



JARO
INSTITUTE
FOR SUSTAINABILITY
AND DIGITALIZATION



**SUSTAINABLE
DEVELOPMENT
GOALS**

Recommendations for
sustainable procurement

Ours can be the first generation to end poverty
– and the last generation to address climate
change before it is too late.

Ban Ki-moon, former UN Secretary-General (2007 bis 2016)

You can make the difference

Dear Sir or Madam,

The current special report by the Intergovernmental Panel on Climate Change IPCC illustrates once again how urgently a change of course in our common practices is needed, to comply with the climate target of 1.5°Celsius until 2050. As procurement officers, you have the massive opportunity to influence your corporation positively. Up to 80% of greenhouse gas emissions occur within the scope of procurement and its supply chains! Gear your purchasing processes thoroughly towards sustainability: starting with requirement planning, covering the commodity group strategy, tendering, contract design and the operative purchasing up to the supplier management and purchasing controlling.

The 2030 Agenda for Sustainable Development, which has been passed by the United Nations Conference in 2015, contains 17 Sustainable Development Goals, which can support your initiative for sustainable procurement. In this brochure, we have phrased concrete recommendations for action based on the 17 goals and directly applicable to sustainable procurement. Take action now! Even if you don't have a specific budget at the moment, you can start with the first measures. Discuss ideas and implementation options with your team and your stakeholders and develop a plan of action. Create first success stories and demonstrate the strategic impact of your purchasing organization on the environmental, social and economic sustainability performance of your company. Search for supporters, who will assist and help you with the first steps and continuously extend your commitment.

We wish you great success!



Yvonne Jamal
Chairwoman Jaro Institute e.V.



A shared commitment to sustainability

Dear Sir or Madam,

The attention has been on sustainability issues in public procurement for a few years now. The legal framework has been adjusted to grant purchase managers more scope of action for sustainable development. Promising approaches exist in the private sector as well, which have to be developed further and spread thoroughly. Be it longer procurement cycles, preference of renewable raw materials, energy-efficient materials and technologies or the respect for human rights – the ecological, economic and social challenges can only be solved cumulatively. With the help of this brochure of the Jaro Institut, you can find practical suggestions through the application of the 17 sustainable development goals, which will allow you to get involved and active in your position as a purchasing officer and use your influence as a multiplier.

The German Council for Sustainable Development advises the German Federal Government within the framework of the German Sustainability Strategy, which includes the Sustainable Development Goals (SDGs) since 2016. The ambitious goals of the Agenda 2030 are only possible through a collaboration of economy and civil society. Therefore, it is important that you address critical sustainability topics with your suppliers in close partnership. Commit to learning partnerships. Develop sustainable projects into long-term strategic approaches, which will improve production conditions and product properties. Set goals and make sure to regularly report in a transparent way about your activities, which barriers you are facing and where you are failing. Using the Sustainability Code („Deutscher Nachhaltigkeitskodex“) can help your business to create a good standard of transparency in terms of documenting the steps for strategic sustainability management. Credibility is not found within perfectionism, but rather in disclosing the conflict of objectives and the learning processes. Start somewhere! The SDGs are your guiding principles. It is essential to recognize that you are on a journey and your entrepreneurial responsibility is comprehensible for the public – for today's and tomorrow's generations.



Ulla Burchardt
Member German Council for Sustainable Development, former member Deutscher Bundestag



1 NO POVERTY



**End poverty in all its
forms everywhere**

How can sustainable procurement contribute to this goal?

- › Foundation: Commitment to the human rights and implementation in the Code of Conduct, in the procurement directive, as well as in the General Terms and Conditions of Purchase and Payment and supplier contracts
- › Gradual analysis of the supply chains to detect and eliminate human rights abuses (e.g. in the form of forced labour)
- › Proactive engagement in the supply chain including open communication and involvement of stakeholders on-site to respect human rights
- › Ensure diversity in the supplier portfolio (taking into account small, economically disadvantaged and underrepresented companies in the supplier structure)
- › Assurance of occupation that provides with an adequate livelihood for all suppliers within the supply chain (e.g. long-term contracts and declaration of commitment within the framework of a Code of Conduct)
- › Support of developing measures for (sub-) suppliers to ensure sustainability criteria (e.g. training measurements for human right related topics)
- › Creation of incentives for responsible suppliers based on specific sustainability criteria in the supplier evaluation and sanctions for non-compliance
- › Fair and prompt payment of suppliers

2 ZERO HUNGER



End hunger, achieve food security and improved nutrition and promote sustainable agriculture

How can sustainable procurement contribute to this goal?

- › Audit and improvement of access to balanced nutrition of employees of suppliers during work breaks, in particular in developing countries
- › Guarantee to protect the rights of minorities and their local rights of land use and ownership within the supply chain
- › Purchase of sustainable raw food materials for fair prices, which will allow sustainable production for the suppliers
- › Consideration of small suppliers
- › Support of biodiversity-friendly production of the suppliers and keeping environmental measures
- › Active climate protection involvement with suppliers
- › Purchase regional, organic – or Fair Trade products, renouncing meat as often as possible, e.g. in canteen meals or during event catering services
- › Donation of surplus food to non-profit organizations such as food banks and reducing food waste based on constant optimisation of demand planning

3 GOOD HEALTH AND WELL-BEING



Ensure healthy lives and promote well-being for all at all ages

How can sustainable procurement contribute to this goal?

- › Examination and optimisation of access to the medical care of all employees along the supply chain
- › Awareness-raising measures for suppliers relating to concepts of operational health management, e.g. prevention training, offering sports programmes, medical check-ups and vaccinations besides the statutory requirements
- › Protection against discrimination and disadvantages faced by women, accurate support of pregnant women and young families for full- and part-time employees, e.g. family-friendly working conditions (such as childcare opportunities, flexible working hours, health insurance cover)
- › Compliance with working safety regulations along the supply chain, e.g. protective clothing, adequate training for chemical handling or machinery and their maintenance, a safe work environment in general to avoid accidents
- › Joint commitment and engagement with suppliers, NGOs and health facilities for a stronger awareness creation towards the development and realisation of comprehensive health concepts
- › Assurance that no products or product components will be purchased or used, which will endanger the health of the end consumer (especially children), or anyone within the production line

4 QUALITY EDUCATION



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

How can sustainable procurement contribute to this goal?

- › Enforcement of a zero-tolerance policy concerning child labour along the entire supply and according to international standard
- › Training and integration of information on topics such as human rights, environment protection and equal rights in company policies, such as, e.g. code of behaviour, procurement directive, code of conduct
- › Equal development opportunities and lifelong learning for all employees, as well as encouraging suppliers to recreate and support them with training offers
- › Mobile training opportunities for the purchasing team and suppliers (webinars, eLearnings, videos etc.)
- › Creation of incentives for further education of the (purchasing) employees and suppliers
- › Support schools, universities and other educational institutions, e.g. through project partnerships, site visits, internships/working student offers etc
- › Offer flexible working hours for parents to support early childhood education (day nursery) for their children

5 GENDER EQUALITY



**Achieve gender equality and
empower all women and girls**

How can sustainable procurement contribute to this goal?

- › Enforcement of a zero-tolerance policy concerning violence against women and girls along the entire supply chain and according to international standard
- › Establishment of complaints mechanism along the supply chain for the anonymous receipt and exposure of human rights abuses, in particular of sexual harassment of women and girls
- › Awareness-raising measures of employees and (sub) suppliers for anti-discrimination at the workplace and prevention of violence
- › Equal pay/creation of incentives and supporting women with equivalent work, in the purchasing team as well as with other service providers and suppliers
- › Support women and men with flexible working-time models with regard to unpaid care of family members and to reconcile work and family life
- › Dedication to mentorship, especially for female junior staff to increase the proportion of women working in procurement
- › Diversity of suppliers by including women-led (small) businesses

6 CLEAN WATER AND SANITATION



Ensure availability and sustainable management of water and sanitation for all

How can sustainable procurement contribute to this goal?

- › Accept access to clean drinking water and medical facilities as a human right and ensure throughout the entire supply chain
- › Implementation of measures to save water in the manufacturing process/in the supply chain
- › Capturing the water footprint in the own company and of supply chains and suppliers
- › Definition of target values to reduce water consumption, as well as water treatment and recycling
- › Monitoring and constant improvement of the standard of hygiene for employees, especially at production sites
- › Training measures for (sub) suppliers for hygiene and awareness creation for water utilisation
- › Training measures for (sub) suppliers for the handling of chemicals and waste
- › Implementation of water risk management to measure the impact of production on the ecosystems and biodiversity along the supply chain

7 AFFORDABLE AND CLEAN ENERGY



**Ensure access to affordable,
reliable, sustainable and modern
energy for all**

How can sustainable procurement contribute to this goal?

- › Integration of renewable energy into the procurement strategy
- › Determination of emissions including the supply chain (scope 3), e.g. requesting the carbon footprint from (sub) suppliers
- › Procurement of green electricity and energy-efficient products (air conditioning, illumination, vehicle fleet, construction measures, etc.) and joint projects with suppliers for further energy savings
- › Establishment of an internal target and indicator system to reduce carbon emissions (e.g. by determining carbon savings for procurement)
- › Internal determination of carbon pricing to manage investment decisions and solutions based on renewable technologies
- › Use new business models such as 'pay as you go' to reduce the carbon footprint
- › Enforcement sustainable travel and event management, e.g. by introducing climate-neutral events and avoiding air travel
- › Appropriate social commitment to finding solutions for carbon reductions

8 DECENT WORK AND ECONOMIC GROWTH



**Promote sustained, inclusive
and sustainable economic growth,
full and productive employment and
decent work for all**

How can sustainable procurement contribute to this goal?

- › Enforcement of sustainable procurement directive and obligation to respect the human rights along the supply chain
- › Cooperation with trade unions and establishment of complaints mechanisms
- › Constant development of own employees, e.g. purchasing employees
- › Job offers in procurement and the supply chain for disadvantaged groups
- › Local sourcing - long-term, local supplier relationships based on fair business practices (e.g. fair remuneration and prompt payment)
- › Share best practice solutions in associations and at trade events and knowledge transfer within the supply chain, especially to support and strengthen developing countries
- › Cooperating with startups to advance joint technology and innovation development
- › Increase efficiency of water, energy and raw materials
- › Active support of supplier projects promoting a circular economy

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



**Build resilient infrastructure,
promote inclusive and sustainable
industrialization and foster innovation**

How can sustainable procurement contribute to this goal?

- › Local procurement to support the economy at the company location and to avoid emissions
- › Determination of own poverty footprint (UN Global Compact-Oxfam Poverty Footprint)
- › Definition and realisation of a sustainability program for suppliers to improve the working and living conditions in production countries
- › Comparison of life-cycle costs during award decisions, especially during decisions for supply chains to avoid negative impacts
- › Initiate joint projects with R&D and suppliers to develop sustainable products, materials and technologies, e.g. higher material efficiency, stronger recycling, reducing packaging and waste etc.
- › Inclusion and strengthening SMEs in the supply chain and supporting startups
- › Determination and reduction of greenhouse gas emissions along the supply chain regularly
- › Active participation in research projects with universities and research institutes

10 REDUCED INEQUALITIES



**Reduce inequalities within
and among countries**

How can sustainable procurement contribute to this goal?

- › Fair payment of suppliers to allow them to pay their employees and sub-suppliers appropriately
- › Preferential treatment of suppliers who pay fair amounts of taxes to countries, where they are operating
- › Equal pay for men and women for equal work in the own procurement team and along the supply chain
- › Commitment to projects which allow low-income earners to be integrated into the supply chain, e.g. by hiring them or including them in the supplier portfolio
- › Collaboration with NGOs and other institutions
- › Integration of SMEs to help them remain in the economic system
- › Support social security of the employees in the supply chain with insurance cover (e.g. life-, accident - and social security)
- › Promote diversity in the own procurement team as well as in the supplier portfolio
- › Development and implementation of complaints mechanisms

11 SUSTAINABLE CITIES AND COMMUNITIES



**Make cities and human settlements
inclusive, safe, resilient and sustainable**

How can sustainable procurement contribute to this goal?

- › Pay attention to the local culture and rights of the local population at all sites and examine the impacts on these through the business activities
- › Favour sustainable buildings or invest in restructuring measures, such as greened roofs and courtyards or electrical charging stations
- › Chose sustainable furniture for the business premises, preferable from locally sourced, renewable material and implement water- and energy-saving concepts
- › Optimise the travel policy by offering shuttles, job tickets, company bicycles and carsharing for employees and promote electric mobility with company cars
- › Share unused office space e.g. with startups and donate furniture, which is no longer needed
- › Engage in projects for a sustainable urban- or regional development and support organisations, e.g. by offering event space
- › Support the security of all employees in the supply chain, especially of women, and the access to sanitary facilities and decent living space

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



**Ensure sustainable consumption
and production patterns**

How can sustainable procurement contribute to this goal?

- › Develop a sustainable procurement strategy with clearly defined economic, ecologic and social goals
- › Revision of procurement directive and the General Terms and Conditions of Purchase
- › Development of training programs for sustainable management to offer to employees, colleagues and suppliers
- › Formation of partnerships with NGOs and stakeholders to strengthen sustainable development in production countries
- › Promote development and procurement of products for a circular economy and clean, efficient technologies, deciding based on life-cycle costs and sustainability certifications
- › Constant reduction of the material- and energy consumption as well as waste in the acquisition/supply chain
- › Use control elements such as the Sustainable Balanced Scorecard (SBSC) to make your purchasing successes visible and include suppliers in the target achievement
- › Integrate sustainability audits and technological innovation such as blockchain to design your supply chain in a transparent and secure way

How can sustainable procurement contribute to this goal?

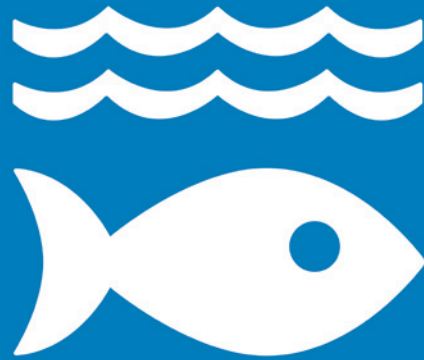
- › Identify the chances and risks of climate change in your supply chain
- › Set concrete and ambitious objectives to reduce greenhouse gases within the procurement activities and supply chain, ideally by participating in the initiative 'Science Based Targets'
- › Internal determination of carbon pricing to be able to take sustainability aspects into account for awarding decisions
- › Development and implementation of a sustainability programme for and with the suppliers to prevent disruptions and delays based on climate change
- › Integrate the topic of climate protection into the regular training programmes, meetings, strategy decisions and guidelines to build awareness for sustainable procurement with employees, internal clients and suppliers
- › Engagement in external responsible initiatives and projects and motivation of the team/colleagues as well
- › Actively use new technologies to improve the sustainability performance

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

14 LIFE BELOW WATER



**Conserve and sustainably use the oceans,
seas and marine resources for sustainable
development**

How can sustainable procurement contribute to this goal?

- › Measuring indicators for waste and wastewater volume in the supply chain and definition of measures to reduce these constantly
- › Hold plastic-free and recyclable materials and packaging in high regard
- › Active engagement in R&D projects for sustainable business products
- › Create transparency in the supply chain to be able to examine sustainable management and choosing suppliers with sustainability certificates
- › Enquire the water footprint of suppliers and determine the own water footprint of the company
- › Proactively and significantly reduce greenhouse gas emission in the company and the supply chain to counteract the acidification of the sea
- › Development of training programmes for the employees and suppliers to sensitise them for the responsible handling of waste and wastewater

How can sustainable procurement contribute to this goal?

- › Analyse the effects of procurement activities, e.g. of your sourcing practices and your packaging needs, on the ecosystem and the biodiversity, especially when buying agricultural products and chemicals
- › Exclusively draw products from certified, sustainable forestry and agriculture (when available) and motivate suppliers with a premium
- › Implementation of systems for tracking raw materials, e.g. by using Blockchain
- › Train your employees and suppliers towards respectful handling of chemicals and their professional disposal
- › Increase the awareness of employees and suppliers to avoid food waste, e.g. when buying catering services
- › Active engagement in projects of reforestation and soil decontamination
- › Active promotion of projects and initiatives of a circular economy to reduce the ecological footprint

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

How can sustainable procurement contribute to this goal?

- › Analysis of the impacts of procurement activities, especially in conflict regions, and identification of risks and measures to prevent and mitigate
- › Commitment to human rights and communicating this to employees and suppliers
- › Prevention of every form of corruption and child labour including within the supply chain by considering international agreements and beyond the national conditions
- › Update company guidelines to strengthen human rights at the workplace and in the supply chain and set up complaints mechanisms to detect grievances early on and solve potential issues. Inform all stakeholders in a transparent way, should any transgressions appear
- › Use local stakeholder dialogues for inclusive decision making
- › Encouragement of (sub) suppliers to build work councils and trade unions for the representation of employee interests
- › Support of responsible governments and NGOs to influence peaceful and sustainable development positively

17 PARTNERSHIPS FOR THE GOALS



**Strengthen the means of implementation
and revitalize the global partnership for
sustainable development**

How can sustainable procurement contribute to this goal?

- › Search partners for your sustainability project: in your own company these are especially colleagues from the fields of CSR, compliance, marketing, distribution and R&D; externally these are suppliers, industry and trade associations and NGOs who can support your initiatives
- › Use formats such as the stakeholder dialogue to identify and prioritise the significant activities with the interest groups
- › Help your suppliers to convince their sub-suppliers of sustainable business practices, e.g. by developing training programmes
- › Proactively support projects and initiatives of the civil society at your business and production locations with know-how, financial resources or providing premises and office space for meetings and gatherings
- › Share your experiences with other procurement officers, e.g. within the framework of specialist events, to pass on your lessons learned and get inspired by best practices of other companies

About the JARO Institute

Sustainable action as a standard for the economy

The 'Jaro Institute for Sustainability and Digitalisation e.V.' was founded in 2018 in Berlin with a clear objective to establish sustainable actions as a standard for the economy. We want to achieve this in close cooperation with other businesses. We share our relevant knowledge, connect people and organisations and work with them on the realisation of the 17 Sustainable Development Goals (SDGs). Our advisory board consisting of recognised experts in the scientific community and industry ensures a sound and hands-on, practical quality.

Among other topics, we promote sustainable procurement. We support and train responsible procurement employees to rise to the current challenges of sustainable procurement systemically. Workshops, current studies and project help the companies in doing justice to their social responsibility. With our initiative 'Sustainable Supplier Network' we aspire to connect committed companies and their procurement officers for mutual exchange and promotion of responsible procurement. We consider ourselves as bridge builders between the economy and civil society and want to encourage everyone to reassess existing processes and think more responsibly and engage in a sustainable way.

Support our work by becoming a member! You can find more information on <https://jaro-institut.de/en/institut/>



More information on the 17 Sustainable Development goals of the UN Agenda 2030, on which this publication is based, can be found on <https://sustainabledevelopment.un.org/sdgs>

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