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Sustainable Procurement: knowledge and practice towards sustainable development



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Introduction

In recent decades, sustainability has become a goal to be achieved throughout the world; it is a direction into which efforts are to be put to solve the global challenges that people are facing today. The spectrum of Sustainable Goals is extensive and wide, ranging from poverty reduction, to human rights and equality of opportunity, and to environmental issues, such as biodiversity conservation, energy efficiency, climate mitigation and adaptation, and waste reduction (see, among others, UNEP, 2017 and UNOPS, 2017). The concept of sustainability has emerged since the 1970s. Today, it has become a crucial paradigm in supply chain management (SCM) (Seuring and Müller, 2008) and is also the foundation for one of the most significant international cooperation initiatives (i.e. the agenda for Sustainable Development Goals 2030), which explicitly highlights procurement as an effective way to support the achievement of sustainable objectives. Indeed, a variety of activities and processes have been substantially influenced and involved, and “procurement” is one of them.

Leveraging procurement to achieve sustainable objectives by integrating related requirements, specifications and criteria that are compatible and in favour of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs, beyond the acquisition of works/products/services to merely satisfy organization’s requirements, is defined as sustainable procurement (SP)¹. To achieve these social and environmental objectives, both public and private organizations ought to integrate sustainable considerations and principles into their procurement processes; also, procurement plays a crucial role as sustainability policies and practices should extend beyond organizations’ boundaries. In light of the demand to include sustainable principles within the procurement practice on the one hand, and the complexity of operations and required knowledge and understanding on the other (Carter and Rogers, 2008), there is growing interest in exploring and investigating how SCM and procurement in both the public and private sector can be en-

¹ UN global marketplace, see https://www.ungm.org/Shared/KnowledgeCenter/Pages/PT_SUST

couraged to practice sustainably and reduce their social and environmental footprint.

In the private sector, the purchasing function plays a strategic role in helping a firm reach its sustainable development objectives, as acknowledged by an increasing body of research and publications on sustainable procurement (e.g. Walker and Phillips, 2009). More recently, research attention has moved to commitment to sustainability both through supply chain management and measurement. In the private sector, there is a long history of research on corporate social responsibility and the bulk of sustainable SCM research is concerning environmental issues; social issues are also examined broadly. With regard to public procurement, until recently, how effective policy initiatives have been has driven supply chain sustainability management and measurement, given the large scale of public procurement and its capability to achieve sustainable goals across supply chains (Amann et al., 2014).

This book is about how procurement performs as an effective tool in the pursuit of sustainability objectives, in particular environmental goals. The term “procurement”, in this book, is defined in a broad sense and is in line with the “umbrella” usage of the term (Snider and Rendon, 2012). “Procurement” here encompasses all dimensions of the acquiring activities for products, works and services, including management of the organization’s supply, e.g., sourcing in supply chain, outsourcing, private and public partnership etc., Within this range, topics investigated in the book look at sustainable procurement practices in both public and private sectors, including innovative and practical experience and retrospective academic research findings in these fields, which provide knowledge and perspectives on some specific issues of SP.

The first chapter titled “Enhancing suppliers’ sustainable performance in emerging economies by global sourcing” focuses on sustainable sourcing by multinational enterprises in developing countries. To meet the intense environmental and social pressures presented by cooperation and competition under globalization, multinational enterprises (MNEs) are urged to adopt sustainable strategies and practices. This chapter discusses how MNE buyers push their suppliers in emerging economies by adopting different strategies to integrate sustainable goals into the sourcing process to pursue sustainable objectives, especially concerning environmental and social issues.

The second chapter turns to green procurement in the public sector and its title is "Green public procurement: the avenue from the past to the future". Leveraging the purchasing power of public procurement by taking social and environ-

mental impacts into account alongside the economic factors in the procurement decision making process to achieve the sustainable development goals, has attracted extensive attention in recent years. The process whereby public authorities seek to satisfy their needs for goods, services and works in a way that pursues minimizing the damage to environment and achieving value for money on a life cycle basis, is defined as green public procurement (GPP). GPP is a key part of demand-oriented policy instruments (Brammer & Walker, 2011) and this chapter addresses the crucial role of design: how successful GPP can be in achieving sustainability objectives and in promoting innovation, depending on the way in which it is designed and/or implemented.

The third chapter presents three case studies on how sustainable procurement can broaden the social and environmental ends, either in a direct or indirect way, i.e. through public procurement activities or by SCM in the private sector. The extent and nature of sustainable procurement practices vary, and this chapter aims to provide practical insights into whether and how such an instrument is being implemented and whether sustainable principles are embedded in procurement activities in different counties and regions. The first case is about sustainable public procurement (SPP) integration and monitoring, by applying a digital platform of public procurement in Estonia, as its highly developed e-procurement environment and the way that sustainable criteria are integrated into the tender process are frequently referred to as ‘best practice’. As an innovative and creative way of applying sustainable public procurement, it has practical significance, especially under the current situation in which the coronavirus has spread across the whole world since the end of 2019, as digitized purchasing has been deemed an effective means to implement public procurement when facing the Covid crisis. The second case study presents the practice of circular economy and circular public procurement in China. Circular economy has been implemented in China for decades and has accumulated a great deal of experience about how to solve the conflict between economic development and environmental pollution. Circular procurement can occur through many different ways; Circular economy and the related business model can be promoted by public procurement (Alhola, et al., 2019). This case elaborates on the possibility to improve environmental performance through adopting circular procurement. The third case is about how Cathay Pacific sources all Cathay Pacific-branded products from more sustainable materials by engaging with suppliers of inflight sales products on sustainability principles and making sure all Group-branded materials will be produced using sustainable materials.

The main goal of this book is to identify the strategies and means to incorporate sustainable principles into procurement. To achieve this objective, the author discusses the academic research development in the field of sustainable procurement, provides an understanding of related knowledge, and examines sustainable procurement practices and possible implementation models, in both the public and private sectors.

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