



# Your guide to sustainability in procurement

## Introduction

Procurement has always been about making strategic decisions that drive value. As we navigate a future shaped by significant environmental and social shifts, sustainability is no longer an optional extra - it's a core necessity. For professionals in social housing, local government, and education and the wider public sector, this represents a powerful opportunity to deliver exceptional value while championing ethical practices, reducing environmental impact, and cultivating socially responsible supply chains.

This guide will explore three fundamental pillars of sustainable procurement:

- Ethical procurement
- Modern slavery
- Equality, diversity, and inclusion (ED&I)

At PfH, sustainability isn't just a concept; it's a central component of our mission. We partner with our members to transform their procurement practices, embedding sustainable principles into every decision.

## What is ethical procurement

Ethical procurement is the practice of ensuring that the goods and services an organisation purchases are sourced in a responsible manner. It moves beyond traditional assessments of cost and performance to integrate the crucial ethical dimensions of every procurement decision, ensuring public accountability and trust.

## Why ethical procurement matters

Ethical procurement is vital for maintaining the confidence of stakeholders, from tenants and students to the wider community. For procurement professionals, it's no longer enough to simply deliver on price. Addressing critical issues such as unfair labor practices, poor working conditions, and corruption is now central to the role and key to mitigating reputational risk.

## How procurement professionals can embed ethical practices

- **Partner with ethical suppliers:** Only work with suppliers who demonstrate a clear commitment to transparency, fair labor practices, and environmental responsibility, aligning with your organisation's values.
- **Implement supplier codes of conduct:** Develop clear guidelines that set expectations for suppliers, ensuring they align with your organisation's ethical standards and compliance requirements.
- **Conduct continuous monitoring:** Regularly engage with your supply chain through audits, reporting, and evaluations to verify ongoing alignment with your ethical and legal obligations.

Aligning your procurement strategy with ethical principles does more than just protect your organisation from reputational damage; it builds lasting partnerships with responsible suppliers. By committing to ethical procurement, you not only safeguard your brand but also cultivate trust and collaboration, driving sustainable success and setting a higher industry standard.

## Modern slavery in supply chains

The United Nations defines modern slavery as encompassing forced labor, human trafficking, and child labor. Despite global efforts, the International Labour Organisation estimates that more than 40 million people worldwide are victims of modern slavery, a risk that can hide in even the most routine supply chains.

## Modern slavery and the procurement function

Procurement professionals are in a unique position to identify and combat the risks of modern slavery, which are often hidden within complex global supply chains. With supply chains under increasing scrutiny, failing to address this issue exposes organisations to significant financial, regulatory, and reputational risks.

## Practical steps to combat modern slavery

- **Map your supply chains:** Identify potential hotspots for exploitation by mapping suppliers that operate in high-risk regions or industries.
- **Risk-assess your supply partners:** Use modern slavery risk assessments to ensure no supplier within your network is engaged in exploitative practices. This is a critical step in due diligence.
- **Implement mandatory reporting:** Collaborate with suppliers to create policies aligned with modern slavery legislation, such as producing a Modern Slavery Statement where required.

Proactively addressing this issue can position your organisation as a leader in sustainable and socially responsible procurement, demonstrating a strong commitment to public welfare.

## Equality, diversity, and inclusion (ED&I) in procurement

Equality, diversity, and inclusion are not just HR objectives; they are fundamental components of a modern, sustainable procurement strategy. By actively promoting ED&I, organisations can create meaningful opportunities for underrepresented groups, support local economies, and drive innovation.

### The business case for ED&I in procurement

Organisations that prioritise ED&I gain access to a more diverse pool of suppliers, including SMEs and local businesses, which brings fresh perspectives and fosters innovation. Furthermore, these organisations are viewed as more responsible and forward-thinking, strengthening their brand identity and public reputation.

### How to drive ED&I in procurement

- **Establish supplier diversity programs:** Actively support small businesses, minority-owned enterprises, and social enterprises by integrating them into your supply chain.
- **Provide training for decision-makers:** Help procurement teams recognise and overcome unconscious biases, encouraging inclusive practices when evaluating potential suppliers.
- **Monitor performance:** Assess suppliers on their ED&I policies and performance, setting clear benchmarks for continuous improvement and social value delivery.

**“We believe that embedding ED&I within procurement unlocks immense societal benefits and sets a new standard for responsible sourcing. By championing ED&I, we help drive innovation, foster inclusive growth, and elevate ethical procurement practices.”**

**Lisa Lynch**, Chief Operating Officer, PfH

## Sustainability in action with PfH

Here at PfH, sustainability is at the heart of everything we do. From building partnerships with responsible suppliers to guiding organisations through compliance with anti-slavery legislation, we empower you to make more ethical, transparent, and inclusive procurement decisions.

### Why choose us for sustainable procurement?

- **Expert consulting:** Leverage our decades of experience in transforming public and housing sector procurement practices to meet ambitious sustainability goals.
- **Innovative strategies:** Benefit from custom solutions designed to help your organisation achieve its unique sustainability objectives while navigating budget constraints.
- **Trusted partnership:** Rely on our ethical, transparent, and dependable approach to procurement, ensuring compliance and safeguarding your organisation's integrity.





## Your journey to responsible procurement starts here

Ready to build a more sustainable and resilient procurement strategy? Contact us today to learn how we can help you achieve your goals and deliver greater value to your community.

## Get in touch!



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