# What next for Supplier Engagement and Supply Chain Scrutiny?

Building on their pioneering supplier engagement activity, the Central Procurement Team at the University of Manchester and TUCO have been exploring the practicalities of supplier mapping within the high-risk supply chains associated with catering. We are keen to share what we have learned with sector colleagues in a bid to improve the transparency of this often opaque subject.

## What we set out to explore

How best to map high-risk supply chains to tier 2 (and possibly tier 3) suppliers within catering.

How to consider both risk and opportunity.

We only have relationships with our own suppliers. Our starting point was to better understand the relationships our suppliers have with ***their*** suppliers. These are our ‘Tier 2’ suppliers and represent the next ‘link’ in the supply chain we need to map.

## Where we started

Using the strength of our own supplier relationships we set out to explore the nature of best-practice supplier scrutiny, focusing on sustainability, within the catering sector.

We asked some of our most pro-active[[1]](#footnote-1) suppliers:

* What do you demand of *your* suppliers in terms of ethical sourcing?
* How far down your supply chains do you have assurances relating to responsible sourcing?
* How do you manage impacts associated with high-risk raw materials used in your products?
* Do you undertake any audits? If so, what form do they take?

## What we learned

Accessing information from suppliers about their approaches to supply chain scrutiny has been extremely challenging (and time-consuming).

### There are some significant barriers to supply chain mapping:

* Supplier management is unlikely to be the remit of existing T1 contacts (contract and account managers or sustainability leads)
* Questions about supply chains are highly sensitive and there is no culture of transparency or sharing information about either their approaches OR who their suppliers are
* It can be time-consuming to get the necessary permissions to access information from some organisations
* The ‘best’ suppliers (in relation to their sustainability credentials) acknowledge they are only at the early stages of understanding their own supply chains and they have similar challenges to our own in terms of managing and engaging with suppliers

### Supplier scrutiny (from a sustainability perspective) is limited:

* The focus for catering suppliers is likely to relate to food safety rather than sustainability; even where supplier engagement mechanisms exist, the priority is compliance with food standards, allergies etc. rather than broader sustainability activity
* There is a current focus on specific high-profile and therefore ‘high-risk’ ingredients such as Palm Oil with industry activity based around these priorities. This is also still in very early stages.
* The range of products and use of distributors adds an additional layer of complexity to supply chains and the priority for supplier engagement and scrutiny is likely to be limited to ‘own brand’ products
* Supplier questions are based around compliance, policy and certification (ETI, ISO, EMS, RSPO etc) but there is unlikely to be additional challenge or scrutiny

## How this helps us

Encountering challenges accessing information and better understanding the role of procurement within complex international supply chains has forced us to reflect on:

* What is within the direct control of university procurement teams?
* How we can best use any influence we have to drive improvements?

We want to take practical steps that will support responsible procurement within our supply chains in ways that make sense within a university context. Mapping supply chains may be the right response for a car manufacturer, but we need to determine our own approach.

## What we can do

We can communicate clearly and consistently that supply chain scrutiny is important to us.

We can ask more challenging questions of our suppliers

We can ask questions at the times they can have the most impact

We can ensure we follow-up questions with a robust supplier review process

We can work collectively as a sector to communicate to our suppliers that we are looking to improve their approaches to supplier scrutiny.

## Our commitments in practical terms

By working together on this project, we identified that TUCO and University of Manchester take very different approaches to utilising supplier evaluation questions. Inputs from other sector peers undertaken as part of this project[[2]](#footnote-2) revealed significant supplier challenge in relation to supply chain scrutiny but no consistency of approach across the sector.

We also identified a desire by colleagues in the sector to develop a more consistent and robust approach.

Through HEPA and the Responsible Procurement Group we are sharing supplier assessment questions to support closer scrutiny of supply chains as well as improve consistency. This will help us communicate with a louder collective voice.

TUCO, on behalf of the sector, will be ensuring the sector is both represented and contributing to global efforts to improve supply chain transparency in relation to the highest risk ingredients (such as palm oil) through their relationship with RSPO.

## Our next steps

TUCO:

* Total supplier engagement with sustainability through the NETpositive Supplier Engagement Tool (currently 60%) is a stated target
* Embedding sustainability to a product level across all frameworks is a priority for our framework managers
* Providing research and insights that build the capacity of our membership is central to our approach
* Pro-active leadership using our profile to lead the way ensures we support progress on emerging issues such as Palm oil or disposable plastics

University of Manchester:

* Our category management approach embeds supply chain management at a commodity level meaning that we have commodity specialists managing risks and exploring opportunities with contracted suppliers throughout the procurement process
* Our commitment to supplier development takes a pro-active approach to ensuring we support suppliers to understand our values and help us deliver against our responsible procurement ambitions
* Our transparent approach to Responsible Procurement continues to demonstrate sector leadership, we share our journey with peers and take opportunities to learn from others
* Our role within the Greater Manchester region continues to develop and we are committed to using our scale, scope and profile to contribute locally to the Modern Slavery agenda

Joint commitments:

* We will continue to build on this activity by convening a group of supporters (sector organisations and suppliers) who have expressed an interest in further collaboration as part of this project.
* Learning from this project will be used to inform future projects which continue to raise the profile of supply chain transparency, especially in high-risk categories such as construction and catering.

## Our call to action

We are sharing our experiences to be transparent about the challenges of ensuring a responsible Higher Education supply chain. The scale of the challenge is such that progress will not be done quickly, easily or in isolation.

This project reflected the collective ambitions of the University of Manchester and TUCO teams to have ***positive impact*** that would result in greater supply chain transparency, to use our influence to stimulate more sustainable practices.

We would invite sector peers to join us, to share their own approaches and help us respond to the challenges of supply chain management with a collective voice.

Information about how to find out more (or get involved) with the Responsible Procurement Group can be accessed via the [HEPA webpages](https://www.hepa.ac.uk/Login?p=/resources/responsible-proc/). Information about the work of the TUCO sustainability Group can be found [here](https://www.tuco.ac.uk/buy/sustainability/sustainability-groups).

1. In terms of their sustainability activity [↑](#footnote-ref-1)
2. Thanks to NUS and NWUPC for sharing their supplier evaluation approaches and questions [↑](#footnote-ref-2)