



Sustainable Choice Database – How can SMEs become more sustainable?

Introduction

Increasingly, both government and private sector buyers are looking to purchase more sustainably. Meaning that suppliers that have or are working towards embedding sustainability initiatives into their business are preferable.

For Small to Medium Enterprises (SMEs) this can appear quite daunting or perceived as unachievable, yet embedding sustainability into a smaller organisation is much easier and faster than into a big brand.

The benefits of embedding sustainability in to an SME include:

- Save money through resource efficiencies (reduction of energy and water consumption and waste reduces carbon and costs).
- Stand out in tenders
- Increased work opportunities
- Be seen as a 'lower risk' supplier
- Reduction in recruitment costs (people want to work for organisations that do the right thing)

Steps to Becoming a Sustainable Supplier

1. Sustainability Policy

Quantify your impact and set your targets

Prepare a Sustainability Policy that addresses your business' sustainability goals in terms of environmental and social impacts. As a minimum, your sustainability policy should address your carbon footprint by setting goals based on reducing your energy and water consumption and waste generation. This might include encouraging staff to turn off lights and computers when not needed, use public transport (where possible), recycle, avoid single-use plates, cutlery, coffee cups, etc and to be water-wise.

In terms of any products you may use, manufacture or sell, you should aim to ensure that the product(s) include recycled content, are recyclable at the end of use, where raw materials are used in the manufacturing process they are sustainably sourced and that manufacturing does not involve the use of harmful chemicals.

In terms of social impacts this would include (as a minimum) commitments to ensuring that your business activities do not result in negative social impacts for workers or communities.

Importantly make sure that all goals are achievable and measureable and engage with relevant stakeholders during development of the policy.

There are plenty of examples of sustainability policies on the internet. Search for examples from similar businesses for guidance when preparing your own. A good sustainability policy will address all aspects of sustainability (environmental, social and economic) and will include a vision statement, goals and objectives and statements of commitment.



Sustainable Choice

The Sustainable approach to Procurement in Local Government

2. Implementing the policy

Prove performance with verified results

Ensure that all staff are aware of the Sustainability Policy and what is required of them to meet the goals outlined within it.

Require your supply chain to provide evidence that they are meeting (at least) the minimum legal requirements of the country they operate in in relation to labour and human rights and environmental performance.

Measure and report your environmental and social impact. For example; measure reductions in energy and water usage through quarterly bills from your provider(s); measure waste volumes produced each week in terms of bin capacity used; measure paper reduction by monitoring stationery orders; measure recycling habits by recycling bin capacity used; report on the percentage of your workforce that comprises local workers and/or workers from disadvantaged groups; and provide evidence that all your employees receive fair pay and working conditions.

3. Supply Chain Management

Larger corporations commonly have a Code of Conduct for suppliers. This document would typically outline requirements around Legislations and Regulations, Labour and Human rights, Health and Safety, Human Corruption and Environment.

For SMEs an extensive supplier Code of Conduct may not be required. If you don't manufacture your own products, investigate your supply chain to ensure that all relevant local and national laws in relation to environmental performance, labour and human rights are being adhered to by your manufacturing suppliers. Ask your suppliers to provide evidence that they are complying.

Ask your suppliers to provide details of product manufacture and raw materials sourcing. Ideally you would like to see evidence that:

- any raw materials used in manufacture are sustainably sourced;
- minimal packaging is used;
- packaging is recyclable and made from recycled materials;
- products contain recycled content; and
- manufacturing processes do not involve the use of harmful chemicals.

4. Certification

There are many certification schemes available for products. Consider whether your product(s) are eligible to be certified under a reputable sustainability standard or equivalent scheme.

For more information on sustainability standards see below:

<https://www.isealalliance.org/>

<https://www.globalecolabelling.net/>

<http://new.gbca.org.au/product-certification-schemes/>

<http://www.geca.eco/>

<http://www.forestrystandard.org.au/home>

<https://au.fsc.org/en-au>