

# Session C: Resilient Sourcing - Supply chains fit for the future

Dr Ed Suttie and Dr Flavie Lowres  
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Part of the BRE Trust



## Ever increasing range of environmental standards, initiatives and labels



# BREEAM®



## And responsible sourcing standards



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**Sir Robert**  
**M<sup>c</sup>ALPINE**

 **mace**



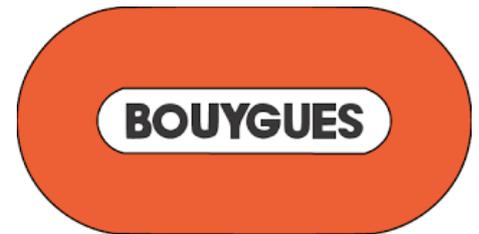
**MORGAN**  
**SINDALL**

**Balfour Beatty**

 **bam**

 GallifordTry

 carillion



**Shepherd**

 **KIER**

**VINCI** 

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## Resilient sourcing

## **Other initiatives to consider to move towards a more resilient supply chain**

- Social value act 2013
- Modern slavery act 2015
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
  
- Address complex supply chain
- The challenge of complex products
- Communication and collaboration

## Workshop session – part 1

What is missing from a more resilient supply chain in terms of environmental, social and economic issues?

- Questions:
  - Identify gaps
  - Measurable?
  - Prioritise gaps in terms of risk, relevance or cost

## Reporting session 1

- Difference between industries: some are better at materials traceability (eg: defense), but they may have issues on ethical aspects
- In different countries, different standards
- Procurement: appropriate weighting of tenders (cost, environmental, social – all important)
- Solution: involve all stakeholders involved early on
- Selling: safety sale, communicate resilience of supply chain. H&S issue may be good lever for action
- Language definition: what is the end game, what are the objectives?  
Need to be made clearer
- Risk management, security of supply: could mean something different for different companies, sectors, etc
- Understand risk and communicate to supply chain
- Communication requires transparency

## Reporting session 1

- Due diligence
- Political/legislative requirements
- the big data: having access to all this information across the different companies sector. How to analyse existing data. Avoid duplication of information and consistent answer (hidden cost associated)
- varying standards and discrimination against certain suppliers that have a slight variation on a standard. Too expensive for SMEs
- collaboration and efficiency: working with similar organisation, using same supplies (duplication), efficiency of tier 1 suppliers to work collaboratively to supply consistent information – use Apres conference as education tool
- gap how to make it happen big?
- a lot of work needs to be done around complex products. Hard enough for short supply chain
- dependability of supply chain. How do you measure? Information is the limiting factor. Audit: only valid at a point in time. Standards ask to rate their suppliers (league table). Sector could rate their clients. Too many dashboards could be missing out important information
- how to get different levels of the supply chain to understand what it is about
- CIPS: could embed CPD in their process

## Workshop session – part 2

What are the processes for measuring and organisation challenges? Complex products, communication and global relevance?

- Questions:
  - What are the organisational and process challenges?
  - Recommendations?

## Reporting session 2

- Collaboration and communication with supply chain
  - Internal communication
  - Engagement with tier 3-4 suppliers will be difficult and will take time. Need time. Look at improvement over time. Set targets for future.
  - Olympic: willingness to work with supply chain to push them
  - Engagement with tier 1 who you take on a journey (eg: M&S) who then engage with their supply chain. It would take time!
  - Game changing event, eg: AI and Olympics drove sector towards measuring CO2 rather than pockets of excellence
- Persuade people to invest in resources to carry out work. Financial incentives
- Government regulations, policies. Around the world
- BIM system: provide certification about technical and sustainable aspects

## Reporting session 2

- can't ever do all of it. There needs to be a process to measure. Could be product sector
- important to ask specific questions, could be sector specific
- managing understanding of standards and requirements
- level of relationship – how far do you go beyond tier 2
- geopolitical situation: how do you deal with issues such as conflict materials
- link H&S with responsible sourcing since this issue has moved massively in the construction sector
- need to map – what is significant?
- recommendation: translation of information (yes/no) into final answer.
- Don't want to cancel relationship based on a few bad things – try to address them first
- can't do everything, so let's get good at some of the things first. How much do we need to know? Eg: wood window: should we concentrate on the wood only or also look at the glass, rubber, etc...?

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**Thank you**

