

Responsible, Ethical and Sustainable Procurement

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Merriam-Webster Dictionary: “the act or process of procuring; especially: the obtaining of military supplies by a government”

Businessdictionary: The act of obtaining or buying goods and services. It often involves

- (1) purchase planning,
- (2) standards determination,
- (3) specifications development,
- (4) supplier research and selection,
- (5) value analysis,
- (6) financing,
- (7) price negotiation,
- (8) making the purchase,
- (9) supply contract administration,
- (10) inventory control and stores, and
- (11) disposals and other related functions.



PROCUREMENT

What is ethical and sustainable procurement?

Ethical procurement (often referred to as responsible procurement) refers, in this guide, to procurement processes which;

- respect fundamental international standards against criminal conduct (like bribery, corruption and fraud) and human rights abuse (like modern slavery), and respond immediately to such matters where they are identified, and
- result in progressive improvements to the lives of people who contribute to supply chains and are impacted by supply chain decisions.

The following external drivers influence an organisation's choice to purchase abroad, or from a particular supplier:

- Economic – exchange rates, profit margin, duties, tariffs, insurance, the employment market and availability of resources. Sustainable innovation can lead to the creation of new market space for products and services
- Technological – the ability to communicate real-time information enables developing country suppliers to compete effectively
- Legislation – social, technical, environmental and economic/competition
- Social – social consciousness, e.g. avoidance of worker exploitation, influences consumer behaviour and political activity. Increased worker satisfaction can improve productivity
- Environmental – use of energy, re-useable, non-toxic materials, reduction of waste and processes to improve profit margins, reduction of carbon in supply chains, etc.



THE PROCUREMENT CYCLE (BUYER)

1
Identifying
vulnerability and risk,
(prioritising products).

2
Understanding,
prioritising and
dealing with risk,
(in supply chains).

3
Supplier market
engagement and
development of
procurement plan.

4
Evaluation and
shortlisting of suppliers,
(including pre-qualification
followed by creation of
Invitation to Tender or
Request for Quotation
information packs).

5
Evaluation of quotes or
offers and preferred
supplier selection.

6
Creation of contract and
performance management
against contract.

7
Update ethical
procurement programme,
(share and reward
good practice).

OHSAS 18001 , REACH

provide a high level of safeguarding for their workers



outlines the ethical standards and fair business practices



Code of Ethics



ISO 14000 , ISO 14001

maintain effective EU and local policies, processes and procedures to manage their environmental impact

contribute to the social, economic and institutional development of the communities



OHSAS 18001
ISO 45001 Zákon č. 124/2006

adopt suitable and robust policies and procedures which will prevent human rights abuses



J. Mak. 2014. *What is procurement?*. Ontario, Canada

Tata Steel. 2016. *Responsible Procurement Policy*. The Netherlands

H. Alder; F. Gooch. 2013. *Ethical and Sustainable Procurement*. UK

Thank you
for your attention!



responsible procurement

