



Key takeaways from:

# Value Creation through Sustainable Procurement: what needs to change?

A dss+ roundtable event | Feb 27th 2025, London



The inaugural dss+ event in this **Value Creation through Sustainability series** brought together leaders in procurement, sustainability, operations and investment across industries to explore how sustainable procurement and supply chains can drive greater value.

Attendees had the opportunity to network and build cross-industry and cross-functional connections, hear an insightful keynote from Dave Howson - an experienced sustainable supply chain and responsible sourcing leader - and engage in a dynamic roundtable discussion facilitated by Paul McNeillis, dss+ UK Market Director.

The discussion inspired participants to consider a holistic, people-centred approach to managing change and the evolution of their sustainable procurement maturity. Below, we share key insights from the event, along with practical ways the dss+ team can help to address challenges and unlock value from the opportunities.

This Value Creation through Sustainability event series will continue throughout the year, fostering meaningful debate and stimulate exchanges of best practice amongst a growing and diverse community of practice convened by dss+.

If you wish to take part in future events get in touch with us [here](#).

The **top 5 takeaways** were:

# 1.

## **Sustainable procurement delivers greater value when organisational maturity is measured and improved**

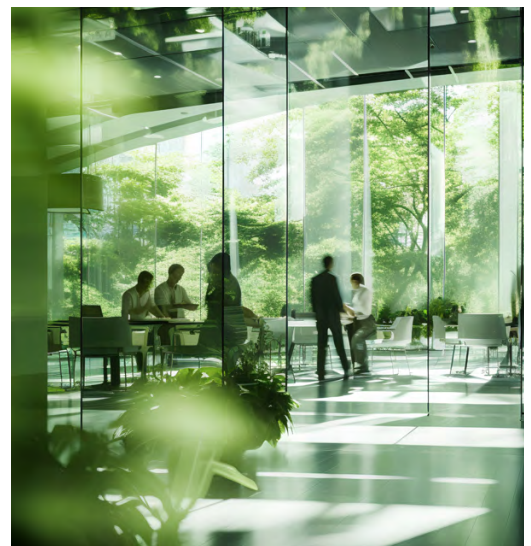
Despite being a well-established concept underpinned by international standards and best practices, sustainable procurement is still underutilised in operational implementation and as a driver of value creation, compared to its considerable potential. Given the growing investor and corporate focus on sustainability, it should be a priority for value-driven leaders.

Roundtable participants agreed that, given the increasing focus on the materiality of sustainability for investors and corporate leaders, sustainable procurement should be a prime candidate to focus for value creation.

Clearly articulating this value to investors and stakeholders over a defined period of performance or investment is essential. A fundamental dimension of that value lies in measuring an organisation's maturity in sustainable procurement. Immature organisations tend to rely on lagging indicators, such as historical price and performance data, whereas more mature ones leverage detailed supply chain sustainability insights to anticipate risks and opportunities. Organisations with greater maturity in this discipline are more likely to endure, retain and enhance its value.

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**Mature organisations master the data and insights to make timely and fully informed decisions while immature ones faced heightened risk exposure and lost opportunities.**



One common challenge is that many organisations - and their investors - struggle to assess their maturity level in terms of sustainable procurement. Without this understanding, they face unknown risk exposure related to climate change, strategic sourcing, supply chain disruptions, price volatility, regulatory compliance, license to operate, and missed opportunities for differentiation.

Several of the cases shared illustrated how organisations at different maturity levels responded to these risks. Mature organisations master the data and insights to make timely and fully informed decisions while immature ones faced heightened risk exposure and lost opportunities.

# 2.

## Cross functional collaboration between procurement, sustainability, and finance unlocks value

Traditionally, procurement and sustainability functions have operated with separate goals, KPIs, and time horizons. Participants recognised that procurement is often heavily incentivised to deliver short-term cost savings, sometimes without fully understanding the potential consequences to long-term material issues, that can backfire and lead to raised costs and operational disruptions. One case study shared highlighted how an organisation achieved considerable cost savings for several years but on an unsustainable basis with unknown risk exposure. The short-term performance and ROI were rapidly followed by sudden and substantial price spike due to a lack of capacity and innovation within its supply base, ultimately increasing costs and risk exposure.



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The most effective collaborations evolve into shared governance, aligned KPIs, and integrated ways of working to ensure long-term alignment.

In contrast, when both functions – sustainability and procurement – collaborate it enables a more holistic, forward-looking consideration of costs and value, going beyond the “the tip of the price iceberg” reflected in historical data. At the same time, sustainability functions can demonstrate tangible business value by contributing to price stability, supply chain resilience, supplier innovation and long-term cost efficiency. These attributes provide greater organisational endurance, especially in times of high volatility and uncertainty as we are currently experiencing across global supply chains.

Participants shared their experiences of collaboration journeys, that often started with simple conversations and recognising shared long-term objectives. The most effective collaborations evolve into shared governance, aligned KPIs, and integrated ways of working to ensure long-term alignment.



# 3.

## Enabling better decision-making is essential for real time integration of sustainability with procurement

The case studies and roundtable discussions highlighted that many procurement decisions are made under time constraints or cost-saving pressures. When sustainability data and insights are not available at the moment of decision-making, the risk of making a poorly informed choice with unknown implications for the organisation increases.

Participants noted that the status quo, in terms of timely availability of data and insights, often falls short in supporting real-time decision-making. Issues include aggregated “supplier scores” that lack specificity, limited visibility into alternative solutions, and sustainability insights that are difficult for non-experts to translate into actionable decisions.

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Each of the cases shared, highlighted the risks and downsides of specific scenarios when information and insights were missing, and the upsides when that data was available. The delta between informed and uninformed decisions was shown to have a material business impact in several cases. For example, in one instance, a company's ability to provide detailed sustainability data on key ingredients secured a major key account and revenue growth. Conversely, a competitor that lacked this data transparency lost a multimillion-dollar contract. These examples underscored the critical need for timely, granular sustainability insights to support effective decision-making.

# 4.

## Strong business case development and implementation requires both operational and sustainability perspectives

Quantified business cases for return on sustainability investments were recognised as an immature discipline. Capital expenditure (CapEx) was considered the easiest case to justify, as CapEx timelines are often long and lend for a more transformational and long-term assessment of risks and returns. In contrast, short-term ongoing operating expenditures (OpEx), typical of procurement functions, lacked equivalent rigour.

Some of the core value creation cases were recognised in one or more of the following categories:

- Helping reduce material risks;
- Unlocking revenue generation opportunities;
- Driving sustainable cost reductions;
- Adding long-term value to the brand;
- Protecting asset value from long-term risks;
- Enabling organisational longevity and endurance.



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A combination of forward-looking sustainability mindset on risk and opportunity, together with operational rigour, is seen as a winning approach.

While the categories of value creation were clear, it was recognised that sustainability functions needed to collaborate with procurement, finance and other departments to ensure robustness and relevance of the business cases within the actual operational reality of the business. This combination of forward-looking sustainability mindset on risk and opportunity, together with operational rigour, was seen as a winning approach - provided the right people and the ways of working were in place. Often, this process simply started with “sitting down together” and reflecting on shared long-term goals.

# 5.

## Visible felt leadership plays a central role in delivering change and creating value

Participants agreed that leadership - whether Executives, Boards or investors - plays a key role in aligning the value creation agenda across functions.

They acknowledged the perennial challenge of quarterly results taking precedence over long-term value generation. However, they also shared numerous examples where issues once considered "long-term" sustainability concerns have had immediate impacts on quarterly performance. In times when climate risks - such as assets flooding, drought exposure, and supply chain disruptions - are material and current threats, they are as likely to affect quarterly results as any other material business factor. This reality is increasingly recognised.

There was a strong expectation that leaders be accountable for their organisation's culture on sustainability and sustainable procurement. Without visible felt leadership from the top, participants believed meaningful change would not happen.

At a minimum, leaders should ensure that their procurement teams are not taking unknown material risks by failing to integrate available sustainability insights into their decision-making.



As best practice, leaders should act as key sponsors of sustainable procurement and its integration into the broader value creation

As best practice, leaders should act as key sponsors of sustainable procurement and its integration into the broader value creation agenda. They should know where their organisation sits on the sustainable procurement maturity curve and have a plan for continuous capability and culture improvement. Participants also recognised that, given the short-term pressures leaders face and the lack of a clear narrative to articulate the value of sustainable procurement, leaders may need coaching to effectively incorporate this into their engagement with investors and wider stakeholders.

## Conclusion

**There is significant untapped value in sustainable procurement.** To access that value, organisations must follow a clear and purposeful pathway to understanding and evolving their organisational maturity. This starts with an **objective assessment of their current maturity**, evaluating their ability to collaborate and govern effectively across multiple functions. It also requires **strengthening business case development for key investments**, enabling **informed decision-making** at both strategic and tactical levels, and **ensuring leadership plays a central role in driving value creation** across all levels of the organisation.

# How **dss<sup>+</sup>** can help

## ■ **Assessing sustainable procurement maturity**

dss<sup>+</sup> is renowned for its organisational maturity framework, the dss<sup>+</sup> Bradley Curve™, which helps organisations understand their maturity across well-defined levels in risk management and performance. We also have deep expertise in frameworks specific to sustainable procurement practices such as the international standard ISO 20400. This expertise allows us to provide organisations with an objective and accurate picture of their sustainable procurement maturity, define a realistic ambition for the future, and map a clear path for maturity evolution.

## ■ **Enabling collaboration and strong cross-functional governance**

dss<sup>+</sup> has extensive experience in designing and implementing governance structures that drives organisational change and create value. Our teams identify joint-win opportunities - such as reducing costs while mitigating sustainability risks- within so called "sweet spots". We also facilitate productive collaborations focused on upside value creation through sustainability, such as the development of sustainable supply chains and product innovations that enhance market share, revenue and margins.

## ■ **Building strong value creation business cases**

We enable leaders to develop powerful business cases that demonstrate how sustainability contributes to value creation. leveraging our experiences with investors on strategic value creation, our deep understanding of operations and supply chains, and our sustainability expertise, we synthesise credible, robust cases that stand up to real-world implementation. These cases resonate across leadership teams in operations, procurement, sustainability and finance functions.

## ■ **Enhancing informed and holistic decision-making**

dss<sup>+</sup> works with leaders to develop decision making frameworks that provide clarity and insights from multiple perspectives. By integrating diverse stakeholders, decision makers, data sources, and scenario analyses, we increase organisational capacity to make more holistic and well- informed decisions. In complex situations where the data does not provide clear answers, we help understand relevant information to ensure a comprehensive consideration of risks, opportunities, costs, and value outcomes.

## ■ **Coaching leaders**

We drive change from within by coaching and equipping leaders at all levels to enhance their influence and lead the desired sustainable transformation in their organisation. Our approach spans from the boardroom, through and executive suite to key management roles and frontline teams, ensuring strategic priorities are embedded in everyday operations

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### About dss<sup>+</sup>

dss<sup>+</sup> is the operational transformation partner for complex and high-hazard industries. Driven by our purpose, we help organisations achieve breakthroughs in safety, performance and sustainability that build business endurance and ensure long-term success.

We engage deeply within organisations to empower teams to shift mindsets, shape cultures, and establish the capabilities required at every level. We combine technical expertise and operational experience with a people-centred approach and data-driven insight.

Find out more at [www.consultdss.com](http://www.consultdss.com)

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