

## Episode 6: “Packaging Matters” Webinar Series Sustainability in supply chains: bringing suppliers on board?

1<sup>st</sup> February 2024

### Aim

The webinar aimed at sharing experiences from humanitarian organizations that have worked with their suppliers towards more environmental sustainability. It explored the lessons they've learned and the challenges they've had to overcome.

### Introduction

Supply chains represent on average 40% to 60% of the carbon footprint of humanitarian organizations, and suppliers are important partners in the transition of the humanitarian sector to a greener future. A growing number of humanitarian organizations are engaging with suppliers to help ensure that their ways of working and the products they deliver are more sustainable. As shown in the examples provided during this webinar, various approaches are being adopted: standards are being set, new responsibilities are being created for suppliers, and support and training are being provided - both for suppliers and humanitarian staff.

There are also joint efforts underway - recognizing that humanitarian organizations can more easily influence their suppliers if they speak “with one voice”. Recent discussions on the issue of supplier sustainability<sup>1</sup> have already highlighted the following points:

- The importance, for humanitarian organizations, to clearly inform suppliers about their expectations (**sending a strong message that sustainability is a priority** for them) as well as time-frames for compliance with new policies, etc.
- Adopting an **incremental approach** is key: bringing sustainability in the supply chains is a “journey” both for organizations and for suppliers
- The need to **adapt our expectations and requirements** to the size/capacity/location/level of awareness of our suppliers, and to ensure equitable treatment whereby we do not penalize smaller local suppliers. When using sustainability criteria to select relief items, we also need to ensure that these can be flexibly applied in a way that takes into account the local/regional market.
- **Building the internal capacity of humanitarian organizations on sustainability across the board** (i.e. both program and procurement staff) is an essential first step.
- Adapting our criteria, specifications, and policies is key, but this alone is not sufficient. **We need to make sure that these are properly communicated and understood** and that suppliers can adjust, in order to ensure meaningful changes and avoid a “tick the box” exercise.

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<sup>1</sup>These include a Climate Action Accelerator webinar entitled “How to engage suppliers in carbon and environmental impact reduction?” (January 2024) and a Climate Action Accelerator / WREC / GLC Event at COP 28 entitled “Being strategic about the climate transformation of our supply chains” (December 2023).

## Spotlight on the WREC's Call to Action "A supply chain Framework for the future: reducing the carbon footprint of humanitarian aid"

Launched at COP28, this [Call to Action](#) was put together to demonstrate the sector's willingness to be held accountable with regard to sustainable supply chains. It outlines commitments for **humanitarian supply chain professionals** (in terms of the need to build skills and awareness, push suppliers to develop sustainable alternatives, and ensure coordination with other actors). Furthermore, **private sector suppliers** are asked to commit to 8 actions including the adoption of business models that demonstrate environmental responsibility, investment in green solutions, the adoption of innovative and low-carbon alternatives for humanitarian relief items and packaging, increased dialogue with humanitarian organizations, and greater accountability and transparency.

See [here](#) to find out how to endorse the Call to Action.

## Key learnings from Save the Children International Médecins Sans Frontières (MSF)

### Internal capacity and buy-in

- To successfully engage with suppliers on the issue of sustainability we **first need to build the capacity and awareness of our own procurement staff**. Teams need to be equipped to work on sustainability before approaching suppliers to discuss this and need to be comfortable in using the tools/policies that have been developed by their organizations. To achieve this with **minimal additional effort** when it comes to workload and new responsibilities it is important that sustainability becomes embedded and mandatory across the organizations' ways of working and that existing resources across the sector are used to avoid duplication of efforts.
- In addition, **staff across departments - particularly program staff and budget holders** - require support to better understand what sustainability in the supply chains means, to ensure internal coherence within an organization. It is also important to recognize that changing to a "sustainability mindset" takes time.
- As with any organizational change issue, it is essential to have **buy-in and commitment from management and leadership**. This will help to ensure that the necessary resources are allocated internally. MSF, for example, is committed to halving its emissions by 50% by 2030 and this has been endorsed at the highest level of the organization.

### Supplier capacity and buy-in

- To green humanitarian supply chains, **suppliers may also need to build their own capacity** – while recognizing that some suppliers are already advanced on the sustainability agenda and know more about sustainability than we do. Save the Children is currently developing e-learnings on sustainability in humanitarian supply chains as well as tools to help them identify which activities/aspects of their operations have the highest environmental footprint. **Face-to-face workshops** with suppliers in key countries have also proven to be very effective as a way to stimulate suppliers' interest in the topic of sustainability and to promote compliance with requirements and standards.
- It is important to set realistic objectives and time-frames recognizing that sustainability is a "journey" and a new topic for many of us.

## Some “hints and tips” for organizations

*Consider establishing a strategy to determine where to focus efforts and priorities:*

- Take into account that your organization **will not be able to influence all its suppliers at once**. Save the Children’s approach is to emphasize working with local suppliers as most of its purchases are done at a local level and each country office will have its own local needs to address. MSF has chosen to target its biggest suppliers (highest-value contracts). Both organizations have decided to adopt a “carrot” rather than a “stick” approach i.e. working together with their suppliers and focusing on the common benefits of sustainability rather than trying to increase compliance or refusing to work with / leaving behind suppliers who are not able to adjust.
- **Notwithstanding, we cannot rely on suppliers’ goodwill alone**, and it is important to give suppliers a “reason to care” e.g. by providing suppliers with an incentive to become more sustainable including through sustainability selection criteria or scoring methods where additional points are awarded for sustainability.

*Strategic communication and tailored messages*

- It is important to **communicate effectively** and to adjust messages to the audience, speaking to suppliers in “a language they understand” and messages that are relevant and resonate with them.

*Flexible approaches*

- **It is important to adopt a flexible approach that is adapted to their “maturity”**. For example, more stringent approaches should be adopted when engaging with suppliers who already have climate and environmental strategies in place, whilst efforts should focus on awareness raising when engaging with suppliers to whom sustainability is a new issue. MSF has, for instance, developed a simplified version of its sustainability questionnaire for small suppliers who are not yet familiar with the issue. Working with local suppliers also involves identifying what is realistic and available locally (e.g. by including environmental sustainability in market assessments)

### Where to go to find out more

- Case study documenting the creation of Save the Children’s Supplier Sustainability Policy, and Sustainability Criteria produced by the Joint Initiative ([English version](#); [version française](#))
- Save the Children [Supplier Sustainability Policy](#)
- Interagency Procurement Group’s [Supplier Sustainability and Ethical Code of Conduct](#) (based on Save the Children’s Policy)
- Check out our web pages: the [Joint Initiative](#) and the [WREC Project](#)
- Follow us on LinkedIn: the Joint Initiative [here](#) and the WREC Project via the Logistics Cluster’s page [here](#)