relevant expertise in the form of

lectures, workshops, publications, e-learning modules and podcasts. They also focus on the aspect of networking with stakeholders to promote the 17 Sustainable Development Goals laid out by the United Nations (Agenda 2030). Founded in 2018, JARO is a non-profit organisation based in Berlin. Its member network is committed to sustainable business.

About CBS International Business School

Choosing the right university shapes your life's trajectory. Following this notion with its guiding principle 'Creating tomorrow', [CBS International Business School](#) is one of the most renowned private universities of applied sciences in Germany. The university is part of a global partner network of 120 universities and several large companies. Founded in 1993, around 1,900 students from over 75 countries study at CBS today. The university offers full and part-time bachelor's and master's degrees in both German and English with a strong focus on management. CBS International Business School GmbH is part of the Stuttgart-based Klett Group. Klett Group owns 67 companies in 33 locations across 15 countries, making it one of the leading companies in Europe's education sector.

About Unite

Unite connects the economy for sustainable business. The trusted e-procurement platform, with its integrated [Mercateo Marketplace and Procurement Portal](#), enables effortless sourcing and purchasing for B2B and public sector organisations. Bringing buyers and suppliers together for mutual benefit, Unite has established a solid foundation of fair competition and trustworthy partnerships. The platform's scalable infrastructure supports connections, business stability and a robust supply chain. Unite revolutionises e-commerce for B2B and the public sector by adding and sharing value for markets and communities. In 2022, Unite became the first platform business accredited with the Fair Tax Mark, representing the global standard for responsible tax practices. Unite was founded in 2000 and is headquartered in Leipzig, Germany. It operates in 14 European countries, with over 700 employees working both in-office and remotely. In 2022, Unite achieved revenue of €447.7 million. For more information, visit unite.eu.

Further information

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