Sharing Information on Progress (SIP) Report

Thought leadership on Sustainable Supply Chains
The European Institute of Purchasing Management (EIPM) is a pioneer of purchasing training in Europe and today stands as one of the leading Global Centres in Executive Procurement & Supply Management Education.

Created over 20 years ago by top leading companies, EIPM trains and educates each year more than 4000 purchasing professionals worldwide in 9 different languages through its different programmes and partnerships.

With branches in Geneva and Shanghai, and partnerships in Brazil, South Africa, Spain and USA, the Institute has developed a complete range of solutions to meet the training needs of its large base of international clients in all sectors of industry and service.

We put our outstanding suite of tools and our expertise at the service of clients that aim at establishing leading-edge performances. At EIPM, there is a perfect answer for each client, no matter whether the participant is a junior buyer or a CPO.

But beyond helping individuals and companies achieve their full potential, EIPM promotes Procurement and Supply Management as strategic functions with a key role in economic transformation.
Some of EIPM attributes

**Global footprint:** EIPM’s multinational staff and international network allows us to organize corporate programs all over the world, balancing global objectives and local requirements.

**Leading edge content:** We continuously develop and leverage new methodologies, tools and concepts to offer the perfect balance between academic achievement and professional experience.

**Pedagogic expertise:** EIPM benefits from a well-qualified and international faculty, passionate about procurement and committed to our programmes and clients.

**Client relationship:** EIPM maintains a dedicated customer service, flexible and responsive to individual and organisational needs.

![EIPM Building Mont Blanc 2, Archamps F](image)

*More than a service-provider, EIPM is the source for Excellence.*
**Mission**

To serve our clients to deploy knowledge in Purchasing & Supply Management to contribute to sustainable value creation for the different stakeholders

**Vision**

- To be the Leading Institute
- To be the Reference by Differentiation
- To be the preferred global supplier

**Values**

- Respect & Humility
- Courage & Commitment
- Justice & Equity
- Moderation
- Responsibility
The role of Supply Chains in delivering a sustainable future

Over the past ten years, purchasing and supply chain functions have increasingly contributed to implement their company’s sustainability strategies. They have moved from a mere compliance agenda to a value creation approach. The most advanced companies are becoming more systematic in implementing company-wide and purchasing category-focused sustainable strategies.

EIPM is a thought leader in the field of purchasing and supply management positioned at the crossroad of the academic and the practitioner world.

Our activities related to sustainability cover a number of domains that overlaps with our expertise:

- Sharing best practices on Sustainable supply chain through workshops and communication
- Recognizing progress through the EIPM Peter Kraljic Award
- Facilitating the dissemination of academic research on sustainability
- Engaging students through projects
- Developing our teaching capabilities in this field
Sharing best practices on Sustainable supply chain through workshops and communication

EIPM regularly organizes industry workshops, roundtables and conferences. Sustainability has regularly been on the agenda of our sharing activities.

We organized in 2012 a workshop Toward Value Creation through Sustainability. Speakers included:

- Olivier Vilaca World Business Council for Sustainable Development
- Alain Denielle ST MICROELECTRONICS
- Seija Säynevirta NOKIA

This was also an opportunity to share best practices through peer assist sessions and workshops.

Key learnings of the day included:

- Driving the supply chain toward more sustainability tends to be well perceived by suppliers however supplier development remains time consuming and require ongoing attention

- As history, culture and context impact perceptions, country and cultural differences needs to be taken into account when addressing sustainability maters.

- Driving the sustainability agenda forces purchasing teams to be up to date with stakeholders expectations which is good.

- Cost saving and sustainability objectives can often be reconciled even if it first this might not appear obvious.
• Sustainability requirements and opportunities need to be reviewed on a regular basis. This should be integrated in the purchasing team and in the purchasing categories strategies.

• Sustainability initiatives with suppliers are opportunities to think outside of the box even in conservative markets. Companies and suppliers find valuable ways forward when they both remain open to new ideas.

• The most obvious ideas are rarely the best ones in the end, it is recommended to explore multiple solutions before deciding on a path forward. It is important to train people to challenge existing paradigms.

• Industry consortium can help to reach critical mass to implement sustainable solution. Reaching agreement can take time but implementation can be rapid.

• Sustainability is an opportunity for many purchasing team to go beyond supporting product development and to start contributing and demonstrating its value to research and other functions.

• It can be hard work, it might require a focus on change management but it offers satisfaction in the end.
Recognizing progress through the EIPM-Peter Kraljic Awards

The Annual EIPM-Peter Kraljic Awards recognize the excellence of Purchasing Organisations that act as role models, delivering outstanding performance to their company and demonstrating high level of creativity, innovation, and respect for the environment and society.

The companies who decide to take part in the Awards use EIPM’s on-line Assessment Tool to benchmark their own practices against those of best in class companies, relating their processes and evaluating their achievements.

A rigorous nomination process, founded on the fact-based criteria EFQM Excellence Model and EIPM best practices, complements this application. The whole process is managed by the Awards Jury, comprised of industry leaders, academics and consultants experts in the field.

Based on the content of the assessment, finalists are selected in September and subsequently assessed during a one-day site visit led by professional assessors. They also receive a detailed report highlighting their strengths and opportunities for improvement.

This very complete process motivates the companies to make an in depth reflexion about their practices, and as such, is a great learning experience for them, capable of delivering a clear path forward. This will remain year over year the constant and differentiating characteristic of the EIPM Peter Kraljic Awards.
Until today, more than 230 companies have undertaken the EIPM Organisation Assessment Tool to measure the maturity of their Procurement or Supply Chain organisation.

In 2012, Lyonnaise des Eaux was awarded the Sustainable Future Award. This Award recognizes outstanding practices for Sustainable Responsibility in the relation with Suppliers, Value development and New Business Opportunities that are environmentally & socially friendly.

Lyonnaise des Eaux’s purchasing team had been actively developing win-win partnerships with suppliers. Such relationships drives innovation, total cost reduction (over the entire lifecycle) and remarkable results in sustainability: societal, environmental and safety. This led to further sharing of best practices during the EIPM Annual Conferences.

Marc Amblard, EFQM CEO, Hugues Schmitz, Purchasing Manager at Lyonnaise des Eaux, and Bernard Gracia, EIPM Dean & Director at the 2012 Peter-Kraljic Awards Ceremony.
Facilitating the dissemination of academic research on sustainability

The EIPM created a simple, systematic process to develop new contents. It builds on regular exchanges with the corporate community through small and large events. Findings are cascaded on the different EIPM education and training programmes.

One of the outcomes of our applied research strategy is the EIPM Journal of Supply Excellence, which stimulates critical thinking and shares strategic knowledge on subjects of joint interest and current relevance.

Every number follows the model set by the first edition, with contributions from academic and professional experts in the field, on subjects of joint interest and current relevance. It is distributed to 3000 executives every year.
The last two editions of the Journal of Supply Excellence included key contributions on sustainability.

*The Real Challenge: a New Morality in Supply Strategy* was an article written by Richard Lamming Emeritus Professor of EIPM. He clearly highlighted the challenge for the purchasing and supply chain profession:

“After three decades of research we can say that we know a lot about supply chains and supply strategy. The question now is how well this prepares us – or rather business – for the impending future. This is not simply to do with the current political atmosphere of profound change or even the move of power and influence from the West to the East. Supply chain management is a major factor in an organisation’s impact on the world: it cannot be practiced as if it consequences do not matter. Until now, hiding behind the economist’s concept of ‘externalities,’ this is exactly what has been done: supply chain management has been amoral. This is not just unacceptable corporate behaviour, it is literally unsustainable.”

The paper *When Purchasing Takes the Lead in Sustainability*, published in the second edition of the EIPM Supply Excellence Journal, gave the opportunity to share findings and managerial implications from the paper that won the Best paper award at the 2012 IPSERA (International Purchasing and Supply management Education and Research). The authors,

- Jury Gualandris who is attending the PhD program in Economics and Technology Management of the Università degli Studi di Bergamo
- Ruggero Golini is Assistant Professor of General Management and Supply Chain Management at Università degli Studi di Bergamo. In 2011
- Matteo Kalchschmidt is Associate Professor of Innovation and Project Management at Università degli Studi di Bergamo.

They highlighted in their article critical findings for the profession:
- Sustainable supply chain management (SSCM) significantly contributes to the reduction of companies’ social and environmental impacts;
- Combining traditional SCM (i.e., supply base reduction, partnerships, supplier rating programs, asset-specific investments) and SSCM allows companies to further improve their sustainability performance. Sustainable supply chain management (SSCM) mainly consists of two groups of initiatives:
  o Monitoring suppliers’ sustainability (e.g. by means of suppliers’ self-assessments, suppliers’ code of conduct, or vendor rating tools integrating environmental and social criteria)
  o Collaboration toward sustainability: involving suppliers and collaborating with them to design and develop new sustainable products/processes (e.g., Life cycle analysis, co-design and close-loop processes)
Other activities at EIPM

Engaging students through projects

The following projects have been presented by Executive MBA students:

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<thead>
<tr>
<th>Project</th>
<th>Presenter</th>
<th>Company</th>
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<tbody>
<tr>
<td>How to Embed Sustainability into Procurement Practices</td>
<td>Tania Lucas Romero</td>
<td>Johnson &amp; Johnson</td>
</tr>
<tr>
<td>A Sustainable Procurement Strategy at Clariant International Ltd</td>
<td>Cecile Grenard</td>
<td>Clariant</td>
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<tr>
<td>Local Supplier Development in the Tanzania's Proposed LNG Supply Chain</td>
<td>Neema Apson</td>
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Developing our teaching capabilities in this field

Furthermore Executive Education Programs on sustainability have been developed by EIPM in the last two years for companies from the following sectors:

- Telecom
- Transportation
- Industry
- Oil and Gas