Sustainable Procurement: Time to measure value creation!

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EcoVadis Benefits: change from Current Situation...

For Buyers
✓ High costs
✓ No reliable data
✓ No internal adoption

For Suppliers
✓ Audit / Questionnaire fatigue
✓ No personalized feedback
✓ No focus on improvements
#1 Suppliers **Sustainability Monitoring** platform

**Buyers**
- 120 Customers
- 900 bn€ spend

**Suppliers**
- 20,000+ per year
- 70% SME’s
- 150 Categories
- 95 Countries
Quantifying the benefits linked to Sustainable Procurement is often challenging but practices of leaders demonstrate that this is a key lever to widespread adoption.

Sustainable Procurement: Time to measure value creation!
Sustainable Procurement now solidly entrenched in Procurement priorities
“Compliance” Tools are becoming standard

What tools have you already implemented to support your Sustainable Procurement initiative?

n/a

Basic “CSR Compliance” tools are becoming the “norm”
But more advanced tools (i.e. TCO) are still poorly widespread
What you measure is what you get...

How do you quantify benefits?
- in % of respondents -

Some benefits measured

Some case studies

Overall dashboard

Overall Financial impact
Impact goes through three value drivers

1. Cost reduction
2. Risk minimization
3. Revenue increase

Sources: EcoVadis, Insead, PWC (2010)
Impact Project (M&S, Tesco, Sainsbury’s, ...)

Workers wages: +12%

Turnover: -65%

Absenteeism: -30%

Factory Efficiency: +30%
Risk minimization: need to be more systematic

Main drivers:
- Brand image
- Volatility
- Disruptions
- Compliance
Sept 3, 2013
Fire in Hynix China Factory

Sept 6, 2013
DDRAM price jumps 25%

Sept 15, 2013
10M PC’s
11M Smartphones impacted
Revenue growth: controversial but impactful!

Main drivers:
- Price premium
- Recycling
- Innovation

1. Cost reduction
2. Risk minimization
3. Revenue increase
2012 : eco-product innovation competition with suppliers
2013 : 20% of eco-products sold – 2.1bn£ sales
2010 : Target 50% in 2020
Impact goes through three value drivers

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Thank you!

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