



Raising the bar on **sustainable consumption**

by Ann Brady

Companies are in the business of selling products and consumers of those products want the best possible value for money, but this puts a strain on already depleted natural resources and supply chain transparency. How does ISO 20400 help change the way we produce and consume goods and resources, and pave the way to meeting sustainable consumption?

The world is in bad need of the Sustainable Development Goals (SDGs), the United Nations blueprint for a more prosperous and resilient world. There can be few among us who are not aware of the sometimes immeasurable and potentially catastrophic damage to the environment caused by carbon dioxide emissions, pollution from coal-fired power stations, the plastic waste clogging our oceans and killing marine animals, deforestation, the melting Arctic ice, climate change, urbanization – the list goes on. These problems are economic as well as environmental and pose a huge threat to our future well-being. According to the World Economic Forum’s Global Risks Report 2018, despite an improved economic background, with recent signs of “encouraging” global growth, there is no room for complacency. The report raises concerns in particular about the economic impact of the new technologies of the Fourth Industrial Revolution, and the lack of progress in protecting the environment.

Economic models

This point was reinforced by Sharan Burrow, General Secretary of the International Trade Union Confederation (ITUC). She warned in Davos, in January this year, that the prevailing economic model is failing the global workforce, despite the commitment of a number of corporate CEOs to the SDGs and the Paris climate agreement.

The SDGs follow on from and build on the Millennium Development Goals (MDGs), which were agreed by governments in 2001. The UN has called the MDGs “the most successful anti-poverty movement in history”. However, some argue that engagement on achieving the SDGs has been slower and a report in *The Guardian* last year said that, one year on from the adoption of the SDGs, most businesses were not engaging, despite experts pointing to the economic opportunities.

Goal 12 of the UN Sustainable Development Goals is to ensure sustainable consumption and production patterns. In the UN’s words: “Achieving Goal 12 requires a strong national framework for sustainable consumption and production that is integrated into national and sectoral plans, sustainable business practices and consumer behaviour, together with adherence to international norms on the management of hazardous chemicals and wastes.”

Paul Polman, the CEO of Unilever, a global consumer goods company that puts sustainability at the core of its activity, said in a report in *The Guardian* that the SDGs offer the “greatest economic opportunity of a lifetime” and must become central to core business goals and investment decisions. He says Unilever’s “sustainable living” brands (which it defines as those that have integrated sustainability into their purpose and products) are growing “30% faster than the rest of the company”.

The last straw?

There has been progress in other areas too. McDonald’s, the American fast-food company with an outlet on a street near you, has announced plans to reduce single-use plastic straws in the UK – the BBC says the UK alone uses 8.5 million a year – and is considering using paper straws instead. Also in the UK, the JD Wetherspoon chain of pubs stopped using plastic straws at the beginning of the year.



Benefits of ISO 20400

ISO 20400, *Sustainable procurement – Guidance*, serves as a sector-specific application of ISO 26000 on social responsibility, defining the principles of ethical behaviour throughout the supply chain. The standard:

- Ensures supply chain security (i.e. product recall or supplier failure)
- Prevents financial, environmental and reputational risks
- Fosters investor and customer confidence
- Promotes employee well-being
- Contributes to opening new markets for products and services

But how do small to medium-sized (SMEs) enterprises with a keen eye on the bottom line protect profits as well as the planet? How can they integrate the goals, and SDG 12 in particular, into sustainability strategies that offer value both to the companies themselves as well as citizens? Standards have a clear role to play in this process, and ISO 20400 is the worldwide guidance standard that has been developed for sustainable procurement; the standard is aligned with ISO 26000, which offers 450 recommendations related to the SDGs, addressing seven core areas of social responsibility: organizational governance; human rights; labour practices; environment; fair operating practices; consumer issues; and community involvement and development.

Benefits for SMEs

One person who has first-hand experience of this is Jacques Schramm, the founder and CEO of A2 Consulting, an SME with a staff of about one hundred operating mostly in France, which specializes in the transformation of organizations. Schramm has been involved in the chairmanship of the ISO project for four years – what he describes as “a big effort for a rather small organization”. He believes it helps A2 Consulting in terms of reputation in the French market and facilitates client acquisition.

Schramm says: “We are quite active in promoting the new standard in the French market and have constructed a French ISO 20400 barometer to measure annually how much large public and private organizations know about it, how much they apply its guidelines, and what its corporate social responsibility impacts are on society.”

He goes on to explain that ISO 20400 is aligned with ISO 26000 as well as with SDG 12. For this reason, the standard was given full support and participation in the working group from the United Nations Environment Programme (UNEP), an organization in charge of promoting worldwide responsible consumption and production within the UN.

Transforming risks

Schramm points out that ISO 20400 is considered by UNEP as a valuable tool for large purchasing organizations. It helps them to establish an appropriate purchasing policy that includes the aims of SDG 12, as much as their



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business and context allows them to make this a priority. He says: “Addressing it very well could mean transforming a risk into an opportunity through purchase redesign, life-cycle analysis, waste recycling and business model transformation. Some advanced organizations have therefore considered this issue as central to their strategy.” Words to cheer Paul Polman.

One direct benefit for A2 Consulting in the implementation of ISO 20400, Schramm says, has been important progress in defining sustainable procurement criteria that helped it reach a ranking of 79/100, “considered by EcoVadis Business Sustainability Ratings to be the rating of a leader in our service business”. This internal process also facilitates new client acquisition and helps not only in recruiting new talent in the markets but also in “keeping them longer in the company once they are hired”.

Effective promotion

To be truly beneficial, ISO 20400 has to be implemented across the world and integrated into increasingly complex organizations globally. Effective promotion of the standard, particularly in terms of country context, is the best way to meet this challenge.



Schramm explains: “In France, thanks to the ‘barometer initiative’, we will first develop explanations on ‘why’ organizations should use ISO 20400, including new trends such as taking investors’ requirements into account. We also have to work on the ‘how’ and tools facilitating the implementation of the standard ; for example, on more advanced guidelines such as priority setting, or also on assessment approaches, tools and service providers which, all together, provide recognition and trust.”

International collaboration and shared experiences from countries worldwide are also key to promoting the standard. Shaun McCarthy has a keen understanding of the benefits of such collaboration. He is Chair of the Supply Chain School, which is a collaboration between clients, contractors and first-tier suppliers who have a mutual interest in building the skills of their

supply chain. The school supplies those who register with best-in-class knowledge on sustainability, off-site construction and management techniques “to help you lead and embed change”.

McCarthy is also the Director of Action Sustainability, a small consultancy specializing in sustainable procurement, which led the UK and Australian delegations in developing ISO 20400. Like Jacques Schramm, he claims that his clients report significant benefits, such as “reduced costs, winning more work, improved shareholder confidence, better customer relations and reduced risk”.

Practical support

Action Sustainability provides practical support and guidance and can validate an organization’s sustainable

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procurement processes and back the development of action plans using the ISO 20400 guidance as the strategic framework.

Most organizations around the world deliver the bulk of what they do through their supply chains. McCarthy believes it is, therefore, impossible to meet SDG 12, or many other SDGs, without the contribution of the supply chain. “ISO 20400 provides a framework to achieve this,” he says.

What’s more, ISO 20400 also gives organizations a structure for establishing sustainable procurement. In the short term, McCarthy says, organizations lack clear goals and the ability to translate their policies into a language their supply chains can respond to. “They also fail to prioritize them in a way that is meaningful for the supply chain,” but ISO 20400 provides the “golden thread” to link to their organizational objectives.

High-quality guidance

To ensure competence and to keep the supply chain competitive, McCarthy says, in the longer term, it will be necessary to develop the capacity of the supply chain. Failure to invest in this will reduce competition and drive prices up – sustainability should not cost more but bad procurement does. “ISO 20400 provides high-quality guidance in this area,” he says. Action Sustainability’s mission is to “create sustainable business through action”. McCarthy adds that we need to measure what our suppliers actually deliver and not just bombard them with meaningless questionnaires. The guidance on performance measurement from ISO 20400 is a great help for organizations trying to achieve this, he says. With the help of the procurement standard, it is clear that small organizations can make a big impact, which gives us all hope for a more sustainable future. ■