



Executive Roundtable Summary

Supply Chain Collaboration for Sustainability

Madrid, October 1-2, 2025



Background

Supply chains account for a substantial share of most companies' environmental and social footprint, making decisive action essential for businesses to drive meaningful change and meet sustainability goals. As stakeholder expectations rise and capabilities to assess supplier impact improve, the need for greater transparency, collaboration, and supplier engagement has never been more critical.

This Executive Roundtable convened senior sustainability and supply chain leaders to explore how global companies can effectively cascade sustainability goals throughout their value chains, assess risks and opportunities with suppliers, strengthen supplier responsiveness to critical data requests, and collaborate on innovative products.

Through candid, solutions-oriented discussions, the event provided the opportunity to openly consider approaches and best practices in supplier collaboration under the Chatham House Rule with 30 sustainability and procurement executives. Tandem Global thanks CRH for sponsoring the event.

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Sponsor

CRH

Moderators

AECOM: Robert Spencer
CRH: Martyn Kenny
Magna: Ahmed ElGanzouri
Scope 3 Peer Group: Nancy Gillis
Supply Chain Sustainability School:
Ian Heptonstall
Tandem Global: Anna Willingshofer,
Frank Werner

Speakers

ACCIONA: Blanca Martínez Cardoso
Acerinox: Deniza Puce
Ball Corporation: Ramòn Arratia
BASF: Christoph Jaekel
Global Reporting Initiative: Cristina Gil White
Grupo México: Luigi Manyà
Iberdrola: Ramón Zumarraga
Magna: Ahmed ElGanzouri
Repsol: José Ignacio Botello
Roche: José Jiménez Iglesias
Scope 3 Peer Group: Nancy Gillis
Schneider Electric: Raquel Espada Martín
Supply Chain Sustainability School:
Ian Heptonstall
TECNALIA: Iñigo Vegas Ramiro

Key Points

1. **Successful collaboration in supply chains requires a shared understanding of challenges and a joint commitment to address them.** This approach leads to trusted and efficient communication, reduces costs and inspires innovative solutions. Customers who share suppliers must distinguish areas of competition from opportunities for collaboration. Working together to strengthen the supply chain around common goals and reporting frameworks has proven highly valuable, while still allowing healthy competition in how to collect the data from individual suppliers and how to engage with them to achieve objectives.

The importance of achieving critical mass on shared goals cannot be overstated. Efforts should aim for *depth* (engagement across multiple tiers of the supply chain) and *width* (engagement with many suppliers across the Tiers). Companies can support their direct suppliers in assessing the capabilities of Tier 2 and 3 suppliers against strategic pillars. Every company in the supply chain that matches these criteria should be provided with tailored action and learning plans to build knowledge and capabilities. To build more width, Tier 1 suppliers with multiple customers can share insights across customers and spread knowledge on how to assess more of their suppliers on their adherence to shared goals and their use common tools

Consistency in messaging and persistence in engagement are crucial for these collaborations to be successful. As change is often uncomfortable for suppliers, transparency and approachability are essential. Collaborative platforms, such as the chemical industry's *Together for Sustainability initiative*, provide guidance and digital solutions, reducing costs and scaling engagement. Another innovative approach shared by participants involves scaling supplier engagement methodologies. One company licensed its methodology for working with suppliers to IT companies, following a successful pilot. Once licensed, the IT companies can more easily promote it and support its implementation as a preferred standard across the industry, enabling wider adoption and greater impact.

Barriers to collaboration include misconceptions that joint action shouldn't be done for competitive reasons or is too costly. Roundtable participants emphasized that dialog generally leads to improved practices and innovation, making all participants more valuable within the value chain. Communication gaps, for example, may prevent suppliers from understanding opportunities such as premiums for greener products. Procurement and marketing teams must align. Procurement must integrate sustainability value into negotiations, while marketing communicates these opportunities externally. Collaborative platforms help managers to understand where markets are moving and what else to consider when prices are negotiated. The important question is not whether to collaborate, but which platforms best meet a company's needs.

2. **Global companies have built robust internal structures to organize sustainability within their supplier networks.** Procurement teams often have experts dedicated to fully understanding sustainability teams' expectations. Advanced organizations provide performance-based incentives for procurement teams tied to supplier sustainability outcomes. Dual dashboards are an effective tool: internal dashboards track sustainable procurement progress for buyers, while external dashboards allow suppliers to benchmark their own sustainability performance. These tools enhance transparency and accountability.

Companies earlier in their journey invest in training procurement teams on sustainability, by providing workshops on how to review suppliers' CO₂ emissions, safety and health issues, staff diversity, and action planning. Top-level buy-in, particularly from CEOs and CPOs, is critical to signal sustainability as core to business performance. Aligning sustainability expectations with existing processes and integrating stakeholder perspectives into board reporting strengthens commitment.

Clear delineation of responsibilities between sustainability and procurement teams is essential. While sustainability managers are responsible for defining and driving strategy, procurement managers play a critical role in implementing those strategies with suppliers. It's important to note that procurement teams are often hesitant to ask suppliers to absorb the costs of sustainability action plans. They generally support the initiatives but prefer that their own company bear the expenses. The same applies to requests for detailed supplier information across multiple tiers of the supply chain—procurement teams at global companies often choose to invest in centralized databases that track multi-tier supplier data and can be accessed at no cost by authorized participants throughout the supply chain.

While cost is a consideration when working with supply chains, it is not the primary challenge. The greater difficulty lies in implementing change management, as smaller suppliers are often unfamiliar with measuring sustainability data or setting goals that initially appear unrelated to product quality or pricing. Achieving progress therefore requires clear explanation, constructive pressure, and strong interpersonal skills from procurement managers, who serve as both business partners and change agents.

3. **Impact Assessment in Value Chains depends increasingly on tools that make data comparable and on leveraging Artificial Intelligence (AI).** AI is the easiest, fastest, and most cost-efficient way to collect data from Annual Reports, specialized databases (e.g. CDP), and internal surveys, as it helps to extract, combine and compare data. However, while this is currently true for quantifiable data, AI is not a primary choice for the collection of qualitative data, especially if the metrics are business relevant. It is the responsibility of sustainability champions on procurement teams to ensure AI-generated data is verified, comparable, aligned with industry standards, feeds into an accessible tool, and supports goal setting and action plans.

Action plans and training programs for suppliers are priorities once a good map of supplier performance is available. They must be tailored to supplier context, understanding the product, the jurisdiction and specific sustainability risks related to human rights, water use, and biodiversity in certain locations. Customers have options when suppliers are slow to improve, including transparent benchmarking against competitors or linking potential business expansion to performance improvement.

- When multiple suppliers deliver the same product, the customer may be transparent about the performance of competitors (without mentioning competitors) to demonstrate independence and signal the option to move business to another supplier, if necessary.
- For a single key supplier with a strong market position, the customer can communicate increasing demand for the product, with clear expectations that continued or expanded business is contingent on the suppliers' improved sustainability performance.

- Digital data twin tools that map entire supply chains can identify opportunities to redesign products, which help to avoid materials or processes that present sustainability challenges.

For companies that are beginning value-chain impact assessments, starting with a minimum of 20-30 key suppliers can be an effective approach. These assessments should focus on analyzing the data relevant to processes and strategy and feed them into a dashboard. When supplier audits are conducted by sustainability experts, the purchasers responsible for this customer should be involved.

4. **Empowering Supplier Responsiveness to Critical Data Requests and Common Metrics requires well communicated expectations, tools and training.** Suppliers should recognize that data requests are largely driven by investor expectations to reduce risk and identify opportunities. For this reason, supplier leadership should understand that active collaboration and effective implementation of sustainability practices across the value chain directly influence how investors assess risk and opportunity within that chain. Customers, in turn, should reassure their smaller suppliers (SMEs) that they are not expected to invest in data collection systems, as the customer will provide an appropriate tool to facilitate this process. Roundtable participants emphasized that funding supplier engagement is a sound investment—companies that take these actions tend to earn greater investor confidence and financial stability.

Best practices include:

- Starting with bold ambitions but small achievable steps for suppliers
- Prioritizing action over perfection
- Listening to supplier feedback
- Investing resources, tools, and time

Collaborating with peers who share the same suppliers can reduce costs and facilitate progress. Such collaborations among customers create additional incentives for suppliers to act quickly and deliver results, as a larger share of their revenue is tied to meeting these expectations. However, supplier confidentiality and data protection remain critical.

An important aspect of engaging lower-performing suppliers—beyond providing training on emissions calculations, data verification, and use of the provided tools—is motivating improvement through transparency about market trends and clear communication of customer expectations. In contrast, top-performing suppliers should be encouraged to collaborate more strategically with customers to enhance the sustainability of the products themselves. In both cases the design of a training program is critical because if not well thought out or planned, suppliers tend to turn away from it.

Ongoing evaluation of the efficacy of the training is also key. Participants stated that supplier training can be challenging, however worthwhile for the gains in efficiency, productivity, and reputation, and the reduction of risks.

5. **Companies with significant Scope 3 emissions depend on suppliers' progress to meet company goals.** Mandatory disclosure schemes (e.g. CSRD) create transparency and enable action plans with suppliers, while standards like those of the Global Reporting Initiative (GRI) are helpful as they capture the essence of challenges. GRI's new focused [GRI Climate Standard](#) provides guidance for suppliers and customers alike about how to communicate direct and indirect emissions in the most informative way.

Engagement practices often include communicating Greenhouse Gas (GHG) reduction goals and offering training and tools. Less common is an understanding of suppliers' local conditions as well as investments in capacity building. Specific collaboration on these aspects is crucial and very effective to ensure supplying companies who are not currently pressured by financial markets or customers implement CO₂ reductions effectively.

Multiple strategies exist to drive Scope 3 reductions aligned with corporate targets. Some companies are working with suppliers to develop products that are less dependent on fossil fuels, which can eventually replace older GHG intensive products (e.g. engines that work with Sustainable Aviation Fuels (SAF); steel produced with green hydrogen). Others are co-developing products with less carbon embedded or helping suppliers implement new production methods and innovative materials. In addition, companies are requesting suppliers provide preferred access to available low-carbon solutions, such as sourcing power exclusively from renewable energy sources for their production.

6. Supply chain partnerships are key to developing innovative, more sustainable products.

Two types of collaboration were observed:

1. Some companies have collaborated with peers in their industry to sponsor programs. These are available to suppliers who want to get a better understanding of what their customers need in order to achieve their sustainability goals, and who are interested in education, expert guidance, and market intelligence.
2. Other collaborations are taking place directly with individual suppliers (also see section #5 above) to design more sustainable products (e.g. a mono-material, fully recyclable seat for vehicles, bio-based materials), often combined with a premium on prices while the product is new and yet to scale. Several roundtable participants mentioned that suppliers must not be asked to report their cost savings through innovation (to avoid risking the supplier's trust that they will not be asked to reduce prices).

To prepare for suppliers' discussions, it is essential to anticipate future technologies and supply chain developments. Engaging sub-suppliers and considering regional approaches can provide valuable insights. Furthermore, sustainability leaders are encouraged to consult with design experts regularly and include them in supplier meetings, enabling direct discussions on specific aspects of innovative products.

Key aspects that Roundtable participants emphasized:

- **Collaboration pays off**—investors and business partners value these efforts as a source of business stability and long-term resilience.
- **Be bold but start small**—begin with achievable steps that favor action and momentum over perfection.
- **Empower suppliers as partners**—they are essential to delivering on sustainability commitments and should be supported through respect, training, tools, and incentivized-based approaches that foster innovation and transparency.

Related Tandem Global Executive Roundtable Summaries

01/2024: [Taking Biodiversity Seriously Across Corporate Value Chains: Requirements and Standards](#)

01/2021: [How Companies are addressing Labor and other Human Rights Risks in their Supply Chains](#)

11/2014: [Transformational Collaboration in Sustainable Supply Chain Management](#)

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