



GreenNEWS #13

Greening the supply chain: how SMEs can drive sustainable procurement

Sustainability doesn't stop at the factory gate. Even companies that have optimized their production or energy use often find that the biggest share of their environmental impact lies elsewhere – in their supply chains. Raw materials, packaging, and logistics together shape a footprint that is difficult to see but essential to address. For small and medium-sized enterprises, it may seem beyond control. In reality, it's one of the most powerful areas for meaningful change.

Why sustainable procurement matters

Suppliers can account for up to 80% of a manufacturer's carbon footprint. The source of materials, the energy used in their production, and the routes they travel determine the true impact of any product. Choosing partners based not only on cost but also on environmental and social performance helps reduce emissions and increase resilience.

Beyond climate benefits, this approach prepares companies for what's coming. The Corporate Sustainability Reporting Directive (CSRD) requires firms to disclose emissions across their entire value chain. Those that start early will not only comply more easily but gain an edge in markets where transparency is fast becoming a standard.

Where to start?

1. **Map your suppliers:** identify the 10–20 suppliers that represent the largest share of your spending or material flow
2. **Set clear criteria:** add environmental and social standards to purchasing decisions, such as renewable energy use, waste reduction, or recycled content.
3. **Engage, don't impose:** work with suppliers to build joint improvement plans instead of enforcing rigid rules. Collaboration ensures progress and continuity
4. **Use data wisely:** even simple tracking tools or supplier self-assessments can help pinpoint weak spots and monitor change over time

The business case

Sustainable procurement is not only an ethical choice – it's strategic. Companies that integrate circular principles often gain lower risks from resource shortages or price swings, stronger relationships with clients who value responsibility and better results in tenders that include ESG criteria.

Collaboration also sparks innovation. Joint projects to cut packaging waste, reuse materials, or optimize transport frequently reveal savings that benefit all sides. By asking practical questions: *Where do our materials come from? How are they made? Can they be reused or recycled?*, SMEs can turn procurement from a routine process into a source of progress.

A shift in mindset

Sustainability is no longer limited to what happens inside the company. The next frontier is cooperation with suppliers, logistics partners, and customers. For SMEs, this doesn't require big budgets or complex systems; it starts with transparency and dialogue.

Those who take the lead today will not only meet new expectations but help redefine responsible manufacturing. Because a truly green supply chain is built not on declarations, but on everyday decisions and shared responsibility.