



TRANSCRIPTION PODCAST GREEN MOMENTUM Responsible Purchasing within companies

Introduction by Jérôme Libeskind:

Hi, everyone, this is Jerome Libeskind speaking and you are listening to Green Momentum. This is the first podcast dedicated to green finance and its role in the global operations of companies and government. For a better preservation of the environment. Green Momentum is brought to you by Natixis. Today we are going to talk about purchasing and how it can be responsible. We all may be responsible in our purchasing on a daily basis, but is it possible for companies? Is the movement towards more responsible purchasing easy to do and how to buy better without necessarily buying more expensive?

These are some of the questions we will discuss today with our two guests, **Fanny Bénard, CEO of ByYourWay and Vice-President of the French Observatory of Responsible Purchasing** and **Laura Maldonado, in charge of sustainable and responsible purchasing at Groupe BPCE**.

Question: Fanny, you work in a consulting firm dedicated to responsible purchasing and your job is to help companies in their purchasing departments to implement responsible purchasing strategies. Can you tell us what defines responsible purchasing?

Fanny Bénard: I like to define responsible purchasing with the word “responsible”: What does it mean to be responsible? Well, whoever you are, you, me, Laurence, being responsible means being aware of the consequences of our decisions and their impacts, and that is the same for buyers. They need to be aware of the impact of their buying decisions on the environment, the people and the whole society.

Jérôme Libeskind: Is this notion of “responsible purchasing” recent in the history?

Fanny Bénard: It is not so recent. It goes back to the 1990s, when we saw children working for Nike to make soccer balls for the Soccer Worldcup. This is the first scandal which paved the way for sustainable procurement. After that, there were no other scandals until the Rana Plaza in Bangladesh, where a lot of people died from a catastrophic collapse of their buildings in the government industry. Following that, many laws, especially in France, such as the duty of care laws in 2017 pushed people and companies towards sustainable and responsible procurement.

Question: So now there are laws. But Laurence preparing this podcast. You told me that some people and some companies make responsible purchases without knowing it.

Laurence Maldonado: Yes, indeed. Responsible purchasing also means applying and monitoring best business practices, respecting the fairness and the interests of suppliers, working on the life cycle of products on the total costs. These practices can sometimes be implemented without being measured. What we aim at now is to measure the stated

ambitions for 100% of calls for tender including CSR impact and to work on a significant reduction of the carbon footprint of all our purchases.

Question: There are 200 people in the purchasing Department at Groupe BPCE. Is it easy to switch to responsible purchasing? Is it easy to make a change in mentality?

Laurence Maldonado: Well, it's a real transformation project for Groupe BPCE Purchasing department. In just over two years, the procurement profession has undergone major changes in terms of activities and responsibilities. Nowadays, supplier risk and responsible procurement, among other things, have become essential. At our level, we are working on various tools and training sessions, with a strong key success factor: the mobilization of top decision makers and managers.

Question: Top decision makers and managers. Is it the key to have a method to accelerate the transition to responsible purchasing? Fanny?

Fanny B nard: It's one of the two key success factors. In fact, we do need to have the top management involved and they need to give a vision of what is sustainable and responsible procurement because buyers agree with working more responsibly, and buying with less impact on the people and the environment. But sometimes this is in contradiction with the objective that we give to them. So it is definitely important to have the top management giving the vision. The other success factor is really to have operational tools for buyers because they need to have this in their day to day work.

Question: I imagine that there is a key equation. How can I buy responsibly without paying more? Because price is the key topic.

Fanny B nard: Price was the key topic in the past, of course, because we invented the function of buyers in order to gain more from the money you spent. Right now, buyers are dealing with other factors such as quality, delays, and especially with the environment and the people. So of course, it costs the company more in the short-term, and the gain might not be on the price, but in the long-run, it can help them to avoid shortages of raw materials or crises such as Rana Plaza, for example.

Question: Laurence, does it mean that your job has changed the way you make your job?

Laurence Maldonado: Yes, it does. Our raison d' tre is to make the Groupe BPCE companies reduce their expenses and it is no longer achieved only through unit prices reductions. Now procurement is about creating value and that's where CSR comes in. Nowadays, buyers must also question their needs and specifications. They have to source suppliers who have clear and measured CSR ambitions that contribute to ours.

Question: I've got a very simple question. Can all purchases be responsible, Laurence?

Laurence Maldonado: Absolutely. First of all, responsible purchasing criteria can be adapted to each purchasing category according to its own specific requirements. We work today on four major themes on by which we assess the maturity of suppliers, which are environment, human capital, economic and social development, territories, and virtuous practices through labels obtained and during the contract. CSR impacts of actions, including progress plans must be quantified and we need measures and figures on them.

Question: This is very important to measure in the time and not just when you sign a contract. Fanny, can all purchases can be responsible?

Fanny Bénard: Yes, because all purchases have impact and when you have impact, you can be responsible for it. For example, if we take cleaning services, you have impact with cleaning services, on the environment, with the product that you use to clean, of course, but also on the people, what time they work, the ergonomic aspect of their job and the impact on their health, etc. So buyers can have impact on all these topics.

Question: And this is not only an environment matter. There is the S in CSR, which means social and it means people. And it is very important to take that into account. Can all the purchases be responsible one day? I mean, today we can have some responsible purchasing, but not for others. One day can be all purchases be responsible?

Fanny Bénard: Ten years ago, some companies didn't consider sustainable and responsible procurement. So I hope that in ten years now, all companies will have responsible suppliers and a responsible strategy regarding their procurement laws in their department.

Question: What are the targets? What are the goals? What are the objectives you have?

Laurence Maldonado: Yes, it's within two or three years. We have a real trajectory of transformation for all people here, and we also need to have the top management involved towards responsible procurement.

Question: So we see that this matter of responsible purchasing is a reality. Now, I have a question to end every Green Momentum episode, which is, are you pessimistic or optimistic for the future? Listening to you? I guess the answer, but I want to hear you out loud.

Laurence Maldonado: I'm really optimistic because we now have a meaningful approach for the whole society, for all stakeholders on whereas before it could be viewed as a new constraint. Now it is really viewed as new opportunities.

Question: Fanny, are you optimistic too?

Fanny Bénard: I'm optimistic because a lot of companies are working on those topics, and there is a lot of action right now, but I'm pragmatic. I still see top management not always that involved in these topics, so I think that we can do it, but it will take a long time and there is still work to do.

Conclusion by Jérôme Libeskind:

This will be the final word for this Green Momentum because it is over today. Thank you both for coming here today. Thank you for listening to Green Momentum. Don't hesitate to talk about it around you and see you soon for a new Green Momentum episode.

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