

2.1 Common Excuses

Find fun in the subject. It's very meaningful. When someone is just starting out, I think the most important thing is to understand sustainability within the overall context of the business. This will show where the opportunities lie. At the end of the day, no company can ignore sustainability nowadays, so embrace it.

Nils Eichberger, Vice President of Procurement, LBBW (Landesbank Baden-Württemberg)

“Killer” Phrases

The business case for sustainability is strong, as are the ethical arguments. If the combination of these was not enough, the increasing amount of sustainability legislation, pressure from investors, from employees, and from consumers are compelling. In other words, there are no rational reasons why sustainability should not be at the core of all companies. And yet there are still some common excuses that fuel procrastination and stand in the way of action.

Together with our colleagues from Nomura Research Institute Japan, we collected an elaborate list of frequently used excuses and possible replies. Nothing should stand in the way of a sustainability transformation.

Sustainability is just another hype.

This argument is heard less frequently but it still persists. With every extreme weather event close to our homes, this argument is rapidly becoming redundant. And consumers, employees, and investors are making sure that sustainability is not mere hype, but a concrete reason for change that will benefit everyone.

Sustainability is only window-dressing and green washing. We should reduce or eliminate carbon dioxide, but there's no need to compensate for emissions.

This is usually brought up to muddy the waters by adding an unnecessary layer of complication, and it is certainly true that eliminating CO₂ emissions in the first place is the ideal. Compensation at least puts a price tag on CO₂ and where there is a cost, there is a business case to mitigate that cost.

Sustainability is all about additional costs. There are no gains.

In some industries, this is currently the case, but when regulations and/or consumer demands kick in, those businesses that are ahead of the curve will prevail. Investors and owners increasingly see the benefits of investing in sustainable businesses, so sustainability is all about making businesses futureproof. Most managers look for suitable ways to monetize new business models while keeping additional costs to the minimum.

Sustainability is too expensive.

Yes, sitting and waiting is an option, but so is going out of business. There is clear evidence showing that customers want to buy from “green” companies and employees want to work for companies that are not just focused on the bottom line. A 2020 workplace survey found that 72% of multigenerational respondents

were concerned about environmental ethics, with an astounding 83% of workers reporting their workplaces were not doing enough to address climate change (Acaroglu, 2020). When it is becoming increasingly difficult to hire and retain the right employees, top talents are prioritizing purpose over salary and opting to work for companies that have strong environmental credentials. Sitting on the fence where sustainability is concerned will have customers and employees looking elsewhere.

Dealing with sustainability isn't necessary, we don't need to do this.

Well, this book is certainly not for everyone, but surely saving the planet is. Everybody has the right to an opinion, but facts are facts. Perhaps it is time to step aside and be replaced by someone who is willing and able.

We are running a business, not a charity.

An attitude like that is not good for business. ESG compliance is no longer an option but a requirement and a sign of a healthy business. Reluctance to comply will lead to investors pulling their funds, customers shopping elsewhere, and employees walking out the door in search of a company that has a better attitude.

The economic factors of sustainable business are a key challenge. Becoming sustainable, or developing new sustainable business models, requires huge investments. Most managers are looking for suitable ways to monetize new business models while keeping additional costs to the minimum.

It is a very complex issue, where do I start?

There is no pre-set pathway leading to the right actions and there is a lack of solutions for some sustainability-related problems. The way forward is to look for solutions, develop new business opportunities and make the best use of what is already out there to find a path through the sustainability jungle.

I don't have top management support.

There are two options. One, sit out the storm and start grassroot initiatives and see where that leads. Two, leave and find a new workplace where care for people and planet are part of the core values.

We don't have the resources.

Start small and make the case for change and if there are no resources for scaling up, look again at the options when there is "no top management support." Search for allies within the company or in the wider ecosystem. Investors, customers, or suppliers can be great allies.

We don't have enough data—the business case is not yet robust enough.

Data is the lifeblood of many processes, but not every action requires data right away. Again, start small and scale while amassing the data that is still lacking. In addition, there are organizations or NGOs that can help to provide the databases. For example, South Pole is one such organization that helps companies to build CO₂ databases based on benchmarks from various industries. Classical should-costing tools can also provide the carbon footprints of products and can help to build the case for an improved carbon footprint.

Sustainability in Action

One major challenge is how we can be sure that we really get what we need. We're reliant on external parties, tool providers, and our partners in the supply chain to provide us with information and data, but how can we be 100% sure that it's correct? The amount of time and resources that you need to invest also require careful consideration and planning.

Henrik Larsen, Chief Procurement Officer, A. P. Møller-Mærsk

A. P. Møller-Mærsk is an integrated container logistics company and member of the A.P. Møller Group. With a dedicated team of over 80,000 people, they enable global trade for a growing world.

2.2 Time to Shine for Procurement

I think procurement has an enormous responsibility to explore innovative ideas that will bring benefits to the company.

Dr María Mendiluce, Chief Executive Officer, We Mean Business Coalition

A New Dawn for Procurement

It is time for procurement to come out of the shadows. It is time for procurement, too often considered the poor relation in comparison to the more dominant business functions such as R&D, manufacturing, or sales to show that it can spearhead real, transformational change that will benefit the entire company. It is time for procurement to be seen in a new light and we think the timing could not be better.

Sustainability in Action

We're not there yet, but companies are going to reduce scope 1 and scope 2 emissions rapidly but they'll struggle to reduce scope 3 emissions. Then they'll look at procurement offices and ask 'what are you going to do about this?' Procurement leaders need to be at the forefront in the struggle to reduce scope 3 emissions—they need to know that this is coming so they should already get started.

Dr Maria Mendiluce, Chief Executive Officer, We Mean Business Coalition

We Mean Business Coalition is a global non-profit coalition working with the world's most influential businesses to take action on climate change.

In the past, procurement was viewed as the corporate underdog, overshadowed by its more glamorous corporate siblings such as sales, marketing, R&D, and manufacturing. It would not be the first choice for many young, talented business-people who are looking to develop their careers. But this point of view is rapidly becoming outmoded. To some extent, the COVID-19 pandemic accelerated interest in business sustainability. Numerous reports and studies have shown that the coronavirus has focused attention on the need to create a better, healthier world. For instance, a study by research group Kantar said that since COVID-19, sustainability was more of a concern for consumers than before the outbreak (Kantar, [2020](#)). And

65% of respondents told a survey by pollsters Ipsos Mori “that it is important that climate change is prioritized in the economic recovery after coronavirus” (IPSOS Mori, 2020).

Sustainability in Action

I think that’s where the procurement executives will take a bigger stance and this could be the inflection point for procurement sitting on the board. Procurement has the ability to help deliver sustainable business growth by uniting the environmental, social, and economic impacts of the organization and also by aligning its ecosystem with the strategy.

Mark Perera, Chief Executive Officer, Vizibl

Vizibl is a digital procurement platform that allows global organizations to unlock the true value of their supplier relationships.

There is unprecedented demand from consumers and investors for the business world to behave more responsibly, and an increasing amount of legislation to make sure companies do exactly that. This has put sustainability higher on the corporate agenda than it has ever been, and along with it comes procurement. With its huge responsibility for substantial parts of corporate spending and oversight of suppliers, procurement can and should be spearheading the push for sustainable business.

This is probably the most exciting and challenging time for procurement to prove how value can be created beyond pushing for price in the sourcing process. In response to the emphasis on sustainability, transformation processes are already underway in many industries to reshape procurement. Doing nothing is not an option—now is the time to put procurement on the map.

Now Is the Time to Act

Sustainability in Action

Hardly any supply chain is “clean”, and it is important not to be blinded by big statements that suggest that supply chains are. Instead, I think responsible sourcing and supply chain engagement has correctly been construed as a continuous improvement effort. I think it’s the right position, that it acknowledges that this is an ongoing process that needs ongoing attention which, in practice, means board-level attention. Board-level attention can ensure companies move in a better direction, while these directional improvement efforts then also have a higher chance of being correctly resourced. But, at the same time, continuous improvement needs to be underpinned by data. You need to actually show a report that proves, based on verifiable data, that you are continuously improving.

Dr Nicholas Garrett, Co-founder and Chief Executive Officer, RCS Global Group

RCS Global Group is a proven leader in data driven ESG performance, responsible sourcing, and responsible mining assurance.

Admittedly, it would have been better for all of us if the business world had jumped onto the sustainability bandwagon a few decades ago with the same enthusiasm and vigor that we are seeing today, but that is a matter for history to decide. Or perhaps it is because there is now, for the first time, an alignment of factors that have made it

abundantly clear to even the most hard-nosed cynic that this is the time to act. Intense consumer pressure, insistence from investors and the financial markets, increasing legislation, an impending climate catastrophe, and the expectations a new generation of professionals have of the companies they work for have created an unprecedented and powerful force for change.

Consumers: Letting Their Fingers Do the Talking

Consumers around the world are making their opinions evidently clear. A May 2021 report released by the Economist Intelligence Unit (EIU), and commissioned by WWF, shows a staggering 71% rise in popularity of searches for sustainable goods over the past 5 years, with continuing growth during the COVID-19 pandemic (WWF, 2021). The report, *An Eco-wakening: Measuring global awareness, engagement and action for nature*, shows a surge in consumer clicks for sustainable goods in high-income countries such as the USA, UK, Germany, Australia, and Canada. However, it is not just in developed economies where consumers are looking for sustainable products. The trend is also accelerating in developing and emerging economies such as Ecuador (120%) and Indonesia (24%). The most dramatic growth in engagement and awareness has occurred in Asia, most notably in India (190%), Pakistan (88%), and Indonesia (53%). Clearly, people all over the world care about sustainability and that trend is growing, indicating that sustainable and planet-friendly products are no longer a niche market.

Regulations: Do It Our Way or Not at All

Rising concerns about accelerating climate change have resulted in increasing regulations and a growing trend for litigation, especially around CO₂ emissions. Some of the litigation has directly cited value chains as areas of increasing risk and concern.

In a push to become the first climate-neutral continent by 2050 and as part of its European Green Deal, the EU has adopted ambitious new targets to curb climate change that will become legally binding. Under a new law agreed between member states and the EU Parliament, the bloc will cut carbon emissions by at least 55% by 2030, compared with 1990 levels (BBC, 2021). The new plan will require major overhauls of the energy and transport sectors as well as a huge push to renovate and retrofit buildings to make them energy-efficient and able to charge electric vehicles.

As part of this, a new EU law that came into effect in 2021 requires certain large companies to disclose information on the way they operate and manage social and environmental challenges, a ruling that at the time of writing applied to 11,700 large public-interest companies with more than 500 employees across the EU. A collaboration between the Global Reporting Initiative (GRI) and the European Financial Reporting Advisory Group (EFRAG) was established to develop reporting standards

that will assist the European Commission in fulfilling its objective to increase corporate transparency in support of the European Green Deal (GRI, [2021](#)).

Sustainability-Based Litigation Is on the Rise

Around the world, climate change litigation continues to grow. Globally, the cumulative number of climate change-related cases has more than doubled since 2015. Just over 800 cases were filed between 1986 and 2014, while over 1000 cases have been brought in the last 6 years, according to a July 2021 policy report (Grantham Research Institute LSE, [2021](#)). While many of these are aimed at governments, a growing number of cases are targeting a wider variety of fossil fuel and cement companies, but also banks, pension funds, asset managers, insurers, and major retailers, among others. The cases relate to deliberate disinformation (or greenwashing), failure to disclose and manage climate change risk, and some seeking the recognition of corporate human rights. The authors of the report state that “businesses need to be aware of litigation risk,” and cite “value chain litigation” as one of three areas to watch in the future. So be warned—the actions and decisions made by procurement professionals, along with those of their colleagues along the value chain, are under growing scrutiny.

Investors Beware

The authors of the report mentioned above state that in particular “it is likely that more litigation will be brought against financial market actors.” This alone is a compelling reason why ESG performance has become a key investment criterion. Investors are increasingly applying these non-financial factors as part of their analysis processes to identify material risks and growth opportunities (CFA, [2020](#)). ESG metrics are not commonly part of mandatory [financial reporting](#) though companies are increasingly making disclosures in their annual report or in standalone sustainability reports.

Sustainability in Action

In the end, it’s a team sport, and everyone is responsible to some extent. We use different approaches to sustainability in our product portfolio. For example, we have sustainability investment products. To a certain extent we can control where funds flow through a process of supply and demand such as in companies that are subject to certain standards and thus promote sustainability.

We also have financing that’s linked to the sustainability KPIs of the companies. In other words, the more sustainable the company’s development, the more favorable their credit rating.

Nils Eichberger, Vice President of Procurement, LBBW (Landesbank Baden-Württemberg)

LBBW is a Mittelstand-minded universal bank with deep roots in Baden-Württemberg; a partner for medium-sized companies, listed groups, institutional customers, savings banks, and retail customers.

Capital Markets Reflect Corporate Sustainability Trends

Numerous institutions, such as the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), and the Task Force on Climate-related Financial Disclosures (TCFD), are working to form standards and define materiality to facilitate incorporation of these factors into the investment process. Investors, regulators, and stock exchanges are key audiences of sustainability reporting as they play a vital role in using reported information to offer responsible investments and create transparent and sustainable capital markets.

The findings of the seventh annual sustainability survey, published in July 2021 by the World Federation of Exchanges (WFE), were another indication of how sustainability criteria are serious investment considerations. The WFE is a global industry group for exchanges and central counterparty clearing houses (CCPs) that are home to 47,919 listed companies that had a total market capitalization of over \$109 trillion at the end of 2020. In essence, the survey showed continued increases in investor engagement in sustainability in both developed and emerging markets, with more than half (50.8%) of the exchanges incorporating initiatives that correspond to all the WFEs five Sustainability Principles—a 10 percentage point increase from the previous year (WFE, [2021](#)).

The Five World Federation of Exchanges (WFE) Sustainability Principles

In October 2018, the WFE published a set of five sustainability principles (“the Principles”) that constitute a formal declaration by the WFE and its membership to take on a leadership role in promoting the sustainable finance agenda. According to the WFE, “the Principles clearly demonstrate that WFE members—while recognizing they are at different stages of market development, with different opportunities and constraints—will seek to promote the Principles progressively in accordance with their circumstances and priorities.”

Employee Expectations: Do the Right Thing

Recent studies have shown that younger generations are more drawn to companies with a purpose, where they can feel a sense of belonging and have an impact that goes contributes to the company agenda and to the greater good. Employers are keen

to satisfy these expectations and attract the right talents by offering meaningful work environments and embedding relevant and purposeful actions into their strategies.

Sustainable Business Cannot Be Ignored

The messages here are clear: sustainability has to be taken seriously and the race to 2030 is on. Companies that have a poor track record of sustainability may find that potential customers will look elsewhere, investors will withdraw their funds, employees will move on, and the authorities may give them some unwanted and uncomfortable attention. Many companies in wide-ranging industries have already understood the urgency to transform and are benefitting from the upsides that are inherent in sustainable business practices.

A Resilient Future Rests on the Shoulders of Procurement

The long months of suffering under the pandemic brought the supply chain into focus. It changed from being a topic discussed by a select group of supply chain managers and procurement professionals into an everyday talking point. “The supply chain is being discussed not only in the general press, but in virtual social discussions,” said an article in leading business magazine *Raconteur* (Cox, 2020). This is new and with it, supply chain management is quickly evolving to board-level discussions across organizations, which has elevated the importance of the procurement function. In essence, the article highlighted what many procurement professionals have already known for years—that too many companies have underestimated the value of the procurement function, seeing it more as a way of just saving costs.

It took a global pandemic and a worldwide supply chain crisis to finally do it, but this has changed. These recent Earth-shattering events, and before that the financial crisis of 2008, have demonstrated “the dangers of just-in-time strategy and have highlighted the need for one that might better be called just-in-case, which puts much more of an emphasis on resilience” (Ramírez et al., 2020).

The business world is changing, and the accelerated movement toward the “stakeholder economy” means companies are not just accountable to their investors but also to their customers, employees, suppliers, and society at large. More than ever, companies have to pay close attention to the social, economic, and environmental impacts of their actions while at the same time developing greater resilience. To strategically meet these challenges means investing more in procurement, because as recent events have made abundantly clear, supply chain disruptions cause significant losses and immediate impacts to the financials of companies.

New Purpose for Procurement

We believe in this new purpose for procurement—to create value beyond a sole focus on price by finding the best outcomes together with other stakeholders within the company and externally with suppliers. This value can be added by focusing on resilience, sustainability, and appropriate cost levels. This is the pathway to healthy revenues and profit, improved quality, satisfying consumers’ desires, speed to market, innovation, and growth. It is also the pathway to non-financial benefits that will be felt by society at large and the environment in years to come (Fig. 2.1).

This renewed purpose of procurement will need new competencies to challenge the status quo and to strip away unnecessary complexity in the supply chain by working cross-functionally to get the big-picture view of the business, and by building solid relationships with suppliers.

A modern approach to leadership in procurement and new ways of working will empower teams and build a learning and agile organization. Suppliers will be seen as partners.

Procurement will fully embrace digitalization, the enabler of transparency and data-driven insights, which will strengthen decision-making and give procurement teams what they need to focus on those activities that make real, positive impacts on the sustainable future of the business.

Procurement is now on the agenda of enlightened executive officers, and this rise to prominence, combined with its leading role in sustainability, means it will attract the right talent and more resources.

Fig. 2.1 New purpose of procurement



Sustainability in Action

The future supply chain is going to require more partnerships as well as transparency. Data sharing is going to be a key enabler for long-term competitiveness. Hardware and software will both be important. People will have to develop the ability to learn from data to design better in the first place and enhance products out in the field. This will involve the entire supply chain and procurement must orchestrate this transformation.

Peter Carlsson, Co-founder and Chief Executive Officer, Northvolt

Northvolt is striving to produce the greenest battery in the world with a minimal carbon footprint and the highest ambitions for recycling to enable the European transition to renewable energy.

This is the time for procurement to shine.

2.3 Sustainability Framework for Procurement

It's about understanding where a company can contribute, which products to focus on, where the biggest footprint is, which technologies can be leveraged, and what business opportunities to focus on

Sakuto Goda, Principal, Nomura Research Institute (NRI)

Sustainability on Top of the Management Agenda

No one these days seriously denies the need for sustainable business practices. Even if they did, the increasing volume of sustainability-related legislation and regulations, consumer demands, and insistence from investors would make it virtually impossible to run a business without at least the minimum of compliance. Sustainability is here to stay—an October 2021 survey found that “92% of companies are adapting their business strategy and models to be more sustainable and plan to increase investments in sustainability initiatives to improve ESG performance in 2022” (Cority, 2021).

This has presented an opportunity for procurement because it has a leading role to play in sustainability transformation. Procurement holds the keys to reducing an organization's footprint as it is the obvious link to the supply chain, which is the source of more than 80% of total emissions (Unknown, 2021). It is procurement that needs to leverage the continuously growing importance of sustainability and to demonstrate that it is the key function to drive positive changes. It is time for procurement to become the driver of sustainability transformation and prompt the re-evaluation of existing processes, influencing product design, proactively suggesting sustainable material substitutes, and to become the catalyst to transform company culture.

Sustainability is not just a bolt-on to procurement's day-to-day operations—it is on a par with quality and cost factors that might normally be key drivers of procurement decisions and should therefore be integrated into existing processes

and become part of the working culture. In general, motivating individuals to be mindful of sustainability in their work, and aligning their decisions and behaviors with what is needed to achieve a sustainable future, means engaging and empowering them and other stakeholders from the very beginning. Making this happen involves building awareness and understanding so that all stakeholders are familiar with the purpose, the strategy, and the roles they must play as part of a company's sustainability ambitions.

But how do managers define purpose and strategy? How do they start questioning current processes, and how do they embed a sustainable mindset within the company? Like any other major transformation or change process, a step-by-step approach is strongly recommended, where the overall project is carved up into more manageable chunks. We suggest focusing on five distinct building blocks—purpose, ambition level and strategy, people and transformation, operating model, and material groups. The use of this approach helps to avoid being overwhelmed by the immense scope of a sustainability transformation and helps to ensure that sustainability, bit by bit, becomes an integral part of the business model.

The Why, What, and How of a Sustainability Transformation

We further categorize these building blocks into the *why*, the *what*, and the *how* of sustainability. The first building block, purpose, equates to *why*, ambition level and strategy are *what*, and people and transformation, material groups, and the operating model are summarized with *how*. We strongly believe that this approach is crucial to ensuring that internal and external stakeholders understand the purpose of the sustainability transformation, what the goals are, and how they will be achieved.

Unfortunately, we have seen quite a lot of companies define sustainability ambitions or targets that they are very unlikely to achieve. The reason for that is simple: compelled to match the competition or to meet customers' expectations, too many companies tend to define market-driven targets and ambition levels without considering their own internal capabilities. Pressures from key stakeholders, including employees, customers, investors, financial institutions, and regulations, can be a positive driving force as long as they do not result in blind actions. Instead, they need to be leveraged to help define the all-important *why* before looking at the *what* and *how* (Sinek, [n.d.](#)) (Fig. 2.2).

Start with Why to Define the Purpose

Asking “why should the company become more sustainable?” helps to clarify thinking from the get-go. For the least ambitious companies, it could simply be a case of complying with regulatory requirements, but this is far from being an inspiring purpose. More inspiring reasons could be to increase market share, gain a competitive advantage, enter new markets, or the altruistic purpose of making the world a better place.



Fig. 2.2 The sustainable framework for procurement

Asking “why?” is the most powerful way to challenge the status quo and is the foundation of the North Star, a company’s unwavering purpose. For this reason, it is important to spend time answering this disarmingly simple but important question. When employees, especially those from generation Z, clearly understand the purpose of the sustainability transformation, how their roles fit into the bigger picture, and how they can contribute, they are far more likely to be motivated to make the transformation a success, especially if they feel that it does some good in the world (Goler et al., 2018).

Answer the What to Define Ambition Levels and Strategy

Once the purpose has been defined, the next step is to set a realistic ambition level and to translate this into a viable strategy (that should be created to ensure that the North Star will be reached). This step makes it clear what must be done. Is it a case of reducing CO₂ emissions? Or does the product or services portfolio have to be changed to make it fully sustainable? Or should there be an overhaul of the supply chain to make sure suppliers comply with social standards and human rights? It is this question that paves the way to specifying concrete measures or activities for team members and certain external stakeholders.

In our experience, a combination of objectives that are ambitious but still realistic with outcomes that are potentially significant is the best way to encourage people to go the extra mile. We strongly recommend defining ambitious but tangible targets that help to successfully reach your North Star.

End with How to Make Sustainability Tangible

In the end, all strategic planning must translate into tangible actions. It is important that ambition levels are broken down into measurable activities with KPIs and benchmarks.

Sustainability targets in and of themselves may be motivational to employees as a new and exciting device, or even as a point to brag about, but they are mainly drivers of performance—individuals are driven by what they are measured on. Performance can be assured by defining suitable performance indicators and making people or groups accountable for them (as long as the indicators are related to that individual or group's objectives). Performing well, however, depends on the rewards associated with performance. When a performance indicator is defined, and ownership allocated, the associated rewards will foster employee motivation and efficiency.

We suggest defining performance indicators for three focus areas: operating model, material groups, and people and transformation.

The Operating Model

Sustainability in Action

A specific procurement team mainly has the responsibility for CSR-related topics, such as ensuring that our suppliers and ourselves remain compliant with regards to working conditions, human rights, and other criteria. We integrate sustainability practices into our overall procurement processes, meaning that each procurement role has responsibilities when it comes to sustainability.

Henrik Larsen, Chief Procurement Officer, A. P. Møller-Mærsk

A. P. Møller-Mærsk is an integrated container logistics company and member of the A.P. Møller Group. With a dedicated team of over 80,000 people, they enable global trade for a growing world.

Anchoring sustainability into the operating model is probably the best way to get started. This might involve changing the current organizational setup, revisiting the governance structure, or both. In fact, more and more companies are employing specialists as sustainability managers or as heads of dedicated sustainability teams with the remit to push sustainability within procurement and beyond. Establishing sustainability as part of the operating model means working within existing processes where possible but, for example, building on or adapting them to incorporate sustainability criteria when sourcing decisions are made. Sustainability tools and technology, key enablers of successful transformations, should also be used to create better transparency and to ensure compliance. Making full use of networks and fostering collaboration internally and externally are of utmost importance (Fig. 2.3).

Categories

Sustainability in Action

COVID-19 was also an eye-opener for companies that had a high geographic concentration of suppliers. We're now starting to see companies diversifying their supply chain locations and we might even be on the verge of companies starting to in-source vital parts of their production. Even if this is a decision that often means an increase in cost, many companies

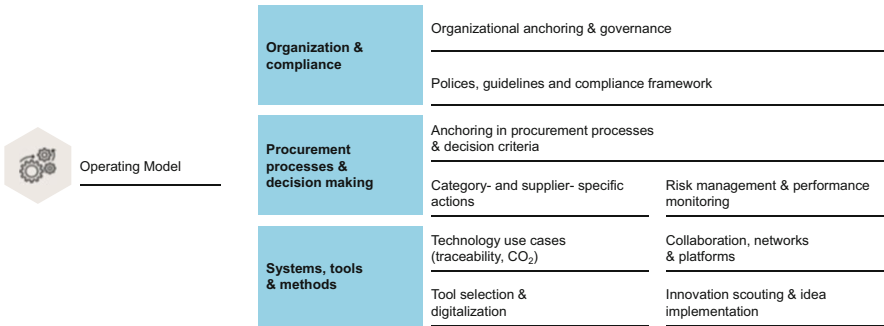


Fig. 2.3 Operating model

have realized that the market is more and more ready to pay for the increased certainty and reduced risk.

Fredrik Gustafsson, Senior Manager of Sustainability Transformation, Cordial AB

Cordial is a management consulting firm based in Stockholm, Sweden. Its main focus is strategy, transformation, and business development with sustainability as one of the key areas.

This is where procurement is firmly in the driving seat. It is procurement that is responsible for proactively challenging material choices and looking for alternatives when existing materials fail to meet newly defined sustainability guidelines. Performance indicators in this area therefore need to focus on core procurement processes such as supplier or category management.

People and Transformation

Sustainability in Action

Goals and ambitions must be communicated openly, and the vision needs to be clear and understood by everyone.

Sakuto Goda, Principal, Nomura Research Institute

Nomura Research Institute (NRI) is a leading consulting firm and systems integrator from Japan. With expertise in the formulation of strategies, globalization of business operations and planning.

People are of paramount importance in any transformation and so, guided by managers, they are the key drivers of change. Managers need to “walk the talk” and be the embodiments of the new strategy, helping to provide support in achieving sustainability ambitions and objectives. They must make sure that teams are engaged and empowered; that they are provided with the right skills, resources, and capacity needed to perform; and that they are surrounded by a fail-fast culture that rewards creativity. Job descriptions and roles may have to change as part of the sustainability transformation, in which case tailored training programs may have to be provided.

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